SCHOOL OF HARD KNOCKS

England & Wales · Charity number 1147009

Details

Other names	SOHK
Status	Registered
Legal form	Charitable company
Company number	07743730
Registered	2012-04-25
Register	View on the Charity Commission register

Contact

Address	The Melting Pot 15 Calton Road Edinburgh EH8 8DL
Phone	02037140127
Email	info@schoolofhardknocks.org.uk
Website	www.schoolofhardknocks.org.uk

Activities

Objects: TO ASSIST PERSONS WHO MAY HAVE NEED OF SUPPORT BY VIRTUE OF POOR HEALTH, DISABILITY, FINANCIAL HARDSHIP OR OTHER DISADVANTAGE, IN PARTICULAR BUT NOT EXCLUSIVELY BY THE PROVISION OF FACILITIES AND PROGRAMMES OF PHYSICAL, EDUCATIONAL AND OTHER ACTIVITIES AS A MEANS OF: A) ADVANCING LIFE AND BY DEVELOPING SKILLS, CAPACITIES AND CAPABILITIES TO ENABLE PERSONS TO PARTICIPATE IN SOCIETY AS INDEPENDENT, MATURE AND RESPONSIBLE INDIVIDUALS; B) ADVANCING EDUCATION; C) RELIEVING UNEMPLOYMENT; D) ADVANCING PHYSICAL, MENTAL AND EMOTIONAL HEALTH AND WELL BEING.

Activities: School of Hard Knocks uses sport and other challenging activities to help participants re-engage with school or find employment. All of our courses seek to develop a sense of citizenship and work towards improvement in mental and physical health and wellbeing. Other objectives include: Reduced crime, money management, career planning, increased confidence and increased personal responsibility.

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Classification

- **How:** Provides Services
- **What:** Education/training, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, Other Defined Groups

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,345,094	£1,324,168	£118,311	23
2024-03-31	£1,518,232	£1,545,622	£97,385	32
2023-03-31	£1,779,731	£1,838,592	£124,775	0
2022-03-31	£1,555,527	£1,538,191	£183,636	25
2021-03-31	£1,107,746	£1,036,279	£166,300	22

Trustees

Name	Role	Appointed
James Cameron	Chair	2016-09-05
Chris Webb		2026-01-21
Dr Mikel Mellick		2022-09-20
Karen Dawn Neale		2025-04-28
Kirstin McNutt		2024-03-04
Neel Sood		2022-09-20
Nicholas Dent		2024-03-04
Shaunagh Brown		2025-01-20
Thomas Edward Lockyer Walsh		2025-04-28
Victoria Griffin		2017-12-04
Yasmine Hafiz		2021-12-06

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SCHOOL OF HARD KNOCKS

England & Wales - Charity number 1147009

Accounts

School of Hard Knocks

Annual Report and Financial Statements

31 March 2025

Company Limited by Guarantee
Registration Number
07743730 (England and Wales)

Charity Registration Numbers
1147009 (England and Wales)
SC046118 (Scotland)

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Reference and administrative information

Trustees	Mr James Cameron Ms Victoria Griffin Mr Mike Francis Ms Yasmine Hafiz Mr Mikel Mellick Mr Neel Sood Ms Kirstin McNutt Mr Nicholas Dent
Chief Executive	Mr Ken Cowen
Registered office	Ty Cefn Old Building Unit 4, Rectory Road Cardiff Wales CF5 1QL
Company Registration Number	07743730
Charity Registration Numbers	1147009 (England and Wales) SC046118 (Scotland)
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Solicitors	Milbank, Tweed, Hadley & McCloy LLP 10 Gresham Street London EC2V 7JD
Bankers	Metro Bank 1 Southampton Row London WC1B 5HA

The Trustees, who are the directors for the purposes of company law, present their statutory report together with the financial statements of School of Hard Knocks for the year to 31 March 2025.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 20 to 23 of the attached financial statements and comply with the charitable company's memorandum of association, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and 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 United Kingdom and Republic of Ireland (FRS 102).

Our Aims and objectives

Purposes and Aims

The principal objects of the charity are set out in the charity's Memorandum of Association:

To assist persons who may have need of support by virtue of poor health, disability, financial hardship or other disadvantage, in particular but not exclusively by the provision of facilities and programmes of physical, educational and other activities as a means of:

a) advancing in life and by developing skills, capacities and capabilities to enable persons to participate in society as independent, mature and responsible individuals;

b) advancing education;

c) advancing physical, mental and emotional health and wellbeing.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

Achievements and Performance

How our activities deliver public benefit

Issues around school attendance, engagement, and exclusions have escalated in recent years. The effects of Covid-19, rising poverty, and overstretched social services are hitting the most vulnerable hardest. In 2023/24, a record 34 million days of learning were lost due to suspensions and unauthorised absence, up from 32 million in 2022/23 and 19 million in 2018/19. Lost learning disproportionately affects pupils growing up in poverty, those with Special Educational Needs (SEN), and those from Gypsy, Roma and Traveller communities. Children on free school meals are more than four times as likely to be suspended, and 45% of all children suspended have SEN.

Achievements and Performance (continued)

How our activities deliver public benefit *(continued)*

Lost learning has a huge impact on young people's outcomes. Persistent absence and exclusion lead to poorer GCSE attainment, and higher risk of criminal exploitation, unemployment, and mental health difficulties. Councils struggle to cope with the spiralling costs of alternative provision for pupils excluded from, or refusing, school.

It does not need to be this way. Early intervention can equip young people with the tools to engage with learning, safeguard their wellbeing, and achieve in school and later life.

Further, the economic benefits to the country of early intervention that seek to keep young people engaged in school are enormous: New analysis shows that the 2023/24 cohort of permanently excluded pupils will cost the Exchequer an estimated £1.9 billion over their lifetimes. Each child removed permanently from school is projected to cost the state £170,000, due to reduced earnings, increased reliance on welfare, and greater interaction with the criminal justice system.

How we respond

School of Hard Knocks' mission is to support all young people to thrive in secondary education, by changing the experience of pupils who are at risk of exclusion, disruptive or disengaged in school, and are missing out on learning.

We do this through delivering a unique combination of rugby-based sessions, specialist mentoring, and indoor group discussions and activities. 90% of our young participants report feeling more confident and more engaged with school after taking part.

We deliver services via three regional teams in England (across Greater London and Herts), Wales (across Cardiff, Newport SE valleys areas) and Scotland (across Glasgow, Edinburgh and Fife).

School of Hard Knocks work across the UK in areas of high deprivation. Schools refer pupils who are at risk of exclusion, those struggling with chronically low confidence and self-esteem, and those lacking safety or structure at home. Working with a cohort of pupils for an average of two years, our specialist teams deliver a programme of:

Rugby Coaching	**Personal Development**	**1-1 Mentoring**
Young people are introduced to rugby as an accepting environment in which to practice conflict resolution, build a community with their peers, and experience positive reinforcement.	Indoor sessions consolidate the lessons learned on the pitch on a weekly basis. The group takes part in dynamic and interactive sessions on emotional control, healthy relationships, mental & physical health, and more.	Young people are allocated an SOHK mentor. This trusted adult helps them to apply their new learning in real-life situations, growing their confidence and moving them closer to their goals.

All of School of Hard Knocks' activities are rooted in evidence-based practice and develop crucial Social & Emotional Learning skills for young people who are vulnerable. Our model focuses on the "3Cs":

Achievements and Performance (continued)

How we respond *(continued)*

Confidence: *Self Esteem*
Personal development sessions and rugby activities are designed to build students' confidence and self-esteem. By becoming better at rugby and being involved in a positive environment and team, students gain a sense of achievement and pride, which translates into higher self-esteem. This confidence empowers them to make better decisions and approach challenges with a positive mindset.

Control: *Emotional Regulation & Self Awareness*
Through 1:1 mentoring and physical breakouts (such as tackling and rucking), students learn to manage their emotions and develop self-awareness. These activities help students understand their emotional responses and regulate them effectively. By reflecting on their actions and consequences, students become more aware of their behaviour and learn strategies to control their emotions, leading to better decision-making.

Connection: *Positive relationships*
Teamwork activities during warm-ups and group sessions focus on building positive relationships. By encouraging effective communication and mutual support, students learn the importance of connection and collaboration. These activities foster a sense of cohesion and empathy, helping students understand the impact of their actions on others and promoting positive behaviour.

Decades of experience have shown us that rugby is the ultimate team sport for this purpose. It is inclusive (every gender and body type are welcomed), relies on a high level of interdependence and trust between teammates, and provides continual opportunities to practice emotional self-regulation, courage, and problem-solving.

Our Impact this year
School of Hard Knocks has been delivering its programmes for 13 years and currently works with 845 students in 29 schools across the UK. The vast majority of participants report feeling more confident in their abilities (91%); more hopeful about their futures (89%); and more engaged at school (90%). Feedback from school partners and young people shows how this impact translates to visible changes in pupil behaviour and achievements in school.

With a newly appointed Evidence & Impact Manager, School of Hard Knocks has started to more comprehensively track changes to pupil attendance, exclusions, and validated measures of Social & Emotional Learning. This will add additional quantitative data to our evidence base, as well as allowing us to benchmark the programme against other interventions and drive continuous improvement.

Programme changes and 5 year strategy
In August '23 we were approached by Impetus, a Private Equity backed organisation that identifies and supports high potential charities both financially and in terms of ongoing and in-depth strategic support.

Achievements and Performance (continued)

Programme changes and 5 year strategy *(continued)*
The first major block of work with Impetus was the 'Driving Impact' workshops in May '24 which led to the decision to end our work amongst adults and focus all of our resources on our schools programmes for the following reasons:

1) Since the Covid-19 Pandemic, we have experienced a massive increase in demand for our work in schools and conversely a reduced demand for our work amongst adults.

2) The ROI (that is, outcomes against costs of intervention per participant) is much better for our schools participants than it has been for our adult participants.

3) There is strong and compelling evidence that earlier and lengthy interventions have the best chance of long-term success.

4) Our work in schools enables the best possible evidence based and demonstrable outcomes.

As part of the Impetus partnership, we were extremely fortunate to receive a pro bono partnership with Bain & Company who are a global management consultancy firm. Given a team of four for a period of 12 weeks, we worked intensively to support the development of our 5 year strategic plan. The project began in November '24 and work to mobilise the plan started immediately upon completion in March '25 with 'year one' officially starting in August '25.

The highly detailed strategy revolves around five 'Charter Initiatives' each of which has a charter 'owner'. The Senior Leadership Team discuss ongoing implementation on a fortnightly basis. The charters are:

- Standardised School sales and pipeline development
- Strengthened schools results delivery
- Enhanced people proposition
- Fundraising excellence
- Tailored Marketing & Brand strategy.

Fundraising
Since March '23 when we had just one part time fundraiser working on corporate partnerships, we have invested in a larger team that consists of: A Director of Fundraising (currently covered by an Interim Director), a Corporate Partnerships Manager (FT) a Trusts and Grant Manager (PT) and events Co-ordinator (PT) and, serving the wider charity as well as the fundraising team, a Marketing & Communications Manager (FT).

The fundraising environment across the whole sector has been depressed as a consequence of subdued economic growth in the UK and so we deemed the investment into a fundraising team to be of critical importance. After a difficult summer ('24) we are just beginning to feel the positive impact of this investment. With income from school contributions remaining static the challenge for the team to raise sufficient funds and build reserves remains high but the travel is markedly in the right direction.

Achievements and Performance (continued)

Fundraising *(continued)*
Being brought on to the Impetus portfolio was and remains a major boost, with a £100k Per Anum grant agreed for as long as the partnership lasts (initially 2.5 years, but with scope for much longer).

An extremely positive area of growth has been through Corporate fundraising, having secured multiyear partnerships with a wide range of businesses such as the Clarkson's Group (Shipping), Investec (financial services), Civica (Tech), and Firethorn Trust (property investment).

Our flagship annual fundraising event – 'The SOHK Long Lunch' raised ~140k in February '25, which is our best single event to date. We now have a full calendar of events including our first SOHK golf day, with over 26 business in attendance and a private dining experience for HNW donors and prospects, with a royal family member in attendance.

In January '25 we appointed our first Evidence and Impact Manager. This provides us with live data and the opportunity for delivery colleagues to see the trends and make constant adjustments to improve delivery - but it will also provide our fundraising team, plus donors and funders with a far more accurate picture of our Impact. We believe this appointment to be completely transformational for the charity.

Ethical approach to fundraising
SOHK is a values-driven charity that conducts its activities in line with the highest ethical standards. The charity uses a mixed funding economy to spread risk and ensure stability. Currently, the main methods for accessing individual donors are fundraising events, personal referrals from ambassadors and social media campaigns targeted at friends and supporters of the charity. This greatly reduces the risk of SOHK inadvertently contacting members of the public, especially vulnerable people, in an unreasonably intrusive or persistent manner. The charity has robust internal policies on data collection and handling, is fully GDPR compliant and has a robust, externally validated complaints procedure. The charity is prepared to refund any donation which is shown to have been gained through unreasonable fundraising, whether advertently or inadvertently. During the year the charity received no complaints in respect of its fundraising activities.

Financial review
SOHK's Revenue decreased by £173k (11%) compared to the prior year, while expenditure fell by £221k (14%).

The drop in Revenue was largely attributable to the decision to cease Adult services and a reduction in Welsh School delivery teams from 2 to 1. Delivery costs reduced in line with activity, and with a comprehensive organisation review undertaken and implemented to streamline services and move towards a functional structure (as opposed to a regional structure), efficiencies were realised.

