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# **Annual Report and Accounts**

## **Year Ended 30 June 2023**

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COMPANIES HOUSE

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For Year Ended 30 June 2023**

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**Company registration number**  
**02930456**

**Registered charity number**  
**1041855**

**Trustees**

Chair: Mr B Rose  
Mr A Basu (elected 25<sup>th</sup> January 2023)  
Ms S Cook  
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 Bedford Limited  
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 2023. 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 9<sup>th</sup> June 2017 and with the Charity Commission on 10<sup>th</sup> 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:

Chair: Mr B Rose

Mr N Basu (elected 25<sup>th</sup> January 2023)

Ms S Cook

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

The majority of Grit's work takes place in partnership with educational institutions and all of it – more broadly – takes place within the public sector. Both young people and professionals in these sectors have talked increasingly to us over the last year about the **pressure, exhaustion, anxiety** and – at times – growing **isolation** they feel. They exist and operate within an environment which seems to be ever more challenging in terms of what they are being asked/expected to achieve, the limitations they experience and the landscape they look out at in the future.

At Grit, we recognise that we can't change this environment and these challenges – at least not in the short term – yet what we can do is to give people the space to unpack their experiences, to share and to connect. We find that within the rigorously safe and highly supportive boundaries of a Grit workshop, participants reignite their sense of purpose, share with others on the basis of their common humanity and generate a sense of optimism, activism and joy about what's possible. It is a privilege to provide this space, especially for those who experience the highest levels of challenge and we recognise the necessity of this for those that participate – the lifeline that it offers. In service of that necessity, we have spent the last year rigorously exploring the ways to **(1)** hone in on quality continuously and **(2)** grow the reach and the impact of the work.

In terms of **quality**, we have grown and diversified our training team, recruiting, training and supervising new trainers as well as developing and quality-assuring existing trainers. We have chosen to invest a significant portion of our surplus reserves to ensure there is a robust succession plan and we continue to deliver to our quality standard as we grow the work. Our commitment to **quality** has also seen us spending more time with our partners and participants, listening and engaging with them through forums, roundtable events, focus groups and external evaluations. This helps us to keep our own learning journey alive and to remain curious and open about the best ways we can serve those we work with using the unique 'Grit' ingredients.

In terms of **broadening the reach** of the work, our increased focus on working with professionals – within Children's Services Teams, Community Safety Partnerships as well as within schools and universities – enables us to create a breadth of impact. Professionals working in a more relationship-focused way, taking a coaching approach and feeling more connected to their own vision for change has a significant ripple effect on the families, young people and students they serve.

We also continue to **innovate** with our newer workshops – our Black Leaders programme has been our fastest growing programme over the last year, with a pilot also taking place with secondary aged pupils. Alongside this, we have begun to explore and pilot an employability programme for university students as well as building new partnerships with youth clubs, Uni Connect partners and universities themselves to work with younger pupils in years 9 to 13.

So, it's been a busy, challenging, exciting and galvanising year for the Grit team. We acknowledge the difficulties and limitations of the times in which we're operating. This only strengthens our commitment to providing young people (and those that serve them) with a space in which they can experience being valued, understood, challenged and in which they can imagine a future that excites them and create a community of support that will work with them to get there.

**Ellie Garraway, CEO**

# Review of 2022-23

Over the year we worked with 1804 young people of which 88% said our programmes are good or excellent.

We worked with more than 709 adults, 5% more than our target. Over 85% said the programmes were good or excellent.

## **Grit in Universities**

Demand for Grit remains buoyant. The year saw a 19% increase in the number of universities we are working in (25 against 21 in 2021/22). With the return to being 'in the room' we were able to deliver a broader mix of 1, 2 and 3-day programmes for students. The year also saw over 400 academic and student support professionals in our 1 and 2-day programmes for staff - double that of last year.

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

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

91% of students report an increased sense of belonging; 89% report an increased self-efficacy.

Our work with Black Student Leaders and Students of Colour continues to develop: this year we delivered these programmes in seven universities (up from three last year).

