



Annual Report 2020/21

Company Number : 4233289
Charity Number: 1141077

careerconnect.org.uk

CAREER CONNECT
(A company limited by guarantee)

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INTRODUCTION FROM THE CHAIR

Welcome to our Annual Report for 2020/21. This year has been one of the most challenging for the country and especially for those we work with. I am extremely proud of the work the Charity has undertaken over the last year to maintain our services, supporting individuals who have been severely impacted by the consequences of the pandemic.

Throughout the year our teams have been working tirelessly in new and innovative ways to ensure that young people and adults receive the help they need. This year has been unprecedented, not only in the tragic health impacts of the pandemic but also the wider societal consequences caused by repeated lockdowns, which have especially affected young people. There has been a marked rise in the level of youth unemployment, almost doubling during the pandemic, although now beginning to stabilise. However, we know it will require significant resources and commitment to ensure that these impacts are not long-term and that young people are provided with the practical help they need to return to employment and education as soon as possible. In response to the pandemic we have launched a number of new initiatives focused on working with individuals facing redundancy, addressing the digital divide and increasing access to high quality careers advice and guidance.

Alongside our work to support beneficiaries during the year we have also been focused on developing the Charity to ensure we can increase awareness of the scope and range of our services and positive outcomes now and in the future. Under the leadership of our new CEO, Barry Fletcher who joined at the start of the year we have developed a new Vision, Mission and Five Year Strategy. Our new Vision sets out a bold ambition to support people to realise their potential, and we are excited to be embarking on our ambitious plan when our services are needed now more than ever.

Over the year we have supported over 64,000 people in a range of services, from providing careers advice and guidance to supporting transitions into work. Our teams have worked tirelessly to provide high quality support, the majority delivered remotely in contrast to our predominately face to face services delivered before the pandemic. Going forward we are looking to retain the benefits of virtual and remote support, while offering crucial face to face services which are highly valued by participants on our programmes.

This year has been an extremely challenging one for most Charities, especially with the effect of the lockdowns on fundraising. Career Connect has been affected financially by the pandemic with a drop in income caused by funding for some programmes being delayed or reduced but the impact on outcomes has been limited and we are confident we can continue to grow and develop going forward.

I would like to thank all of the staff of the Charity for the excellent work they do and my fellow Trustees for their commitment and support over a challenging year.



Lorraine Dodd
Chair of Career Connect



Our Values:

- **Inclusive:** We believe diversity is a strength and each person should be supported to achieve the best possible outcomes, irrespective of their background
- **Person-centred:** We care about people as individuals, we advise and advocate on their behalf so that they can achieve their goals.
- **Aspirational:** We are committed to raising aspirations and achieving a greater level of social mobility
- **Impartial:** We work independently as a charity, to broaden horizons and help people to find an opportunity that's right for them
- **Professional:** We are passionate about our work; we are highly skilled and knowledgeable, working with integrity to achieve results

New Vision, Mission and Values

In 2020/21 we have developed a new Vision, Mission and Values for the Charity building on our rich history but looking to the future and growing our impact. Our new Vision captures our commitment to those we support and focuses on the potential in all those we help. We have focused our mission on helping people to access and succeed in education, employment and training as the path to delivering our Vision.

We also undertook an extensive exercise to develop a new set of Values (highlighted above) for the organisation, which reflect our approach to all aspects of delivering our services.

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Our Impact

2020-2021 Key Statistics

- We have worked with 64,716 people across the North West
- This includes 1,468 offenders of whom 176 were supported into employment outcomes
- Delivered services in 160 schools and to 27,686 students both face to face and online
- Our work with local authorities saw us support 26,881 young people. In Career Connect areas NEET and Not Known figures remained better than both North West and National averages
- Our National Careers Service worked with 8,388 individuals, 37% of whom moved into an employment or accredited learning option
- We trained 293 staff across a variety of organisations including internal staff, local authorities and schools

Careers Guidance

As one of the largest providers of Careers Guidance to Schools and Colleges across England we have supported over 27,000 young people across 160 schools this year. 2020/21 saw significant disruption to young people's schooling and required significant changes to our services to ensure that young people received the support they needed. Our teams adapted rapidly to the need to deliver remotely for Young People and ensured that support was provided, especially in light of the major issues with exams and uncertainty regarding higher education and employment prospects.

During the last year we have focused on innovation in our Careers support, for example working with a tech start up called Game Academy, who have developed an innovative programme to support the large number of gamers in the UK to use the skills they have developed through gaming to support their career aspirations. We have provided careers guidance to their participants through the Twitch platform, which saw more than a hundred Young People supported in this new and innovative way. We are looking to develop this partnership further over the next year.

Despite the challenges of Covid and disruption to services our teams have continued to achieve a 100% satisfaction rate and the areas where we operate have achieved in the top five nationally for achievement of Gatsby Benchmark 8 which covers Personal Guidance. In our Five Year strategy we have set an ambitious goal to expand our services to 10% of England's Secondary schools as we know that high quality Careers Guidance is crucial to driving social mobility and especially supporting vulnerable and disadvantaged pupils to achieve their potential.

(Young Person – University applicant)

"I could not have applied for university if it wasn't for you. My application would have most likely have been done wrong. Not only did you help me set it up, but you also helped me understand what everything means."

Our NEET services

In 2020/21 we continued to support large number of young people across the Liverpool City Region and Manchester and Salford who were not in education, employment or training. Our teams helped over 25,000 people to find new opportunities, working with young people in challenging circumstances from those leaving care to individuals engaged with the criminal justice system.

Our support this year has been more important than ever with significant increases in long term youth unemployment and lack of opportunities for Young People. Our teams have continued to deliver support throughout the pandemic both virtually and face to face ensuring Young People had access to the services they needed. Our NEET services have achieved a higher conversion of Young People into work than the NW and national average, highlighting the impact of our work.

The success of our services for Young People were recognised this year with Sarah Vaughan the joint winner of the Service Manager of the year at the Career Development Institute Awards, with Rob Jones also shortlisted for Careers Advisor of the year. Megan Jezzard from our St Helens team was also shortlisted for the prestigious Third Sector Awards in the Best Newcomer category.

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(Young Person struggling to find employment in a labour market affected by COVID)

"Thank you so much for helping me through these tough months. Part of me wishes I was still looking for a job because you are so kind. You were a real help for the interview, and it looks like your advice worked as I got the job! Thank you again."

(Parent of Young Person with Post Traumatic Stress Disorder and Electively Home Educated)

"I can't begin to tell you the impact our Career Connect Advisor has had on my son, it's phenomenal."

(Parent of Young Person experiencing depression, anxiety, and social isolation)

"He's a new child! . He's been in touch with his Careers Advisor from Liverpool and he's really looking forward to it. You are wonderful and the first person he's engaged with. Thank you so very much."

Our Work with adults

As the largest provider of the National Careers Service in the Liverpool City Region, Lancashire, Cheshire and Warrington we work with unemployed and employed adults providing high quality careers advice and support. We worked with over 8000 individuals, with 37% of those we worked with having moved into a sustainable job or accredited learning outcome.

