



Annual Report and Accounts

Year Ended 30 June 2021

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For Year Ended 30 June 2021**

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Company registration number
2930456

Registered charity number
1041855

Trustees

Chair: Mr B Rose

Mr R Ackerman

Ms S Cook

Mrs J A Firman (resigned 1st

November 2020)

Ms A Kalombodza (appointed 18th

January 2021)

Ms N Mills-Robertson (appointed 18th

January 2021)

Mr A W C (Tony) Morgan (resigned

18th January 2021)

Mr C Murray (Appointed 24th April

2021)

Mr M Parton (appointed 18th January

2021)

Professor M G Wolff (resigned 18th

January 2021)

Mr D Woolley

Independent Examiner

Mr R Hammond FCA

Haines Watts, First Floor, Woburn

Court, Bedford, MK42 7PN

Chief Executive Officer

Ms E Garraway

Management Executive Team

Ms E Garraway

Ms A Asantewa

Ms A Barradell

Mr M Charley

Mr J Down

Company Secretary

Mr J Down

Registered address

The Old Warehouse, 31 Upper King

Street, Royston, SG8 9AZ

Solicitors

Harbottle & Lewis, Hanover House, 41

Hanover Square, London, W1R 0BE

Bankers

HSBC UK Bank Plc, 55 Corporation

Street, Coventry, CV1 1GX

Report of the Trustees

The trustees present their annual report and financial statements of the charity for the year ended 30 June 2021. The trustees have adopted the provisions of the Statement of Recommended Practice for accounting and reporting by charities (in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preparing the annual report and financial statements of the charity.

Status and administration

The Charity was originally registered with the Charity Commission by Trust Deed in May 1991 under registration number 1041855. On 31 January 1995, it was wound up and reconstituted on 1 February 1995 as a company limited by guarantee, governed by its Memorandum and Articles of Association. The company registration number is 2930456.

The charity changed its name from "Youth at Risk (UK)" to "Grit: Breakthrough Programmes" with Companies House on the 9th June 2017 and with the Charity Commission on 10th August 2017.

Object of the charity

The principal activity of the charity is to advance the social education of young people who are deemed to be at risk either from physical, mental or sexual abuse, drug or other substance abuse, criminal activity, poverty, homelessness, unemployment or illiteracy; to help them improve their

condition and thereby become useful members of society.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year and are satisfied that the charity is in compliance.

The trustees of Grit who served during the year were:

Chairman: Mr B Rose

Mr R Ackerman

Ms S Cook

Mrs J A Firman (resigned 1st November 2020)

Ms A Kalombodza (appointed 18th January 2021)

Ms N Mills-Robertson (appointed 18th January 2021)

Mr A W C (Tony) Morgan (resigned 18th January 2021)

Mr C Murray (Appointed 24th April 2021)

Mr M Parton (appointed 18th January 2021)

Professor M G Wolff (resigned 18th January 2021)

Mr D Woolley

The day to day running of the organisation is delegated to the CEO, Ellie Garraway.

A word from the CEO

This has been an extraordinary year for Grit. We have had to be our most creative, most agile, most optimistic and resilient – and those qualities have produced some outstanding results. We have exceeded our targets, reaching significantly more young people and adults than expected, whilst reinventing our model for digital platforms and redesigning our volunteering offer. The organisation has maintained the quality of delivery and results amidst significant change and we emerge feeling stronger, more flexible and with a real clarity of focus.

Appetite for our work has grown. We have greater demand from our growing number of university partners and we are immensely proud of the reputation and evidence-base we have built in this sector, demonstrating the difference our intervention makes in the lives and futures of those students from more challenging backgrounds. We have built exciting new partnerships this year with organisations who train youth professionals, we're really excited by the opportunity this gives us to broaden our impact. And in the year ahead we look to explore new ways to reach those more at-risk young people in communities that lie at the heart of the organisation's mission.

I am very proud of the work we have done during such difficult times, when staff, trustees and our wider network have suffered their own losses and endured huge challenges. I know that the transformation we create for our participants would not be possible if it wasn't for the extraordinary commitment and resilience of the Grit family. I look forward to a year of greater connection, getting 'back in the room' and continuing our organisational journey together.