## **Grit in Schools**

We ran major programmes in schools across London and the West Midlands, combining intensive workshops and support from volunteer coaches. Overcoming the longer-term impacts

of the pandemic has been a running theme.

76% of young people said they felt more optimistic about the year ahead.

In partnership with the University of Sheffield we delivered workshops to raise aspiration and expectation in white working-class boys in South Yorkshire; and, alongside a multi university collaboration in the East Midlands, we ran a programme for Black learners in Nottingham schools.

The work drew heavily on the expertise and experience we have developed from working with Black students in universities.

## **Grit and Professionals**

Work towards our objective of creating systemic transformation in the way services are delivered for young people is gathering momentum.

We've continued to work with two local authorities, another two came on board over the course of the year and two more are already set to join us in the coming year. And we've been working with the Staff College, the leadership and development agency for local authorities.

The focus has been on leadership and shifts in organisational culture, rejuvenating teams in the aftermath of the pandemic to produce significantly improved outcomes for young people.

## **Quality**

Our current strategic priority is quality: it underpins all of our activity. We have been upskilling our team of trainers and put in place a calendar of training, supervisions and observations, further strengthening our quality assurance processes.

## **Impact**

Independent university-led evaluations of our work are beginning to produce results.

We now have robust evidence of our impact on Further Education college students; interim findings evidence of our impact on team-working and the practice of professionals; and positive findings are already emerging from the evaluation of our work with students from racialised groups.

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

## **Communications**

Over the year the focus has been to amplify our voice in the HE sectors and to create a sense of belonging in our network of university clients. We have run roundtable events for leads in our university partners; co-authored a series of articles in reputable, well-read blogs; co-presented at conferences; built a collection of short films where students, staff and professionals talk about their Grit experience; and grown our social media following.

This drives new business, contributing towards our strategic objective: to extend the reach and impact of Grit on the lives of young people.

## **People**

We have been investing in the Grit staff team to build confidence, expertise and connection through a programme of personal development, coaching, staff days, sessions on culture and values, and a monthly 'book club' exploring relevant research, books and podcasts.

## **Business Development**

Grit remains financially stable and sustainable. We had an 69% repeat business rate with universities from last year and, at the close of our financial year 22/23, we have secured around 93% of our target income for the coming year.

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

## **Future Plans**

We are ambitious for the year ahead. With our new partnerships around schools we are finding new ways to deliver Grit to more at risk young people. In universities we will respond to emerging agendas, delivering programmes around employability and degree apprenticeships.

# Financial Review

2022/23 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 85% of income (as against 62% two years ago), with the balance coming from trusts & foundations and individual donations.

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

This year Grit is reporting an unrestricted deficit of £43,309. It is important to note that this is accounted for by a planned investment of surplus unrestricted reserves of £43,850 in the development and upskilling of the staff team and building the capacity of the training teams. This expenditure is shown separately in Note 3 of the financial statements.

In addition to this, Grit recognised a reduction in restricted funds of £39,600. This was the result of a decision by the trustees to reclassify various funds that were previously reported as restricted and transfer them to unrestricted.

The charity wishes to thank all the funders who have supported it during the year. We are extremely grateful to the Julia & Hans Rausing Trust, the Porticus Foundation, the Clothworkers Foundation, BBC Children in Need, 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. Reserves stand at £362,558.

The Trustees have agreed that we will continue to invest the surplus back into the charity 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
- 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

 15/11/24

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

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

Helen Millichap, Metropolitan Police Deputy Assistant Commissioner for Local Policing.

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, 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 2023.

#### **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').

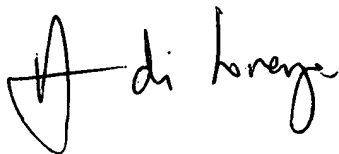
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). 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 Bedford Limited  
First Floor, Woburn Court  
2 Railton Road, Kempston  
Bedford, MK42 7PN

Date: .....19/01/2024.....