Towards the end of 20/21 our teams supporting adults received the following excellent feedback in a large scale survey:

- 98% of respondents were extremely, very or fairly satisfied
- 96% would recommend the service to others
- 97% had an excellent or good first impression of the service.
- 98% of respondents felt a lot or a little *'Empowered to take the next steps independently as a result of the session'*

(NCS Participant - Support for completing applications)

"I just wanted to tell you I received the full funding we applied for and it will be a huge benefit for me to regain employment to continue my flying career. The time you spent with me gave me hope and reassurance. I can't thank you enough."

(NCS Participant – Prior professional looking for employment)

"Those links were really helpful. I've interviewed people myself but it's scary how much information you forget, especially when you are on the other side of the desk. Really can't tell you how much you've helped me. The service you provide is invaluable."

(NCS Participant – New career path following redundancy)

"My confidence was rock bottom, just talking to you made me feel like I could have another go – even at my age! To know you would be there if I hadn't been successful this time round was a huge relief."

(NCS Participant – Practical CV writing support)

"I honestly can't thank you enough for your help in writing my CV. I'm so happy with my job and your support was a huge part of actually getting it."

Our Work with Offenders

Career Connect operated 2 significant contracts in the delivery of careers and resettlement services to prisoners in 11 North West prisons and via through the gate services as offenders return to the community. Achieve North West Connect, a subsidiary of the main Charity, provides a range of advice and support services to offenders across the entire North West region on the CFO3 ETE service commissioned by Her Majesty's Prison and Probation Service Co-Financed Organisation (HMPPS CFO), funded by the European Social Fund. In addition, New Leaf, is a smaller European Structural and Investment Fund (ESIF) funded contract delivered on behalf of Torus Foundation working across the Cheshire/Warrington area. During this period we supported 1468 offenders with 176 progressing into employment or education.

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The restrictions of the pandemic were challenging, particularly working within environments such as prisons but our teams responded flexibly and innovatively. In cell telephony proved to be a lifeline to continue to successfully mentor our participants and maintain contact with some of our most vulnerable service users.

Digital Transformation

This year we embarked on a significant digital transformation at Career Connect, designed to ensure that both internally and in the delivery of our services we are fully utilising the opportunities digital offers to enhance the delivery of our Mission. As part of this development we have welcomed our first Director of Digital and IT. This transformation has included a new outsourced provider of our IT services, significantly reducing our costs while supporting our new Strategic objectives. In addition we have launched a new innovation platform, Ideanote, which allows any member of our team to put forward a new idea, whether related to our services or other issues. Since launching in May 2020 we have had over 120 ideas put forward by our teams, with over half now implemented and having a positive impact.

During the pandemic and in a post-covid world, collaboration and information sharing digitally will be even more important. This year we launched a new Intranet, MyConnect which allows all our teams to connect on-line and ensures everyone has access to the information and support they need to support our participants better.

To support our participants with job searching, CV creation, skills development and with a built in interview simulator, we have implemented a new digital tool 'connectmycareer'. This tool is now being used across our key services and we have had over 12,000 activities undertaken on the software since its launch earlier this year. Finally, we have embarked on a major re-development of our Get Connected Careers platform. The App is being entirely re-developed to ensure it gives cutting edge support to young people, teachers and their parents using the latest technology and Careers guidance innovations.

New Programmes

This year the Charity has launched a new service to support employers and their staff who have been negatively affected by the pandemic through redundancy and restructuring. The Outplacement service is designed to support those impacted through both digital means using our connectmycareer platform and in-person Careers coaching and guidance to support their transition to new opportunities.

Research and Evaluation

As part of our new Five Year Strategy we have developed a new Research and Evaluation department in the Charity to ensure we are forefront of evidence based practice. As part of our focus on this area we are looking to undertake our own primary research, undertake robust evaluation of our current programmes, and contribute to the wider development of the evidence base for our work. We have already published some interesting data and analysis on the Kickstart scheme and are developing evaluation frameworks for all our current programmes, alongside externally commissioning research on key projects.

Campaigning

Career Connect have played an active role in campaigning this year to ensure that young people receive the support they need in response to the impact of the pandemic. In addition to direct influencing activity we have played an active role in the Youth Employment Group which has brought together over 100 Charities and other organisations focused on youth employment. The YEG played a key role in the development of the Kickstart scheme and the wider government response to the pandemic including the expansion of Traineeships, funding for Apprenticeships and wider support measures.

Future Plans

In 2020/21 we developed a new Five Year Strategy designed to increase our impact, ensure our sustainability and broaden our reach. The strategy sets out a number of key ambitions over the next Five Years, a summary of these are set out below;

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We are already making significant progress on our key objectives, becoming Living Wage accredited this year and embarking on the Investors in Diversity accreditation. We are planning to work with a number of new schools this year, including outside our historical delivery areas in the North West. Over the next year we are looking to continue growing our impact through the following activities:

- Driving programme innovation through securing Trusts and Foundations funding addressing key issues for young people. This will include those impacted by Covid-19, supporting Young People with SEND, helping electively home educated Young People and growing our work with Primary schools.
- We are planning to launch a volunteering programme this year to support our professional teams, especially focused on our work in schools.
- We will be launching our new Get Connected App for Careers Guidance following a full re-development.
- We expect to publish our first primary research this year and ensure robust evaluation of all our programmes.

Public Benefit

The Board confirms that it has complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit.

The charitable purpose for the Charity within the meaning of the Act is enshrined within its objects, as given in the memorandum and articles of association, and as described in this report.

Activities undertaken for the public benefit include:

- The delivery of relevant up to date careers information, advice and guidance to adults and young people according to individual need
- The support of vulnerable and disadvantaged young people and adults to achieve their potential
- The support of adults and young people from a wide range of backgrounds and circumstances through their transition into further learning and work

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Diversity and Inclusion

Career Connect is committed to continually strengthening our approach to diversity and inclusion. As part of our Five-Year Strategy, we have set ourselves the goal of becoming Masters in Diversity Accredited by the end of 2025 and ensuring that our teams reflect the communities we support. We have identified areas where we are making positive progress and other areas where further development is required.

In this year we became a Disability Confident Leader, the highest level awarded by DWP which reflects an organisations approach to employing disabled people. We embrace the job interview guarantee for people with disabilities. Candidates are encouraged to highlight any reasonable adjustments needed in the recruitment process. This has enabled the charity to provide materials in other formats such as large print and BSL Signers for those who require support to participate fully in the recruitment process. Staff complete a health questionnaire, to identify any reasonable adjustments needed to succeed in the role: 26% of the workforce have a disability. Occupational Health and Access to Work undertake workplace assessments to agree appropriate adjustments or support, e.g. assistive technologies for an employee with a visual impairment. Full training is provided to ensure people are able to make full use of the software or equipment provided. This is regularly reviewed with the manager to ensure it remains supportive.

The charity provides training and development to all staff and reasonable adjustments are in place for those with disabilities. This includes accessible training venues and information in other formats. Monitoring of participation in training and those who progress into promotion opportunities is undertaken, ensuring that there is no discrimination in workforce development procedures. In addition, specific disability awareness training is provided to staff, which improves delivery of services to disabled people but also helps promote good working relations between people in teams.

