

Registered number: 05488354
Charity number: 1115888

THE SOCIAL MOBILITY FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2021

LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

THE SOCIAL MOBILITY FOUNDATION

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Trustees	Rt Hon Alan Milburn, Chairman Namrata Patel Ann Doherty Lee Cain Fiona Dawson Lord Stuart Rose Dr Bandhana Rawal Heider Ridha Ben Rodham Ruth Owen
Company registered number	05488354
Charity registered number	1115888
Registered office	The Timber Yard 17 Drysdale Street London N1 6ND
Chief Executive	Sarah Atkinson
Independent auditors	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Legal Advisors	Baker & McKenzie 100 New Bridge Street London EC4V 6JA

THE SOCIAL MOBILITY FOUNDATION

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TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees (who are also directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Social Mobility Foundation (the Charity) for the year ending 30 September 2021. The annual report serves the purpose of both a Trustees' report and a directors report under company law. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

ACTIVITIES AND KEY ACHIEVEMENTS

Despite the challenging context for charities of the last year The Social Mobility Foundation ("SMF") has continued to grow and develop, demonstrating the continued relevance of our work and the difference we make.

The young people we exist to support were already, before the pandemic, less likely to achieve educational and career success than their better-off peers. Evidence is piling up that the effects of the pandemic on those young people are profound and long-lasting, compounded by the rising cost of living. More young people are living in poverty, and the attainment gap between them and their better-off peers is growing. Our students have experienced three years of disrupted education, and we can see clearly the negative effects on their access to opportunities and their confidence and resilience.

However, the SMF has been able to understand and respond to the developing needs and concerns of our beneficiaries, and continuing to adapt our programme and other activities accordingly. We have continued to support thousands of young people directly on our programmes, influenced employers and policymakers to put socioeconomic diversity on the agenda as part of the economic recovery, and strengthened our advocacy and campaigns work to amplify the voices and experiences of young people and mobilise support for social mobility.

As we look ahead, the Trustees are committed to building on these successes and keep increasing the impact of our three strategic interventions: our student programmes, our work influencing employers and our campaigns for systemic change. Trustees are also keen to ensure the sustainable growth of the charity, supporting the wellbeing and development of our skilled staff and investing in our operational infrastructure including a new website and IT systems.

Aspiring Professionals Programme (APP)

Our five year student programme, the Aspiring Professionals Programme, continues to grow in scale and impact. Students apply to join the programme aged 16/17 and depending on their home location and career aspirations, are admitted to one of three strands:

APP City - For students living in and near Birmingham, Cardiff, Glasgow, Leeds, Liverpool, London, Manchester, and Newcastle.

APP Residential - For students anywhere in the UK outside London, offering insight into a specific sector with a top employer - in 20/21 including Arup, Akin Gump, BP, Clifford Chance, Freshfields, Herbert Smith Freehills, J.P. Morgan, KPMG, Linklaters, PA Consulting, and White & Case.

APP Reach - For young people across the UK outside our target cities, especially in social mobility 'cold spots'.

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The programme is designed around our competency framework, Building My Future, which is based on the Gatsby Benchmarks for career development set out in 2013 and has been developed and refreshed over the last 9 years in line with emerging research and good practice. Students on the programme are offered:

- Mentoring from a volunteer professional in their chosen career sector
- Tailored support for school students to apply to selective universities, including visits, guidance and support with making informed choices, and help with applications
- Careers advice and work experience placements in employers within their chosen sector
- Workshops to develop skills including confidence, networking, public speaking and commercial awareness
- Tailored support and advice for undergraduates with internship, graduate pipeline and graduate job opportunities including CV advice and pre-interview coaching

We enrolled 2,101 students from 664 schools and colleges on our 2021 programme (a 3.5% increase on 2020) across 11 career sectors: accountancy, architecture, banking & finance, biology & chemistry, business, digital, engineering & physics, law, media & communications, medicine and politics. We are embedding information about sustainability across the programme, with a sustainability careers focus within each sector and a series of events to engage and inspire students, which in 2021 included a lecture by former US Vice President Al Gore.

With the continuation of Covid-19 restrictions the 2021 programme has been delivered entirely online. New activity for 2021 included Breaking Barriers, an event series for white working class boys based on evidence that this group would benefit from a space to discuss negative perceptions and positive role models; tailored university insight webinars delivered in partnership with the Universities of Cambridge, Durham and Oxford to respond to the lack of tailored university online content for first generation students; a webinar on mental health and resilience ahead of summer assessment results in partnership with Minds Ahead, responding to student need across the cohort; and the creation of our Black Students Advisory Group, building on our existing series for students of Black heritage.