Ellie Garraway, CEO

Review of 2020-21

Grit and Covid-19

This last year has seen Grit at its most resilient and determined. We've shown agility in converting our university work online; tenacity by inventing a digital coaching programme to support young people most impacted by the pandemic; renewed commitment in continuing to make a difference to young people's sense of belonging and the contribution they can make.

Over 2020/21 we worked directly with 2,569 young people, 40% more than our target. Through our work with professionals we indirectly impacted around 16,000 young people.

Digital delivery has challenged us to re-imagine what Grit can do and the way we do it. We have risen to that challenge. It is permanently changing the way we do business.

Grit Community Programmes

We recruited almost 200 volunteer Digital Coaches to support vulnerable young people to navigate their way through Covid-19.

What they have helped the young people achieve has been truly startling: more than 80% of young people reported increased sense of belonging, reduced isolation and higher aspirations for their future post Covid.

For the young people, Grit has been a lifeline: *'It really helped me during lockdown. I felt a bit lost and confused when the national lockdown was announced but the programme really allowed me to get back on track.'*

Around half of the volunteers supporting young people in London come from elsewhere in the UK (including Scotland and Northern Ireland). We are beginning to really maximise the potential of our coaching network.

Grit in Universities

As the university experience went online Grit responded so we could continue to support and connect students through very challenging times.

We developed and expanded our offer: flexible delivery of our Foundation Years, Undergraduate and Personal Tutor workshops; work with year 12 and 13 students transitioning to university; training student advocates and mentors; evolving our Black Student Leadership Programme and our work on employability.

We have grown contracts with existing clients, had clients from previous years coming back to work with us again and developed programmes in seven universities new to Grit.

90%+ of university student participants say our programmes are good or excellent and we continued to amass evidence of long-term impact. At the University of Westminster, for example, in the last four years, of participants on Grit programmes

- 17% more level 3 students progressed
- 14% more mature students progressed

As one student put it, *'Grit helped me find the resilience to keep on going when I feel like giving it all up. I had*

the power in me all along. It just took Grit to bring it out.'

Grit's work with professionals

The year saw us consolidate our partnership with Signs of Safety, an international provider of safeguarding programmes, and pilot delivery with the *Staff College*, the leadership and development agency for local authorities. These are significant milestones towards our objective of creating systemic transformation in the way services are delivered for young people.

We worked with 747 adults in local authorities, schools, universities, colleges and other charities - 16% more than our target for the year. We continue to make a real difference. An Assistant Principal at an FE College described how, *'Grit was received enormously positively by our staff, both at the personal and professional level – so much so that we have commissioned more workshops for 2021! The coaching approach has been incredibly helpful, in particular in supporting students during Covid lockdown.'*

Quality

We are committed to providing an experience of excellence in delivery unparalleled in the sector. Digital delivery has driven a substantial upgrading of our evaluation systems. We have now largely automated the data collection and reporting processes and we have improved our measurement and monitoring of programme quality and participant satisfaction.

Communications

Increased awareness of who we are and what we do helps fulfil our mission: to give more young people, across more institutions and organisations, a Grit experience.

We delivered on our marketing strategy: honed our messaging; developed a social media presence that has begun to pay dividends around networking; published several pieces in highly reputable and well-read blogs; and built a library of powerful case studies and new films that really demonstrate the power of our work.

People

We are building a strong foundation of supporters to help broaden the impact of Grit across a greater spectrum of organisations.

We have a new Chair of Trustees - Ben Rose, co-founder and trustee since 1991. We refreshed our Board with: an innovator and leader in Higher Education; a senior leader with experience from a number of FTSE 500 telecoms companies; the CEO of a young people's charity in Brent; and two recent programme participants.

And we brought in four new sector experts and leaders to our 16-strong Advisory Board.

Participant Voice

The move online has seen ex-participants work with us in new and creative ways: with recruitment and enrolment; as coaches and co-facilitators; with online workshop design and post-workshop support; and bringing lived experience as Grit Trustees.

Their insight and support helps us design, market and deliver programmes that speak to young people now. Grit is becoming a charity driven and guided by the expertise of the young people we help.

Business Development

We continue to build financial stability and sustainability. We have a diverse funding base: this year 62% of our funding came from traded income (sales to universities, colleges, schools and local authorities); 38% from grant making trusts and donations.

We generated sufficient surplus to boost our reserves and, as of June 2021 have already secured 56% of income for 2021/2. As we emerge from Covid Grit is in excellent shape.