An area for improvement is increasing the ethnic diversity of our teams, including in senior positions. Currently 6% of staff are from an ethnic minority, with a goal set to increase this to 18% by the end of 2025. We are undertaking a number of initiatives to increase the diversity of our workforce, including reviewing our recruitment processes, training for hiring managers to ensure unconscious bias does not influence decision making, and undertaking ethnicity pay gap reporting, with our first report planned to be published next year.

The gender balance in the Charity is currently 72% female. Our median gender pay gap is currently 6% and has reduced over the last few years, however, further improvement is still required to eliminate the gap.

Environmental Impact

Career Connect is committed to playing its part in addressing the climate emergency and continues to focus on decreasing our environmental impact. One of the key changes we undertook this year was committing to removing all fossil fuel companies from our investment portfolio. We plan to ensure that we have divested all funds in these companies by the end of the 21/22 financial year. Our holdings were already limited, however, we believe it is crucial all Charities play their part in addressing what is one of the greatest issues of our time. The pandemic has had a massive impact on our environmental impact in 2020/21 with the majority of our services moving from face to face to virtual. As a result we saw a reduction in mileage of 92% compared to 2019/20 (216,522 less miles) and an 81% reduction in paper usage. We also saw electricity and gas usage reduce, however, this was less dramatic due to the requirement to continue to maintain our offices while not being utilised. Although we expect to see mileage and wider consumption increase as we return to in person services we are keen to ensure that the environmental gains are not lost, therefore we are aiming to continue to use a blend of digital and in-person delivery going forward and are moving to a hybrid working structure for our Head Office staff which has allowed a 60% reduction in our Head Office size.

Financial Review 2020/21

In 2020/21 the Charity saw a relatively stable level of income of £9,974k (£10,360k in 2019/20) despite the impact of Covid 19. We undertook a number of investments during the year aligned to our new Strategy, especially focused on digital transformation, new programmes and research and evaluation. A small number of programmes were delayed due to the pandemic but we expect to see these come to fruition in 2021/22.

We saw a positive increase in our income from our Criminal Justice work from £3,162k in 2019/20 to £3,715k in 2020/21.

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The cash position of the charity remains strong at £2,814k, after a transfer of £500k into our Investment Portfolio. The strength of our cash position provides a high degree of confidence and helped with any negative impact caused by the Covid-19 pandemic.

In 2019/20 our investments were negatively impacted by the significant economic effects of Covid-19 on global stock markets. We saw a loss £206k in the last quarter of 2019/20, however 2021/21 we received a positive £631k movement in year, making up for the loss of 2020/19. As a result of this positive movement we saw a £284k surplus achieved in 2020/21.

Group Income for the year ended 31 March 2021 was £9,974k (£10,360k in 2019/20) of which £9,683k (2019/2020 £9,839k) was on charitable activities and £291k (2019/20 £505k) from non-charitable activities via Career Connections our trading subsidiary

The Group spent £10,321k (2019/20 £10,392k) before adjusting for the actuarial gains and losses of the Defined Pension costs under FRS 102.

Reserves

The Charity hold reserves to ensure its continued sustainability and allow investment in delivering the Mission of the Charity.

Free reserves are defined by the Charity Commission as unrestricted funds available to spend on the general purposes of the charity and therefore excluding those designated for particular purposes and those already utilised in purchasing tangible fixed assets.

Free reserves may be utilised for the following purposes:

- To protect the charity against a fall in income levels
- To ensure that all liabilities can be discharged in the event of the closure of the Charity
- To provide working capital in the event that expenditure is needed ahead of income being received, which is often the case in commissioned services
- To provide funding for new initiatives or opportunities
- To protect the charity against unplanned adverse events such as losing key staff, theft, fire or adverse publicity

Career Connect's reserves policy states that the Charity should hold a minimum of three months and a maximum of six months of operating expenditure. At the end of 2020/21 this was calculated as between £3.1M and £6.2M. Our current free reserves stand at £4,483k (2020: £5,677k) above the minimum and within the range agreed in our policy. On the basis of current investment plans and cashflow planning we expect our reserves to reduce over the next year, however, remaining above the minimum threshold.

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Pensions

The group operates a number of funded defined-benefit pension schemes and a money purchase scheme as the auto-enrolment alternative. The effect of compliance with FRS102 is disclosed in Note 17 to the financial statements. A valuation carried out at 31 March 2021 shows the market value of the assets of the schemes to be £14,323k (2020: 11,652k) and the present value of the liabilities £14,685k (2020: £10,487k). The net deficit on the Schemes of £362k (2020: £1,165k surplus) is a statement of the transient situation at 31 March 2021, and the Trustees recognise that this can fluctuate year on year notably in response to market factors and the actuarial assumptions made.

Career Connect is a member of two LGPS schemes, the Greater Manchester Pension Fund and the Merseyside Pension Fund. Staff working on three contracts are members of GMPF, which is closed to new members and funding is provided within these contracts to cover the contributions required. In the case of Merseyside Pension Fund a significant number of staff are part of this fund, 106 at the end of 2020/21. These staff members work on a range of programmes and Head Office functions and current contracts do not cover the full cost of contributions, which have been increasing on this scheme. Currently there is a surplus in MPF, which has not been recognised in the accounts, which has been utilised to pay contributions over a number of years, however, this surplus is reducing and if contributions needed to be funded through day to day income, this would pose a major risk to the Charity. As a result, Trustees proposed to exit the fund and we entered negotiations with Unison and staff in early 2020/21. Following these negotiations we have agreement to exit the fund in August 2022 if certain financial parameters are met. If we exit in August 2022 this will remove a significant risk for the Charity.

Reference and Administrative Details

Registered Charity Name	Career Connect
Charity Registration Number	1141077
Company Registration Number	4233289
Registered Office	Walker House Exchange Flags Liverpool Merseyside L2 3YL

Structure, Governance and Management

Career Connect is a registered Charity (number 1141077) and a company limited by guarantee (number 4233289) and is governed by its Articles of Association dated 13 June 2001 and amended by Special Resolutions dated 22 September 2010, 11 March 2011, 24 April 2014, 9 June 2017 and 26 October 2020. Career Connect has two wholly owned subsidiary companies, Achieve North West Connect and Career Connections Limited.

The Trustees

The Trustees, who are also directors for the purposes of company law, who served the company during the period were as follows:

Mrs Lorraine Dodd	Chair
Ms Aameena Ahmed	Resigned – 19/7/21
Mr Nigel Bellamy	Resigned – 14/12/20
Mr Martin McEwan	Chair Investment and Remuneration Committee
Ms Kath Wyke	Staff Trustee
Mr Steven Leach	Staff Trustee – Appointed 16/7/21
Ms Kate Shone	
Ms Moriah Nell	
Mr Andrew Rannard	
Ms Susan Smith	
Ms Elaine Sweeney	

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Co-opted and Independent Members

Mr Alexander Mansfield	Independent Chair Audit and Risk Committee
Ms Su Bramley	Co-opted Member Audit and Risk Committee

Director

Mr Barry Fletcher	Chief Executive
Mrs Sheila Clark	Deputy Chief Executive

Secretary

Ms Gillian Holywell

Auditor

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Governing Body, recruitment, training and performance

The Charity has adopted the Charity Governance Code and strives to achieve best practice. The Board of Trustees is responsible for the overall governance of the Charity and to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board conducts its business at a minimum of four meetings throughout the year, receiving regular and timely information on financial and operational performance. The Board is also supplemented by Audit and Risk and Investment and Remuneration Committees.

