

Annual Report and Accounts
Year Ended 30 June 2022

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For Year Ended 30 June 2022**

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Company registration number
02930456

Registered charity number
1041855

Trustees

Chair: Mr B Rose (re-elected 9th February 2022)
Mr R Ackerman (resigned 9th February 2022)
Ms S Cook (re-elected 9th February 2022)
Ms A Kalombodza
Ms N Mills-Robertson
Mr C Murray
Mr M Parton
Mr D Woolley

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 LLP, 7 Savoy Court, London WC2R 0EX

Bankers

HSBC UK Bank Plc, 55 Corporation Street, Coventry, CV1 1GX

Independent Examiner

Mr Alberto Di Lorenzo FCA
HW East Midlands Audit LLP
First Floor, Woburn Court
2 Railton Road, Kempston
Bedford, MK42 7PN

Report of the Trustees

The trustees present their annual report and financial statements of the charity for the year ended 30 June 2022. 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 (re-elected 9th February 2022)

Mr R Ackerman (resigned 9th February 2022)

Ms S Cook (re-elected 9th February 2022)

Ms A Kalombodza

Ms N Mills-Robertson

Mr C Murray

Mr M Parton

Mr D Woolley

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

A word from the CEO

This year has seen the environment become increasingly challenging, as young people (and those that work with them) face anxieties about rising costs, global conflict and climate change – as well as their own personal issues and pressures. Being able to provide a safe space where people can talk through the issues they are facing and focus on their own agency, the places where they can make the most difference, has been hugely important to us at Grit.

Our work has changed focus over the last three years and the majority of our delivery now takes places in partnership with universities. We have developed a Black Leadership programme – empowering the voice of black students and staff; a programme training staff to adopt a coaching approach; a programme for post-graduate students; and we are working more widely with our partners to look at ways of creating cultural change around student engagement. This is exciting work for Grit – exploring ways to reach a breadth of impact that has always remained challenging.

We have also piloted new approaches. We've been working with Children's Services teams in partnership with Signs of Safety to create relationship-based approaches to their practice with families. We've been working across school networks in Warwickshire to impact those young people on the periphery of disengagement alongside the staff that support them. These are approaches we are looking to evaluate, to understand the impact of, and – potentially - to replicate with other partners.

In the year ahead we will continue to build on the successes of these programmes whilst keeping a close eye on the quality and integrity of our approach as we grow. Looking after, developing and building capacity with staff and trainers will be a priority in the coming year. As we do this we remain watchful of the diversity of our team: we don't currently have the kind of diversity within the team that we are committed to building, and we are continuing to explore why that is and what we need to learn in order to change this.

We're very proud to be championing the importance of personal development, of self-awareness, of the critical impact of developing a sense of belonging. During challenging times these seem more important areas of work for our young people (and our adults!) than ever. It is with huge gratitude to our hard-working staff, trainers, trustees, advisory board, volunteers and supporters that we are able to continue to champion this way of working and provide a space of optimism and ownership when people need it most.

Ellie Garraway, CEO

Review of 2021-22

Over the year we worked with 1,930 young people of which 90% said our programmes are good or excellent.

We worked with 733 adults, 5% more than our target. Over 80% said the programmes were good or excellent.

Grit and the learning from Covid

The pandemic pushed us to develop new ways of delivering our work. While we're delighted to be 'back in the course room,' we continue to deliver online where it can work best. We've maintained the quality of delivery and results amidst significant change and end the year stronger, more adaptable and with a renewed clarity of focus.

Grit in Universities

Demand for Grit continues to grow. The year saw a 50% increase in the number of universities we are working in (21 against 14 in 2020/21).

There has been particular interest in our work with students from racialised groups: Black Leadership in Nottingham Trent (NTU); Black Talent in Hull; empowerment for Black, Asian, Arab & Mixed Race students in Bath Spa; and in a multi-institution project to increase participation in doctoral research by students from underrepresented groups.

We have seen impressive results against key, well-established indicators of long-term student success and achievement.

89% of students report an increased sense of belonging; 92% report a greater ability to take up support.

