

REGISTERED CHARITY NUMBER: 1175085

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH 2021
FOR
ADFERIAD RECOVERY**

Williams Denton Cyf
Chartered Certified Accountants
13 Trinity Square
Llandudno
United Kingdom
CONWY
LL30 2RB

ADFERIAD RECOVERY

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FOR THE YEAR ENDED 31 MARCH 2021**

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ADFERIAD RECOVERY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The Trustees of Adferiad Recovery present their annual report and the audited financial statements of the Charity for the year ended 31 March 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1175085

Principal address

36 Princes Drive
Colwyn Bay
CONWY
LL29 8LA

Trustees

C E Wolfendale
Mrs L Bennoch
A H Thomas
Ms C Nowell
S P Green
R L Hancock
S A Jones
K J Ozzati

Independent examiner

Williams Denton Cyf
Chartered Certified Accountants
13 Trinity Square
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United Kingdom
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COMMENCEMENT OF ACTIVITIES

Adferiad Recovery is a Charitable Incorporated Company (Registered Charity Number 1175085) initially set up by CAIS and Hafal, two well respected and influential charities in Wales, to help address the challenges faced by people who have a range of difficulties including (but not limited to) mental health and substance use. Adferiad Recovery was set up as part of a rescue of the well-respected but struggling charity Inroads Cardiff Street Drugs Project (Registered Charity number 1055701). In April 2019, well respected charity WCADA formally joined Adferiad Recovery.

Registered Office and Head Office:

36 Princes Drive
Colwyn Bay
LL29 8LA

The project has delivered social care services to some of the most vulnerable people in the Riverside area of Cardiff for many years and following the loss of a major contract, the Charity had become at risk of dissolution. CAIS and Hafal as providers in Cardiff felt that this would result in a further reduction in local services so developed a plan to rescue Inroads and to further develop services which focus on the needs of an individual rather than a condition based model.

ADFERIAD RECOVERY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

Adferiad Recovery operates as a single Charity with up to eighteen Trustees. The Trustees are the subscribers to the Memorandum and serve for terms of up to three years following either election or co-option.

Adferiad Recovery is managed by its Trustees who meet four times a year for that purpose. The majority of Trustees are nominated and elected by the Charity's Founding Members. Training for Trustees is provided both internally by the Training and Development teams of the partner Charities and externally through accessing information from Blake Morgan LLP, the Charity Commission, Companies House and other relevant organisations. Trustees receive an Induction Pack which includes Adferiad Recovery's Articles of Association, Adferiad Recovery's core aims and objectives, and Charity Commission publications relating to Trustees' roles and responsibilities.

A formal system of delegation of authority is in place enabling the day-to-day running of the Charity by executive officers with reference as required to the Chair and Secretary. During 20/21 a Director led the day-to-day operation of the Charity supported by the Principal Executive.

In addition to the Head Office in Llandudno, Adferiad Recovery has a Wellbeing Centre in Cardiff and a Centre under development in Pentre, Rhondda Cynon Taf.

Risk management

Adferiad Recovery's Trustees have agreed an updated General Statement of Policy under the Health & Safety at Work Act 1974. Adferiad Recovery has also assessed risk in relation to business and financial management and incorporated safeguards in the Financial Regulations and Delegated Authorities and Financial Standing Orders which were reviewed and updated in 2020/21 by the Trustees. During the year Trustees reviewed Adferiad Recovery's corporate risk assessment which addressed the major risks to which the Charity could be exposed, and a Corporate Risk Register was reviewed by Trustees on a quarterly basis.

Adferiad Recovery's Board of Trustees along with the Director and Principal Executive scrutinises Health & Safety matters. Adferiad Recovery utilises the skills and resources of partner Hafal and Hafal's Health and Safety expert Amanda Trimble to provide specialist support and advice on Health & Safety processes and procedures with the aim of continuing to work in line with the Health and Safety.

ADFERIAD RECOVERY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the CIO are for the public benefit throughout England and Wales to provide relief and support to people of any age who are in need due to illness or disability, and their families, relatives and carers, including in particular those affected by issues relating to mental health and substance abuse.

To further its objects, the Charity will:

"undertake research and education as to the causes, consequences and management of illness, mental health, substance abuse or disability;

"provide advice and assistance in the field of mental health, disability and welfare and to provide advice, information, counselling and support for people suffering from or concerned with the effect of substance abuse for the relief or distress, sickness caused thereby;

The Charity provides a range of services through local projects and groups, supported by volunteers together with staff employed in operational roles. Adferiad Recovery's charitable activities are all undertaken to further its charitable purposes for the public benefit. The guidance contained in the Charity Commission's general guidance on public benefit has been referred to when reviewing Adferiad Recovery's aims and objectives and in planning future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives they have set.