There are currently a total of 9 Trustees and 2 Co-opted/Independent members who represent a spread of experience and interests in the field we operate. We are currently undertaking recruitment to further enhance our Board, with the planned addition of our first Young Trustees and Trustees with a background in Research and Criminal Justice.

The majority of Trustees are appointed through open recruitment in addition to potential Trustees being identified by partner organisations or serving Trustees who have the necessary skills, experience and enthusiasm to complement the current Board.

A Trustee Skills Audit was undertaken in 2020/21 which helped inform both our Trustee recruitment plans and further training and support required by Trustees.

In this year we also commenced an external Board Effectiveness review undertaken by consultants from NCVO in line with the Charity Commission guidance. An external review will now be undertaken every three years in addition to the internal review annually. We expect to receive the report and recommendations in the 2021/22 financial year.

The Charity has updated procedures to reflect guidance provided by the Charity Commission regarding trustee and senior management eligibility with effect from 1 August 2018.

Each Trustee will receive the Charity Commission Trustee Guide which covers internal and external requirements; the Board also reviews its own training needs and performance annually, in the form of an Effectiveness Review led by the Chair.

The Board has agreed the terms of reference for each committee and has also agreed a policy of Delegated Authority to the Executive, retaining responsibility for key strategic decisions. Throughout the year the Board has scrutinised the operations of the Executive, within this authority.

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Executive Management

Responsibility for the planning, co-ordination and day-to-day management of staff and operations is delegated to an Executive Team led by the Chief Executive and supported by a Senior Leadership Team. Formal reporting by the Chief Executive to the Board takes place at regular Board meetings and informally as appropriate throughout the year. The systems of control that are designed to provide reasonable assurance regarding risk management and against material misstatement or loss include:

- An annual budget approved by the Board
- A Five Year strategic plan
- Financial reports to every Board meeting including forecasts against budget
- Regular review of financial results, variance from budget and non-financial performance indicators and reports
- A clear delegation of authority and segregation of duties
- Identification and management of risks, reported regularly to Board and Audit and Risk Committee
- Regular meetings of the Audit and Risk and the Investment and Remuneration Committees
- A comprehensive three year Internal Audit plan agreed by the Board and delivered by Mazars
- *In 2020 we became registered with the Fundraising Regulator, providing evidence of our commitment to high fundraising standards and building public trust in the Charity and wider sector*

Senior Leadership Team Remuneration

The remuneration of the Executive and Senior Leadership Team is reviewed by the Investment and Remuneration Committee at least on an annual basis. Salaries and benefits for this group have been set taking into account appropriate benchmarks and balance the need to retain and attract talented individuals while ensuring the appropriate use of Charitable funds. Salaries are compared to pay rates in similar organisations in the Careers/Employment sector including both Charitable and private sector organisations. In order to ensure transparency, the salaries of the CEO and Deputy CEO are set out below. The Executive team and SLT are offered the same benefits package as all staff. In addition, when all staff pay rises are undertaken a flat rate is utilised to ensure that lower paid staff receive a higher percentage uplift.

Role	Annual Gross Salary 2020/21
CEO	£95,000
Deputy CEO	£77,760

The pay ratio of our CEO's pay to our employees is as follows:

- Upper quartile (£35,276): 2.7:1
- Median pay (£26,217): 3.6:1

Audit and Risk Committee

The committee comprises up to 10 members, of whom the majority are Trustees and also includes the Charity's Internal Auditor (Mazars). The Chair and Chief Executive are attendees but not members of the committee. The External Auditor attends as appropriate throughout the year and open dialogue is encouraged between non-executive members and the Auditors.

The committee meets at least three times a year and provides a forum for reporting by the Charity's external and internal auditors, who have full independent access to members. The committee also receives reports from other independent bodies as appropriate.

The Internal Auditor monitors the systems of internal control, risk management and governance procedures in accordance with an Annual Audit Plan, reporting their findings to the committee and to management. The Audit Plan is drawn up in consultation with management using a risk based approach.

The committee regularly reviews the Risk register, in particular the potential for new risks and the effectiveness of monitoring and control actions agreed.

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Statement of Internal Control

The Board has responsibility for maintaining a good, sound system of internal control that supports the achievement of Charity policies, aims and objectives, whilst safeguarding the funds and assets of the Charity.

The system of internal control is designed to assess and manage rather than eliminate risk. It can therefore only provide reasonable and not absolute assurance of effectiveness.

Our system of control is based on an on-going process designed to identify the principal risks to the achievement of Charity aims and objectives to evaluate the nature and extent of those risks and to manage them effectively, efficiently and economically. Risk Management Policy and Strategy continues to reflect the changes and challenges facing the organisation.

The Board through the Audit and Risk Committee review the Risk Register during the year and monitor progress on the risks identified and the procedures in place for identification and management of risk.

The Agenda for the Board and its Audit and Risk Committee includes, as a standing item, the area of risk management which is considered on a regular basis throughout the year.

The Charity reviews its risk management procedures and processes on an ongoing basis to ensure that it is fit for purpose in the changing operational environment and is fully embedded within the organisation.

Any review of the effectiveness of internal control is informed by regular reports from Charity's internal auditors and by the Chief Executive who is responsible for the integration and implementation of Risk Management.

The Board received an annual review from the Company's Internal Auditors, Mazars, which gave an overview on all the Internal Audits completed during the year to March 2021. Mazars' annual opinion on the framework of governance, risk management and control are reported under the following categories:

- Substantial
- Moderate
- Limited
- Unsatisfactory

The Internal Auditors overall opinion of the review was "On the basis of our audit work, our opinion on the framework of governance, risk management and control is **Substantial** in its overall adequacy and effectiveness. We noted good practice in other areas including our audit of corporate governance and safeguarding which both provided a substantial assurance opinion."

In addition, the External Auditor again found no material weaknesses in the Charity's systems.

As an important part of the Risk management process the Charity regularly reviews its Safeguarding and Whistleblowing Policy and Procedures and continues to review its practice to ensure that staff are fully conversant with the changing requirements and challenges of the job.

Risk Management

Risk is an uncertain event, which may have a positive or negative effect on an organisation meeting its strategic objectives. Risk arises as much from the non-realisation of potential opportunities as from the occurrence of potential threats. It is not possible to entirely eliminate risk.

The Charity has adopted a common approach to the management of risk throughout the organisation. This will be achieved via adherence to the risk management procedures.

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The Charity will identify and agree the level of risk exposure that it will tolerate. This is required to:

- make clear what activities the Charity (where it has a choice) will and will not engage in;
- help inform decision making;
- shape corporate and other individual strategies;
- help inform business and strategic planning;
- help prioritise the management and reporting of risks;
- proactively review opportunity risk; and
- assess the risk arising from the new activities and opportunities.

The above will be considered in the context of overall the Charity objectives.

The Charity seeks to be risk aware rather than risk averse. Every member of staff, from the directors through line managers to the individual employee must be aware of the nature of risk, and the agreed system of control.

The Charity will adopt a pro-active approach to risk management which:

- anticipates the possibility that unforeseen events may adversely affect the achievement of key objectives; and
- maximises the possibility that opportunities are taken to progress all objectives.