In addition to our portfolio of programmes for students and staff, we piloted programmes with Student Advocates and began conversations about contributing to university civic engagement strategies.

Further Education & Schools

FE students who have done a Grit programme are 'coming back much stronger' after lockdown. 95% have significantly higher attendance rates than in comparator groups and Grit students achieved 100% exam pass rate, against the national average of 50%

We ran major projects in schools across Warwickshire, London and Swindon, combining intensive workshops and online support from our Virtual Coaches.

Grit and Professionals

We have taken significant strides towards our objective of creating systemic transformation in the way services are delivered for young people.

As part of a pilot with Signs of Safety, an international provider of safeguarding programmes, we've been working with Children and Family Services at Redcar & Cleveland Borough Council and the Young Adults Service at Haringey Council. And we've been working with the Staff College, the leadership and development agency for local authorities.

The focus has been on leadership and creating shifts in organisational culture to produce significantly improved outcomes for young people and families.

Impact

We have commissioned independent, university-led evaluations: on our work with young people, and on our work with professionals and the young people they serve.

We have re-invented our evaluation system so it clearly captures key indicators of student success: belonging; resilience; self-efficacy.

And we have put in place a programme of longitudinal surveys and the capture of qualitative evidence.

This brings new academic rigour, breadth and focus to our evidence base, attests to the quality of our work, and makes a powerful case to clients and funders, old and new.

Communications

We have been growing our networks, amplifying our voice and promoting our offer in the sector: regular publishing of articles in highly reputable and well-read blogs; creating and disseminating a library of powerful case studies and films;

growing our social media activity; and participating at key sector conferences.

We can already see this driving new business, contributing towards our strategic objective: to extend the reach and impact of Grit on the lives of young people

People

To meet demand and maintain quality we have grown the delivery team. A new Programmes Manager has come on board and we have recruited three new trainers to join the team.

Business Development

We continue to build financial stability and sustainability. We had an 86% repeat business rate with universities from last year and, at the close of our financial year 21/22, we have contracted around 66% of our target income for the coming year.

We have grown our reserves achieving the target of a level equivalent to six months running costs. Grit is in excellent shape.

Financial Review

2021/22 saw a continuation of investment into the development of the charity and its new three-year strategy, designed to keep it proficient in the ever-changing political environment and the very challenging economic conditions.

The year saw a significant shift in the income profile of the charity. Traded income now accounts for 88% of income (as against 79% for the previous year), with the balance coming from trusts & foundations and individual donations.

Traded income is made up of sales of programmes to universities, school, colleges and local authorities.

At the same time we have continued to bear down on all outgoings and review resources against current and predicted activity levels, taking appropriate action to ensure they are in balance. As a result the charity was able to make a significant contribution to unrestricted reserves of £126,913 for the year.

Trustees recognise that this result is an excellent achievement in difficult circumstances.

The charity wishes to thank all the funders who have supported it during the year. We are extremely grateful to the Henry Smith Charity, the Julia & Hans Rausing Trust, the Porticus Foundation, the William Wates Memorial Trust, the Charles Hayward Foundation, BBC Children in Need, the Octopus Foundation, and all the other trusts and foundations that have contributed to the charity and its programmes.

Thanks are also due to all the 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. We have now exceeded that target: reserves stand at £405,867.

The Trustees have agreed that the surplus will be invested back into the charity to pilot innovation and development, and to evaluate key programmes, growing the evidence base for current and potential clients.

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

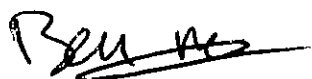
that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

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

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

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

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

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

Grit: Breakthrough Programmes (Limited by Guarantee)

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 2022.

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').