Looking ahead to 2021-22

Our strategy for 2019-22 focuses on consolidating Grit's position, continuing to grow both impact and organisation whilst protecting the quality of delivery. This year, because

of the pandemic, our efforts have been directed at the higher education market where demand remains strong. We have been building a base from which we can explore our other delivery strands in the coming year.

We will continue to pilot collaborative partnership working with, among others, Signs of Safety, the Staff College, Police Now and local authorities, exploring ways to embed our work as an ingredient within a wider training programme.

We remain passionate about finding new ways to work with the most at risk young people. As the sectors we work in adjust to the post-pandemic 'new normal' we will explore more partnerships with FE colleges and additional programmes with current clients to pilot different approaches.

And we remain committed to putting the voice of young people at the heart of all we do. We will begin to build our Youth Coaches/Youth Leaders programme designed to support the delivery of University and FE programmes.

Financial Review

2020/21 saw a continuation of investment into the development of the charity and its new strategy, designed to keep it proficient in the ever-changing political environment and economic conditions.

At the outbreak of the pandemic the charity made cuts to the staff team to create a buffer against the expected drop-off in business. However, while we did experience a fall in income it was far less than predicted. These cuts, combined with a systematic review of all outgoings meant that the charity was able to make a significant contribution to unrestricted reserves of £219,000 for the year, well in excess of the planned £37,000.

Trustees recognise that this result is an excellent achievement in difficult circumstances. The more efficient cost-base paves the way for Grit to meet the planned 2021/22 target of £90,000 surplus, continuing the improvement of unrestricted reserves from the current level of £278,944.

We are continually reviewing resources against current and predicted activity levels and taking appropriate action to ensure they are in balance.

The charity wishes to thank all the funders who have supported it during the year. Particular thanks are, once again, due to the Julia & Hans Rausing Trust for its continuing support. We are also extremely grateful to the Henry Smith Charity, the Porticus Foundation, the William Wates Memorial Trust, the Charles Hayward Foundation, the EBM Charitable Trust, BBC Children in Need, the Greater London Authority, the Mayor of

London Young Londoners Fund, the City Bridge Trust, the National Lottery Fund Awards for All, the Postcode Neighbourhood Trust, the Octopus Foundation, and all the other trusts and foundations that have contributed to the charity and its programmes.

Particular thanks are also due to Eugene Jilg in addition to all the organisations and other individuals, especially the volunteers, who have supported Grit during the year.

Unrestricted reserves policy

Our policy remains to have unrestricted reserves of £300,000 – which equates to six months running costs. It is likely that we will exceed this target in the coming year. In 2021/22 the Trustees will carry out a full review of the policy in the light of the considerable ongoing uncertainties in the external environment.

Trustees Responsibilities

The trustees (who are also directors of Grit: Breakthrough Programmes for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP(FRS 102) issued in October 2019.
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records

that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information.

The directors are not aware of any relevant audit information of which the auditors are unaware.

On behalf of the Board



Mr B Rose

Trustee and Chair

Management, Structure and Governance

Organisational structure

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are also members of the company. The directors are the only members of the company.

Under the requirements of the Memorandum and Articles of Association one-third of the directors shall retire from office each year (on a length of service basis) and are eligible for re-election.

Once appointed, any necessary training needs for trustees are identified by the directors and appropriate training is organised.

The trustees have continued to monitor, on a quarterly basis (monthly for financial results and forecasts), the charity's activities, to ensure they are operated on a proper basis.

Management structures

The level of eight trustees is considered sufficient for the current needs of the charity but the matter is under continuous review.

The remuneration of key management personnel who are not trustees is recommended by the CEO and approved by the Chair of the Board of Trustees on behalf of the trustees.