**Grit: Breakthrough Programmes (Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**

**For the Year Ended 30 June 2023**

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total 2022 £
<b>Income and Endowments From</b>							
Donations and legacies	(2)	126,039	7,106	133,145	99,531	-	99,531
Charitable activities	(2)	698,969		698,969	676,413	78,358	754,771
Investments & Other	(2)	1,500	-	1,500	6,239	-	6,239
<b>Total Income and Endowments</b>		<u>826,508</u>	<u>7,106</u>	<u>833,614</u>	<u>782,183</u>	<u>78,358</u>	<u>860,541</u>
<b>Expenditure</b>							
Raising Funds	(3)	-	-	-	-	-	-
Charitable activities	(3)	859,418	46,706	906,124	650,755	72,460	723,215
Other	(3)	10,399	-	10,399	5,140	-	5,140
<b>Total Expenditure</b>		<u>869,817</u>	<u>46,706</u>	<u>916,523</u>	<u>655,895</u>	<u>72,460</u>	<u>728,355</u>
<b>Net income/(expenditure) for the year</b>		<b>(43,309)</b>	<b>(39,600)</b>	<b>(82,909)</b>	<b>126,288</b>	<b>5,898</b>	<b>132,186</b>
<b>Gross transfer between funds</b>		-	-	-	-	-	-
<b>Net movement in funds for the year</b>		<u>(43,309)</u>	<u>(39,600)</u>	<u>(82,909)</u>	<u>126,288</u>	<u>5,898</u>	<u>132,186</u>
<b>Fund balances b/fwd at 1 July</b>		405,867	39,600	445,467	278,579	33,702	313,281
<b>Fund balances c/fwd at 30 June</b>		<u>362,558</u>	<u>-</u>	<u>362,558</u>	<u>405,867</u>	<u>39,600</u>	<u>445,467</u>

The notes form part of these financial statements

# Grit: Breakthrough Programmes (Limited by Guarantee)

## CHARITY BALANCE SHEET For the Year Ended 30 June 2023

Company number: 0249135

		2023	2022
		£	£
<b>FIXED ASSETS</b>	Notes		
Fixed assets	(6)	9,835	11,940
Investments	(7)	-	1
		<u>9,835</u>	<u>11,940</u>
<b>CURRENT ASSETS</b>			
Debtors	(8)	79,246	62,455
Cash at bank		<u>433,645</u>	<u>542,505</u>
		512,891	604,960
<b>CREDITORS</b>			
Amounts falling due within one year	(9)	(160,168)	(171,434)
		<u>352,723</u>	<u>433,526</u>
<b>NET CURRENT ASSETS</b>			
		<u>362,558</u>	<u>445,467</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>362,558</u>	<u>445,467</u>
<b>NET ASSETS</b>			
		<u>362,558</u>	<u>445,467</u>
<b>FUNDS</b>			
Unrestricted funds	(11)	362,558	405,867
Restricted funds	(11)	-	<u>39,600</u>
<b>TOTAL FUNDS</b>		<u>362,558</u>	<u>445,467</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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)**

**BALANCE SHEET**

**For the Year Ended 30 June 2023**

**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 on ..... and were signed on its behalf by:



15.1.24

.....  
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	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	(1)	(108,348)	<u>114,125</u>
Net cash from operating activities		<u>(108,348)</u>	<u>114,125</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,012)	(11,213)
Interest received		<u>1,500</u>	<u>43</u>
Net cash from investing activities		<u>(512)</u>	<u>(11,170)</u>
<b>Cash flows from financing activities</b>			
Cash generated from operations		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
<b>Increase/(Decrease) in cash and cash equivalents</b>	(2)	(108,860)	102,955
<b>Cash and cash equivalents at beginning of year</b>		<u>542,505</u>	<u>439,550</u>
<b>Cash and cash equivalents at end of year</b>		<u>433,645</u>	<u>542,505</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 2023

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

	2023 £	2022 £
Net income/(expenditure) for the year	(82,909)	132,811
Depreciation charges	4,117	3,538
Loss on disposal of investments	1	-
Finance income	(1,500)	(43)
	<u>(80,291)</u>	<u>136,306</u>
(Increase)/decrease in trade and other debtors	(16,791)	(24,041)
Increase (Decrease) in trade and other creditors	(11,266)	1,860
<b>Cash generated from operations</b>	<u>(108,348)</u>	<u>114,125</u>

#### (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:

	30.6.23 £	1.7.22 £
Cash and cash equivalents	433,645	542,505
	<u>433,645</u>	<u>542,505</u>
	<u><u>433,645</u></u>	<u><u>542,505</u></u>
	30.6.22 £	1.7.21 £
Cash and cash equivalents	542,505	439,550
	<u>542,505</u>	<u>439,550</u>
	<u><u>542,505</u></u>	<u><u>439,550</u></u>

The notes form part of these financial statements

**Grit: Breakthrough Programmes**  
**For the Year Ended 30 June 2023**  
**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. 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.