Principal funding sources
Grant income accounted for 35% of SOHK's income (2024 - 37%). The principal sources of this were Impetus, Lambeth Council, Garfield Weston and the Wooden Spoon Charity. Donations from individuals accounted for 17%, which Corporate Donations and events each accounting for 13%. Contract income paid by the schools, equated to 13% of our total.

Financial review (continued)

Principal funding sources *(continued)*
At the year end the balance sheet showed total funds of £118,311 (2024- £97,385), none of which were restricted (2024 - £91,387 unrestricted and £5,998 restricted).

Reserves policy
The trustees have considered the charity's need for reserves, for ensuring that resources are managed responsibly, and that decisions are taken with care for the benefit of the organisations' objectives.

This includes the need of the charity's to have sufficient free reserves to cover an unexpected loss of income, cash flow shortage, or unforeseen operational cost. The target level of free reserve has been set at 3 months operating cost, sufficient to cover the charities most significant risks. (Based on 2024/25 activity, this equates to £330k)

The free reserves balance increased by £27k in year to £118k as at 31 March 25. Whilst significantly below target, the shortfall has been underwritten through a personal guarantee from a Trustee, whilst the organisation continues to work towards achieving target.

The charity has set a short-term reserves target of £163k (5 weeks cover) to be achieved 2025-26, rising to £606k (10 weeks cover) by 2029-30.

Service developments and growth, which will add to underlying operating costs, shall not be permitted without consideration of the impact on Reserves and consequential risk associated, to ensure no detriment to cover.

Going concern
Our case for support continues to increase with the challenges facing our beneficiaries. This means now more than ever SOHK is needed to offer valuable help to support the young people we work with to allow them to realise their potential.

The Trustees and the Board's Finance Subcommittee, supported by the Director of Finance, continue to monitor cashflow, meeting quarterly to review the financial position of the charity and each programme, the balance of restricted and unrestricted funds, the balance sheet, profit and loss, and budget variance for the year to date.

On the basis of their assessment of the Charity's financial position, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Plans for Financial Year 2025-2026
The Trustees aspire not only to sustain current activity, but through the renewed strategic focus on "Delivering Impact" in Schools to grow activity, to increase the number of young people supported. With ongoing support from Impetus, and significant in year input from Bain & Company, we have developed the comprehensive 5 year strategic plan, setting the long term goals and defining the stepping stones (Initiative Charters) to get there.

For 2025-26 the primary Delivery objectives encompass;

i. the further development of evidence based practice, supported by the new Evidence and Impact Manager role (created 2024-25),

Plans for Financial Year 2025-2026 (continued)

ii. Re-focus on building a footprint in Wales

iii. Expansion to include a third team in London before the end of the Financial year

In addition to the above, non-delivery staff objectives include;

a. Aligning delivery with areas of greatest need

b. Enhancing our people proposition

c. Optimise Marketing, Branding and communication strategies

d. Delivering Fundraising excellence.

As well as generating revenue, the trustees recognise the need to continue our cost control processes and the continuation of the Board's Finance Subcommittee. The charity aims to deliver a surplus of not less than £45,000 in the 2025-2026 financial year to meet our short-term reserves target of £163,000.

Structure, Governance and Management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 17 August 2011. It is registered with the Charity Commission, charity number 1147009. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The charity registered with OSCR, the Scottish Charity Regulator, on 9 November 2015, charity number SC046118.

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law and Members for the purposes of the Articles of Association. The management of the charity is the responsibility of the Trustees who are elected every three years, for three-year terms, under the terms of the Articles of Association. The charity is managed by the trustees via periodic Board meetings and the day-to-day operation of the Charity is delegated by the Trustees to Mr. Ken Cowen, the Chief Executive Officer.

The Trustees review each year the skills and experience of the Board of Trustees and determine the need to appoint further trustees.

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Key management personnel

The key management personnel of the charity in charge of directing, controlling, running, and operating the charity on a day-to-day basis comprise the Trustees (who are not remunerated), the Chief Executive and his Leadership Team.

Their remuneration is set annually by the Board, considering individual performance, the performance of the Charity as a whole, and the financial outlook of the Charity. This process is informed by SOHK's Performance & Development Reviews, which are conducted by line managers with all staff and by the Chair of Trustees for the CEO.

Structure, Governance and Management (continued)

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The charity has implemented a number of policies in relation to all aspects of personnel matters:

- Equal opportunities policy
- Volunteers' policy
- Health and safety policy.

In accordance with the charity's equal opportunities policy, the charity has established fair employment practices in recruitment, selection, retention, and training of disabled staff. Full details of these policies are available from the charity's offices.

Risk management

The trustees conduct an annual review of the major risks to which the charity is exposed. A risk register has been established and is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and clients.

SOHK's risk register scores risks for their probability and severity, to give an unmitigated risk score. Mitigation is then put in place and the risk is re-evaluated. The charity's risk register shows the biggest unmitigated risks to the charity to be the following. The mitigation is also included:

- Sporting activity / injuries – Every delivery team has a qualified first aider and first aid kit to hand, and all frontline work has its own standalone risk assessment. The charity holds specific public liability and employers' liability insurance for its activities, and coaches are required to hold £5m in public liability cover personally. All coaching involves warmups, clearly marked pitches which have been checked for obstructions and hazards and approved equipment. All activities are clearly explained, and no one is forced to participate. The charity has clear Health and Safety Policy which is rigorously adhered to. Charity keeps participant disclaimers in perpetuity.

- Loss of key staff (temporary or permanent) – The charity has a shared drive with non-confidential files, which can be accessed by all staff. The charity has a financial process document and living delivery manual. All line managers of departing staff are required to steward a handover process to successors. Staff who are made redundant are given paid extension to oversee handover of materials. The charity's reserves policy includes funds for temporary staff to cover sickness, maternity for key staff members. The charity has a staff succession plan assessing roles criticality and impact of individuals. A comprehensive staff wellbeing policy is in place with ongoing refinement. We now retain a counselling service for staff, via our HR support.

Structure, Governance and Management (continued)

Risk management *(continued)*

- Reserve's Policy – Our reserves policy is updated annually to account for the current financial position and costings, with a goal to consistently maintain our short-term reserve target. While our cashflow requires strict management, the Director of Finance forecasts any cashflow shortages and remedial actions needed to the CEO and Trustees.

- Illegal activity by the charity (intentional or unintentional). The charity is advised by Milbank on a pro bono basis. Clear policies are in place for all areas of charitable activity and line managers ensure that these are adhered to.

- Failure to meet targets on delivery income- The charity realises given the current financial position and cost of living crisis, the charity must accept some risk within our fundraising landscape. A Director of Fundraising is now in place who will lead and further build a team that will ensure sustainability and growth - that said, the Trustees along with the senior leadership are prepared to adapt delivery dependent on the funding secured.

Trustees' Responsibilities Statement

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation; and

- declare any conflicts of interest under s175 of the Companies Act 2006.

Trustees' Responsibilities Statement (continued)

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

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 the Trustees and signed on their behalf by:

Victoria Griffin

Approved by the Trustees on: 11th August 2025

Independent auditor's report to the trustees and members of School of Hard Knocks

Opinion

We have audited the financial statements of School of Hard Knocks (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2025 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable company 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 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. 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.

Other information (continued)
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' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the 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 in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the 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; or

- 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.

Responsibilities of trustees (continued)
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.

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:

How the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;

- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006; the Charities Act 2011; the Charities Accounts Scotland Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102), Safeguarding Regulations, GDPR, fundraising regulations; and

- We assess the extent of compliance with laws and regulations identified above by making enquiries of management and representatives of the trustees and review of the minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by:

- Making enquiries of management and representatives of the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

How the audit was considered capable of detecting irregularities including fraud *(continued)*

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Tested the implementation of financial controls;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 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.

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 12 August 2025

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities
(incorporating an Income and Expenditure Account) Year to 31 March 2025

	Notes	Un-restricted funds £	Restricted funds £	2025 Total funds £	Un-restricted funds £	Restricted funds £	2024 Total funds £
Income and expenditure							
Income from:							
Donations	1	**375,693**	**105,054**	**480,747**	349,336	22,710	372,046
Other trading activities	2	**215,670**	—	**215,670**	149,839	—	149,839
Charitable activities							
. Provision of training courses	3	**377,733**	**270,619**	**648,352**	361,739	634,436	996,175
Interest receivable		**325**	—	**325**	172	—	172
Total income		**969,421**	**375,673**	**1,345,094**	861,086	657,146	1,518,232
Expenditure on:							
Raising funds	4	**229,559**	**35,326**	**264,885**	112,585	39,377	151,962
Charitable activities							
. Provision of training courses	5	**712,938**	**346,345**	**1,059,283**	777,322	616,338	1,393,660
Total expenditure		**942,497**	**381,671**	**1,324,168**	889,907	655,715	1,545,622
Net income (expenditure)		**26,924**	**(5,998)**	**20,926**	(28,821)	1,431	(27,390)
Net movement in funds for the year		**26,924**	**(5,998)**	**20,926**	(28,821)	1,431	(27,390)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2024		**91,387**	**5,998**	**97,385**	120,208	4,567	124,775
Fund balances carried forward at 31 March 2025	16	**118,311**	—	**118,311**	91,387	5,998	97,385

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 March 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Fixed assets					
Tangible assets	12		**40**		471
Current assets					
Debtors	13	**171,203**		21,900	
Cash at bank and in hand		**102,620**		209,635	
		273,823		231,535	
Liabilities					
Creditors: amounts falling due within one year	14	**(155,552)**		(134,621)	
Net current assets			**118,271**		96,914
Total net assets			**118,311**		97,385
The funds of the charity:					
Unrestricted funds					
. General fund	17		**118,311**		91,387
Restricted funds	17		—		5,998
Total charity funds			**118,311**		97,385

The financial statements have been prepared in accordance with the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Victoria Griffin

Approved by the Trustees on: 11th August 2025

Company Registration Number: 07743730 (England and Wales)
Charity Registration Numbers: 1147009 (England and Wales) and SC046110 (Scotland)

	Notes	**2025 £**	2024 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	**(107,016)**	162,819
Cash flows from investing activities:			
Purchase of tangible fixed assets		—	—
Net cash used in investing activities		—	—
Change in cash and cash equivalents in the year		**(107,016)**	162,819
Cash and cash equivalents at 1 April 2024	B	**209,635**	46,816
Cash and cash equivalents at 31 March 2025	B	**102,619**	209,635

Notes to the statement of cash flows for the year to 31 March 2025.

A Reconciliation of net movement in funds to net cash used in operating activities

	2025 £	2024 £
Net movement in funds (as per the statement of financial activities)	**20,926**	(27,390)
Adjustments for:		
Depreciation charge	**431**	432
(Increase)/decrease in debtors	**(164,882)**	188,576
Increase creditors	**36,509**	1,201
Net cash (used in) provided by operating activities	**(107,016)**	162,819

B Analysis of changes in cash and cash equivalents

	As at 31 March 2024 £	Cash flows £	**As at 31 March 2025 £**
Cash at bank and in hand	209,635	(102,619)	**102,630**
Total cash and cash equivalents	209,635	(102,619)	**102,630**

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation
These financial statements have been prepared for the year to 31 March 2025, with comparative information given in respect to the year ended 31 March 2024.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Assessment of going concern
The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The trustees and senior staff continue to work to strengthen the organisation, addressing areas of risk. This has included the development of a comprehensive and robust 5 year strategy to grow and develop activities in a planned an managed way. Whilst the current year surplus was relatively modest (£21k), it is a positive to see reserves increasing at a time when activity declined. Expenditure remains strictly controlled, with the organisation demonstrating agility in year to rapidly adapt appropriately to changes in service provision. Meanwhile, the strategic decision to develop a dedicated Fundraising Team is starting to bear fruits, enabling the organisation to approve further investments and developments in line with the agreed Strategic Plan.

The trustees continue to monitor and maintain sufficient cashflow and the Board's Finance Subcommittee continues to meet quarterly to review the financial position of the charity and each programme, the balance of restricted and unrestricted funds, the balance sheet, profit and loss, and budget variance for the year to date. The trustees, along with the leadership team, also continue to develop alternative delivery models to ensure the charity can adapt no matter the current financial climate.

On the basis of their assessment of the Charity's financial position the Trustees continue to adopt the going concern basis in preparing the financial statements.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- The allocation of staff costs between charitable expenditure and raising funds.
- estimating the value of gifts in kind received; and
- estimating future inflows and outflows for the purpose of assessing going concern.

Income recognition
Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and grants, fee income, sponsorship, income from events and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided to the charity. An equivalent amount is included as expenditure.

Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grants and fee income from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding. Income is deferred when the charity has not satisfied the requirements for entitlement or when the donor has specified funds for use in a future accounting period. Sponsorship income is receivable on an annual basis in recognition of the charity's participation in certain activities.

Income recognition (continued)
Fee income is recognised once the charity has fully met all performance criteria as specified in the relevant contract.

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

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising and the costs of fundraising events.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the delivery of training courses, direct and support costs including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of project management carried out at Headquarters, personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Governance costs are allocated to the charity's sole activity, provision of training courses.

Support costs are allocated to the charity's activity, provision of training courses, and fundraising.