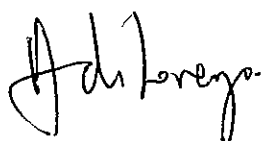
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act').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



Alberto Di Lorenzo FCA
HW East Midlands Audit LLP
First Floor, Woburn Court
2 Railton Road, Kempston
Bedford, MK42 7PN

Date: 18/11/2022

Grit: Breakthrough Programmes (Limited by Guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
For the Year Ended 30 June 2022**

	Notes	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total 2021 £
Income and Endowments From							
Donations and legacies	(2)	99,531	-	99,531	75,496	50,000	125,496
Charitable activities	(2)	676,413	78,358	754,771	484,302	184,947	669,249
Investments & Other	(2)	6,239	-	6,239	54,051	-	54,051
Total Income and Endowments		782,183	78,358	860,541	613,849	234,947	848,796
Expenditure							
Raising Funds	(3)	-	-	-	-	-	-
Charitable activities	(3)	650,130	72,460	722,590	438,332	194,245	632,577
Other	(3)	5,140	-	5,140	6,300	-	6,300
Total Expenditure		655,270	72,460	727,730	444,632	194,245	638,877
Net income/(expenditure) for the year		126,913	5,898	132,811	169,217	40,702	209,919
Gross transfer between funds		-	-	-	50,000	(50,000)	-
Net movement in funds for the year		126,913	5,898	132,811	219,217	(9,298)	209,919
Fund balances b/fwd at 1 July		278,953	33,702	312,655	59,736	43,000	102,736
Fund balances c/fwd at 30 June		405,866	39,600	445,466	278,953	33,702	312,655

The notes form part of these financial statements

Grit: Breakthrough Programmes (Limited by Guarantee)

**CONSOLIDATED BALANCE SHEET
For the Year Ended 30 June 2022**

Company number 0249135

		2022	2021
	Notes	£	£
FIXED ASSETS			
Fixed assets	(6)	11,940	4,265
Investments	(7)	-	-
		<u>11,940</u>	<u>4,265</u>
CURRENT ASSETS			
Debtors	(8)	62,455	38,414
Cash at bank		<u>542,505</u>	<u>439,550</u>
		604,960	477,964
CREDITORS			
Amounts falling due within one year	(9)	(171,434)	(169,574)
		<u>433,526</u>	<u>308,390</u>
NET CURRENT ASSETS			
		<u>445,466</u>	<u>312,655</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>445,466</u>	<u>312,655</u>
NET ASSETS			
		<u>445,466</u>	<u>312,655</u>
FUNDS			
Unrestricted funds	(11)	405,866	278,953
Restricted funds	(11)	<u>39,600</u>	<u>33,702</u>
TOTAL FUNDS		<u>445,466</u>	<u>312,655</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2022 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 2022

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 on15/11/2022..... 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 2022**

Company number 0249135

		2022	2021
		£	£
FIXED ASSETS	Notes		
Fixed assets	(6)	11,940	4,265
Investments	(7)	<u>1</u>	<u>1</u>
		11,941	4,266
CURRENT ASSETS			
Debtors	(8)	62,455	39,039
Cash at bank		<u>542,505</u>	<u>439,550</u>
		604,960	478,589
CREDITORS			
Amounts falling due within one year	(9)	(171,434)	(169,574)
		<u>433,526</u>	<u>309,015</u>
NET CURRENT ASSETS			
		445,467	313,281
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>445,467</u>	<u>313,281</u>
FUNDS			
Unrestricted funds	(11)	405,867	279,579
Restricted funds	(11)	<u>39,600</u>	<u>33,702</u>
TOTAL FUNDS		<u>445,467</u>	<u>313,281</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2022.

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- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
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The notes form part of these financial statements

continued...


Grit: Breakthrough Programmes (Limited by Guarantee)

**CHARITY BALANCE SHEET
For the Year Ended 30 June 2022**

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 on15/11/2022..... 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 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	(1)	<u>114,125</u>	<u>302,103</u>
Net cash From operating activities		<u>114,125</u>	<u>302,103</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(11,213)	(1,912)
Interest received		<u>43</u>	<u>28</u>
Net cash from investing activities		<u>(11,170)</u>	<u>(1,884)</u>
Cash flows from financing activities			
Cash generated from operations		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Increase/(Decrease) in cash and cash equivalents	(2)	102,955	300,219
Cash and cash equivalents at beginning of year		<u>439,550</u>	<u>139,331</u>
Cash and cash equivalents at end of year		<u>542,505</u>	<u>439,550</u>