To oversee the future direction and growth of the organisation, Lisa Shipton was recruited as the new Adferiad Director in June 2019. The staff of Living Room Cardiff and the services have moved from their previous home in Richmond Road, to join the staff at Neville Street, Cardiff.

Adferiad Recovery was officially launched in both Cardiff and Llanrwst during 2019 and WCADA joined CAIS and Hafal as a supporting partner to Adferiad.

During the financial year, Adferiad supported circa 400 service users, with people accessing a range of counselling, groupwork and activity-based provision. Due to the impact of the COVID-19 pandemic support services were offered online, via phone, and face to face when possible. A hot food provision was also set up to support those who are most vulnerable.

In addition to the activities held at Neville Street, the Appropriate Adult Service (North Wales) continued to be delivered by Adferiad. Activities were also delivered through the Youth Justice Service in Cardiff and Vale. This contract has been extended to end of June 2022, with an agreed uplift.

A significant donation received in 2019 from TEDS and their gifted building in Pentre will allow new services to be developed in Rhondda Cynon Taf area. Significant refurbishment has been carried out at the building in preparation for its use.

ADFERIAD RECOVERY

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

During 2020/2021 the Charity delivered services in Cardiff from the Inroads property in Neville Street and provided support through counselling, drop-in, advice and recovery focussed interventions. Additionally, Adferiad also delivered the Appropriate Adult Service for North Wales Police (much of this service was delivered by partners on behalf of Adferiad).

Funding for these services came from NWSSP On Behalf of Cardiff and Value University Health Board- for the Youth Justice Service workers, the North Wales Police and Crime Commissioner for the Appropriate Adult service, as well as a number of COVID-19 emergency grants from Tesco, Communities Foundation in Wales, Clothworkers Foundation, Morrisons Foundation, Homelessness Response Fund, WCVA Volunteers Emergency Fund, LandAid Emergency Fund, and MIND Coronavirus Mental Health Response Fund. Adferiad Recovery also received a grant from the Lloyds Bank Foundation.

Employees

During 2020/2021 Adferiad Recovery employed approximately nine full and part-time staff across Wales. Consistent policies and procedures on pay and conditions apply to all staff. During the year the Charity communicated and consulted regularly with its employees via regular staff meetings.

Improvements to the Neville Street premises took place in 2020, with new IT and telecoms infrastructure being introduced, as well as some general decorating to improve the building.

FINANCIAL REVIEW

Opening Statement

The Charity performed well during the second year of operation. The business of the Charity substantially depends on commissioned work in local areas and the Charity continues to seek funding from other sources so as to mitigate the effects of austerity and cuts to public sector funding. The Charity also continues to develop fund-raising from other sources. The Charity does not engage any professional fundraising agencies or employ any direct marketing campaigns; should this change in the future. Trustees will ensure that an ethical fundraising policy is adopted and adhered to. During 2020/2021 work was carried out to develop Adferiad Recovery's fundraising policy.

Reserves policy

Adferiad Recovery's Trustees aim to secure a safe level of uncommitted general reserves equivalent to between three- and six-months operating costs of the Charity in addition to reserves committed by Trustees to specific purposes. The reserves are required to meet the working capital requirements of the Charity and the Trustees are confident that at this level they would be able to sustain the current activities in the event of a significant reduction to funding.

The present amount of total reserves is £278,466. Although the strategy is to continue to build reserves, the Trustees are aware that a level equivalent to between three- and six-months operating costs of the Charity will not be achieved for some time. Trustees have also considered the extent to which existing activities and expenditure could be curtailed, should such circumstances arise.

Investment policy and objectives

Adferiad Recovery's Trustees have an agreed low risk Investment Policy. The Trustees have agreed to invest funds in interest-bearing accounts with the Charity's bankers. Income from interest amounted to £0 for 2020/21.

FUTURE DEVELOPMENTS

Adferiad Recovery has now become part of the merged organisation Adferiad Recovery Charity and Company Limited by Guarantee (Charity number 1039386, Company number 2751104). Adferiad Recovery is committed to working in partnership to maximise the opportunities for people who need our help. We will continue to seek out new partners and also to build on existing relationships where we may make more of shared resources and back-office functions to maximise the funds available to provide direct support. It is in no small measure that this approach has led us to the full merger and the genesis of Adferiad Recovery. The new Charity will set out plans for the years to come but these plans will include further development of its work undertaken in 2020/2021 with young people and those in contact with the criminal justice system. There will be an increase in the involvement with Cardiff and Value Area Planning Board, in the consultation regarding future commissioning of services.