Taxation
The company is a charity under the Finance Act 2010 (schedule 6, paragraph 1) definition. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by the Corporation Tax Act 2010 (part 11, chapter 3) or the Taxation of Chargeable Gains Act 1992 (section 256), to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

Tangible fixed assets and depreciation
All assets costing more than £1,000 are capitalised.

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful economic lives on the following basis:

Computer equipment	33.33% straight line
Schools equipment	33.33% straight line
Outdoor equipment	33.33% straight line

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions
Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds
Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School of Hard Knock's charitable objects.

Pension costs
Contributions in respect of the charity's defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme.

1 Income from donations

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Individuals	**210,622**	**19,717**	**230,339**
Corporate donations	**88,631**	**85,337**	**173,968**
Gifts in Kind	**76,440**	—	**76,440**
2025 Total funds	**375,693**	**105,054**	**480,747**

	Unrestricted funds £	*Restricted funds £*	*2024 Total funds £*
Individuals	*179,366*	—	*179,366*
Corporate donations	*91,697*	*22,710*	*114,407*
Gifts in Kind	*78,273*	—	*78,273*
2024 Total funds	*349,336*	*22,710*	*372,046*

2 Income from other trading activities

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Sponsorship Income	**41,667**	—	**41,667**
Income from fundraising events	**174,003**	—	**174,003**
2025 Total funds	**215,670**	—	**215,670**

	Unrestricted funds £	*Restricted funds £*	*2024 Total funds £*
Income from fundraising events	*149,839*	—	*149,839*
2024 Total funds	*149,839*	—	*149,839*

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Grant income	**205,000**	**270,619**	**475,619**
Fee income	**172,733**	—	**172,733**
2025 Total funds	**377,733**	**270,619**	**648,352**

	Unrestricted funds £	*Restricted funds £*	*2024 Total funds £*
Grant income	*95,697*	*634,436*	*730,133*
Fee income	*266,042*	—	*266,042*
2024 Total funds	*361,739*	*634,436*	*996,175*

4 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Fundraising staff costs (note 9)	**123,569**	**34,846**	**158,415**
Cost of fundraising events	**73,663**	**-**	**73,663**
Other fundraising costs	**26,509**	**6**	**26,515**
Support costs (note 6)	**5,818**	**474**	**6,292**
2025 Total funds	**229,559**	**35,326**	**264,885**

	Unrestricted funds £	*Restricted funds £*	*2024 Total funds £*
Fundraising staff costs (note 9)	*46,460*	*34,946*	*81,406*
Cost of fundraising events	*43,128*	*20*	*43,148*
Other fundraising costs	*—*	*—*	*—*
Support costs (note 6)	*22,997*	*4,411*	*27,408*
2024 Total funds	*112,585*	*39,377*	*151,962*

5 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Training courses	**70,473**	**82,736**	**153,209**
Course delivery staff costs (note 9)	**282,418**	**263,609**	**546,027**
Support costs (note 6)	**360,047**	—	**360,047**
2025 Total funds	**712,938**	**346,345**	**1,059,283**

	Unrestricted funds £	*Restricted funds £*	*2024 Total funds £*
Training courses	*91,798*	*137,004*	*228,802*
Course delivery staff costs (note 10)	*430,848*	*417,982*	*848,830*
Support costs (note 7)	*254,676*	*61,352*	*316,028*
2024 Total funds	*777,322*	*616,338*	*1,393,660*

6 Support costs

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Office and rent costs	**37,707**	**318**	**38,025**
Accommodation, travel and subsistence costs	**10,788**	**156**	**10,944**
Staff expenses reimbursed	**237**	—	**237**
Insurance	**6,226**	—	**6226**
Website and promotional material	**5,818**	—	**5,818**
Consultancy fees	**56,264**	—	**56,264**
Depreciation	**432**	—	**432**
Sundry expenses	**4,388**	—	**4,388**
Support staff costs (note 10)	**230,056**	—	**230,056**
Governance costs (note 8)	**13,949**	—	**13,949**
	365,865	**474**	**366,339**

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Analysis of support costs			
. Fundraising costs	**5,818**	**474**	**6,292**
. Charitable activities	**360,047**	—	**360,047**
	365,865	**474**	**366,339**

	Unrestricted funds £	*Restricted funds £*	*2024 Total funds £*
Office and rent costs	*21,465*	*16,617*	*38,082*
Communication Cost	—	*378*	*378*
Accommodation, travel and subsistence costs	*8,916*	*1,717*	*10,633*
Staff expenses reimbursed	*583*	*110*	*693*
Insurance	*3,642*	*685*	*4,327*
Website and promotional material	*22,997*	*4,411*	*27,408*
Consultancy fees	*47,124*	*8,868*	*55,992*
Depreciation	—	*432*	*432*
Sundry expenses	*5,781*	*1,087*	*6,868*
Support staff costs (note 9)	*136,743*	*25,733*	*162,476*
Irrecoverable VAT	*4,271*	*804*	*5,075*
Governance costs (note 7)	*26,151*	*4,921*	*31,072*
	277,673	*65,763*	*343,436*

	Unrestricted funds £	*Restricted funds £*	*2024 Total funds £*
Analysis of support costs			
. Fundraising costs	*22,997*	*4,411*	*27,408*
. Charitable activities	*254,676*	*61,352*	*316,028*
	277,673	*65,763*	*343,436*

7 Governance costs

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Accountancy and audit costs	**13,800**	—	**13,800**
Other professional fees	**149**	—	**149**
2025 Total funds	**13,949**	—	**13,949**

	Unrestricted funds £	*Restricted funds £*	*2024 Total funds £*
Accountancy and audit costs	21,044	3,960	25,004
Other professional fees	5,107	961	6,068
2024 Total funds	26,151	4,921	31,072

8 Net income (expenditure)

This is stated after charging:

	2025 Total funds £	2024 Total funds £
Staff costs (note 9)	**934,498**	1,092,712
Depreciation of tangible fixed assets	**432**	432
Auditor's remuneration		
. Statutory Audit	**15,000**	14,000

9 Staff costs

Staff costs were as follows:

	2025 £	2024 £
Wages and salaries	**830,326**	981,947
Social security costs	**79,702**	82,587
Pension costs	**24,470**	28,178
	934,498	1,092,712

Total staff costs have been allocated between expenditure on raising funds, course delivery, governance and support costs based on the approximate percentage of staff time spent in each area, as follows:

	2025 £	2024 £
Expenditure on raising funds	**158,415**	81,407
Course delivery	**546,027**	848,830
Support costs	**230,056**	162,476
	934,498	1,092,713

9 Staff costs (continued)

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

	2025 No.	2024 No.
Management	**5**	3
Operational	**18**	29
	23	32

One employee received remuneration between £70,000 and £80,000 in the year (2024 - one employee received remuneration between £70,000 and £80,000). Pension contributions of £2,183 (2023 - £2,121) were paid in respect of this employee.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis expanded during the 2024/25 year to include new roles of Director of Programmes and Director of Fundraising; in addition to the Trustees (who are not remunerated), the Chief Executive, Operations Manager, and Director of Finance. Total remuneration (including taxable benefits, employer's pension contributions and employers national insurance contributions) of the key management personnel consequently increased for the year was £260,517 (2024 - £156,236).

Trustees' remuneration

No trustee received any remuneration for services or reimbursed expenses as a trustee in the current year (2024 - none).

11 Taxation

School of Hard Knocks is a registered Charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

12 Tangible fixed assets

	Computer equipment £	Schools Equipment £	**Total £**
Cost			
At 1 April 2024	2,824	1,295	**4,119**
Disposals	(2,824)	—	**(2,824)**
At 31 March 2025	—	1,295	**1,295**
Depreciation			
At 1 April 2024	2,824	824	**3,648**
Charge for the year	—	431	**431**
Disposals	(2,824)	—	**(2,824)**
At 31 March 2025	—	1,255	**1,255**
Net book value			
At 31 March 2025	—	40	**40**
At 31 March 2024	—	471	**471**

13 Debtors

	2025 £	2024 £
Trade debtors	**27,035**	10,800
Prepayments and accrued income	**140,971**	11,075
Other debtors	**3,197**	25
	171,203	21,900

14 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	**21,374**	23,238
Other taxation and social security	**13,218**	20,212
VAT	**—**	6,564
Other creditors	**6,070**	11,042
Accruals and deferred income	**114,890**	73,565
	155,552	134,621

15 Creditors: amounts falling due within one year

	2025 £	2024 £
Deferred income brought forward at 1 April 2025	**51,775**	25,000
Income deferred in year	**90,390**	59,565
Deferred income released in year	**(51,775)**	(25,000)
Carried forward at 31 March 2025	**90,390**	59,565

Deferred income relates to income received in 2024/25 for use by the charity in 2025/26, as specified by the donors.

16 Statement of funds

	At 1 April 2024 £	Income £	Expenditure £	Transfers £	**At 31 March 2025 £**
Unrestricted funds	91,387	699,422	(942,497)	—	**118,311**
Restricted funds					
Charles Hayward	1,229	—	(1,229)	—	—
Comic Relief	—	15,000	(15,000)	—	—
Fidelity	—	34,852	(34,852)	—	—
Improving Lives Glasgow Restricted	—	15,363	(15,363)	—	—
KPE4 Trust	—	12,357	(12,357)	—	—
Millenium Stadium Trust	4,769	—	(4,769)	—	—
Moondance Foundation	—	19,355	(19,355)	—	—
Harrow School	—	10,000	(10,000)	—	—
Joan Ainslie Trust	—	5,000	(5,000)	—	—
Lambeth Council	—	53,067	(53,067)	—	—
Clarkson Foundation	—	21,277	(21,277)	—	—
Places Leisure	—	5,000	(5,000)	—	—
Transport for Wales	—	14,000	(14,000)	—	—
Private Donation	—	19,717	(19,717)	—	—
Lennox Hannay Trust	—	2,000	(2,000)	—	—
Clarions	—	3,000	(3,000)	—	—
SEWSCAP	—	48,342	(48,342)	—	—
Baillie Gifford	—	32,702	(32,702)	—	—
Wooden Spoon	—	62,364	(62,364)	—	—
William Wates	—	2,277	(2,277)	—	—
	5,998	375,673	(381,671)	—	—
Total funds	**97,385**	**1,345,095**	**(1,324,168)**	—	**118,311**

	At 1 April 2023 £	*Income £*	*Expenditure £*	*Transfers £*	*At 31 March 2024 £*
Unrestricted funds	*120,208*	*861,086*	*(889,907)*	—	*91,387*
Restricted funds					
Charles Hayward	*796*	*25,000*	*(24,567)*	—	*1,229*
Comic Relief	*2,500*	*182,316*	*(184,816)*	—	—
Fidelity Foundation	—	*35,345*	*(35,345)*	—	—
Improving Lives Glasgow	—	*76,185*	*(76,185)*	—	—
ISG Construction	—	*14,000*	*(14,000)*	—	—
KPE4 Trust	*776*	*59,000*	*(59,776)*	—	—
Lambeth Council	—	*54,522*	*(54,522)*	—	—
Linc Cymru Housing Assoc.	—	*14,000*	*(14,000)*	—	—
Millenium Stadium Trust	—	*7,500*	*(2,731)*	—	*4,769*
Paul Hamlyn Foundation	*36*	*-*	*(36)*	—	—
Quilter Foundation	*402*	*24,448*	*(24,850)*	—	—
SEWSCAP	—	*104,300*	*(104,300)*	—	—
Transport for Wales	—	*12,500*	*(12,500)*	—	—
Walcot Foundation	*5*	*-*	*(5)*	—	—
Wasps Legends	—	*25,000*	*(25,000)*	—	—
Wates Foundation	*52*	*6,723*	*(6,775)*	—	—
Wooden Spoon	—	*16,307*	*(16,307)*	—	—
	4,567	*657,146*	*(655,715)*	—	*5,998*
Total funds	*124,775*	*1,518,232*	*(1,545,622)*	—	*97,385*

16 Statement of funds (continued)

Restricted Funds

Charles Hayward Foundation
Charles Hayward Foundation provided a multi-year grant funding for rugby coaching and behavioural support mentoring for schools in North Hertfordshire.

Comic Relief
Comic Relief provided funding for adult courses in Wales for psychotherapy support which ended July 2024.

Fidelity Foundation
Fidelity Foundation is provided funding 3 year funding support (2023-26) to enable the hiring and establishment of a Trusts & Grants Manager (part time) and Events Coordinator (part time).

The National Lottery-Improving Lives
The National Lottery provided a multi-year grant funding to deliver 6 courses over 2 years in Glasgow ending December 2024, working with unemployed adults with a focus on Roma community and refugee/asylum seekers, breaking down barriers between them and local 'settled' population.

KPE4 Trust
KPE4 Trust provided grant funding for the 2024/25 academic year to deliver our Scotland Schools programme in Craigroyston High School.

Millenium Stadium Trust
Millenium Stadium Trust provided £7.5k to support the SOHK Cymru Schools Festival, reward trips, and participant kit for academic year 2023/24

The Moondance Foundation
The Moondance Foundation provided £19.5k of funding towards the cost of delivering our schools programme in Wales.

Harrow School
Harrow School provided a £10k grant to support the School of Hard Knocks programme delivery at Hatch End High School.

Joan Ainslie Charitable Trust
The Trustees of the Trust continued their valued support of School of Hard Knocks, making a £5k donation towards activities.

Lambeth Council
Lambeth Council provided grant funding to SoHK to work with two schools in Lambeth during the 2024/25 academic year.