Trade income (fees from universities, schools and local authorities) has been designated "unrestricted".

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 are 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 2023  
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.

**Grit: Breakthrough Programmes  
For the Year Ended 30 June 2023  
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.

**Grit: Breakthrough Programmes**  
**For the Year Ended 30 June 2023**  
**Notes to the Financial Statements - continued**

**2. INCOME AND ENDOWMENTS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Donations from individuals	33,089	20,511
Donations from charitable foundations	100,056	79,020
	<u>133,145</u>	<u>99,531</u>
<b>Charitable activities</b>		
Trade income (for personal development programmes for young people and the adults that work with them)	698,969	754,771
	<u>Other</u>	
Coronavirus job retention scheme grant	-	6,196
Investment income- bank interest receivable	1,500	43
	<u>1,500</u>	<u>6,239</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**

	<b>Programme expenditure</b>	<b>Core expenditure</b>	<b>Governance</b>	<b>2023</b>	<b>2022</b>
				<b>£</b>	<b>£</b>
Salaries and benefits	-	391,357	-	391,357	328,412
Social security costs	-	28,973	-	28,973	29,087
Contractors and freelancers	252,464	-	-	252,464	248,767
Travel and subsistence	44,108	22,389	-	66,497	34,498
Support and infrastructure costs	27,637	-	-	27,637	30,115
Telecoms and computer expenses	-	30,032	-	30,032	23,502
Loss on disposal of investments	-	1	-	1	-
Professional fees	10,917	39,126	-	50,043	14,872
Independent examination	-	-	10,399	10,399	5,140
Depreciation	-	4,117	-	4,117	3,538
Exceptional training costs	-	43,850	-	43,850	-
Other costs	-	11,153	-	11,153	10,424
<b>Total costs for the year</b>	<b>335,126</b>	<b>570,998</b>	<b>10,399</b>	<b>916,523</b>	<b>728,355</b>

**Grit: Breakthrough Programmes**  
**For the Year Ended 30 June 2023**  
**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.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other services – Independent Examination	10,399	5,140
	<u>10,399</u>	<u>5,140</u>

**4. STAFF COSTS**

Details of the staff costs are shown in note 3.

1 employee received remuneration in the band £80,000-£90,000 per annum (2022: 1 in the band £70,000-£80,000 per annum) and the company made pension contributions totalling £5,897 (2022: £ 5,390).

The average number of employees during the year 10 (2022:10).

The charity operates a defined contribution pension scheme, the assets of which are held outside the charity. The charity contributed a total of £15,707 (2022: £12,843) on behalf of all employees during the year. At the yearend, £5,345 (2021: £62) 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 (2022: £Nil) received reimbursement of charity related expenditure (2022: £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 2023**

**Notes to the Financial Statements - continued**

**6. FIXED ASSETS**

	Office fittings £	Charity Furniture fixtures and equipment £	Total £
<b>COST</b>			
At 1 July 2022	26,850	7,924	34,774
Additions	1,447	565	2,012
Disposals	-	-	-
At 30 June 2023	<u>28,297</u>	<u>8,489</u>	<u>36,786</u>
<b>DEPRECIATION</b>			
At 1 July 2022	15,512	7,322	22,834
Charge for the year	3,860	257	4,117
Disposals	-	-	-
At 30 June 2023	<u>19,372</u>	<u>7,579</u>	<u>26,951</u>
<b>NET BOOK VALE</b>			
At 30 June 2023	<u>8,925</u>	<u>910</u>	<u>9,835</u>
At 30 June 2022	<u>11,339</u>	<u>601</u>	<u>11,940</u>

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

**7. FIXED ASSETS INVESTMENTS**

	Unlisted investment £
<b>COST</b>	
At 1 July 2022	1
Disposals	(1)
At 30 June 2023	<u>-</u>
<b>NET BOOK VALUE</b>	
At 30 June 2023	<u>-</u>
At 30 June 2022	<u>1</u>

The Charity had 100% ownership of the ordinary share capital of YAR Trading Limited, company number 03639057 incorporated in England and Wales. YAR Trading Limited was dissolved on 25 October 2022.