Our increased confidence and capability in delivering effective programme content online in partnership with employers meant that we were able to increase the number of internships and work experience placements we offered to students in 2021, including an innovative online medicine work experience programme funded by Health Education England. In total we offered 1,037 virtual internships to sixth form students in 2021, with 78 partner employers.

We have also continued to grow our undergraduate support including paid internships and tailored support for graduate pipeline applications. We were delighted to be chosen to partner with the Houses of Parliament Restoration and Renewal Programme, with 6 SMF students securing 12 month paid internships in the first cohort. We secured a total of 180 paid internships for SMF undergraduate students in 2021, plus places for 52 undergraduate medicine students on Transitions to Medicine and 72 undergraduate law students on the Government Legal Department Diversity Summer School.

Mentoring continues to be a significant part of the APP programme, with all students supported by a volunteer mentor during their first year of the programme, and a further mentoring offer for undergraduate students seeking employment. 2,106 volunteers mentored a school-age student in 2021, and 383 volunteers supported an undergraduate student. We hosted virtual mentor-mentee meet-ups again through 2021 with 745 mentoring pairs attending at least one session.

In 2021 we moved to a new e-mentoring platform, MentorNet, with improved data security and functionality, and this has had excellent feedback from volunteer mentors as well as delivering efficiencies for us in managing the process.

In 2022 we are developing a blended programme of virtual and face to face delivery: online for programme launches, information events and masterclasses, and undergraduate events; face to face where possible for university visits, workshops, and work placements. We are working with some partners to develop new virtual and blended work placements so that we can increase opportunities for students outside our city hubs, and explore the use of virtual collaboration tools, and we are strengthening the emphasis on face to face opportunities to build confidence and networking skills, including for the 2019 and 2020 cohorts who experienced

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

so much disruption. We will also scope new content to support students considering graduate apprenticeships, as well as shaping an offer for young people in their early careers.

Programme outcomes and impact

The goals and outcomes for the APP are to:

- Raise the aspirations, confidence and skills of high-achieving young people from low-income families across the UK – measured through student evaluation of confidence, knowledge and aspirations
- High-achieving young people from low-income families to improve knowledge and ability to enter top universities – measured through student evaluation of confidence and knowledge, and student outcomes (university offers and admissions)
- High-achieving young people from low-income families to increase their ability to make competitive applications for internships/graduate roles with prestigious employers in their preferred career sector – measured through student evaluation of confidence and knowledge, student evaluation of impact of SMF support, employer evaluation of programme, and student outcomes (internships and graduate pipeline opportunities secured, alumni in full time employment or further study, alumni in highly-skilled employment)

In 2021:

- 99% of students in 2021 said they could not have obtained the work placements they did without the SMF (2020: 99%)
- 92% of students in 2021 increased their confidence in making a professional impression (2020: 92%)
- 93% of employers working with SMF in 2021 said they found young people they don't see through their traditional channels (2020: 92%)
- 66% of students in the 2020 cohort who attended university went to a Russell Group institution (2019: 64%)
- 96% of APP students who graduated in 2020 are now in full time employment or further study, 75% in highly-skilled employment (2019: 95%, 75%)

Social Mobility Employer Index

The Social Mobility Employer Index launched in 2017. The Index benchmarks employers on the actions they are already taking to improve social mobility and encourages them to take further action to ensure they are open to accessing and progressing talent from all backgrounds. The Index encourages firms to share their initiatives and progress in becoming more inclusive employers and provides organisations with a comprehensive feedback report to inform their social mobility strategy.

Each year we publish a list of the top 75 employers and an insights report to share key data, trends and case studies across all aspects of employer-led social mobility. We draw on the insights from the Index to develop and improve our student programme and to inform our advocacy and campaigns through the Department for Opportunities.

Index outcomes and impact

In 2021 203 employers from 18 sectors, collectively employing 1.35 million people, entered the Index – a 70% increase on 2020. This included 93 employers entering for the first time. The 2021 Index launch saw our highest ever levels of media coverage and engagement including interviews on BBC Radio 4 Today and Sky News.

The Social Mobility Employer Index continues to be the leading authority on employer-led social mobility, regularly cited by the media, policy makers and academic researchers as a source of data, insight and case studies. Benchmarks and insights from the Index have been used by the Social Mobility Commission in developing their employer toolkits, and by the Government-commissioned City of London taskforce on socio-economic diversity in financial services.

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Returning organisations are more likely to demonstrate progress on social mobility. In 2021, employers who had submitted previously were 4 times more likely to be collecting 3 or more socioeconomic background data points, demonstrating the role the Index plays in driving change.