The notes form part of these financial statements

Grit: Breakthrough Programmes

NOTES TO THE STATEMENT OF CASH FLOWS For the Year Ended 30 June 2022

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

	2022 £	2021 £
Net income/(expenditure) for the year	132,811	209,924
Depreciation charges	3,538	2,051
Loss on disposal of fixed assets	-	-
Finance income	(43)	(28)
	<u>136,306</u>	<u>211,947</u>
 (Increase)/decrease in trade and other debtors	 (24,041)	 32,614
Increase(Decrease) in trade and other creditors	1,860	57,542
	<u>114,125</u>	<u>302,103</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:

	30.6.22 £	1.7.21 £
Cash and cash equivalents	542,505	439,550
	<u>542,505</u>	<u>439,550</u>
	30.6.21 £	1.7.20 £
Cash and cash equivalents	439,550	139,331
	<u>439,550</u>	<u>139,331</u>

The notes form part of these financial statements

**Grit: Breakthrough Programmes
For the Year Ended 30 June 2022
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 October 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.

This page does not form part of the statutory financial statements

**Grit: Breakthrough Programmes
For the Year Ended 30 June 2022
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
For the Year Ended 30 June 2022
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 charity 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.

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Grit: Breakthrough Programmes
For the Year Ended 30 June 2022
Notes to the Financial Statements - continued

2. INCOME AND ENDOWMENTS

	2022	2021
	£	£
Donations from individuals	20,511	70,989
Donations from charitable foundations	79,020	54,507
	<u>99,531</u>	<u>125,496</u>

Charitable activities

Local and statutory grants for programmes for “at risk” youth	<u>754,771</u>	<u>669,249</u>
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Other

Coronavirus job retention scheme grant	6,196	54,023
Investment income- bank interest receivable	43	28
	<u>6,239</u>	<u>54,051</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	2022	2021
				£	£
Salaries and benefits	-	328,412	-	328,412	356,934
Social security costs	-	29,087	-	29,087	32,270
Contractors and freelancers	248,767	-	-	248,767	149,414
Travel and subsistence	-	34,498	-	34,498	2,813
Support and infrastructure costs	30,115	-	-	30,115	28,874
Telecoms and computer expenses	-	23,502	-	23,502	23,878
Room hire, catering and programme follow up costs	-	-	-	-	150
Professional fees	-	14,872	-	14,872	31,216
Independent examination	-	-	5,140	5,140	6,300
Depreciation	-	3,538	-	3,538	2,051
Other costs	-	10,424	-	10,424	4,977
Total costs for the year	<u>278,882</u>	<u>444,333</u>	<u>5,140</u>	<u>728,355</u>	<u>638,877</u>

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Grit: Breakthrough Programmes
For the Year Ended 30 June 2022
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.

	2022	2021
	£	£
Other services – Independent Examination	5,140	6,300
	<u>5,140</u>	<u>6,300</u>

4. STAFF COSTS

Details of the staff costs are shown in note 3.

1 employee received remuneration in the band £70,000-£80,000 per annum (2021: 1 in the band £80,000-£90,000 per annum and 1 in the band £90,000-£100,000 per annum) and the company made pension contributions totalling £5,390 (2021:£ 10,375).

The average number of employees during the year 10 (2021:13).

The charity operates a defined contribution pension scheme, the assets of which are held outside the charity. The charity contributed a total of £12,843 (2021:£ 16,965) on behalf of all employees during the year. At the year end, £62 (2021: £2,713) 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 (2021:£Nil) received reimbursement of charity related expenditure (2021: £Nil).

The trustee indemnity is included as part of the charity's general indemnity insurance and covers the trustees' liability in respect of neglect and breach of trust or duty to the charity.