The risk management process is designed to ensure that potential opportunities and threats are proactively and systematically identified, assessed and addressed. It also provides for the monitoring and reporting of risk on an ongoing basis and is capable of independent verification.

The table below sets out a number of key risks for the Charity:

Key Risk	Mitigation
Impact of Covid-19 pandemic on the charity	<ul style="list-style-type: none">• Business Continuity Plan activated and managing ongoing risk• Mixture of office/community based delivery and home working being utilised• Enhanced environmental control procedures• Communication on website regarding our ongoing services• Specific Infectious Diseases Policy developed• Encouraging vaccination among staff and monitoring number vaccinated
Exit from European Union and end of European Social Funding	<ul style="list-style-type: none">• Diversification of income streams• Engagement with Northern Powerhouse authorities, Combined Authorities and Government via Careers England/IEP about UK Shared Prosperity Fund as ESF legacy potential• Invest in research and analytical capacity to influence commissioning plans• Opportunity to bid for Community Renewal Fund as precursor to Shared Prosperity Fund launched this year

CAREER CONNECT
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TRUSTEES' REPORT
For the year ended 31 March 2021

Significant loss of beneficiary data	<ul style="list-style-type: none">• Robust security plans to ensure retention of data• Cyber Essentials accreditation• Regular patching and updates on all critical software and hardware• All staff undertake mandatory training on Information Security• Mazars our internal auditors will be undertaking an Information/Cyber Security review as part of internal audit schedule in 21/22• Planning to become ISO27001 (Information Security) accredited in 2021
Local Government Pension Schemes	<ul style="list-style-type: none">• Closely monitoring costs of schemes and potential impact on financial sustainability of the Charity• Membership of Greater Manchester schemes lower risk as contributions funded by commissioner• Due to increasing contributions on the Merseyside Pension Fund scheme we have agreed to exit in August 2022 subject to key financial targets being met, following agreement with our Unions and staff in the scheme.
Increased staff turnover and difficulty in recruiting new talent at all levels of the organisation	<ul style="list-style-type: none">• Staff recruitment and retention strategy refresh• New rewards and remuneration strategy• Pay rise in June 2020 for all staff• Investment in internal accredited training for staff targeting areas of growth• Development of Glassdoor profile• Launch of new website with new 'Work for us' section• Launched new recruitment software to automate aspects of recruitment process, speed up hiring and improve candidate experience

Provision 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 group'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 information needed by the Charity's auditors in connection with preparing their report and to establish that the Charity's auditors are aware of that information.

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TRUSTEES' REPORT
For the year ended 31 March 2021

Responsibilities of the Trustees

The Trustees (who are also Directors of Career Connect for the purposes of Company law) are responsible for preparing the Trustees' Annual 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 judgements and accounting 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 group will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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.

Auditor

Haysmacintyre LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.



Signed by order of the Trustees on 28 October 2021.
Ms Gillian Holywell
Company Secretary

CAREER CONNECT
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREER CONNECT

Opinion

We have audited the financial statements of Career Connect for the year ended 31 March 2021 which comprise the Consolidated Statements of Financial Activities, the Consolidated Balance sheet, the Consolidated Cash flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's net movement in funds, including the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

CAREER CONNECT
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREER CONNECT

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, 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 group's and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity and company law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to revenue recognition, in particular in relation to recording income from donations and charitable activities in the correct accounting period and management override of controls. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing the controls and procedures of the charity relevant to the preparation of the financial statements to ensure these were in place throughout the year, including during the Covid-19 remote working period;
- Reviewing debtors recoverability post year end.
- Reviewing managements decisions on bad debt.
- Reviewing post balance sheet events.
- Evaluating management's controls designed to prevent and detect irregularities;

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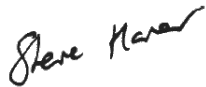
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAREER CONNECT

- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions, and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditor's 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 the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Harper (Senior Statutory Auditor)

for and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place

London

EC4R 1AG

4 November 2021

Date:

CAREER CONNECT
(A company limited by guarantee)

GROUP STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Group Income and Expenditure Account)
for the year ended 31 March 2021

	Notes	Total 2021 £ '000	Restated Total 2020 £ '000
Income from:			
Donations, grants and legacies	3	4	4
Charitable activities	4	9,630	9,8342
Investments	5	2	12
Trading income		285	255
Total income		<u>9,921</u>	<u>10,113</u>
Expenditure on:			
Raising funds			
- Fundraising		149	122
- Trading		271	243
Charitable activities	6		
- Criminal Justice		3,950	3,669
- Local Authority		3,591	3,771
- Schools		1,146	1,217
- National Careers Services		1,164	1,123
Total expenditure		<u>10,271</u>	<u>10,145</u>
Net (expenditure) / income before gains and losses		(350)	(32)
Gains / (losses) on investments	11	631	(206)
Net income / (expenditure)		<u>281</u>	<u>(238)</u>
Actuarial (losses) / gains on pension	17	(1,475)	2,793
Net movement in funds		<u>(1,194)</u>	<u>2,555</u>
TOTAL FUNDS AT 1 APRIL 2020	16	<u>5,677</u>	<u>3,122</u>
TOTAL FUNDS AT 31 MARCH 2021	16	<u><u>4,483</u></u>	<u><u>5,677</u></u>

The group statement of financial activities has been prepared on the basis that all operations are continuing operations.

Income, expenditure and funds in both the current and previous financial year relate entirely to unrestricted funds.

The notes on pages 24 to 39 form part of these financial statements.

CAREER CONNECT
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Company Registered Number 4233289
Charity Registered Number 1141077

GROUP BALANCE SHEET
at 31 March 2021

	Note	2021 £ '000	Restated 2020 £ '000
FIXED ASSETS			
Tangible assets	10	234	272
Investments	11	3,840	2,709
		<u>4,074</u>	<u>2,981</u>
CURRENT ASSETS	13		
Debtors		1,715	1,640
Cash at bank and in hand		2,815	3,651
		<u>4,530</u>	<u>5,291</u>
CREDITORS: Amounts falling due within one year	14	(3,759)	(3,760)
NET CURRENT ASSETS/(LIABILITIES)		<u>771</u>	<u>1,531</u>
NET ASSETS EXCLUDING PENSION		4,845	4,512
Defined benefit pension scheme	17	(362)	1,165
NET ASSETS		<u><u>4,483</u></u>	<u><u>5,677</u></u>
ACCUMULATED FUNDS			
Unrestricted income funds			
General reserve	16	4,483	5,677
TOTAL FUNDS	16	<u><u>4,483</u></u>	<u><u>5,677</u></u>

The surplus/(deficit) of the parent Company before consolidation was £431k (2020: £(1,799)k).

The financial statements were approved and authorised for issue by the board of Trustees on 28 October 2021 and signed on its behalf by:



Lorraine Dodd
Trustee

CAREER CONNECT
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The notes on pages 24 to 39 form part of these financial statements.