Ben Rose, Chair of Grit, also chairs the Advisory Board who continue to be immensely supportive; the charity is

greatly indebted to each and every one of them. They actively support the charity both through individual counsel and their attendance at Advisory Board meetings. The members of the Advisory Board are:

Colleen Amos, co-founder and CEO of the Amos Bursary

Neil Basu, Assistant Commissioner, Metropolitan Police

Lord Blunkett, Member of the House of Lords and Former Home Secretary

Dr Christopher Day, medical General Practitioner

Sir Les Ebdon, CBE, DL, former Vice Chancellor of Bedfordshire University and former Director of the Office of Fair Access

Professor Sherria Hoskins, Executive Dean of the Faculty of Science and Health, University of Portsmouth

Amira Mansour, Senior Learning and Development Advisor, GAM Investments

Lord Mendelsohn, Member of the House of Lords International Relations and Defence Committee

Guy Morton, former Senior Partner, Freshfield Bruckhaus Deringer

Lord Neuberger, former President of the Supreme Court of the United Kingdom

Lord Phillips, former President of the Supreme Court of the United Kingdom

Lord Ramsbotham, GCB, CBE, former HM Chief Inspector of Prisons

Eunice Simmons, Vice-Chancellor and Principal at the University of Chester

Emily Sun, A leadership and strategy consultant, specialising in youth sector organisational development

Brigadier Simon Waddington, Director Global Plans, HQ Joint Operations Command, Australian Defence Force, Canberra

Dawn Warwick, former Director of Children's Services and social care specialist

charity that appropriate measures are in place to manage its exposure to risk.

Grit's Management Executive Team meets monthly.

Fundraising Statement

Grit's income comes from a mix of traded income (sales of programmes to universities, schools, FE Colleges and local authorities), trusts and foundations, the national lottery and donations from individual supporters. Donations are solicited by personal requests from senior staff, trustees and the Advisory Board. The charity carries out no fundraising with the general public, either in-house or third party.

Risk management

The charity maintains a Risk Register identifying high level risks. The register is used by the Management Executive to identify potential risks and put in place strategies to reduce or avoid negative impact.

The trustees continue to assess the major risks to which the charity is exposed including those related to its operations and finances.

The trustees are satisfied, having regard to the size and objects of the

Independent Examiner's Report to the Trustees of Grit: Breakthrough programmes

I report to the charity trustees on my examination of the accounts of the Company for the year ended 30 June 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 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.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Roger Hammond FCA
Haines Watts Accountants
First Floor, Woburn Court
2 Railton Road, Kempston
Bedford, MK42 7PN

Date: 12TH JAN 2022

Grit: Breakthrough Programmes (Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
For the Year Ended 30 June 2021

	Note s	Unrestrict ed Funds 2021 £	Restrict ed Funds 2021 £	Total 2021 £	Unrestrict ed Funds 2020 £	Restrict ed Funds 2020 £	Total 2020 £
Income and Endowments							
From							
Donations and legacies	(2)	75,496	50,000	125,496	11,898	301,411	313,309
Charitable activities	(2)	484,302	184,947	669,249	572,168	-	572,168
Investments & Other	(2)	54,051	-	54,051	39,355	-	39,355
Total Income and Endowments		613,849	234,947	848,796	623,421	301,411	924,832
Expenditure							
Raising Funds	(3)	-	-	-	-	-	-
Charitable activities	(3)	438,332	194,245	632,577	599,373	314,411	913,784
Other	(3)	6,300	-	6,300	8,000	-	8,000
Total Expenditure		444,632	194,245	638,877	607,373	314,411	921,784
Net income/(expenditure) for the year		169,217	40,702	209,919	16,048	(13,000)	3,048
Gross transfer between funds		50,000	(50,000)	-	-	-	-
Net movement in funds for the year		219,217	(9,298)	209,919	16,048	(13,000)	3,048
Fund balances b/fwd at 1 July		59,736	43,000	102,736	43,688	56,000	99,688
Fund balances c/fwd at 30 June		278,953	33,702	312,655	59,736	43,000	102,736

The notes form part of these financial statements

Grit: Breakthrough Programmes (Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
For the Year Ended 30 June 2021

Company number 0249135

		2021	2020
	Notes	£	£
FIXED ASSETS			
Fixed assets	(6)	4,265	4,403
Investments	(7)	-	-
		<u>4,265</u>	<u>4,403</u>
CURRENT ASSETS			
Debtors	(8)	38,414	71,033
Cash at bank		<u>439,550</u>	<u>139,331</u>
		477,964	210,364
CREDITORS			
Amounts falling due within one year	(9)	(169,574)	(112,031)
		<u>308,390</u>	<u>98,333</u>
NET CURRENT ASSETS			
		312,655	102,736
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>312,655</u>	<u>102,736</u>
NET ASSETS			
		<u>312,655</u>	<u>102,736</u>
FUNDS			
Unrestricted funds	(11)	278,953	59,736
Restricted funds	(11)	<u>33,702</u>	<u>43,000</u>
TOTAL FUNDS		<u>312,655</u>	<u>102,736</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