16 Statement of funds (continued)

Clarkson Foundation
The Clarkson Foundation provided a grant of £50k towards the cost of Programme delivery in 2 London schools during the 2024/25 academic year, of which £21.3k was utilised in the current financial year, with the balance to be utilised April 25 – July 25.

Places Leisure
Places Leisure provided £5k of support to the cost of delivery of the School of Hard Knocks Programme at Castlebrae Community Campus.

Lennox Hannay Trust
The Lennox Hannay Charitable Trust, which supports the advancement of health and education, provided a grant of £2k towards School of Hard Knocks' work.

Clarion Housing Association
Supporting delivery in Marriotts and Barnwell Schools, through the provision of £3k of funding.

Baillie Gifford
Baillie Gifford provided support towards delivery in schools in Scotland during the 2024/25 academic year.

SEWSCAP
SEWSCAP continued their support of School of Hard Knocks through the provision of a grant towards the costs of delivery in Welsh Schools for the 2024/25 academic year.

Transport for Wales
Transport for Wales contributed £14k to support our programme delivery in Idris Davies High in Caerphilly.

William Wates
William Wates Memorial Trust have given us multi-year grant funding over three years to support our work in Warlingham School in London.

Wooden Spoon Society
Wooden Spoon made 2 grants in year, i) funding a full-time coach for our schools programme in Scotland for the two academic years ending 2024/25, and ii) a contribution towards our Schools program in England.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2025 Total funds £
Tangible fixed assets	**40**	—	**40**
Current assets	**197,998**	**91,403**	**289,401**
Creditors due within one year	**(79,727)**	**(91,403)**	**(171,130)**
	118,311	—	**118,311**

	Unrestricted funds £	*Restricted funds £*	*2024 Total funds £*
Tangible fixed assets	*471*	—	*471*
Current assets	*165,973*	*65,562*	*231,535*
Creditors due within one year	*(75,057)*	*(59,565)*	*(134,622)*
	91,387	*5,997*	*97,384*

18 Related party transactions

During the year various trustees contributed financially to the organisation:

- receiving a cash donation of £1,336 (2024 - £1,200) from trustees,
- supported fundraising events to the value of £12,050 (2024: £5,610) through the purchase of tickets and winning auction bids
- contributed donations in kind in the form of auction prizes with a value of £19,400 (2024 - £15,200) from the trustees.

Additionally, the charity received pro bono services of £55,100 (2024 - £55,992) from Millbank LLP, a law firm of which James Cameron is a partner.

19 Gifts in Kind

We were grateful to receive support in the form of gifts in kind and donated services from related parties, as detailed in note 18 above, which are reflected in the accounts. In addition to this, we fully appreciate the pro-bono work provided by Bain (as detailed page 5) to support the development a comprehensive 5 year strategy for School of Hard Knocks (market value £780k). This input will be transformational and has provided guidance that the charity would not otherwise have been able to afford. The market value has not been as income or expenditure in the accounts.

20 Commitments under operating leases

At 31 March 2025, the total of the charity's future minimum lease payments (relating to Land & Buildings) under non-cancellable operating leases was as follows:

	2025 £	2024 £
Amounts due within one year	**190**	2,280
Amounts due between two and five years inclusive	—	190
	190	2,470

SCHOOL OF HARD KNOCKS

England & Wales - Charity number 1147009

Accounts

Companies House

School of Hard Knocks

Annual Report and Financial Statements

31 March 2024

Company Limited by Guarantee
Registration Number
07743730 (England and Wales)

Charity Registration Numbers
1147009 (England and Wales)
SC046118 (Scotland)

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Reference and administrative information

Trustees	Mr James Cameron Ms Victoria Griffin Mr Mike Francis Ms Yasmine Hafiz Mr Mikel Mellick Mr Neel Sood Ms Kirstin McNutt (appointed 4 March 2024) Mr Nicholas Dent (appointed 4 March 2024) Ms Deborah Griffin (resigned 30 Sept 2023) Mr Jonathan Teckman (resigned 30 Sept 2023) Robert McKillop (resigned 30 Sept 2023)
Chief Executive	Mr Ken Cowen
Registered office	Ty Cefn Old Building Unit 4, Rectory Road Cardiff Wales CF5 1QL
Company Registration Number	07743730
Charity Registration Numbers	1147009 (England and Wales) SC046118 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Milbank, Tweed, Hadley & McCloy LLP 10 Gresham Street London EC2V 7JD

The trustees, who are the directors for the purposes of company law, present their statutory report together with the financial statements of School of Hard Knocks for the year to 31 March 2024.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 25 of the attached financial statements and comply with the charitable company's memorandum of association, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and 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 United Kingdom and Republic of Ireland (FRS 102).

Our Aims and objectives

Purposes and Aims

The principal objects of the charity are set out in the charity's Memorandum of Association:

To assist persons who may have need of support by virtue of poor health, disability, financial hardship or other disadvantage, in particular but not exclusively by the provision of facilities and programmes of physical, educational and other activities as a means of:

a) advancing in life and by developing skills, capacities and capabilities to enable persons to participate in society as independent, mature and responsible individuals;

b) advancing education;

c) relieving unemployment;

d) advancing physical, mental and emotional health and wellbeing.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

Achievements and Performance

To achieve these aims, we have, for over 10 years delivered two streams of work:

1) Courses for unemployed adults in which we address wellbeing as well as employability and

2) A three-year school programme for pupils at risk of exclusion and who have SEL (Social, Emotional Learning) needs.

We deliver services via three regional teams in England (across Greater London and Herts), Wales (across Cardiff, Newport SE valleys areas) and Scotland (across Glasgow, Edinburgh and Fife).

Achievements and Performance (continued)

Strategic Change

In August '23 we were approached by Impetus, a Private Equity backed organisation that identifies and supports high potential charities both financially and in terms of ongoing and in-depth strategic support. After three months of due diligence, we were brought into their portfolio. We believe this will profoundly enhance the services we deliver.

The first phase of this partnership involves a series of 'Delivering Impact' workshops that are carefully designed to help the charity become clearer in its mission and thus allocate resources to achieve the best possible evidence based and demonstrable outcomes.

A fundamental element of this process is to clearly define our 'target populations' - that is, to ask the question: *'What are the profiles of the people who our programmes have the greatest impact upon?'* As a consequence, one of the most significant decisions made in these workshops was to begin the phasing out of the adult element of our work. There are four core reasons for this:

- Since the Covid-19 Pandemic, we have experienced a massive increase in demand for our work in schools and conversely a reduced demand for our work amongst adults.
- The vast majority of our staff work in our schools programmes.
- The ROI (that is, outcomes against costs of intervention per participant) is much better for our schools participants than it has been for our adult participants.
- We found in recent years that adults were coming to us with a much wider range of needs which we did not have the direct expertise to address.

England

Over the course of the year, we have continued to establish our schools programmes, working across 12 different schools, most of which we have worked with for several years, and who re-sign each year. In September 2023, Lambeth Council doubled their investment in us. The majority of what we consider to be 'gold standard' processes and delivery are worked out in these schools, refined and then implemented across the charity. Aside from the week to week delivery, some highlights of the year included taking over 200 boys on our programmes to Harrow School in December for a tournament in which Harrow students participated. We also ran a two day tournament in the spring of '24 at Eton Manor RFC in which over 350 of our boys and girls groups participated.

Our adults programmes in London came to an end in July, 2023.

Achievements and Performance (continued)

Scotland

In 23/24 our Scotland Schools programme delivered in 8 schools - four in Edinburgh and four in Glasgow. The total number of young people we have worked with this year is 234, 28% of whom were girls. We are pleased with the steady increase in female participation and intend to continue to work towards male/female parity. Most of the young people we worked with were between S1-S3 with one group comprising of S5 students where we worked on employability and a hybrid programme between what we've done in schools and in our adults' programme. Response was positive and three have now gone on to have jobs as a result.

As for our adult work in Scotland, we successfully delivered the first four of six courses in Glasgow, funded by the National Lottery, working with unemployed adults with a focus on Roma community members and refugee/asylum seekers, breaking down barriers between them and local 'settled' population.

We will fulfil our obligations to this fund over the course of the 24/25 financial year and not seek further funding, thus phasing out the adult work in Scotland.

Wales

The summer of 2023 was a very difficult period for our Welsh schools team. The increase in energy prices and a stagnated economy meant that several schools we work in were unable to make any contribution, which is a key element of our funding model. This resulted in the scaling down of delivery and the subsequent reduction of staff, going from 3 to 2 delivery teams. Despite the huge potential of the work in Wales, the team remains in a difficult position with an increased fundraising burden on the charity as a whole.

Despite this frustration we have worked this 23/24 academic year with many hundreds of young people every week, with demonstrably positive results.

Our Adult programmes in Wales continued throughout 23/24 funded by Comic Relief and in partnership with our research partners, Cardiff Metropolitan University. We were successful in securing follow-on funding from Comic Relief to deliver an additional 4 adult courses from April 2023, the last course of which is currently being delivered, after which our adult work in Wales will come to an end.

Fundraising

By the end of March 23, our fundraising team consisted of just one part time colleague who works to develop corporate Partnerships. Enabled by a grant from the Fidelity Foundation, we were able to invest, in April 23 two additional part time colleagues joined our team; one, who works on Trusts and Grants applications and another who co-ordinates our events. While still an under-resourced fundraising team, it was nevertheless a tangible improvement.

The fundraising environment across the whole sector has been depressed as a consequence of subdued economic growth in the UK. We felt the adverse impact of this in the area of trusts and grants income, which, despite a much-improved pipeline and increased (in terms of quality and quantity) level of activity – yielded the least income for several years. Being

Achievements and Performance (continued)

brought on to the Impetus portfolio in December 2023 was and remains a major boost, with a £100k Per Anum grant agreed for as long as the partnership lasts (initially 2.5 years). Nevertheless, with income from school contributions remaining static and income for adult services reducing, the challenge for the team to raise sufficient funds has remained high.

A positive area of growth has been through Corporate fundraising in which we have seen over £100k increase in income generated. In August 2023 we launched a corporate partner campaign called "~~None of~~ My Business" which enables businesses to part fund our work in individual schools. We are encouraged by the start we have made and see real potential for this to grow.

Our flagship annual fundraising event – 'The SOHK Long Lunch' raised £112k in February 24, which is our best single event to date.

Ethical approach to fundraising

SOHK is a values-driven charity that conducts its activities in line with the highest ethical standards. The charity uses a mixed funding economy to spread risk and ensure stability. Currently, the main methods for accessing individual donors are fundraising events, personal referrals from ambassadors and social media campaigns targeted at friends and supporters of the charity. This greatly reduces the risk of SOHK inadvertently contacting members of the public, especially vulnerable people, in an unreasonably intrusive or persistent manner. The charity has robust internal policies on data collection and handling, is fully GDPR compliant and has a robust, externally validated complaints procedure. The charity is prepared to refund any donation which is shown to have been gained through unreasonable fundraising, whether advertently or inadvertently. During the year the charity received no complaints in respect of its fundraising activities.

Looking ahead

The £100k investment from Impetus has enabled us to recruit and appoint a new Director of Fundraising. This is the first time that we have had a team with a highly experienced leader bringing direction and organisation. In Q3 of the financial year 24/25, we will enter into the third phase of partnership with Impetus which is a 12 week block, with pro bono support from one of the major management consultancies, to develop a major three year organisational strategy. Off the back of this we will be able to more accurately understand the fundraising targets and develop a three year Fundraising Strategy.

We recently secured a charity partnership with Investec Bank worth £50k per year for three years as part of their sponsorship of the (European) Rugby Champions Cup.

How our activities deliver public benefit

The SOHK mission is to support young people (starting in early secondary) who are not thriving in education and who are presenting as disruptive and disengaged - or with social and emotional (SEL) learning needs. We prioritise those from economically disadvantaged backgrounds.

Achievements and performance (continued)

Our aim is to improve participant's engagement with school and to improve their SEL skills (including confidence, self-awareness, resilience and emotional regulation).

We do this through a long term blended programme of rugby coaching, group work and 1-1 mentoring delivered by a consistent team of trusted expert practitioners.

Education is a key indicator of life chances in adulthood. Children who are excluded from school are statistically more likely to offend, achieve poor educational outcomes, become unemployed and suffer from poorer mental and physical health. Relieving and preventing these issues delivers a clear public benefit. Persistent absenteeism remain a major concern in the UK, post Pandemic - There is strong evidence to suggest that regular school attendance is a key mechanism to support children and young people's educational, economic and social outcomes and that reduced attendance leads to worse educational attainment. Addressing this is something that we have recently committed to.

Conversely, when students display high levels of behavioural, emotional, and cognitive engagement, they are more likely to excel academically, form a stronger sense of connection with their school, and have a more positive sense of social-emotional well-being – and as a consequence have better life chances in adulthood.

Financial review

SOHK's Revenue decreased by £261k (15%) compared to the prior year, while expenditure fell by £293k (16%).

The drop in Revenue was largely attributable to the reduction in the provision of Adult services (<£165k) combined with lower event income (<£119k), which was boosted in the prior year, by the 10-year anniversary lunch held November 2022. Overall Schools income remained in line with the prior year, despite a reduction in schools served in Wales, due to additional funding support obtained elsewhere.

Nonetheless, delivery costs reduced in line with activity, falling £185k across Adult services and £74k in Welsh Schools. Efficiencies were realised in support costs, which included the closure of administrative offices, which were being under-used following the COVID pandemic and the successful transition to home working.