In 2022 we are asking Index participants to make a contribution towards our costs for managing and developing the Index, and will be further developing the Index benchmark and individual feedback reports to ensure they keep abreast of best practice and emerging issues. We will also be scoping the development of new tools and resources to help mobilise employer action on social mobility.

The Department for Opportunities

The Department for Opportunities (DO) is SMF's campaign and advocacy arm; we aim to influence and inform decision-makers to drive systemic change, amplify the views and voices of young people and connect them with those who can drive change, and raise awareness of the problems and negative consequences of low-levels of social mobility to build our advocacy base and drive change.

DO outcomes and impact

We launched our flagship research project, Unheard Voices, in 2021. Unheard Voices seeks to amplify the stories and views of young people to engage, inform and assist those in power to create a more equal society; we published the findings of a major survey of over 2,000 young people including 1,000 from low-income backgrounds, along with a Youth Manifesto setting out ambitions and policy asks.

In the summer we once again supported young people wishing to appeal their assessment grades with guidance and template letters, and submitted a number of consultation responses to the Department for Education and Ofqual in England; two of our recommendations were implemented, that young people opting to take autumn exams should not be treated as resitting and should not have to pay, and Ofqual is now directly engaging with our students on the wording of their information.

In October 2021 we ran our biggest campaign yet, 'Class Polish', raising awareness of the existence of the class pay gap and calling on employers to take action. Working in partnership with creative agencies Creature, W Communications and Wavemaker and with advice from Professor Sam Friedman of the LSE, we created a campaign film, featuring comedian Fern Brady, which was shown in cinemas across the UK and on social media, and adverts which ran in the Guardian and City AM. The overall campaign reach was 1.1 million people with extensive print and broadcast media coverage and social media engagement.

We have also taken other opportunities to amplify the voice and influence of disadvantaged young people, securing media opportunities including live interviews on Channel 4, BBC and Sky News and contributing to youth consultations and round table discussions including with the Labour shadow Education team, the Times Education Commission and the Lord Mayor of London.

Plans for 2022 include continuing and developing our Unheard Voices project and running a second campaign on class pay.

Structure Governance and Management

The SMF is a company limited by guarantee. In the event of a winding up the members' liability is restricted to contributing an amount not exceeding £10 each.

The Company was incorporated on 22 June 2005; the governing document is the Memorandum and Articles of Association, as amended by special resolutions dated 16 July 2006, 8 November 2006 and 30 April 2020. The Company was registered as a charity in England & Wales on 22 August 2006.

The Charity is administered by the board of Trustees, who are also directors of the Charitable Company and are listed on page 1. The board meets 5 times a year to ensure the proper administration of the Charity and application of its resources.

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The day-to-day management of the Charity is delegated by the Trustees to the Chief Executive who reports to the Trustees on a regular basis.

Trustees are appointed only by resolutions passed by existing Trustees to co-opt new Trustees. This is carried out in accordance with clauses 3.9 and 4.5 of the Articles. Trustees are appointed for 2 terms of three years, with a third term of three years possible under exceptional circumstances.

The training needs of each Trustee are assessed on an individual basis and access to training is offered where necessary. On appointment each new Trustee is given the opportunity to meet with the staff of the Charity and is provided with a copy of the Charity Commission's Essential Trustee guidance, the charity's governing document, latest accounts and recent board papers and minutes.

The Trustees serving during the year and to the date of this report are as follows:

Rt Hon Alan Milburn (Chairman)
Rt Hon Hazel Blears (retired 31 December 2020)
Lee Cain (appointed 5 May 2021)
Ann Doherty
Sir Terry Leahy (retired 31 December 2020)
Theresa Loar (retired 31 December 2021)
Fraser Nelson (retired 31 December 2020)
Nami Patel (appointed 17 February 2021)
Dr Bina Rawal
Heider Ridha
Ben Rodham
Lord Stuart Rose (appointed 17 February 2021)
Fiona Dawson (appointed 17 February 2021)
Ruth Owen (appointed 23 February 2022)

Risk Assessment

The Trustees will continue to monitor and review the risk assessment process on an ongoing basis. In the opinion of the Trustees there are adequate internal controls in place to cover any significant risks to the Foundation.

Charitable Objects, Vision and Objectives

The Social Mobility Foundation is a Charity, registered in 2006, to advance the life chances of bright but financially disadvantaged young people.

Our vision is that young people across the UK should be able to achieve their potential regardless of their socio-economic background, benefiting them and making our economy and society stronger. Our mission is to support and champion young people from low socio-economic backgrounds, breaking down the barriers that prevent them achieving their potential and mobilising others to take positive action on social mobility.