CAREER CONNECT
(A company limited by guarantee)

Company Registered Number 4233289
Charity Registered Number 1141077

CHARITY BALANCE SHEET
at 31 March 2021

		2021	Restated
	Note	£ '000	2020
			£ '000
FIXED ASSETS			
Tangible assets	10	234	272
Investments	11	3,840	2,709
		<u>4,074</u>	<u>2,981</u>
CURRENT ASSETS	13		
Debtors		1,585	1,381
Cash at bank and in hand		2,793	3,629
		<u>4,378</u>	<u>5,010</u>
CREDITORS: Amounts falling due within one year	14	(3,764)	(3,685)
NET CURRENT ASSETS/(LIABILITIES)		614	1,325
Defined benefit pension scheme	17	(1,558)	(745)
NET ASSETS		<u>3,130</u>	<u>3,561</u>
ACCUMULATED FUNDS			
Unrestricted income funds			
General reserve	16	3,130	3,561
TOTAL FUNDS	16	<u>3,130</u>	<u>3,561</u>

The financial statements were approved and authorised for issue by the board of Trustees on 28 October 2021 and signed on its behalf by:



Lorraine Dodd
Trustee

The notes on pages 24 to 39 form part of these financial statements

CAREER CONNECT
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GROUP STATEMENT OF CASH FLOWS
for the year ended 31 March 2021

		2021	Restated
	Note	£ '000	2020
			£ '000
Net cash (used in) / provided by operating activities	A	(738)	557
Cash flows from investing activities:			
Interest from investments		2	12
Purchase of tangible fixed assets		(100)	(118)
Net cash used in investing activities		(98)	(106)
Change in cash and cash equivalents in the reporting period		(836)	451
Cash and cash equivalents at the beginning of the year		3,651	3,200
Cash and cash equivalents	B	2,815	3,651

A: Reconciliation of net movement in funds to net cash flow from operating activities		2021	Restated
		£ '000	2020
			£ '000
Net (expenditure) / income		(1,194)	2,555
Depreciation charges		138	152
Loss on disposals		-	1
Net investment Additions		(500)	(497)
(Gains) / losses on investments		(631)	206
Pension movements		1,527	(2,546)
Interest from investments		(2)	(12)
(Increase) / decrease in debtors		(75)	434
(Decrease) / increase in creditors		(1)	264
Net cash used in operating activities		(742)	557

B. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April	Cash flows	At 31 March
	2020		2021
	£ '000	£ '000	£ '000
Cash and cash equivalents	3,651	(836)	2,815

CAREER CONNECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1. General information

Career Connect is a charitable company limited by guarantee registered in England and Wales. The registered office is Walker House, Exchange Flags, Liverpool, Merseyside, L2 3YL.

2. Accounting policies

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) (second edition - effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Career Connect 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. The financial statements are prepared in sterling, which is the functional currency of the Charity.

Monetary amounts in these financial statements are stated in Pounds Sterling, rounded to the nearest £'000.

Basis of consolidation

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking, Career Connections Limited and Achieve North West Connect. The results are consolidated on a line by line basis. The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

Company status

The Charity is a company limited by guarantee. The members of the company 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 £1 per member of the Charity.

Preparation of accounts on a going concern basis

The financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. There are no material uncertainties about the group's ability to continue as a going concern and we consider it appropriate to continue to prepare the financial statements on a going concern basis. The impact of Covid-19 has been considered in our assessment of the group as a going concern. As the majority of the group's funding is provided by local and national government there has been very limited impact on income during the period. In addition the likely increases in unemployment, especially among young people means more funding is likely to be available for the types of services in which the group specialises. The group's strong cash and reserves position also gives confidence that the group can manage risks arising from the impact of Covid-19.

Income

Income comprises mainly grant and contract funding for projects from government and other bodies. Additional income arises from trading income of subsidiaries, premises income and interest received.

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for provision of specified services is deferred until the criteria for income recognition are met.

CAREER CONNECT
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

2. ACCOUNTING POLICIES (continued)

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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Fixtures & Fittings	-	4 years straight line
Computer equipment	-	3 years straight line

Debtors

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

Cash at bank and in hand

Cash at bank and cash 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.

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. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

CAREER CONNECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

2. ACCOUNTING POLICIES (continued)

Financial instruments

The Group 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.

Pensions

The Charity operates three defined benefit pension schemes for employees. The assets of the scheme are held separately from those of the Charity.

In relation to The Merseyside Pension Fund, the latest valuation provided for FRS 102 purposes indicates an surplus position of £6,097k (2020: £5,545k). FRS 102 requires that a pension scheme asset is reflected only to the extent that it is recoverable by way of future contributions or refunds from the scheme. The charity has gained agreement with staff and union to exit scheme in August 2022 subject to agreed financial parameters. At the date of approving these financial statements, it is not possible to determine with reasonable accuracy the final amounts which will be due to or from the scheme on exit of the scheme. On this basis, the trustees do not consider that the surplus is recoverable and therefore the pension scheme asset has been derecognised in line with accounting standards. Prior year comparatives have been restated accordingly.

In relation to the Achieve North West Connect Greater Manchester Pension Fund, the latest valuation provided for FRS 102 purposes indicates an surplus position of £2,222k (2020: £2,628k). FRS 102 requires that a pension scheme asset is reflected only to the extent that it is recoverable by way of future contributions or refunds from the scheme. Currently, the charity does not benefit from reduced contributions as a result of the surplus. Having taken appropriate professional advice, the trustees' best assessment of the amounts which would be due as a result refund from the scheme on termination are £1,196k (2020: £1,910k). On this basis the surplus position has been adjusted to reflect the best estimate of the amounts which would be recoverable. This is a change in approach compared with previous years and prior year comparatives have been restated accordingly.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resources expended categories in the statement of financial activities. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the statement of financial activities during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the statement of financial activities. Net pension finance income is recognised as an incoming resource in the statement of financial activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the statement of financial activities.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme surplus (to the extent that it can be recovered) is recognised in full on the balance sheet, net of related deferred tax.

The Charity also participates in a defined contribution pension scheme, in respect of which the charge to the Statement of Comprehensive Income represents the total employer liability for service received from the relevant employees in the year.

CAREER CONNECT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

2. ACCOUNTING POLICIES (continued)

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 Group and which have not been designated for other purposes.

Critical accounting judgements and estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

The trustees recognise that there exists a significant estimate in relation to the recognition of pension scheme assets. In particular, as noted above, it is not possible to determine with reasonable accuracy the final amounts which will be due to or from The Merseyside Pension Fund on exit of the scheme. On this basis, the trustees do not consider that the surplus in The Merseyside Pension Fund is recoverable and therefore the pension scheme asset has been derecognised in line with the requirements of FRS 102. There is also judgement in determining whether an asset exists in relation to the surplus in the Career Connect section of the Greater Manchester Pension Fund and the quantum of the asset.

In the view of the Trustees, no other assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

CAREER CONNECT
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

3. Income from donations and legacies

	Unrestricted 2021 £ '000	Restricted 2021 £ '000	Total 2021 £ '000	Unrestricted 2020 £ '000	Restricted 2020 £ '000	Total 2020 £ '000
Donations	4	-	4	4	-	4
	<u>4</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>
	<u>4</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>

4. Income from charitable activities

	2021 £ '000	2020 £ '000
Criminal Justice	3,715	3,488
Local Authority	3,776	4,027
Schools	1,098	1,248
National Careers Services	1,028	1,015
Other	13	64
	<u>9,630</u>	<u>9,842</u>

All income from charitable activities in 2021 and 2020 was unrestricted.