**Grit: Breakthrough Programmes
For the Year Ended 30 June 2022**

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 2021	16,067	7,494	23,561	16,067	7,494	23,561
Additions	10,783	430	11,213	10,783	430	11,213
Disposals	-	-	-	-	-	-
At 30 June 2022	<u>26,850</u>	<u>7,924</u>	<u>34,774</u>	<u>26,850</u>	<u>7,924</u>	<u>34,774</u>
DEPRECIATION						
At 1 July 2021	12,115	7,181	19,296	12,115	7,181	19,296
Charge for the year	3,397	141	3,538	3,397	141	3,538
Disposals	-	-	-	-	-	-
At 30 June 2022	<u>15,512</u>	<u>7,322</u>	<u>22,834</u>	<u>15,512</u>	<u>7,322</u>	<u>22,834</u>
NET BOOK VALE						
At 30 June 2022	<u>11,339</u>	<u>601</u>	<u>11,940</u>	<u>11,339</u>	<u>601</u>	<u>11,940</u>
At 30 June 2021	<u>3,952</u>	<u>312</u>	<u>4,265</u>	<u>3,952</u>	<u>312</u>	<u>4,265</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 2021	1
Disposals	-
	<u>1</u>
At 30 June 2022	<u>1</u>
NET BOOK VALUE	
At 30 June 2022	<u>1</u>
At 30 June 2021	<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 2022
Notes to the Financial Statements - continued

8. DEBTORS

	2022	2021	2022	2021
	£	£	£	£
Debtors – Grants	52,645	23,389	52,645	23,389
Amount due from subsidiary company	-	-	-	625
Other debtors	1,500	1,500	1,500	1,500
Prepayments and accrued income	<u>8,310</u>	<u>13,525</u>	<u>8,310</u>	<u>13,525</u>
	<u>62,455</u>	<u>38,414</u>	<u>62,455</u>	<u>39,039</u>

9. CREDITORS

	2022	2021	2022	2021
	£	£	£	£
Trade Creditors	11,900	41,501	11,900	41,501
Taxation and social security	8,987	10,369	8,987	10,369
Accruals	49,170	9,804	49,170	9,804
Other creditors	1,560	4,211	1,560	4,211
Deferred income	<u>99,817</u>	<u>103,689</u>	<u>99,817</u>	<u>103,689</u>
	<u>171,434</u>	<u>169,574</u>	<u>171,434</u>	<u>169,574</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.

	2022	2021	2022	2021
	£	£	£	£
Balance at 1 July 2021	103,689	84,050	103,689	84,050
Amount released to incoming resources	(485,273)	(84,050)	(485,273)	(84,050)
Amount deferred in year	481,401	103,689	481,401	103,689
	<u>99,817</u>	<u>103,689</u>	<u>99,817</u>	<u>103,689</u>

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Grit: Breakthrough Programmes
For the Year Ended 30 June 2022
Notes to the Financial Statements - continued

11. MOVEMENT IN FUNDS

Group	At 1 July 2021	Incoming resources	Resources expended	Transfer	At 30 June 2022
	£	£	£	£	£
Unrestricted funds	278,953	782,183	(655,270)	-	405,866
Restricted funds (see note 12)	33,702	78,358	(72,460)	-	39,600
	<u>312,655</u>	<u>860,541</u>	<u>(727,730)</u>	<u>-</u>	<u>445,466</u>

Charity	At 1 July 2021	Incoming resources	Resources expended	Transfer	At 30 June 2022
	£	£	£	£	£
Unrestricted funds	279,579	781,183	(655,895)	-	405,867
Restricted funds (see note 12)	33,702	78,358	(72,460)	-	39,600
	<u>313,281</u>	<u>860,541</u>	<u>(728,355)</u>	<u>-</u>	<u>445,467</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 2022
Notes to the Financial Statements – continued

12. ANALYSIS OF RESTRICTED FUNDS

Group and Charity	At 1 July 2021	Incoming resources	Resources expended	Transfer	At 30 June 2022
	£	£	£	£	£
Julia and Hans Rausing Trust	25,202	13,008	(27,960)	-	10,250
Porticus	8,500	16,000	(4,500)	-	20,000
Henry Smith Charity	-	40,000	(40,000)	-	-
Warwickshire	-	9,350	-	-	9,350
	<u>33,702</u>	<u>78,358</u>	<u>(72,460)</u>	<u>-</u>	<u>39,600</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:

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Within one year	-	2,398	-	2,398
Between one and five years	-	-	-	-
	<u>2,398</u>	<u>2,398</u>	<u>2,398</u>	<u>2,398</u>

14. CONTROLLING PARTY

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

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