Grit: Breakthrough Programmes (Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
For the Year Ended 30 June 2021

Company number 0249135

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on6/01/22..... and were signed on its behalf by:


.....
Mr B Rose – Trustee and Chair

The notes form part of these financial statements

Grit: Breakthrough Programmes (Limited by Guarantee)**CHARITY BALANCE SHEET
For the Year Ended 30 June 2021****Company number 0249135**

		2021	2020
	Notes	£	£
FIXED ASSETS			
Fixed assets	(6)	4,265	4,403
Investments	(7)	<u>1</u>	<u>1</u>
		4,266	4,404
CURRENT ASSETS			
Debtors	(8)	39,039	71,653
Cash at bank		<u>439,550</u>	<u>139,331</u>
		478,589	210,981
CREDITORS			
Amounts falling due within one year	(9)	(169,574)	(112,031)
		<u>309,015</u>	<u>98,950</u>
NET CURRENT ASSETS			
		313,281	103,354
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>313,281</u>	<u>103,354</u>
NET ASSETS			
		<u>313,281</u>	<u>103,354</u>
FUNDS			
Unrestricted funds	(11)	279,579	60,354
Restricted funds	(11)	<u>33,702</u>	<u>43,000</u>
TOTAL FUNDS		<u>313,281</u>	<u>103,354</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2021 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

Grit: Breakthrough Programmes (Limited by Guarantee)

CHARITY BALANCE SHEET
For the Year Ended 30 June 2021

Company number 0249135

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on6/01/22..... and were signed on its behalf by:


.....
Mr B Rose – Trustee and Chair

The notes form part of these financial statements

Grit: Breakthrough Programmes**STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	(1)	302,103	(53,850)
Net cash From operating activities		<u>302,103</u>	<u>(53,850)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,912)	(1,688)
Interest received		28	698
Net cash from investing activities		<u>(1,884)</u>	<u>(990)</u>
Cash flows from financing activities			
Cash generated from operations		-	-
Net cash from financing activities		-	-
Increase/(Decrease) in cash and cash equivalents	(2)	300,219	(54,840)
Cash and cash equivalents at beginning of year		<u>139,331</u>	<u>194,171</u>
Cash and cash equivalents at end of year		<u>439,550</u>	<u>139,331</u>

The notes form part of these financial statements

Grit: Breakthrough Programmes (Limited by Guarantee)

**NOTES TO THE STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2021**

(1) Reconciliation of net income to cash generated from operations

	2021 £	202 £
Net income/(expenditure) for the year	209,924	3,048
Depreciation charges	2,051	2,523
Loss on disposal of fixed assets	-	-
Finance income	(28)	(698)
	<u>211,947</u>	<u>4,873</u>
 (Increase)/decrease in trade and other debtors	 32,614	 (46,878)
Increase(Decrease) in trade and other creditors	57,542	(11,845)
	<u>302,103</u>	<u>(53,850)</u>
Cash generated from operations		

(2) Cash and cash equivalents

The amounts disclosed on the statement of cash flows in respect of cash and cash equivalents are in respect of these Statement of financial position amounts:

	30.6.21 £	1.7.20 £
Cash and cash equivalents	439,550	139,331
	<u>439,550</u>	<u>139,331</u>
	30.6.20 £	1.7.19 £
Cash and cash equivalents	139,331	194,171
	<u>139,331</u>	<u>194,171</u>

The notes form part of these financial statements

Grit: Breakthrough Programmes
For the Year Ended 30 June 2021
Notes to the Financial Statements

1. ACCOUNTING POLICIES

a) Basis of Accounting

Grit: Breakthrough Programmes is a charity based in the United Kingdom. The address of the principle office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to support or to promote such charitable purposes as the Trustee's in their absolute discretion determine.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and the Companies Act 2006.

The financial statements have been prepared on a going concern basis. The Trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. Whilst the Trustees have prepared revised forecasts to reflect the impact of Covid 19, they believe that the charity will continue to have adequate cash resources in order to pay all of its creditors as they fall due for the foreseeable future and at least 12 months from the date of signing of these financial statements.