**Grit: Breakthrough Programmes**  
**For the Year Ended 30 June 2023**  
**Notes to the Financial Statements - continued**

**8. DEBTORS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade Debtors	25,144	52,645
Other debtors	45,000	1,500
Prepayments and accrued income	9,102	8,310
	<u>79,246</u>	<u>62,455</u>

**9. CREDITORS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade Creditors	6,582	11,900
Taxation and social security	9,874	8,987
Accruals	39,723	49,170
Other creditors	7,729	1,560
Deferred income (note 10)	96,260	99,817
	<u>160,168</u>	<u>171,434</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.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Balance at 1 July 2022	99,817	103,689
Amount released to incoming resources	(577,900)	(485,273)
Amount deferred in year	574,343	481,401
	<u>96,260</u>	<u>99,817</u>

This page does not form part of the statutory financial statements



**Grit: Breakthrough Programmes**  
**For the Year Ended 30 June 2023**  
**Notes to the Financial Statements - continued**

**11. MOVEMENT IN FUNDS**

	<b>At 1 July 2022</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfer</b>	<b>At 30 June 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>	405,867	826,508	(869,817)	-	362,558
<b>Restricted funds (see note 12)</b>	39,600	7,106	(46,706)	-	-
	<u>445,467</u>	<u>833,614</u>	<u>(916,523)</u>	<u>-</u>	<u>362,558</u>

The unrestricted funds represent the free funds of the charity that are not designed or restricted for particular purposes, this includes traded income received via schools, universities and local authorities.

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.

During the year to 30 June 2023, the trustees re-evaluated the treatment of restricted income and believe that previous recognition of restricted funds should be reclassified as unrestricted. This has had the effect of increasing the overall deficit by £39,600. At the end of the financial period there was no restricted funds carried forward.

**Grit: Breakthrough Programmes**  
**For the Year Ended 30 June 2023**  
**Notes to the Financial Statements – continued**

**12. ANALYSIS OF RESTRICTED FUNDS**

	<b>At 1 July 2022</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfer</b>	<b>At 30 June 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Julia and Hans Rausing Trust	10,250	-	(10,250)	-	-
Porticus Foundation	20,000	-	(20,000)	-	-
Warwickshire County Council	9,350	-	(9,350)	-	-
Children in Need	-	7,106	(7,106)	-	-
	<u>39,600</u>	<u>7,106</u>	<u>(46,706)</u>	<u>-</u>	<u>-</u>

**13. COMMITMENTS UNDER OPERATING LEASES**

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

	<b>Charity</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within one year	6,734	-
Between one and five years	<u>6,215</u>	<u>-</u>
	<u>12,949</u>	<u>-</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 2023**  
**Notes to the Financial Statements – continued**

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds 2023 £</b>	<b>Restricted Funds 2023 £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
Fund balances at 30 June are represented by:				
Fixed assets	9,835	-	9,835	11,941
Current assets	512,891	-	512,891	604,960
Current liabilities	(160,168)	-	(160,168)	(171,434)
	<u>362,558</u>	<u>-</u>	<u>362,558</u>	<u>445,467</u>

**16. RELATED PARTY DISCLOSURES**

Except as set out in Note 5, there were no related party transactions for the years ended 30<sup>th</sup> June 2022 and 2023.

**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.

**18. EVENTS AFTER THE BALANCE SHEET DATE**

Subsequent to the reporting period the charity was victim of a cyber breach which it is currently dealing with the consequences and outcomes of. An estimate of the financial effect of this cannot currently be made.