5. INVESTMENT INCOME

	2021 £ '000	2020 £ '000
Interest receivable	2	12
	<u>2</u>	<u>12</u>

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6. Analysis of expenditure on charitable activities

	Direct costs £ '000	Support costs £ '000	2021 £ '000
Criminal Justice	3,218	732	3,950
Local Authority	2,926	665	3,591
Schools	934	212	1,146
National Careers Services	948	216	1,164
	<u>8,026</u>	<u>1,825</u>	<u>9,851</u>
	Direct costs £ '000	Support costs £ '000	2020 £ '000
Criminal Justice	3,018	651	3,669
Local Authority	3,154	617	3,771
Schools	1,017	200	1,217
National Careers Services	923	200	1,123
	<u>8,112</u>	<u>1,668</u>	<u>9,780</u>

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7. Analysis of support costs

	2021 £ '000	2020 £ '000
Support costs consist of the following:		
Travel	10	105
Telephone and IT	622	586
Other office costs	162	187
Recruitment	47	11
Training and development	7	6
Governance	22	23
LGPS Costs	(42)	(42)
Other	152	3
Depreciation	138	152
Wages	707	562
	<u>1,825</u>	<u>1,668</u>
Governance costs consist of the following:		
Auditor's remuneration for audit	19	21
Other auditor costs	3	2
	<u>22</u>	<u>23</u>

8. Net movement in funds

	2021 £ '000	2020 £ '000
This is stated after charging:		
Auditors' remuneration: audit	19	21
Auditors' remuneration: non-audit fees	3	2
Depreciation of owned fixed assets	138	152
	<u>160</u>	<u>175</u>

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NOTES TO THE FINANCIAL STATEMENTS
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9. Staff costs

	2021 £ '000	2020 £ '000
Wages and salaries	6,779	6,850
Social security costs	589	404
Other pension costs	1,160	1,015
Pension rebate	(671)	(666)
	<u>7,857</u>	<u>7,603</u>

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

	2021 Number	2020 Number
Staff	218	224
	<u>218</u>	<u>224</u>

Under the Charity's memorandum and articles they are allowed to pay reasonable and proper remuneration to the officers. The remuneration paid during the period to Mrs Dodd the Chair of the Board of Trustees was £5k (2020: £5k) for their role as chair. Expenses of £1k (2020: £1k) were reimbursed to 1 (2020: £1k) trustees during the year in relation to travel and other expenses.

The number of employees whose remuneration for the year fell within the following bands was:

	2021 Number	2020 Number
£60,000 to £69,999	1	-
£70,000 to £79,999	1	-
£80,000 to £89,999	-	1
£90,000 to £99,999	1	-
£120,000 to £129,999	-	1
	<u>£ '000</u>	<u>£ '000</u>
Total remuneration of key management personnel	211	250

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

10. Tangible fixed assets
Group and Company

	Fixtures and fittings	IT	Total
	£ '000	£ '000	£ '000
Cost:			
At 1 April 2020	430	220	650
Additions	-	100	100
	<u>430</u>	<u>320</u>	<u>750</u>
At 31 March 2021	<u>430</u>	<u>320</u>	<u>750</u>
Depreciation:			
At 1 April 2020	281	97	378
Provided during the year	90	48	138
	<u>371</u>	<u>145</u>	<u>516</u>
At 31 March 2021	<u>371</u>	<u>145</u>	<u>516</u>
Net book value:			
At 31 March 2021	<u>59</u>	<u>175</u>	<u>234</u>
At 1 April 2020	<u>149</u>	<u>123</u>	<u>272</u>

11. INVESTMENTS

Group and Company

	2021	2020
	£ '000	£ '000
Market value at 1 April 2020	2,709	2,418
Additions	1,021	992
Disposals	(521)	(495)
Gains and losses in the year	631	(206)
	<u>3,840</u>	<u>2,709</u>
Market Value at 31 March 2021	<u>3,840</u>	<u>2,709</u>

Investments Comprise:

	2021	2020
	£ '000	£ '000
Fixed Interest	400	387
UK Equities	1,022	635
Overseas Equities	1,594	1,007
Alternatives	517	480
Cash	307	200
	<u>3,840</u>	<u>2,709</u>
Total	<u>3,840</u>	<u>2,709</u>

The investments are held with Rathbone Investment Management Limited and are shown at market value at the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS
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12. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The charity is the sole member of two companies limited by guarantee: Career Connections Limited (03141192) and Achieve North West Connect (03075969).

Career Connections Limited

The principal activities during the year were commercial services and sale of productions which support the charity.

	2021	2020
	£ '000	£ '000
Turnover	285	505
Administrative expenditure	(324)	(494)
Gift Aid payment	(9)	(5)
	<hr/>	<hr/>
(Loss)/Profit on ordinary activities after taxation	(48)	6
	<hr/>	<hr/>
 Total Assets	 90	 147
Total Liabilities	(48)	(58)
	<hr/>	<hr/>
Reserves	40	89
	<hr/>	<hr/>

Achieve North West Connect

The principal activity during the year was providing the additional advice information and guidance services of Career Connect, relating to Her Majesty's Prison and Probation Services (HMPPS). The activity of Achieve North West Connect has been included in the Criminal Justice charitable activity in the group accounts on the basis that this reflects the substance of the activities.

	2021	2020
	£ '000	£ '000
Turnover	3,424	3,347
Administrative expenditure	(3,299)	(3,180)
Gift aid payment	(126)	(228)
	<hr/>	<hr/>
(Loss) on ordinary activities after taxation	(1)	(61)
	<hr/>	<hr/>
 Total Assets	 2,634	 2,463
Total Liabilities	(2,518)	(2,346)
	<hr/>	<hr/>
Reserves	116	117
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

13. Debtors

	Group		Company	
	2021	2020	2021	2020
	£ '000	£ '000	£ '000	£ '000
Trade debtors	1,051	1,009	1,040	983
Other debtors	38	6	1	6
Prepayments and accrued income	626	625	544	392
	<u>1,715</u>	<u>1,640</u>	<u>1,585</u>	<u>1,381</u>

14. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£ '000	£ '000	£ '000	£ '000
Trade creditors	49	76	48	48
Amounts owed by group undertakings	-	1	2,571	2,330
Other taxes and social security	187	148	187	148
VAT recoverable	379	439	379	439
Other creditors	1	9	1	7
Provisions	136	184	136	184
Accruals and deferred income	3,007	2,903	442	529
	<u>3,759</u>	<u>3,760</u>	<u>3,764</u>	<u>3,685</u>

Movements in deferred income were as follows:

Deferred income at the start of the year	2,488	1,569	184	218
Income received in advance	266	1,137	114	184
Deferred income released	(172)	(218)	(184)	(218)
	<u>2,582</u>	<u>2,488</u>	<u>114</u>	<u>184</u>

Deferred income represents grant income received in advance of meeting the conditions of the grants.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