The SMF advances its charitable objectives through:

- Providing services to young people, including work experience, mentoring, skills workshops and university visits. Our services are provided entirely free of charge with our programmes open to young people across the UK with eligibility based on socio-economic and academic criteria.
- Providing advocacy, advice and information, including advice and information to young people on our programme about higher education and career pathways, and advice and information to employers and others about effective social mobility practice. Advice and information to young people on our programme is provided entirely free of charge. We advocate for awareness of social mobility and action on social class disadvantage through our campaigns arm, the Department for Opportunities.

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FOR THE YEAR ENDED 30 SEPTEMBER 2021

- Undertaking research, particularly into the experiences and perspectives of young people from low socio-economic backgrounds, into the causes and impacts of social class disadvantage, and into employer practice in social mobility. We disseminate the insights and findings from our research through publications, events and engagement with policy makers and the media.

The eligibility criteria for our student programme are:

- Socio-economic: young people are eligible for free school meals, and/or will be the first generation in their families to attend university, having attended a school with a significant proportion of pupils on free school meals, and/or are care experienced.
- Academic: typically predicted ABB at A-Level or ABBB at Highers and have obtained at least 4 A/7 grades at GCSE or 4 A/B grades at National 5. We take socio-economic context into account when considering academic eligibility.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Reserves policy and going concern

The Trustees are pleased to report that total funds at 30 September 2021 amount to £1,744,731 (2020: £1,034,573) of which unrestricted reserves amount to £1,313,077 (2020: £485,807) and restricted funds amount to £431,654 (2020: £548,766). Over the period of the pandemic, the strong income performance combined with the temporary reduction in expenditure from the suspension of travel and face-to-face events means that the SMF has increased both its restricted and unrestricted reserves.

The Trustees aim to maintain a level of unrestricted reserves sufficient to cover 6 months running costs for the charity - at the current operating budget this is approximately £900,000.

The Trustees have designated unrestricted reserve funds for the following priorities over the next 1-2 years:

- Investment in the charity's IT and operating systems - £200,000
- Investment in the charity's strategic development - £160,000

The Trustees are confident that the Charity will be able to continue its operations beyond the next 12 months given a healthy level of free reserves and a number of income sources secured or in the pipeline for future years.

Financial Review

The balance sheet remains strong at the 30 September 2021 with total funds of £1,744,731 (2020 - £1,034,573) and cash at bank of £1,725,699 (2020 - £1,178,286).

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of the Social Mobility Foundation 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).

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The auditors, Lubbock Fine, have indicated their willingness to accept re-appointment under section 487(2) of the Companies Act 2006 and a resolution to reappoint them will be proposed at the Annual General Meeting.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Alan Milburn

Rt Hon Alan Milburn, Chairman
Trustee

Date: 24 June 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOCIAL MOBILITY FOUNDATION
FOR THE YEAR ENDED 30 SEPTEMBER 2021

OPINION

We have audited the financial statements of The Social Mobility Foundation (the 'charitable company') for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOCIAL MOBILITY FOUNDATION (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustee's report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOCIAL MOBILITY FOUNDATION (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- The nature of the sector and the impact of Covid-19 on financial and operating performance and policies;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with charities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Charities Act and Charities SORP 2019.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the charity's ability to operate or to avoid a material penalty. These included health and safety regulations, employment law and environmental regulations.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to irregularities, including fraud were in respect of revenue recognition and classification, management override, non-compliance with grant terms and conditions, erroneous or fraudulent staff or student expense claims included in the charity's records as charitable expenditure and the incorrect allocation of expenditure between restricted funds. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SOCIAL MOBILITY FOUNDATION (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021


- agreeing income recognition and classification to supporting grant contract or supporting documentation on a sample basis;
- reviewing grant terms and conditions and obtaining evidence of compliance with key terms.
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the charity's operations.
- reviewing the allocation of expenditure between funds on a sample basis.
- agreeing expenditure to invoice and supporting documentation on a sample basis to verify validity.
- for charitable expenditure derived from a staff or student expense claim, agreeing on a sample basis the amount and classification to both the expense claim form and the underlying supporting documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

This report is made solely to the Charitable Company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Facey (Senior Statutory Auditor)

For and on behalf of

Lubbock Fine LLP

Chartered Accountants & Statutory Auditors

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 24 June 2022

THE SOCIAL MOBILITY FOUNDATION
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:					
Donations and grants	3	1,177,546	1,280,001	2,457,547	2,204,238
Charitable activities	4	45,690	-	45,690	-
Investments		159	-	159	949
Other income	6	2,429	-	2,429	2,335
TOTAL INCOME		1,225,824	1,280,001	2,505,825	2,207,522
EXPENDITURE ON:					
Raising funds	7	9,076	4,494	13,570	51,829
Charitable activities	8	389,478	1,392,619	1,782,097	1,509,921
TOTAL EXPENDITURE		398,554	1,397,113	1,795,667	1,561,750
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS		827,270	(117,112)	710,158	645,772
RECONCILIATION OF FUNDS:					
Total funds brought forward		485,807	548,766	1,034,573	388,801
Net movement in funds		827,270	(117,112)	710,158	645,772
TOTAL FUNDS CARRIED FORWARD		1,313,077	431,654	1,744,731	1,034,573

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 16 to 35 form part of these financial statements.