Principal funding sources

Grant income accounted for 37% of SOHK's income. The principal sources of this were Comic Relief, the National Lottery, KPE4 Charitable Trust, the Quilter Foundation, Charles Hayward Foundation, Fidelity Foundation, Millenium Stadium Trust, Wasps Legends, William Wates, and the Wooden Spoon Charity.

Aside from grant income, SOHK received 18% of our total turnover in contracted income, with contributions from schools and the local authorities, and 19% of our total turnover in corporate income, with contributions from Baillie Gifford, ISG Construction, Linc Cymru Housing Association and SEWSCAP.

Financial review (continued)

Reserves policy

The trustees have considered the charity's need for free reserves. These are required to cover an unexpected loss of income, cash flow shortage, or unforeseen operational cost.

For some years now, the charity has set a reserve target which has proved extremely difficult to fund practically. In recognition of this, the charity established a risk-level reserves policy that set a short-term and a medium-term reserves target.

The short-term reserves target considers immediate unforeseen expenses, cashflow issues, and the charity's winding up costs and is set at £160,000. The charity's aim is to have this amount available as a minimum target in line with the determined short-term financial risks.

We have assessed our current financial position and level of expenditure on the short-term reserves target and have concluded the charity will aim to achieve the short-term reserves target by the end of the 2024/25 financial year.

The medium-term reserves target considers risks to multi-year funding, planned commitments, key risks of the charity identified in the risk register, and is set at £330,000. This being an amount equal to three months' running costs and sufficient to cover the charity's most significant risks.

Our reserves target is a constant goal that we seek to work towards by increasing our level of unrestricted funds. Very few funders are willing to fund core costs or unrestricted reserves, so most of our unrestricted income must come from fundraising and individual giving. To set benchmarks towards reaching our medium-term reserve target, our goal is to increase unrestricted funds by 5% each year. It is our goal to meet our short-term reserves target-currently £160,000, while still working towards our medium-term target.

Financial position

At the year end the balance sheet showed total funds of £97,385 (2023- £124,775). Of these £5,998 were restricted (2023 - £4,567). At the year-end our unrestricted free reserves balance was £91,387 (2023 - £120,208), which whilst below target, is forecast to increase current year to align with the Reserves Policy (above).

Going concern

Our case for support continues to increase with the challenges facing our beneficiaries. This means now more than ever SOHK is needed to offer valuable help to support the young people we work with to allow them to realise their potential.

The Trustees and Senior Management remain highly aware of the lasting impact of the Coronavirus pandemic and the ongoing cost of living crisis on the economic landscape, and the financial impact on the charity. Nonetheless the Charity has demonstrated its ability to

Financial review (continued)

rapidly adapt to a changing environment, to end the financial year with a small deficit, representing 1.8% of turnover, and is confident of its capability to balance the books going forward.

The Trustees and the Board's Finance Subcommittee, supported by the Director of Finance, continue to monitor cashflow, meeting quarterly to review the financial position of the charity and each programme, the balance of restricted and unrestricted funds, the balance sheet, profit and loss, and budget variance for the year to date.

On the basis of their assessment of the Charity's financial position, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Plans for Financial Year 2024-2025

The Trustees aspire not only to sustain current activity, but through the renewed strategic focus on "Delivering Impact" in Schools to grow activity, to increase the number of young people supported. It is recognised that long term sustainability will require short term investment, in human capital with the recent appointment of a Director of Fundraising to secure reliable funding streams, and in technological transformation. As active participants in the life of the Charity, the Trustees are committed to working with the Charity to secure this funding.

SOHK will prioritise the continuous improvement of our schools programme, demonstrated through evidence based practice. This will require ongoing challenge of every aspect of the organisation, to learn and evolve so that we deliver the best outcomes for our participants. With the appointment of the Director of Fundraising the Charity aims to further develop its fundraising strategy, to align with the current and future needs. This will likely include increasing our long-term partnerships and relationships with donors and corporate partners, along with fundraising events.

The contribution from schools to the cost of the school programme is an integral part of our financial sustainability. It also ensures that the schools are invested and cooperate on the management and information sharing necessary to the programme. SOHK has a clear process for engaging schools, and we aim to work with each individual school next academic year to ensure continued delivery.

As well as generating revenue, the trustees recognise the need to continue our cost control processes and the continuation of the Board's Finance Subcommittee. Ending the 2024-2025 financial year in a surplus is a critical aim for SOHK with streams of work which are not financially sustainable will be paused or scaled back. The charity aims to deliver a surplus of £80,000 in the 2024-2025 financial year and aims to ensure our level of free reserves exceeds our short-term reserves target of £160,000.

Structure, Governance and Management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 17 August 2011. It is registered with the Charity Commission, charity number 1147009. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The charity registered with OSCR, the Scottish Charity Regulator, on 9 November 2015, charity number SC046118.

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law and Members for the purposes of the Articles of Association. The management of the charity is the responsibility of the Trustees who are elected every three years, for three-year terms, under the terms of the Articles of Association. The charity is managed by the trustees via periodic Board meetings and the day-to-day operation of the Charity is delegated by the Trustees to Mr. Ken Cowen, the Chief Executive Officer.

The Trustees review each year the skills and experience of the Board of Trustees and determine the need to appoint further trustees.

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Key management personnel

The key management personnel of the charity in charge of directing, controlling, running, and operating the charity on a day-to-day basis comprise the Trustees (who are not remunerated), the Chief Executive and his Leadership Team.

Their remuneration is set annually by the Board, considering individual performance, the performance of the Charity as a whole, and the financial outlook of the Charity. This process is informed by SOHK's Performance & Development Reviews, which are conducted by line managers with all staff and by the Chair of Trustees for the CEO.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The charity has implemented a number of policies in relation to all aspects of personnel matters:

- Equal opportunities policy
- Volunteers' policy
- Health and safety policy

In accordance with the charity's equal opportunities policy, the charity has established fair employment practices in recruitment, selection, retention, and training of disabled staff. Full details of these policies are available from the charity's offices.

Structure, Governance and Management (continued)

Risk management

The trustees conduct an annual review of the major risks to which the charity is exposed. A risk register has been established and is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and clients.

SOHK's risk register scores risks for their probability and severity, to give an unmitigated risk score. Mitigation is then put in place and the risk is re-evaluated. The charity's risk register shows the biggest unmitigated risks to the charity to be the following. The mitigation is also included:

- Sporting activity / injuries – Every delivery team has a qualified first aider and first aid kit to hand, and all frontline work has its own standalone risk assessment. The charity holds specific public liability and employers' liability insurance for its activities, and coaches are required to hold £5m in public liability cover personally. All coaching involves warmups, clearly marked pitches which have been checked for obstructions and hazards and approved equipment. All activities are clearly explained, and no one is forced to participate. The charity has clear Health and Safety Policy which is rigorously adhered to. Charity keeps participant disclaimers in perpetuity.

- Loss of key staff (temporary or permanent) – The charity has a shared drive with non-confidential files, which can be accessed by all staff. The charity has a financial process document and living delivery manual. All line managers of departing staff are required to steward a handover process to successors. Staff who are made redundant are given paid extension to oversee handover of materials. The charity's reserves policy includes funds for temporary staff to cover sickness, maternity for key staff members. The charity has a staff succession plan assessing roles criticality and impact of individuals. A comprehensive staff wellbeing policy is in place with ongoing refinement. We now retain a counselling service for staff, via our HR support.

- Reserve's Policy – Our reserves policy is updated annually to account for the current financial position and costings, with a goal to consistently maintain our short-term reserve target. While our cashflow requires strict management, the Director of Finance forecasts any cashflow shortages and remedial actions needed to the CEO and Trustees.

- Illegal activity by the charity (intentional or unintentional). The charity is advised by Milbank on a pro bono basis. Clear policies are in place for all areas of charitable activity and line managers ensure that these are adhered to.

- Failure to meet targets on delivery income- The charity realises given the current financial position and cost of living crisis, the charity must accept some risk within our fundraising landscape. A Director of Fundraising is now in place who will lead and further build a team that will ensure sustainability and growth - that said, the Trustees along with the senior leadership are prepared to adapt delivery dependent on the funding secured.

Trustees' Responsibilities Statement

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation; and
- declare any conflicts of interest under s175 of the Companies Act 2006.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Trustees Responsibilities Statement (continued)

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

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

Signed on behalf of the board of Trustees of School of Hard Knocks

Victoria Griffin

26 / 07 / 2024

Independent auditor's report to the trustees and members of School of Hard Knocks

Opinion

We have audited the financial statements of School of Hard Knocks (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2024 and of 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 Act2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable company 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 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Other information (continued)
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' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the 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 in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made;

- we have not received all the information and explanations we require for our audit; or

- 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 purpose 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.

Responsibilities of trustees (continued)
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.

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:

How the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;

- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006; the Charities Act 2011; the Charities Accounts Scotland Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102), Safeguarding Regulations, GDPR, fundraising regulations; and

- We assess the extent of compliance with laws and regulations identified above by making enquiries of management and representatives of the trustees and review of the minutes of trustees' meetings.

Auditor's responsibilities for the audit of the financial statements (continued)
We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by:

- Making enquiries of management and representatives of the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Tested the implementation of financial controls;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 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.

Buzzacott LLP 29 July 2024

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities
(incorporating an Income and Expenditure Account) Year to 31 March 2024

	Notes	Un-restricted funds £	Restricted funds £	2024 Total funds £	Un-restricted funds £	Restricted funds £	2023 Total funds £
Income and expenditure							
Income from:							
Donations	1	**349.336**	**199,322**	**548,658**	511,069	—	511,069
Other trading activities	2	**149,839**	**—**	**149,839**	267,654	1,360	269,014
Charitable activities							
• Provision of training courses	3	**361,739**	**457,824**	**819,563**	397,907	601,598	999,505
Interest receivable		**172**	**—**	**172**	143	—	143
Total income		**861,086**	**657,146**	**1,518,232**	1,176,773	602,958	1,779,731
Expenditure on:							
Raising funds	4	**112,585**	**39,377**	**151,962**	243,202	113	243,315
Charitable activities							
• Provision of training courses	5	**777,322**	**616,338**	**1,393,660**	984,402	610,875	1,595,277
Total expenditure		**889,907**	**655,715**	**1,545,622**	1,227,604	610,988	1,838,592
Net (expenditure) income		**(28,821)**	**1,431**	**(27,390)**	(50,831)	(8,030)	(58,861)
Transfers between funds	16	—	—	—	(350)	350	—
Net movement in funds for the year		**(28,821)**	**1,431**	**(27,390)**	(51,181)	(7,680)	(58,861)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2023		120,208	4,567	124,775	171,389	12,247	183,636
Fund balances carried forward at 31 March 2024	16	**91,387**	**5,998**	**97,385**	120,208	4,567	124,775

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 March 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	12		**471**		903
Current assets					
Debtors	13	**21,900**		210,476	
Cash at bank and in hand		**209,635**		46,816	
		231,535		257,292	
Liabilities					
Creditors: amounts falling due within one year	14	**(134,621)**		(133,420)	
Net current assets			**96,914**		123,872
Total net assets			**97,385**		124,775
The funds of the charity:					
Unrestricted funds					
. General fund	16		**91,387**		120,208
Restricted funds	16		**5,998**		4,567
Total charity funds			**97,385**		124,775

The financial statements have been prepared in accordance with the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Signed on behalf of the board of Trustees of School of Hard Knocks

V Griffin

Victoria Griffin

26 / 07 / 2024

Company Registration Number: 07743730 (England and Wales)
Charity Registration Numbers: 1147009 (England and Wales) and SC046110 (Scotland)

Statement of cash flows Year to 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	**162,819**	(181,165)
Cash flows from investing activities:			
Purchase of tangible fixed assets		—	(1,295)
Net cash used in investing activities		—	(1,295)
Change in cash and cash equivalents in the year		**162,819**	(182,460)
Cash and cash equivalents at 1 April 2023	B	**46,816**	229,276
Cash and cash equivalents at 31 March 2024	B	**209,635**	46,816

Notes to the statement of cash flows for the year to 31 March 2024.

A Reconciliation of net movement in funds to net cash used in operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	**(27,390)**	(58,861)
Adjustments for:		
Depreciation charge	**432**	392
Decrease/(Increase) in debtors	**188,576**	(61,657)
Increase/(decrease) in creditors	**1,201**	(61,039)
Net cash provided by (used in) operating activities	**162,819**	(181,165)

B Analysis of changes in cash and cash equivalents

	As at 31 March 2023 £	Cash flows £	**As at 31 March 2024 £**
Cash at bank and in hand	46,816	162,819	**209,635**
Total cash and cash equivalents	46,816	162,819	**209,635**

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation
These financial statements have been prepared for the year to 31 March 2024, with comparative information given in respect to the year ended 31 March 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Assessment of going concern
The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The trustees and senior staff remain highly conscious of the cost of living crisis on how the charity will continue to operate to ensure long-term, sustainable delivery. While the charity has ended this financial year with a deficit, which can be attributed to a difficult fundraising landscape and increased costs, the trustees are confident in the charity's ability to continue to adapt to provide a much-needed service. This can be seen in the charity's updated fundraising strategy that includes the appointment of two new roles funded by the Fidelity Foundation - an Events Co-Ordinator and a Trusts and Foundations Manger. Together, with our Partnerships Executive, this will be the first time the charity has a fully-fledged fundraising team with specific roles that focus on fundraising events, grant income generation, and corporate partnerships. We are confident this shift in strategy to increase corporate partners within our schools' programme, plan our long-term events calendar with risk mitigations, and establish new multi-year grant funding will allow the charity to maintain a stable financial position and achieve our reserves target.