The presentational currency is £ sterling and rounded to the nearest pound.

b) Significant judgement and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions which impact on the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of restricted funds on projects is set out in the notes to the financial statements.

Investment income is allocated to the appropriate fund.

d) Income & Endowments

Income from donations and grants, including capital grants, is included in the Statement of Financial activities when they are receivable i.e the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods

- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

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Grit: Breakthrough Programmes
For the Year Ended 30 June 2021
Notes to the Financial Statements

e) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Certain expenditure is directly attributable to specific activities and has been included in those costs categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories according to time or the nature of the activity undertaken.

Raising funds

Costs of raising funds are those costs incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Charitable activities

Charitable activities represent expenses incurred in the running of specific programmes and training courses.

Other costs

Other costs are governance costs that are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Programme support and administration costs

Programme support and administration costs are those costs incurred directly in support of expenditure on the objects of the Charity. These costs are apportioned to the charitable activities on a reasonable and consistent basis, based on time and resources spent on each area.

f) Fixed assets

Fixed assets are stated at cost, or estimated market value at the date of receipt where assets have been donated to the charity.

The cost of minor additions or those costing in the region of £100 or below are not capitalised.

Depreciation is provided to write off the cost less estimated residual values of all fixed assets over their expected useful lives at the following rates:

Leasehold improvements: Over the remaining term of the lease

Office equipment: 33% per annum reducing balance

Furniture, fixtures and fittings: 25% per annum reducing balance

g) Financial instruments

The charity has elected to apply the provisions of section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's statement of financial position when the charity becomes party to contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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Grit: Breakthrough Programmes
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Notes to the Financial Statements – continued

Basic financial liabilities

Basic financial liabilities, including creditors and loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

h) Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of financial activities.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the statement of financial activities over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating lease. Their annual rentals are charged to the statement of financial activities on a straight-line basis over the term of the lease.

i) Pension costs

The trust operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. Contributions payable are charged to the statement of financial activities in the year they are payable. Differences between contributions payable and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

j) Basis of consolidation

The consolidated accounts incorporate the results of Grit: Breakthrough Programmes (“the Charity”) and its subsidiary undertaking on a line-by-line basis. The consolidated entity is referred to as “the Group”. No separate company Statement of Financial Activities (SOFA) has been prepared for the Charity as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

k) Related party disclosure

The charity has taken advantage of exemptions contained within Accounting and Reporting by Charities (FRS102) and has therefore not disclosed transactions with entities which form part of the group.

l) Corporation tax

In common with other charities, the charity does not pay tax on most types of income as long as it uses the money for charitable purposes. Also in common with other charities, the charity can claim back tax that has been deducted on, for example, bank interest and donations.

Grit: Breakthrough Programmes
For the Year Ended 30 June 2021
Notes to the Financial Statements - continued

2. INCOME AND ENDOWMENTS

	2021	2020
	£	£
Donations from individuals	70,989	21,504
Donations from charitable foundation	54,507	291,805
	<u>125,496</u>	<u>313,309</u>
Charitable activities		
Local and statutory grants for programmes for "at risk" youth	<u>669,249</u>	<u>572,168</u>
Other		
Coronavirus job retention scheme grant	54,023	38,657
Investment income- bank interest receivable	28	698
	<u>54,051</u>	<u>39,355</u>

All income arises in connection with the charity's principal activity. The income resources were all generated in the United Kingdom.

3. ANALYSIS OF CHARITABLE ACTIVITIES AND OTHER COSTS

	Programme expenditure	Core expenditure	Governance	2021	2020
				£	£
Salaries and benefits	-	356,934	-	356,934	445,352
Social security costs	-	32,270	-	32,270	38,190
Contractors and freelancers	149,414	-	-	149,414	171,631
Travel and subsistence	-	2,813	-	2,813	98,322
Support and infrastructure costs	28,874	-	-	28,874	49,646
Telecoms and computer expenses	-	23,878	-	23,878	35,864
Room hire, catering and programme follow up costs	-	150	-	150	12,777
Professional fees	-	31,216	-	31,216	51,209
Independent examination	-	-	6,300	6,300	8,000
Depreciation	-	2,051	-	2,051	2,523
Other costs	-	4,977	-	4,977	8,270
Total costs for the year	178,288	454,289	6,300	638,877	921,784

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Notes to the Financial Statements - continued

Costs are directly attributable to the activity undertaken, any apportioned costs are apportioned on a basis of time and nature of the activities undertaken.