15. Analysis of net assets

	Unrestricted fund 2021 £ '000	Unrestricted fund 2020 £ '000
Group		
Fixed assets	4,074	2,981
Current assets	4,530	5,291
Current liabilities	(3,759)	(3,760)
Defined benefit pension scheme	(362)	1,165
	<u>4,483</u>	<u>5,677</u>
Company		
Fixed assets	4,074	2,981
Current assets	4,378	5,010
Current liabilities	(3,764)	(3,685)
Defined benefit pension scheme	(1,558)	(745)
	<u>3,130</u>	<u>3,561</u>

16. Reconciliation of funds and movement on reserves

	At 1 April 2021 £'000	Income 2021 £'000	Expenditure 2021 £'000	Gains and losses 2021 £ '000	At 31 March 2021 £'000
Group					
General funds	5,677	9,921	(10,271)	(844)	4,483
Total group funds	<u>5,677</u>	<u>9,921</u>	<u>(10,271)</u>	<u>(844)</u>	<u>4,483</u>
Charity					
General funds	3,561	6,719	(7,051)	(99)	3,130
Total charity funds	<u>3,561</u>	<u>6,719</u>	<u>(7,051)</u>	<u>(99)</u>	<u>3,130</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

17. Pension commitments

The Charity's employees belong to three Local Government Pension Schemes (LGPS) which are multi-employer defined benefit schemes and a defined benefit scheme. The LGPS schemes are managed by the Greater Manchester Pension Fund (two schemes) and Merseyside Pension Fund.

The surplus position in relation to the Merseyside Pension Fund has not been recognised in the balance sheet as the trustees do not consider the £6,097k (2020: £5,545k) surplus recoverable and have gained agreement with staff and union to exit scheme in August 2022 subject to agreed financial parameters. The assets and liabilities in the scheme are as follows:

Changes in the present value of defined benefit obligations were as follows:

	2021	2020
	£ '000	£ '000
At 1 April	25,074	24,652
Current services costs	874	1,051
Interest cost	600	615
Employee contributions	182	202
Benefit paid	(392)	(377)
Actuarial loss / (gain)	4,842	(1,069)
	<u>31,180</u>	<u>25,074</u>
At 31 March	<u>31,180</u>	<u>25,074</u>

Changes in the fair value of the share of scheme assets:

	2021	2020
	£ '000	£ '000
At 1 April	30,619	29,499
Interest income	732	735
Employee contributions	182	202
Employer contributions	4	4
Admin expense	(14)	(15)
Benefits paid	(392)	(377)
Actuarial gain/(loss)	6,146	571
	<u>37,277</u>	<u>30,619</u>
At 31 March	<u>37,277</u>	<u>30,619</u>

Career Connect - Merseyside Pension Fund Surplus	<u>6,097</u>	<u>5,545</u>
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The latest actuarial valuation of the LGPS related to the period ended 31 March 2019.

As noted in the accounting policies, FRS 102 requires that pension scheme surplus is recognised only to the extent that it is recoverable. The surplus position calculated by the scheme actuary in relation to the Achieve North West Connect Greater Manchester Pension Fund has been reduced to £1,196k (2020: £1,910k) from the actuarial value of £2,222k (2020: £2,628k) and recognised in the balance sheet as the trustees consider this to be their best estimate of the refund which would be due on exit of the scheme.

Contributions amounting to £37k were payable to the schemes at 31 March 2021 (2020: £17k) and are included within creditors.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution net of refunds made for the year ended 31 March 2021 was £341k (2020: £400), of which employer's contributions totalled £269k (2020: £327k) and employees' contributions totalled £72k (2020: £73k).

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

17. Pension commitments (continued)

	2021	Restated 2020
Principal actuarial assumptions		
Inflation assumption (CPI)	2.8%	1.8%
Rate of increase in salaries	3.6%	2.6%
Discount rate for scheme liabilities	2.1%	2.3%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2021	Restated 2020
Retiring today		
Males	20.5	20.5
Females	23.3	23.1
Retiring in 20 years		
Males	21.9	22.0
Females	25.3	25.0
Sensitivity analysis		
Discount rate -0.1%	337	239
Salary increase +0.1%	4	37
CPI rate +0.1%	282	199

	2021	Restated 2020
The Charities' share of the assets in the schemes were:	£ '000	£ '000
Equities	10,312	8,039
Bonds	1,719	1,747
Property	1,002	815
Cash	1,289	1,050
	<hr/>	<hr/>
Total market value of assets	14,322	11,651
	<hr/> <hr/>	<hr/> <hr/>

	2021	Restated 2020
Amount recognised in the Statement of Financial Activities	£ '000	£ '000
Current service costs	(389)	(517)
Interest income	269	327
Interest costs	(227)	(360)
	<hr/>	<hr/>
	(347)	(550)
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

17. Pension commitments (continued)

Changes in the present value of defined benefit obligations were as follows:

	2021	Restated 2020
	£ '000	£ '000
At 1 April	10,487	18,502
Current services costs	389	517
Interest cost	227	360
Employee contributions	72	73
Benefit paid	(203)	(184)
Actuarial (gain)/loss	3,713	(8,781)
	<u>14,685</u>	<u>10,487</u>
At 31 March	<u>14,685</u>	<u>10,487</u>

Changes in the fair value of the share of scheme assets:

	2021	Restated 2020
	£ '000	£ '000
At 1 April	11,652	17,120
Interest income	269	327
Employee contributions	72	73
Employer contributions	295	304
Benefits paid	(203)	(184)
Actuarial gain/(loss)	2,238	(5,988)
	<u>14,323</u>	<u>11,652</u>
At 31 March	<u>14,323</u>	<u>11,652</u>

At the year-end each scheme was in the following position:

	2021	Restated 2020
	£ '000	£ '000
Career Connect - Greater Manchester Pension Fund	(1,558)	(745)
Charity Total	<u>(1,558)</u>	<u>(745)</u>
Achieve North West Connect - Greater Manchester Pension Fund	1,196	1,910
Group Total	<u>(362)</u>	<u>1,165</u>

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18. Financial commitments

At 31 March the group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Land & buildings	
	2021	2020
	£ '000	£ '000
Not later than one year	27	141
Between one and five years	28	114
	<u>55</u>	<u>255</u>

19. Related party transactions

During the year the following transactions took place between the charity and its wholly owned subsidiaries:

- The recharge of staff cost to Career Connections Limited of £226k (2020: £175k)
- The recharge of staff cost to Achieve North West Connect of £2,192k (2020: £2,078k)
- The payment of profits under Gift Aid by Career Connections Limited to Career Connect of £9k (2020: £5k)
- The payment of profits under Gift Aid by Achieve North West Connect to Career Connect of £126k (2020: £228)

There were no other related party transactions in the current or previous financial year.

20. Prior year adjustment

As explained further in note 1, comparative figures have been restated to derecognise the pension scheme surplus in relation to the Merseyside Pension Fund and to reduce the pension scheme surplus to the expected termination refund for the Achieve North West Connect Greater Manchester Pension Fund. The change has resulted in a reduction of funds held at 31 March 2020 by £6,263k to £5,677k.

Summary of the prior year accounting impact:	£'000
Net assets of the group as previously stated	11,940
Reduction in defined benefit pension scheme asset	(6,263)
Net assets at 31 March 2020 as restated	<u>5,677</u>
Net movement for the year ended 31 March 2020 as previously stated	3,971
Impact of restatement	(1,416)
Net movement for the year ended 31 March 2020 as restated	<u>2,555</u>