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	5,264	7,619
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	13	8,490	8,490
Debtors: amounts falling due within one year	13	277,893	172,626
Cash at bank and in hand		1,725,699	1,178,286
		<u>2,012,082</u>	<u>1,359,402</u>
Creditors: amounts falling due within one year	14	(272,615)	(218,564)
NET CURRENT ASSETS		<u>1,739,467</u>	<u>1,140,838</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,744,731</u>	<u>1,148,457</u>
Creditors: amounts falling due after more than one year	15	-	(113,884)
TOTAL NET ASSETS		<u><u>1,744,731</u></u>	<u><u>1,034,573</u></u>
CHARITY FUNDS			
Restricted funds	20	431,654	548,766
Unrestricted funds	20	1,313,077	485,807
TOTAL FUNDS		<u><u>1,744,731</u></u>	<u><u>1,034,573</u></u>

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Alan Milburn

Rt Hon Alan Milburn, Chairman
Trustee

Date: 24 June 2022

The notes on pages 16 to 35 form part of these financial statements.

THE SOCIAL MOBILITY FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	22	549,818	548,250
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest from investments		159	949
Purchase of tangible fixed assets		(2,564)	(2,864)
NET CASH USED IN INVESTING ACTIVITIES		(2,405)	(1,915)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		547,413	546,335
Cash and cash equivalents at the beginning of the year		1,178,286	631,951
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23	1,725,699	1,178,286

The notes on pages 16 to 35 form part of these financial statements

THE SOCIAL MOBILITY FOUNDATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Social Mobility Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The Charity is a company limited by guarantee incorporated in England and Wales. The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

The registered office address and principal place of business is The Timber Yard, 17 Drysdale Street, London, N1 6ND.

1.3 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 Charitable Company 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 Charitable Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services and facilities are included at the value to the Charity where this can be quantified and reliably estimated.

Contract income from charitable activities is accounted for when receivable.

Revenue and capital grants are accounted for gross when notification is received and conditions are met. Where the grants specify the time period they relate to, they are recognised as income in that period.

Donation and fundraising income is recognised at the point at which the pledge is made.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Company; this is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure is included on an accruals basis and all costs related to each charitable activity have been allocated directly to that activity. When costs cannot be directly attributed to an activity they have been allocated on a basis consistent with the use of resources. The vast majority of support costs comprise office related costs and professional fees.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activity costs are costs incurred on the Charity's operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

1.7 Going concern

The Charity's focus and level of operations is dependent on the availability of working capital provided by grants and donations. The Board of Trustees are continuously monitoring the activities carried out by the Charity in order to ensure that sufficient working capital is available to cover the running expenses.

The Board of Trustees have prepared detailed forecasts for the year ended 30 September 2022 and preliminary incoming forecast results for year ended 30 September 2023 which confirm that the Charity is expected to have the resources to continue as a going concern. On this basis, the Trustees considers it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustment which would result if there were insufficient funds available in respect of the Charity's operations.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. The costs of minor additions or those costing below £500 are not capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	- 25.00% per annum straight line
Computer equipment	- 33.33% per annum straight line

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.10 Taxation

There is no charge to corporation tax due to the nature of the activities carried out by the organisation.

The Charity's expenditure is inclusive of input VAT which cannot be recovered.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

Trade and other creditors are recognised at the settlement amount after any trade discount received. Accruals are valued based on the estimated amount to be paid.

1.15 Financial instruments

The Charitable Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

THE SOCIAL MOBILITY FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.16 Pensions

The Charitable Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charitable Company to the fund in respect of the year.

The pensions expense is allocated between funds in accordance with the wages allocation. The creditor is unrestricted.

2. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	4,766	4,851
Auditors remuneration	10,200	10,200
Operating lease expense	45,147	29,058
	<u><u> </u></u>	<u><u> </u></u>

3. INCOME FROM DONATIONS AND GRANTS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations and grants	957,805	1,280,001	2,237,806
Gifts in Kind	219,741	-	219,741
Total 2021	<u><u>1,177,546</u></u>	<u><u>1,280,001</u></u>	<u><u>2,457,547</u></u>

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Donations and grants	690,716	1,249,858	1,940,574
Gifts in Kind	263,664	-	263,664
Total 2020	<u><u>954,380</u></u>	<u><u>1,249,858</u></u>	<u><u>2,204,238</u></u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

INCOME FROM DONATIONS AND GRANTS (continued)

Gifts in Kind

Gifts in Kind are split as follows:

	Unrestricted funds 2021 £	Total funds 2021 £
Pro bono legal fees	36,596	36,596
Marketing	183,145	183,145
Total 2021	219,741	219,741

	Unrestricted funds 2020 £	Total funds 2020 £
Pro bono legal fees	112,624	112,624
Use of facilities	25,000	25,000
Office space	13,097	13,097
Consultancy	18,148	18,148
Marketing	94,795	94,795
Total 2020	263,664	263,664

During the year, the Charity also received Gifts in Kind which have not been included within the accounts on the basis that a value could not be reliably estimated.

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from charitable activities - Contracts for services	45,690	45,690	-

THE SOCIAL MOBILITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £
Investment income	159	159
	<u>159</u>	<u>159</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Investment income	949	949
	<u>949</u>	<u>949</u>

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £
Other income	2,429	2,429
	<u>2,429</u>	<u>2,429</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Other income	2,335	2,335
	<u>2,335</u>	<u>2,335</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

7. COSTS OF RAISING FUNDS

Costs of raising voluntary income

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Staff costs of raising funds - wages and salaries	7,500	3,983	11,483
Staff costs of raising funds - NI	913	428	1,341
Staff costs of raising funds - pension costs	219	83	302
Other costs of raising funds	444	-	444
Total 2021	9,076	4,494	13,570

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Staff costs of raising funds - wages and salaries	5,114	5,605	10,719
Staff costs of raising funds - NI	658	656	1,314
Staff costs of raising funds - pension costs	112	162	274
Other costs of raising funds	484	39,038	39,522
Total 2020	6,368	45,461	51,829

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Student programme	163,083	1,014,308	1,177,391
Employer Index	15,928	55,677	71,605
Department for Opportunities	210,467	322,634	533,101
Total 2021	389,478	1,392,619	1,782,097

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Student programmes	490,894	780,547	1,271,441
Employer Index	31,439	2,502	33,941
Department for Opportunities	153,703	50,836	204,539
Total 2020	676,036	833,885	1,509,921

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Student programmes	1,031,171	146,220	1,177,391
Employer Index	66,763	4,842	71,605
Department for Opportunities	516,865	16,236	533,101
Total 2021	1,614,799	167,298	1,782,097

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Student programmes	1,000,165	271,276	1,271,441
Employer Index	29,501	4,440	33,941
Department for Opportunities	195,664	8,875	204,539
Total 2020	1,225,330	284,591	1,509,921

ANALYSIS OF SUPPORT COSTS

	Student programmes 2021 £	Employer Index 2021 £	Department for Opportunities 2021 £	Total funds 2021 £
Staff costs	11,681	403	1,342	13,426
Depreciation	4,766	-	-	4,766
Other staff costs	4,663	166	536	5,365
Printing, postage and stationery	8,539	294	981	9,814
Premises costs	48,767	1,682	5,605	56,054
Travel and subsistence	1,040	-	116	1,156
Miscellaneous	17,623	608	2,025	20,256
Legal and professional	48,988	1,689	5,631	56,308
Loss on disposal of fixed assets	153	-	-	153
Total 2021	146,220	4,842	16,236	167,298

Included within support costs of £167,298 (2020 - £284,591) are Gifts in Kind for legal and professional fees of £36,596 (2020 - £112,624).

THE SOCIAL MOBILITY FOUNDATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS (continued)

	Student programmes 2020 £	Employer Index 2020 £	Department for Opportunities 2020 £	Total funds 2020 £
Staff costs	11,732	309	309	12,350
Depreciation	4,851	-	-	4,851
Other Staff costs	5,734	151	151	6,036
Printing, postage and stationery	6,983	184	184	7,351
Premises costs	61,597	1,621	1,621	64,839
Travel and subsistence	13,459	-	-	13,459
Miscellaneous	7,452	196	196	7,844
Legal and professional	140,468	1,479	5,914	147,861
Dilapidations expense	19,000	500	500	20,000
Total 2020	271,276	4,440	8,875	284,591

10. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Charitable Company's auditor for the audit of the Charitable Company's annual accounts	10,200	10,200

THE SOCIAL MOBILITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

11. STAFF COSTS

	2021 £	2020 £
Wages and salaries	1,015,648	888,077
Social security costs	93,496	66,246
Other pension costs	32,969	29,212
	<u>1,142,113</u>	<u>983,535</u>

The average number of persons employed by the Charitable Company during the year was as follows:

	2021 No.	2020 No.
Average number of employees	37	32

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	-

The total employee benefits, including salary, pensions and employer national insurance, of the key management personnel of the Charity was £86,328 (2020 - £80,916).