	2021	2020
	£	£
Other services – Independent Examination	6,300	8,000
	<u>6,300</u>	<u>8,000</u>

4. STAFF COSTS

Details of the staff costs are shown in note 3.

1 employee received remuneration in the band £60,000-£70,000 and 1 employee received remuneration in the band £70,000-£80,000 per annum (2020: 1 in the band £70,000-£80,000 per annum) and the company made pension contributions totalling £9,995(2020:£9,955).

The average number of employees during the year 10 (2020:13).

The charity operates a defined contribution pension scheme, the assets of which are held outside the Charity. The Company contributed a total of £16,965 (2020:£18,066) on behalf of all employees during the year. At the year end, £2,713 (2020:£nil) contributions were outstanding.

5. TRUSTEES' REMUNERATION AND BENEFITS

None of the members of the Board of Trustees received any remuneration during this year or last year. During the year, no trustees (2020:2) received reimbursement of Charity related expenditure (2020:£707).

The charity provides indemnity insurance to cover the liability of the Trustees in respect of neglect, or breach of trust or duty to the Charity. The cost of this insurance was £Nil (2020:£528).

Grit: Breakthrough Programmes
For the Year Ended 30 June 2021

Notes to the Financial Statements - continued

6. FIXED ASSETS

	Office fittings £	Group Furniture fixtures and equipment £	Total £	Office fittings £	Charity Furniture fixtures and equipment £	Total £
COST						
At 1 July 2020	14,865	7,264	22,129	14,865	7,264	22,129
Additions	1,683	229	1,912	1,683	229	1,683
Disposals	-	-	-	-	-	-
At 30 June 2021	<u>16,548</u>	<u>7,493</u>	<u>24,041</u>	<u>16,548</u>	<u>7,493</u>	<u>24,041</u>
DEPRECIATION						
At 1 July 2020	10,649	7,077	17,726	10,649	7,077	17,726
Charge for the year	1,947	104	2,051	1,947	104	2,051
Disposals	-	-	-	-	-	-
At 30 June 2021	<u>12,596</u>	<u>7,181</u>	<u>19,777</u>	<u>12,596</u>	<u>7,181</u>	<u>19,777</u>
NET BOOK VALE						
At 30 June 2021	<u>3,952</u>	<u>312</u>	<u>4,264</u>	<u>3,952</u>	<u>312</u>	<u>4,264</u>
At 30 June 2020	<u>4,216</u>	<u>187</u>	<u>4,403</u>	<u>4,216</u>	<u>187</u>	<u>4,403</u>

The closing net book value represents fixed assets used for the support and administration of the charity

7. FIXED ASSETS INVESTMENTS

	Unlisted investment £
COST	
At 1 July 2020	1
Disposals	-
	<u>1</u>
At 30 June 2021	<u>1</u>
NET BOOK VALUE	
At 30 June 2021	<u>1</u>
At 30 June 2020	<u>1</u>

The Charity owns 100% of the ordinary share capital of YAR Trading Limited, company number 03639057 incorporated in England and Wales.

The principle activity of YAR Trading Ltd, which is currently dormant, is to generate new sources of income that benefit the charity by providing transformational training to the commercial sector. Its results are appropriately included in the consolidated accounts and are therefore not separately shown.

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Grit: Breakthrough Programmes
For the Year Ended 30 June 2021
Notes to the Financial Statements - continued

8. DEBTORS

	2021	2020	2021	2020
	£	£	£	£
Debtors – Grants	23,389	54,118	23,389	54,113
Amount due from subsidiary company	-	-	625	625
Other debtors	1,500	12,141	1,500	12,141
Prepayments and accrued income	<u>13,525</u>	<u>4,774</u>	<u>13,525</u>	<u>4,774</u>
	<u>38,414</u>	<u>71,033</u>	<u>39,039</u>	<u>71,653</u>

9. CREDITORS

	2021	2020	2021	2020
	£	£	£	£
Trade Creditors	41,501	5,524	41,501	5,524
Taxation an social security	10,369	9,836	15,385	9,836
Accruals	9,804	12,621	11,466	12,621
Other creditors	4,211	-	1,291	-
Deferred income	<u>103,689</u>	<u>84,050</u>	<u>103,689</u>	<u>84,050</u>
	<u>169,574</u>	<u>112,031</u>	<u>173,332</u>	<u>112,031</u>

10. DEFERRED INCOME

Deferred income comprises of money received in advance of programmes, which are yet to start or have started but not been completed and deferred element relates to the element of the programme to be completed in the forthcoming year.