The trustees continue to monitor and maintain sufficient cashflow and the Board's Finance Subcommittee continues to meet quarterly to review the financial position of the charity and each programme, the balance of restricted and unrestricted funds, the balance sheet, profit and loss, and budget variance for the year to date. The trustees, along with the leadership team, also continue to develop alternative delivery models to ensure the charity can adapt no matter the current financial climate.

Assessment of going concern (continued)

On the basis of their assessment of the Charity's financial position the Trustees continue to adopt the going concern basis in preparing the financial statements.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- The allocation of staff costs between charitable expenditure and raising funds.
- estimating the value of gifts in kind received; and
- estimating future inflows and outflows for the purpose of assessing going concern.

Income recognition
Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and grants, fee income, sponsorship, income from events and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided to the charity. An equivalent amount is included as expenditure.

Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income recognition (continued)

Grants and fee income from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding. Income is deferred when the charity has not satisfied the requirements for entitlement or when the donor has specified funds for use in a future accounting period. Sponsorship income is receivable on an annual basis in recognition of the charity's participation in certain activities.

Fee income is recognised once the charity has fully met all performance criteria as specified in the relevant contract.

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising and the costs of fundraising events.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the delivery of training courses, direct and support costs including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of project management carried out at Headquarters, personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Governance costs are allocated to the charity's sole activity, provision of training courses.

Support costs are allocated to the charity's activity, provision of training courses, and fundraising.

Taxation
The company is a charity under the Finance Act 2010 (schedule 6, paragraph 1) definition. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by the Corporation Tax Act 2010 (part 11, chapter 3) or the Taxation of Chargeable Gains Act 1992 (section 256), to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

Tangible fixed assets and depreciation
All assets costing more than £1,000 are capitalised.

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful economic lives on the following basis:

Computer equipment	33.33% straight line
Schools equipment	33.33% straight line
Outdoor equipment	33.33% straight line
Motor vehicles	20% straight line

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions
Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds
Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School of Hard Knock's charitable objects.

Pension costs
Contributions in respect of the charity's defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme.

1 Income from donations

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Individuals	**179,366**	**—**	**179,366**
Corporate donations	**91,697**	**199,322**	**291,019**
Trusts and Foundations	**—**	**—**	**—**
Gifts in Kind	**78,273**	**—**	**78,273**
2024 Total funds	**349,336**	**199,322**	**548,658**

	Unrestricted funds £	*Restricted funds* £	*2023 Total funds* £
Individuals	220,294	—	220,294
Corporate donations	190,295	—	190,295
Trusts and Foundations	5,000	—	5,000
Gifts in Kind	95,480	—	95,480
2023 Total funds	511,069	—	511,069

2 Income from other trading activities

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Income from fundraising events	**149,839**	**—**	**149,839**
2024 Total funds	**149,839**	**—**	**149,839**

	Unrestricted funds £	*Restricted funds* £	*2023 Total funds* £
Income from fundraising events	267,654	1,360	269,014
2023 Total funds	267,654	1,360	269,014

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Grant income	**95,697**	**457,824**	**553,521**
Fee income	**266,042**	**—**	**266,042**
2024 Total funds	**361,739**	**457,824**	**819,563**

3 Income from charitable activities (continued)

	Unrestricted funds £	*Restricted funds* £	*2023 Total funds* £
Grant income	*67,000*	*601,598*	*668,598*
Fee income	*330,907*	*—*	*330,907*
2023 Total funds	*397,907*	*601,598*	*999,505*

4 Expenditure on raising funds

	Unrestricted funds £	**Restricted funds** £	**2024 Total funds** £
Fundraising staff costs (note 10)	**46,460**	**34,946**	**81,406**
Cost of fundraising events	**43,128**	**20**	**43,148**
Other fundraising costs	**—**	**—**	**—**
Support costs (note 6)	**22,997**	**4,411**	**27,408**
2024 Total funds	**112,585**	**39,377**	**151,962**

	Unrestricted funds £	*Restricted funds* £	*2023 Total funds* £
Fundraising staff costs (note 10)	*104,362*	*—*	*104,362*
Cost of fundraising events	*78,138*	*113*	*78,251*
Other fundraising costs	*38,180*	*—*	*38,180*
Support costs (note 6)	*22,522*	*—*	*22,522*
2023 Total funds	*243,202*	*113*	*243,315*

5 Expenditure on charitable activities

	Unrestricted funds £	**Restricted funds** £	**2024 Total funds** £
Training courses	**91,798**	**137,004**	**228,802**
Course delivery staff costs (note 10)	**430,848**	**417,982**	**848,830**
Support costs (note 7)	**254,676**	**61,352**	**316,028**
2024 Total funds	**777,322**	**616,338**	**1,393,660**

	Unrestricted funds £	*Restricted funds* £	*2022 Total funds* £
Training courses	*155,506*	*247,395*	*402,901*
Course delivery staff costs (note 10)	*591,192*	*330,754*	*921,946*
Support costs (note 7)	*237,704*	*32,726*	*270,430*
2023 Total funds	984,402	610,875	1,595,277

6 Support costs

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Office and rent costs	**21,465**	**16,617**	**38,082**
Communication costs	**—**	**378**	**378**
Accommodation, travel and subsistence costs	**8,916**	**1,717**	**10,633**
Staff expenses reimbursed	**583**	**110**	**693**
Insurance	**3,642**	**685**	**4,327**
Website and promotional material	**22,997**	**4,411**	**27,408**
Consultancy fees	**47,124**	**8,868**	**55,992**
Depreciation	**—**	**432**	**432**
Sundry expenses	**5,781**	**1,087**	**6,868**
Support staff costs (note 10)	**136,743**	**25,733**	**162,476**
Irrecoverable VAT	**4,271**	**804**	**5,075**
Governance costs (note 8)	**26,151**	**4,921**	**31,072**
	277,673	**65,763**	**343,436**

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Analysis of support costs			
. Fundraising costs	**22,997**	**4,411**	**27,408**
. Charitable activities	**254,676**	**61,352**	**316,028**
	277,673	**65,763**	**343,436**

	Unrestricted funds £	*Restricted funds £*	*2023 Total funds £*
Office and rent costs	*35,091*	*22,565*	*57,656*
Communication Cost	*480*	*42*	*522*
Accommodation, travel and subsistence costs	*9,913*	*440*	*10,353*
Staff expenses reimbursed	*2,022*	*60*	*2,082*
Insurance	4,607	—	4,607
Website and promotional material	22,522	—	22,522
Consultancy fees	49,389	—	49,389
Depreciation	392	—	392
Sundry expenses	10,076	229	10,305
Support staff costs (note 9)	95,216	—	95,216
Irrecoverable VAT	8,045	—	8,045
Governance costs (note 7)	22,473	9,390	31,863
	260,226	32,726	292,952

	Unrestricted funds £	*Restricted funds £*	*2023 Total funds £*
Analysis of support costs			
. Fundraising costs	*22,552*	—	*22,552*
. Charitable activities	*237,704*	*32,726*	*270,430*
	260,226	*32,726*	*292,952*

7 Governance costs

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Accountancy and audit costs	**21,044**	**3,960**	**25,004**
Other professional fees	**5,107**	**961**	**6,068**
2024 Total funds	**26,151**	**4,921**	**31,072**

	Unrestricted funds £	*Restricted funds £*	*2023 Total funds £*
Accountancy and audit costs	*19,750*	*—*	*19,750*
Other professional fees	*2,723*	*9,390*	*12,113*
2023 Total funds	*22,473*	*9,390*	*31,863*

8 Net (expenditure) income

This is stated after charging:

	2024 Total funds £	2023 Total funds £
Staff costs (note 9)	**1,092,712**	1,121,524
Depreciation of tangible fixed assets	**432**	392
Auditor's remuneration		
. Statutory Audit	**14,000**	11,450

9 Staff costs

Staff costs were as follows:

	2024 £	2023 £
Wages and salaries	**981,947**	1,007,601
Social security costs	**82,587**	85,024
Pension costs	**28,178**	28,899
	1,092,712	1,121,524

Total staff costs have been allocated between expenditure on raising funds, course delivery, governance and support costs based on the approximate percentage of staff time spent in each area, as follows:

	2024 £	2023 £
Expenditure on raising funds	**81,407**	104,362
Course delivery	**848,830**	921,946
Support costs	**162,476**	95,216
	1,092,713	1,121,524

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

	2024 No.	2023 No.
Management	**3**	6
Operational	**29**	27
	32	33

One employee received remuneration between £70,000 and £80,000 in the year (2023 - one employee received remuneration between £60,000 and £70,000). Pension contributions of £2,121 (2023 - £2,121) were paid in respect of this employee.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees (who are not remunerated), the Chief Executive, the Operations Executive, and the Finance Manager. Total remuneration (including taxable benefits, employer's pension contributions and employers national insurance contributions) of the key management personnel for the year was £156,236 (2023 - £153,022).

10 Trustees' remuneration

No trustee received any remuneration for services or reimbursed expenses as a trustee in the current year (2023 - none).

11 Taxation

School of Hard Knocks is a registered Charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

12 Tangible fixed assets

	Computer equipment £	Schools Equipment £	**Total £**
Cost			
At 1 April 2023	2,824	1,295	**4,119**
Additions	—	—	**—**
At 31 March 2024	2,824	1,295	**4,119**
Depreciation			
At 1 April 2023	2,824	392	**3,216**
Charge for the year	—	432	**432**
At 31 March 2024	2,824	824	**3,648**
Net book value			
At 31 March 2024	—	471	**471**
At 31 March 2023	—	903	**903**

13 Debtors

	2024 £	2023 £
Trade debtors	**10,800**	201,994
Prepayments and accrued income	**11,075**	8,457
Other debtors	**25**	25
	21,900	210,476

14 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	**23,238**	40,510
Other taxation and social security	**20,212**	25,063
VAT	**6,564**	10,412
Other creditors	**11,042**	7,440
Accruals and deferred income	**73,565**	49,995
	134,621	133,420

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Deferred income brought forward at 1 April 2023	**25,000**	102,547
Income deferred in year	**59,565**	25,000
Deferred income released in year	**(25,000)**	(102,547)
Carried forward at 31 March 2024	**59,565**	25,000

Deferred income relates to income received in 2024 for use by the charity in 2025, as specified by the donors.

16 Statement of funds

	At 1 April 2023 £	Income £	Expenditure £	Transfers £	**At 31 Mar 2024 £**
Unrestricted funds	120,208	861,086	(889,907)	—	**91,387**
Restricted funds					
Charles Hayward	796	25,000	(24,567)	—	**1,229**
Comic Relief	2,500	182,316	(184,816)	—	—
Fidelity Foundation	—	35,345	(35,345)	—	—
Improving Lives Glasgow	—	76,185	(76,185)	—	—
ISG Construction	—	14,000	(14,000)	—	—
KPE4 Trust	776	59,000	(59,776)	—	—
Lambeth Council	—	54,522	(54,522)	—	—
Linc Cymru Housing Assoc.	—	14,000	(14,000)	—	—
Millenium Stadium Trust	—	7,500	(2,731)	—	**4,769**
Paul Hamlyn Foundation	36	-	(36)	—	—
Quilter Foundation	402	24,448	(24,850)	—	—
SEWSCAP	—	104,300	(104,300)	—	—
Transport for Wales	—	12,500	(12,500)	—	—
Walcot Foundation	5	-	(5)	—	—
Wasps Legends	—	25,000	(25,000)	—	—
Wates Foundation	52	6,723	(6,775)	—	—
Wooden Spoon	—	16,307	(16,307)	—	—
	4,567	657,146	(655,715)	—	**5,998**
Total funds	124,775	**1,518,232**	**(1,545,622)**	—	**97,385**

	At 1 April 2022 £	*Income £*	*Expenditure £*	*Transfers £*	*At 31 March 2023 £*
Unrestricted funds	*171,389*	*1,176,773*	*(1,227,604)*	*(350)*	*120,208*
Restricted funds					
Charles Hayward	*1,188*	*25,000*	*(25,392)*	—	*796*
Comic Relief	*3,917*	*190,061*	*(191,478)*	—	*2,500*
Fife Mental Health Fund	—	*18,669*	*(18,669)*	—	—
Gosling Foundation	—	*10,000*	*(10,000)*	—	—
Improving Lives Glasgow		*91,548*	*(91,548)*	—	—
John Lyon's Charity	*1,667*	*25,020*	*(26,687)*	—	—
KPE4 Trust	—	*59,300*	*(58,524)*	—	*776*
Laureus Sport for Good	—	*20,000*	*(20,000)*	—	—
National Lottery		*10,000*	*(10,000)*	—	—
Paul Hamlyn Foundation	—	*33,000*	*(32,964)*	—	*36*
Quilter Foundation	—	*45,000*	*(44,598)*	—	*402*
Riverside Resource Comm.	*2,414*	—	*(2,414)*	—	—
Tabard RFC	*541*	*1,360*	*(1,901)*	—	—
Walcot Foundation	—	*65,000*	*(64,995)*	—	*5*
Wates Foundation	*2,520*	*9,000*	*(11,468)*	—	*52*
Young Londoners	—	—	*(350)*	*350*	—
	12,247	*602,958*	*(610,988)*	*350*	*4,567*
Total funds	*183,636*	*1,779,731*	*(1,838,592)*	—	*124,775*

16 Statement of funds (continued)

Restricted Funds

Charles Hayward Foundation
Charles Hayward Foundation has given us multi-year grant funding for rugby coaching and behavioural support mentoring for schools in North Hertfordshire.