No trustee received remuneration or benefits in kind during the current year or prior period. No trustees were reimbursed travel expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 October 2020	7,375	27,662	35,037
Additions	-	2,564	2,564
Disposals	(4,674)	(13,752)	(18,426)
At 30 September 2021	2,701	16,474	19,175
Depreciation			
At 1 October 2020	6,002	21,416	27,418
Charge for the year	523	4,243	4,766
On disposals	(4,551)	(13,722)	(18,273)
At 30 September 2021	1,974	11,937	13,911
Net book value			
At 30 September 2021	727	4,537	5,264
At 30 September 2020	1,373	6,246	7,619

13. DEBTORS

	2021 £	2020 £
Due after more than one year		
Other debtors	8,490	8,490
Due within one year		
Other debtors	14	33,795
Prepayments and accrued income	277,879	138,831
	277,893	172,626

THE SOCIAL MOBILITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

14. CREDITORS: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	31,089	23,882
Other creditors	2,472	-
Accruals and deferred income	239,054	194,682
	<u>272,615</u>	<u>218,564</u>

Deferred income relates to grant income which was deferred in line with grant agreements. Brought forward deferred income of £124,944 was released in the year with additional deferred income introduced in the year of £113,884.

15. CREDITORS: amounts falling due after more than one year

	2021 £	2020 £
Accruals and deferred income	-	113,884
	<u>-</u>	<u>113,884</u>

Deferred income relates to grant income which was deferred in line with grant agreements. Brought forward deferred income of £113,884 was released in the year and no additional deferred income was introduced.

16. PENSION COMMITMENTS

The Charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £32,969 (2020 - £29,212). Contributions totalling £4,941 (2020 - £4,044) were payable to the fund at the balance sheet date and are included in creditors.

17. OPERATING LEASE COMMITMENTS

At 30 September 2021 the Charitable Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within 1 year	31,892	50,484
Between 1 and 5 years	-	31,892
Total	<u>31,892</u>	<u>82,376</u>

THE SOCIAL MOBILITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

18. FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets		
Financial assets measured at amortised cost	252,149	179,416
	<u>252,149</u>	<u>179,416</u>
	2021 £	2020 £
Financial liabilities		
Financial liabilities measured at amortised cost	127,642	69,738
	<u>127,642</u>	<u>69,738</u>

Financial assets measured at amortised cost comprise other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of accruals and other creditors.

19. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year (2020 - none).

THE SOCIAL MOBILITY FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

20. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 October 2020 £	Income £	Expenditure £	Balance at 30 September 2021 £
Unrestricted funds				
General funds	485,807	1,225,824	(398,554)	1,313,077
Restricted funds				
Sofronie Foundation	-	50,000	(50,000)	-
Health Education England	136,009	224,000	(258,673)	101,336
JP Morgan Chase (2017-21)	201,548	193,064	(196,221)	198,391
Alstom (2020-21)	1,004	-	(1,004)	-
Credit Suisse (Cardiff)	-	74,423	(74,423)	-
Readman Foundation Fund (Community Foundation)	584	-	(584)	-
Macquarie Group Foundation	-	50,000	(50,000)	-
Matthew and Sian Westerman	49,671	124,944	(171,283)	3,332
Generation Foundation	161,176	250,000	(428,321)	(17,145)
Steve Morgan	-	25,000	(25,027)	(27)
The Robertson Trust	(1,226)	35,000	(33,961)	(187)
BP International	-	15,000	(15,000)	-
Linklaters	-	54,132	(42,018)	12,114
Catalyst for Impact Fund	-	67,000	-	67,000
Cognizant Foundation	-	53,817	(2,245)	51,572
Freshfields Bruckhaus Deringer	-	35,606	(20,338)	15,268
The Mullany Fund	-	18,415	(18,415)	-
Merton College	-	3,600	(3,600)	-
Close Brothers	-	6,000	(6,000)	-
	548,766	1,280,001	(1,397,113)	431,654
Total of funds	1,034,573	2,505,825	(1,795,667)	1,744,731