	2021	2020	2021	2020
	£	£	£	£
Balance at 1 July 2020	84,050	60,512	84,050	60,512
Amount released to incoming resources	(84,050)	(60,512)	(84,050)	(60,512)
Amount deferred in year	103,689	84,050	103,689	84,050
	<u>103,689</u>	<u>84,050</u>	<u>103,689</u>	<u>84,050</u>

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Grit: Breakthrough Programmes
For the Year Ended 30 June 2021
Notes to the Financial Statements - continued

11. MOVEMENT IN FUNDS

Group	At 1 July 2020	Incoming resources	Resources expended	Transfer	At 30 June 2021
	£	£	£	£	£
Unrestricted funds	59,736	613,849	(444,632)	50,000	278,953
Restricted funds (see note 12)	43,000	234,947	(194,245)	(50,000)	33,702
	<u>102,736</u>	<u>848,796</u>	<u>(638,877)</u>	<u>-</u>	<u>312,655</u>

Charity	At 1 July 2020	Incoming resources	Resources expended	Transfer	At 30 June 2021
	£	£	£	£	£
Unrestricted funds	60,354	613,857	(444,632)	50,000	279,579
Restricted funds (see note 12)	43,000	234,947	(194,245)	(50,000)	33,702
	<u>103,354</u>	<u>848,804</u>	<u>(638,877)</u>	<u>-</u>	<u>313,281</u>

The unrestricted funds represent the free funds of the charity that are not designed or restricted for particular purposes.

The restricted funds represent donations and grants from various statutory Authorities, Foundations, Trusts, Individuals and other corporate bodies to undertake specific programmes to improve the social education of young people.

Grit: Breakthrough Programmes
For the Year Ended 30 June 2021
Notes to the Financial Statements – continued

12. ANALYSIS OF RESTRICTED FUNDS

Group and Charity	At 1 July 2020	Incoming resources	Resources expended	Transfer	At 30 June 2021
	£	£	£	£	£
Julia and Hans Rausing Trust	43,000	144,030	(161,828)	-	25,202
Porticus	-	40,917	(32,417)	-	8,500
Henry Smith Charity	-	50,000		(50,000)	-
	<u>43,000</u>	<u>234,947</u>	<u>(194,245)</u>	<u>(50,000)</u>	<u>33,702</u>

Julia and Hans Rausing Trust: funding for the evaluation of our work in East London.

Porticus: funding towards a pilot programme with Signs of Safety.

13. COMMITMENTS UNDER OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Gro up		Chari ty	
	2021 £	2020 £	2021 £	2020 £
Within one year	2,398	9,569	2,398	9,569
Between one and five years	<u>-</u>	<u>2,398</u>	<u>-</u>	<u>2,398</u>
	<u>2,398</u>	<u>11,967</u>	<u>2,398</u>	<u>11,967</u>

14. CONTROLLING PARTY

In the opinion of the trustees the Charity has no single controlling entity.

Grit: Breakthrough Programmes
For the Year Ended 30 June 2021
Notes to the Financial Statements – continued

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 30 June are represented by:				
Fixed assets	4,265	-	4,265	4,403
Current assets	444,262	33,702	477,964	210,364
Current liabilities	(169,574)	-	(169,574)	(112,031)
	<u>278,953</u>	<u>33,702</u>	<u>312,655</u>	<u>102,736</u>

Charity	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £	Total 2020 £
Fund balances at 30 June are represented by:				
Fixed assets	4,266	-	4,266	4,404
Current assets	444,887	33,702	478,589	210,981
Current liabilities	(169,574)	-	(169,574)	(112,031)
	<u>279,579</u>	<u>33,702</u>	<u>313,281</u>	<u>103,354</u>

16. RELATED PARTY DISCLOSURES

Except as set out in Note 5, there were no related party transactions for the years ended 31st March 2021 and 2020.

17. LEGAL STATUS

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.