Comic Relief
Comic Relief gave us funding for three years starting in 2020 to deliver 12 adult courses in Wales with psychotherapy support. We have also received extension funding for to deliver 4 more courses from April 2024.

Fidelity Foundation
Fidelity Foundation has provided funding support to enable the hiring of a Trusts & Grants Manager (part time) and Events Coordinator (part time)

The National Lottery-Improving Lives
The National Lottery has given us multi-year grant funding to deliver 6 courses over 2 years in Glasgow, working with unemployed adults with a focus on Roma community and refugee/asylum seekers, breaking down barriers between them and local 'settled' population.

ISG Construction
ISG Construction provided a £14k contribution to support the delivery of Welsh Schools programme in Cantonian High School, Cardiff.

KPE4 Trust
KPE4 Trust gave us grant funding to deliver our Scotland Schools programme in Broughton and Craigroyston schools.

Lambeth Council
Lambeth Council commissioned SoHK to work with two schools in Lambeth for academic years 2023/24 and 2024/25, following the successful delivery on a one-day per week basis in 2022/23.

Linc Cymru Housing Association
Linc Cymru provided £14k to support our delivery in Fitzalan High in Cardiff, during the 2023/24 academic year

Millenium Stadium Trust
Millenium Stadium Trust provided £7.5k to support the SOHK Cymru Schools Festival, reward trips, and participant kit for academic year 23/24

16 Statement of funds (continued)

Paul Hamlyn Foundation
The Paul Hamlyn Foundation provided a grant to support our INC project to develop a good practice guide on how to improve the experiences of trans, non-binary and gender exploring young people in Wales.

Quilter Foundation
The Quilter Foundation has provided a grant for three years starting in 2020 to fund two England adult courses per year, which has been postponed and deferred into the new financial year. We have also received continuation funding to continue to deliver our adult courses at Black Prince Trust.

SEWSCAP
SEWSCAP supported the Adults (£16.8k) and Schools (£87.75k) programmes in Wales during the year

Transport for Wales
Transport for Wales contributed £14k to support our programme delivery in Idris Davies High in Caerphilly.

Walcot Foundation
The Walcot Foundation provided a grant to deliver our England Adult courses in London.

Wasps Legends
Wasps Legends have provided multi-year funding to support our schools delivery across the UK.

William Wates
William Wates Memorial Trust have given us multi-year grant funding over three years to support our work in Warlingham School in London.

Wooden Spoon Society
Wooden Spoon have fund a full-time coach for our schools programme in Scotland for two years, finishing at the end of academic year 2024/25.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Tangible fixed assets	**471**	—	**471**
Current assets	**165,973**	**65,562**	**231,535**
Creditors due within one year	**(75,057)**	**(59,565)**	**(134,622)**
	91,387	**5,997**	**97,384**

	Unrestricted funds £	*Restricted funds £*	*2023 Total funds £*
Tangible fixed assets	*903*	—	*903*
Current assets	*227,725*	*29,567*	*257,292*
Creditors due within one year	*(108,420)*	*(25,000)*	*(133,420)*
	120,208	*4,567*	*124,775*

18 Related party transactions

During the year various trustees contributed financially to the organisation

- receiving a cash donation of £1,200 (2023 - £1,566) from one trustee,
- a temporary interest free loan of £40,000 from a trustee (fully repaid at the year-end),
- purchased £5,610 of tickets to attend corporate fundraising events,
- donated auction prizes with a value of approximately £15,200 (2023 - £32,286) from various trustees

Additionally, the charity received pro bono services of £55,992 (2023 - £49,389) from Millbank LLP, a law firm of which James Cameron is a partner.

19 Commitments under operating leases

At 31 March 2024, the total of the charity's future minimum lease payments under non-cancellable operating leases was as follows:

	2024 £	2023 £
Amounts due within one year	**2,280**	2,280
Amounts due between two and five years inclusive	***190***	2,470
	2,470	4,740

SCHOOL OF HARD KNOCKS

England & Wales - Charity number 1147009

Accounts

School of Hard Knocks

Annual Report and Financial Statements

31 March 2023

Company Limited by Guarantee
Registration Number
07743730 (England and Wales)

Charity Registration Numbers
1147009 (England and Wales)
SC046118 (Scotland)

WEDNESDAY
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A09 23/08/2023 #180
COMPANIES HOUSE

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Reference and administrative information

Trustees	Mr Jonathan Teckman Ms Deborah Griffin Mr James Cameron Ms Victoria Griffin Mr Mike Francis Ms Pauline Broomhead Ms Yasmine Hafiz Mr Robert McKillop Mr Mikel Mellick (appointed 5 September 2022) Mr Neel Sood (appointed 5 September 2022)
Chief Executive	Mr Ken Cowen
Registered office	Ty Cefn Old Building Unit 4 Rectory Road Cardiff Wales CF5 1QL
Company Registration Number	07743730
Charity Registration Numbers	1147009 (England and Wales) SC046118 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Memery Crystal 11 Southampton Buildings London WC2A 1AP Milbank, Tweed, Hadley & McCloy LLP 10 Gresham Street London EC2V 7JD
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ

The trustees, who are the directors for the purposes of company law, present their statutory report together with the financial statements of School of Hard Knocks for the year to 31 March 2023.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 25 of the attached financial statements and comply with the charitable company's memorandum of association, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and 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 United Kingdom and Republic of Ireland (FRS 102).

Our Aims and objectives

Purposes and Aims

The principal objects of the charity are set out in the charity's Memorandum of Association:

To assist persons who may have need of support by virtue of poor health, disability, financial hardship or other disadvantage, in particular but not exclusively by the provision of facilities and programmes of physical, educational and other activities as a means of:

a) advancing in life and by developing skills, capacities and capabilities to enable persons to participate in society as independent, mature and responsible individuals;

b) advancing education;

c) relieving unemployment;

d) advancing physical, mental and emotional health and wellbeing.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

Achievements and performance

To achieve these aims, we deliver two streams of work: 1) Courses for unemployed adults in which we address wellbeing as well as employability and 2) A three-year school programme for pupils at risk of exclusion, and/or who are struggling with their mental health and /or are vulnerable.

England

Our England Adult programme completed our first ever multi-year grant funding from the Quilter Foundation in May 2022, delivering six courses over three years in Vauxhall, London. We were also able to deliver 2 adult courses funded by the Walcot Foundation, working with 85 adults in total this year.

Achievements and performance (continued)

***England** (continued)*
In July 2022, we delivered a one-week short course running at Westway Sports Centre in London in partnership with the DWP Department of Levelling Up and funded by Moorhouse Consultancy.

Our adult team has continued to deliver weekly drop-in boxing sessions which has been an effective way to retain engagement for past and current beneficiaries.

Our England Schools programme continued to see stability across the programme with the majority of schools continuing from the previous year, as well as 2 new projects in Portsmouth and Lambeth. We were able to deliver at 14 schools, working with 380 pupils. Most of our schools remain long standing relationships and delivery remains strong, entering our 6th year of delivery and 4th year of local authority funding within our Hertfordshire schools.

Our first school in the Portsmouth area is a joint project between Brunepark Community School and their sister school Bayhouse. The groups have been engaging and welcoming, and we are hopeful we can continue to develop our school's delivery across the region.

Scotland
Our Scotland Adult programme (OSCR registration number SC046118) delivered a course funded by the Fife Voluntary Action in April 2022, and began the first courses of our multi-year grant from the National Lottery. Our largest multi-year grant in Scotland to date, we secured £183k from the National Lottery to deliver 6 courses over 2 years in Glasgow, working with unemployed adults with a focus on Roma community and refugee/asylum seekers, breaking down barriers between them and local 'settled' population.

Our Scotland Schools programme currently works in 8 schools across Edinburgh, Glasgow, Fife, and Denny, working with a total of 250 students on average every week. We delivered our first Scotland Schools National Festival in May 2022, bringing 180 young people from 8 schools across Scotland together to play against each other at Edinburgh Rugby's Dam Health Stadium.

We were also able to deliver our second 7-week summer camp followed by a year long after-school club for 20 vulnerable pupils transitioning to secondary school called 'Lift Off' based at Craigroyston Community High School in Edinburgh funded by KPE4 Trust.

Wales
Our Wales Adult programme has continued to deliver our grant-funded Comic Relief courses alongside our research partners, Cardiff Metropolitan University and has established our psychotherapy support as an integral aspect of delivery. We have been successful in securing follow-on funding from Comic Relief to deliver an additional 4 adult courses from April 2023.

Within our Wales Schools programme, we have started working with 8 new schools across south-east Wales, increasing our total number of schools in Wales to 15, our largest year yet working with an average of 700 pupils weekly. In our Cardiff based schools our delivery is being supported by Police Community Support Officers from South Wales Police that helps break down barriers and increase understanding.

Achievements and performance (continued)

***Wales** (continued)*
Within our Wales schools' teams, we have continued our Inclusion Project to develop a good practice guide on how to improve the experiences of trans, non-binary and gender exploring young people with funding from the Paul Hamlyn Foundation.

Fundraising
This financial year was marked by a continued increase in staff, the number of schools across all three regions, and consistent in-person adult delivery. With this continued growth also came an increase in spending, and while we are extremely proud to have maintained this high level of delivery, it has not come without challenges, in particular regarding income generation.

The charity experienced a 14% increase in overall income due to continued growth across all three regions, particularly within our schools' programmes and within our adults' multi-year grant funding, and with the success of our 10-year anniversary campaign.

Our income in 2022-2023 continued to be driven largely by grant income, which contributed to 37% (2022-38%) of our overall turnover. We did experience gaps in delivery funding within our schools' programmes as a result of multi-year grants ending and finding the landscape of grant funding more elusive than previous years.

After cancelling our annual fundraising events due to the Coronavirus pandemic in the 2021 financial year, we were able to host an End of Lockdown lunch, a Six Nations dinner in Scotland, and our annual End of Dry January lunch within the 2022 financial year, which together raised nearly £200k in unrestricted income. Coming off these events in 2022, the charity experienced a challenging time with our summer 2022 events and thus shifted its fundraising event focus to our 10-year anniversary campaign, which included our annual lunch at M Threadneedle, as well as new regional and national events, which all together raised £273k.

While these events were instrumental in ensuring the charity maintains a stable unrestricted balance, the charity also invested our resources into a major donor campaign as part of our 10-year anniversary. Our leadership team, along with a fundraising consultant, established regional fundraising committees with the goal of securing major donors to sustain our schools work in every region. This has been a great step forward in the charity's fundraising strategy and approach, and though our 10-year anniversary has ended, we continue to develop the long-term strategies that have been put in place this financial year and within our major donor campaign.

Approach to fundraising
SOHK is a values-driven charity that conducts its activities in line with the highest ethical standards.

Achievements and performance (continued)

***Approach to fundraising** (continued)*

The charity uses a mixed funding economy to spread risk and ensure stability. Currently, the main methods for accessing individual donors are fundraising events, personal referrals from ambassadors and social media campaigns targeted at friends and supporters of the charity. This greatly reduces the risk of SOHK inadvertently contacting members of the public, especially vulnerable people, in an unreasonably intrusive or persistent manner. The charity has robust internal policies on data collection and handling, is fully GDPR compliant and has a robust, externally validated complaints procedure. The charity is prepared to refund any donation which is shown to have been gained through unreasonable fundraising, whether advertently or inadvertently. During the year the charity received no complaints in respect of its fundraising activities.

Looking ahead

Coming off a difficult financial year, the charity has adopted an updated fundraising strategy. At the beginning of the 2023-2024 financial year, we have secured funding from the Fidelity Foundation to appoint an Events Co-Ordinator and a Trusts and Foundations Manager. This will enable the charity to have a fully developed fundraising team. Along with our Partnerships Executive, we will focus this year on long term, sustainable fundraising that focuses on minimising risks within our events, securing new multi-year grants, and increased corporate partnerships for our schools.

As we approach a new academic year in 2023 in which school budgets continue to be challenged, the charity is prepared to think creatively and adapt. We are focusing on establishing corporate partnerships for individual schools facing budget constraints, securing supplemental funding, and ensuring our adult work remains stable and cost effective.

The charity continues to embrace resiliency as we enter a pivotal shift in our fundraising strategy, and we remain committed to delivering first class support to our beneficiaries.

The wellbeing and professional development of our staff and leadership is of utmost importance so that everyone feels equipped and resourced to embody the values and mission of the charity. We are also focused on increasing our partnerships with several top universities to be the best evidenced and researched sports-based initiative in the UK.

How our activities deliver public benefit

All our programmes focus on either relieving unemployment or advancing education through creating internal changes, which then affect external behaviour.

Throughout our work, we aim to relieve unemployment and prevent exclusion from school. If someone who has been unemployed gains sustainable employment, it benefits their families and particularly their children, their friends and their physical, mental and economic health.

Similarly, children who are excluded from school are statistically more likely to offend, achieve poor educational outcomes, become unemployed and suffer from poorer mental and physical health. Relieving and preventing these issues delivers a clear public benefit.