THE SOCIAL MOBILITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

20. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 October 2019 £	Income £	Expenditure £	Balance at 30 September 2020 £
Unrestricted funds				
General funds	210,547	957,664	(682,404)	485,807
Restricted funds				
Health Education England	12,518	255,172	(131,681)	136,009
JP Morgan Chase (2017-21)	78,406	320,000	(196,858)	201,548
Alstom (2020-21)	-	29,540	(28,536)	1,004
Credit Suisse (Cardiff)	13,934	70,000	(83,934)	-
Readman Foundation Fund (Community Foundation)	-	24,280	(23,696)	584
Macquarie Group Foundation	-	50,000	(50,000)	-
Matthew and Sian Westerman	61,165	125,323	(136,817)	49,671
Diversity Project Charity	12,231	-	(12,231)	-
JP Morgan Chase Tech (2020)	-	69,710	(69,710)	-
Generation Foundation	-	250,000	(88,824)	161,176
Steve Morgan	-	20,833	(20,833)	-
The Robertson Trust	-	35,000	(36,226)	(1,226)
	178,254	1,249,858	(879,346)	548,766
Total of funds	388,801	2,207,522	(1,561,750)	1,034,573

THE SOCIAL MOBILITY FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

20. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS:

Sofronie Foundation

Funding to support the Social Mobility Foundation's Manchester office.

Health Education England

Funding for the medical Aspiring Professionals Programme.

JP Morgan Chase Foundation (2017-2021)

Funding for the residential Banking/Finance strand for young people and an increase in the organisation's capacity.

Alstom

Funding to open a Liverpool office and mentor professionals.

Credit Suisse

Funding to work with schools, young people and employers in areas of the UK with the lowest social mobility and funding to support the Social Mobility Foundation's Cardiff office.

Readman Foundation Fund (Community Foundation serving Tyne & Wear and Northumberland)

To support the "Guy Readman Rising Starts" on the Aspiring Professionals Programme.

Macquarie Group Foundation

To support SMF's Aspiring Professionals Programme covering 70 participants in Birmingham and 10-15 in London each year.

Matthew and Sian Westerman

Funding the SMF Pathfinder Programme from 2019-2022.

Generation Foundation

To launch the Department for Opportunities to mobilise a coalition of different entities to take action within their spheres of influence to improve social mobility, to widen SMF's core offering to the social and environmental sector and support SMF's core offerings.

Steve Morgan

For support for the Liverpool office, by providing funding towards the salaries of the APP Coordinators in Liverpool.

The Robertson Trust

Funding towards an Aspiring Professionals Programme Coordinator in Glasgow.

BP International

To fund various activities for engineering students on the Aspiring Professionals Programme.

Linklaters

To fund the Making Links initiative, a bespoke 18 month programme to offer students the opportunity to engage with Linklaters.

Catalyst for Impact Fund

To provide financial and non-financial support over a five year period to carry out research into the barriers faced by students in rural areas and fund a six-month internship for an SMF student.

THE SOCIAL MOBILITY FOUNDATION

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Cognizant Foundation

The aim of the project is to increase SMF's ability to support talented young people from socioeconomically disadvantaged backgrounds aspiring to technology careers, enabling them to build necessary knowledge, confidence and networks, and increasing the opportunities to access technology career pathways.

Freshfields Bruckhaus Deringer

To cover the salary costs of an SMF employee seconded to assist with the administration of the Aspiring Professionals Programme.

The Mullany Fund

To cover the costs associated with the secondment of an SMF employee to assist with the delivery of the Aspiring Professionals Programme.

Merton College

To fund assistance with Merton College's admissions process and promote the college to sixth form students.

Close Brothers

To fund a summer work experience opportunity for 6 SMF students.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	5,264	-	5,264
Debtors due after more than one year	8,490	-	8,490
Current assets	1,458,054	545,538	2,003,592
Creditors due within one year	(158,731)	(113,884)	(272,615)
Total 2021	1,313,077	431,654	1,744,731

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,619	-	7,619
Debtors due after more than one year	8,490	-	8,490
Current assets	563,318	787,594	1,350,912
Creditors due within one year	(93,620)	(124,944)	(218,564)
Creditors due in more than one year	-	(113,884)	(113,884)
Total 2021	485,807	548,766	1,034,573

22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	710,158	645,772
Adjustments for:		
Depreciation charges	4,766	4,851
Dividends, interests and rents from investments	(159)	(949)
Loss on the sale of fixed assets	153	-
(Increase) in debtors	(105,267)	(12,687)
(Decrease) in creditors	(59,833)	(88,737)
Net cash provided by operating activities	549,818	548,250

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank	1,725,699	1,178,286

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FOR THE YEAR ENDED 30 SEPTEMBER 2021

24. ANALYSIS OF CHANGES IN NET DEBT

	At 1 October 2020	Cash flows	At 30 September 2021
	£	£	£
Cash at bank and in hand	1,178,286	547,413	1,725,699