ADFERIAD RECOVERY

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

Approved by order of the board of trustees on 6 October 2021 and signed on its behalf by:

C E Wolfendale - Trustee

A handwritten signature in black ink, appearing to be 'C E Wolfendale', written over a horizontal line.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF ADFERIAD RECOVERY

I report on the accounts for the year ended 31 March 2021, which are set out on pages seven to twelve.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I have examined your charity's accounts as required under section 145 of the Charities Act 2011 ('the Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

My role is to state whether any material matters have come to my attention giving me cause to believe:

1. that accounting records were not kept as required by section 130 of the Act; or
2. that the accounts do not accord with those records; or
3. that the accounts do not comply with the accounting requirements of the Act; or
4. that there is further information needed for a proper understanding of the accounts.

Independent examiner's statement

I have completed my examination and have no concerns in respect of the matters (1) to (4) listed above and, in connection with following the Directions of the Charity Commission I have found no matters that require drawing to your attention.



Mr Martin Barrett
Williams Denton Cyf
Chartered Certified Accountants
13 Trinity Square
Llandudno
United Kingdom
CONWY
LL30 2RB

6 October 2021

ADFERIAD RECOVERY**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 Unrestricted fund £	2020 Total funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income		186,301	363,204
Incoming resources from charitable activities			
General		108,833	108,448
Total incoming resources		295,134	471,652
 RESOURCES EXPENDED			
Charitable activities			
General		265,573	337,626
Governance costs		11,640	24,406
Total resources expended		277,213	362,032
 NET INCOMING RESOURCES		 17,921	 109,620
 RECONCILIATION OF FUNDS			
Total funds brought forward		260,545	150,925
 TOTAL FUNDS CARRIED FORWARD		 278,466	 260,545

The notes form part of these financial statements

ADFERIAD RECOVERY

BALANCE SHEET AT 31 MARCH 2021

		2021 Unrestricted fund £	2020 Total funds £
FIXED ASSETS	Notes		
Tangible assets	4	430,753	439,791
CURRENT ASSETS			
Debtors	5	36,688	35,279
Cash at bank and in hand		219,648	304,220
		<u>256,336</u>	<u>339,499</u>
CREDITORS			
Amounts falling due within one year	6	(233,625)	(343,747)
NET CURRENT ASSETS/(LIABILITIES)		<u>22,711</u>	<u>(4,248)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>453,464</u>	<u>435,543</u>
CREDITORS			
Amounts falling due after more than one year	7	(174,998)	(174,998)
NET ASSETS		<u>278,466</u>	<u>260,545</u>
FUNDS	8		
Unrestricted funds		278,466	260,545
TOTAL FUNDS		<u>278,466</u>	<u>260,545</u>

The financial statements were approved by the Board of Trustees on 6 October 2021 and were signed on its behalf by:

C E Wolfendale -Trustee



The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Charities Act 2011 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
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Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

ADFERIAD RECOVERY**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2021****3. STAFF COSTS**

	2021	2020
	£	£
Wages and salaries	174,721	186,744
Other pension costs	-	800
	<u>174,721</u>	<u>187,544</u>

The average monthly number of employees during the year was as follows:

	2021	2020
	8	9
Employees	<u>8</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

4. TANGIBLE FIXED ASSETS

	Freehold property £
COST	
At 1 April 2020 and 31 March 2021	<u>492,522</u>
DEPRECIATION	
At 1 April 2020	52,731
Charge for year	<u>9,038</u>
At 31 March 2021	<u>61,769</u>
NET BOOK VALUE	
At 31 March 2021	<u>430,753</u>
At 31 March 2020	<u>439,791</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	35,023	27,644
Other debtors	1,665	7,635
	<u>36,688</u>	<u>35,279</u>

ADFERIAD RECOVERY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	4,573	216,403
Taxation and social security	3,644	3,480
Other creditors	225,408	123,864
	<u>233,625</u>	<u>343,747</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Other creditors	<u>174,998</u>	<u>174,998</u>

8. MOVEMENT IN FUNDS

	At 1.4.20	Net movement in funds	At 31.3.21
	£	£	£
Unrestricted funds			
General fund	260,545	17,921	278,466
TOTAL FUNDS	<u>260,545</u>	<u>17,921</u>	<u>278,466</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	295,134	(277,213)	17,921
TOTAL FUNDS	<u>295,134</u>	<u>(277,213)</u>	<u>17,921</u>

Comparatives for movement in funds

	At 1.4.19	Net movement in funds	At 31.3.20
	£	£	£
Unrestricted Funds			
General fund	150,925	109,620	260,545
TOTAL FUNDS	<u>150,925</u>	<u>109,620</u>	<u>260,545</u>

ADFERIAD RECOVERY

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31 MARCH 2021

8. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	471,652	(362,032)	109,620
TOTAL FUNDS	<u>471,652</u>	<u>(362,032)</u>	<u>109,620</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	150,925	127,541	278,466
TOTAL FUNDS	<u>150,925</u>	<u>127,541</u>	<u>278,466</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	766,786	(639,245)	127,541
TOTAL FUNDS	<u>766,786</u>	<u>(639,245)</u>	<u>127,541</u>