Achievements and performance (continued)

How our activities deliver public benefit *(continued)*

Our operations are centered in London, Cardiff, Edinburgh, and Glasgow. We have now defined a set of criteria in determining where we work, which takes into account three factors:

1. Is there genuine need? Does the area have neighbourhoods in the 10% most deprived areas on the Multiple Deprivation Index? Is there a concentration of these?

2. Can we make a difference? Is there a sufficient geographical concentration of beneficiaries for us to run group-based interventions? How well is the area served by other agencies? Are there location-specific barriers to our types of work? Can we meet the logistical challenges of working there?

3. Can we fund our work there? Is the area a priority area for national funders? How many local funders are there who might be favourable to us and able to fund our work? How competitive is the funding landscape in the area?

Using these criteria, we will continue to establish our presence throughout England, Scotland, and Wales as well as improve our delivery and adapt our courses as the charity navigates the lasting effects of the Coronavirus pandemic and current cost of living crisis.

Outside the UK, our award-winning sister project in South Africa continues to deliver SOHK programmes; these projects are helped via a sharing of knowledge and best practice rather than financial support.

Financial review

SOHK's revenue increased by 14% compared to the previous year, while our expenditure increased by 20% compared to the previous year. We are extremely happy to have sustained such a high level of delivery during a difficult financial climate. Though we have seen a reduction in our contracted income and an increased need for supplemental grant funding, we were able to increase our delivery staff by 40% to deliver our schools' programme at an increased number of schools and establish our new adult courses with multi-year funding from the National Lottery.

As part of our 10-year anniversary, we were successful in increasing our income from fundraising events by 39% compared to the previous year. After coming off the 2022 summer where our forecasted fundraising events did not go as predicted, we are extremely pleased to have exceeded our targets for our 10-year anniversary lunch in November 2022, End of Anniversary event in March 2023 as well as our regional Wales lunch in February 2023 and our Scotland Six Nations Supper in March 2023.

Also, as part of our 10-year anniversary, we were successful in increasing our individual income by 98% compared to the previous year. This is a substantial achievement for the charity, and we hope to continue to build off this to establish our long-term major donor campaign.

Financial review (continued)

We experienced a 6% increase in our grant income compared to the previous year. Restricted grants continue to comprise the majority of our income (33%); however, we have experienced an increased need in grant funding as we've grown our delivery staff by 40% compared to the previous year and total delivery expenditure has increased by 24% compared to the previous year. This has left us with gaps in delivery funding as we've had multi-year grants come to an end and been unsuccessful on a number of grant funding applications to fill these gaps. While our funding strategy is to continue to diversify our income and establish partnerships to support our contracted work, we do rely on multi-year grant funding to provide stable year-on-year support across all our programmes.

We experienced an 18% decrease in fee income compared to the previous year. This is primarily due to the end of our DWP contract in West London in the 2022 financial year, as well as schools' budget constraints.

Principal funding sources

Grant income accounted for 37% of SOHK's income. The principal sources of this were Comic Relief, the National Lottery, KPE4 Charitable Trust, the Quilter Foundation, Paul Hamlyn Foundation, Charles Hayward Foundation, the Walcot Foundation, John Lyons Charity, and Laureus Sport for Good.

Aside from grant income, SOHK received 19% of our total turnover in contracted income, with contributions from schools and the local authorities, and 11% of our total turnover in corporate income, with contributions from Bailie Gifford and SEWSCAP.

Reserves policy

The trustees have considered the charity's need for free reserves. These are required to cover an unexpected loss of income, cash flow shortage, or unforeseen operational cost.

For some years now, the charity has set a reserve target which has proved extremely difficult to fund practically. In recognition of this, the charity established a risk-level reserves policy that set a short-term and a medium-term reserves target.

The short-term reserves target considers immediate unforeseen expenses, cashflow issues, and the charity's winding up costs and is set at £160,000. The charity's aim is to have this amount available as a minimum target in line with the determined short-term financial risks.

We have assessed our current financial position and level of expenditure on the short-term reserves target and have concluded the charity will aim to achieve the short-term reserves target by the end of 2023.

The medium-term reserves target considers risks to multi-year funding, planned commitments, key risks of the charity identified in the risk register, the long-term effects of the Coronavirus pandemic cost of living crisis, and is set at £310,000. This being an amount equal to three months' running costs and sufficient to cover the charity's most significant risks.

Financial review (continued)

Reserves policy *(continued)*
Our reserves target is a constant goal that we seek to work towards by increasing our level of unrestricted funds. Very few funders are willing to fund core costs or unrestricted reserves, so most of our unrestricted income must come from fundraising and individual giving. To set benchmarks towards reaching our medium-term reserve target, our goal is to increase unrestricted funds by 5% each year. It is our goal to meet our short-term reserves target-currently £160,000, while still working towards our medium-term target.

Financial position
At the year end the balance sheet showed total funds of £124,775 (2022- £183,636). Of these £4,567 were restricted (2022 - £12,247). At the year-end our unrestricted free reserves balance was £120,208 (2022 - £171,389).

Going concern
Our case for support continues to increase with the challenges facing our beneficiaries. This means now more than ever SOHK is needed to offer valuable help to support the young people and adults we work with allowing them to realise their potential. The lasting impact of Covid-19 and now the current cost of living crisis has been reflected in the increased number of schools we are now working with, an increased number of cohorts in existing partnership schools and the increased necessity to provide mental health support to adults in areas of deprivation.

The trustees and senior staff remain highly conscious of the lasting impact of the Coronavirus pandemic and the current cost of living crisis on how the charity will continue to operate to ensure long-term, sustainable delivery. While the charity has ended this financial year with a deficit, which can be attributed to a difficult fundraising landscape and increased costs, the trustees are confident in the charity's ability to continue to adapt to provide a much-needed service. This can be seen in the charity's updated fundraising strategy that includes the appointment of two new roles funded by the Fidelity Foundation - an Events Co-Ordinator and a Trusts and Foundations Manger. Together, with our Partnerships Executive, this will be the first time the charity has a fully-fledged fundraising team with specific roles that focus on fundraising events, grant income generation, and corporate partnerships.

We are confident this shift in strategy to increase corporate partners within our schools' programme, plan our long-term events calendar with risk mitigations, and establish new multi-year grant funding will allow the charity to maintain a stable financial position and achieve our reserves target.

The trustees continue to monitor and maintain sufficient cashflow and the Board's Finance Subcommittee continues to meet quarterly to review the financial position of the charity and each programme, the balance of restricted and unrestricted funds, the balance sheet, profit and loss, and budget variance for the year to date. The trustees, along with the leadership team, also continue to develop alternative delivery models to ensure the charity can adapt no matter the current financial climate.

On the basis of their assessment of the Charity's financial position the Trustees have continued to adopt the going concern basis in preparing the financial statements.

Plans for Financial Year 2023-2024

SOHK will prioritise improving our current secured delivery, increasing our long-term partnerships and relationships with donors, establishing consistent school fee income across all regions, and executing multiple fundraising events as part of our updated fundraising strategy.

While the 2023-2024 academic year will prove to be a difficult time with school and local authority budget constraints, the charity will prioritise our work with current schools to ensure our continued delivery with our beneficiaries. Though it is a goal of the charity to increase our school fee income, we recognise this will not be consistent across all regions and therefore will have a goal to secure corporate partners for our schools, increase our supplemental grant funding, and adopt alternative delivery models within school budgets and provide cost savings to the charity.

The contribution from schools to the cost of the school programme is an integral part of our financial sustainability. It also ensures that the schools have 'skin in the game' and so cooperate on the management and information sharing necessary to the programme. SOHK has a clear process for engaging schools, and we aim to work with each individual school next academic year to ensure continued delivery.

As well as generating revenue, the trustees recognise the need to continue our cost control processes and the continuation of the Board's Finance Subcommittee. Ending the 2023-2024 financial year in a surplus is a critical aim for SOHK and streams of work which are not financially sustainable will be paused or scaled back. The charity aims to deliver a surplus of £100,000 in the 2023-2024 financial year and aims to ensure our level of free reserves exceeds our short-term reserves target of £160,000.

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 17 August 2011. It is registered with the Charity Commission, charity number 1147009. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The charity registered with OSCR, the Scottish Charity Regulator, on 9 November 2015, charity number SC046118.

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law and Members for the purposes of the Articles of Association. The management of the charity is the responsibility of the trustees who are elected every three years, for three-year terms, under the terms of the Articles of Association. The charity is managed by the trustees via periodic Board meetings and the day-to-day operation of the charity is delegated by the trustees to Mr. Ken Cowen, the Chief Executive Officer.

The trustees review each year the skills and experience of the Board of Trustees and determine the need to appoint further trustees.

Structure, governance and management (continued)

Recruitment and appointment of trustees *(continued)*
The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Key management personnel
The key management personnel of the charity in charge of directing, controlling, running, and operating the charity on a day-to-day basis comprise the trustees (who are not remunerated), the Chief Executive, the Operations Executive, and the Finance Director.

Their remuneration is set annually by the Board, considering individual performance, the performance of the charity as a whole, and the financial outlook of the charity. This process is informed by SOHK's Performance & Development Reviews, which are conducted by line managers with all staff and by the Chair of Trustees for the CEO.

Employee involvement and employment of the disabled
Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The charity has implemented a number of policies in relation to all aspects of personnel matters:

- Equal opportunities policy
- Volunteers' policy
- Health and safety policy

In accordance with the charity's equal opportunities policy, the charity has established fair employment practices in recruitment, selection, retention, and training of disabled staff.

Full details of these policies are available from the charity's offices.

Risk management
The trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The charity has a strategic plan, business plan, and fundraising plan, updated annually, which considers and mitigates major risks to the organisation. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and clients.

SOHK's risk register scores risks for their probability and severity, to give an unmitigated risk score. Mitigation is then put in place and the risk is re-evaluated. The charity's risk registers shows the biggest unmitigated risks to the charity to be the following. The mitigation is also included:

Structure, governance and management (continued)

***Risk management** (continued)*

- Sporting activity / injuries – Every delivery day has a qualified first aider and first aid kit to hand, and all frontline work has its own standalone risk assessment. The charity holds specific public liability and employers' liability insurance for its activities, and coaches are required to hold £5m in public liability cover personally. All coaching involves warmups, clearly marked pitches which have been checked for obstructions and hazards and approved equipment. All activities are clearly explained, and no one is forced to participate. The charity has clear Health and Safety Policy which is rigorously adhered to. Charity keeps participant disclaimers in perpetuity.

- Loss of key staff (temporary or permanent) – The charity has a shared drive with non-confidential files, which can be accessed by all staff. The charity has a financial process document and living delivery manual. All departing staff are required to steward a handover process to their successor. Staff who are made redundant are given paid extension to oversee handover of materials. The charity's reserves policy includes funds for temporary staff to cover sickness, maternity for key staff members. The charity has a staff succession plan assessing roles criticality and impact of individuals. A comprehensive staff wellbeing policy is in place with ongoing refinement. We now retain a counselling service for staff, via our HR support. We have invested in 30 'Headspace' licenses for personal staff use to enhance wellbeing and have recently established staff well-being ambassadors.

- Inability to make payments – Our fundraising strategy, whilst ever evolving, is now well established and more successful than ever. We've implemented regional fundraising targets, which is working well. We've diversified our events during the past 12 months, which has provided more consistent diversity of income. Fundraising strategy revolves around regular individual giving, multi-year grant funding, increasing corporate partnerships and our annual fundraising events to provide stable income. The leadership team conducts a quarterly review of funding pipeline and strategy to identify new sources of funding and gaps. Our reserves policy is updated annually to account for the current financial position and costings, with a goal to consistently maintain our short-term reserve target. While our cashflow requires strict management, the Finance Manager forecasts any cashflow shortages and remedial actions needed to the CEO and Trustees.

- Illegal activity by the charity (intentional or unintentional). The charity is advised by Milbank on a pro bono basis. Clear policies are in place for all areas of charitable activity and line managers ensure that these are adhered to.

- Failure to meet targets on delivery income- The charity realises given the current financial position and cost of living crisis, the charity must accept some risk within our fundraising landscape. Roles of event co-ordinator and trusts and foundations manager are now in place to increase our success in these areas, and the trustees along with the senior leadership are prepared to adapt delivery dependent on the funding secured.

Trustees' Responsibilities Statement

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation; and
- declare any conflicts of interest under s175 of the Companies Act 2006.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Trustees' Responsibilities Statement (continued)
The trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 the trustees and signed on their behalf by: Deborah Griffin

Deborah Griffin

Approved by the trustees on 7 July 2023

Independent auditor's report to the trustees and members of School of Hard Knocks

Opinion

We have audited the financial statements of School of Hard Knocks (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2023 and of 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 Act2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable company 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 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Other information (continued)
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' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the 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 in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- 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 purpose 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.

Responsibilities of trustees (continued)
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.

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:

How the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;

- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006; the Charities Act 2011; the Charities Accounts Scotland Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102), Safeguarding Regulations, GDPR, fundraising regulations; and

- We assess the extent of compliance with laws and regulations identified above by making enquiries of management and representatives of the trustees and review of the minutes of trustees' meetings.

Auditor's responsibilities for the audit of the financial statements (continued)
We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by:

- Making enquiries of management and representatives of the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Tested the implementation of financial controls;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 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.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 16 August 2023

Statement of financial activities
(incorporating an Income and Expenditure Account) Year to 31 March 2023

	Notes	Un-restricted funds £	Restricted funds £	2023 Total funds £	Un-restricted funds £	Restricted funds £	2022 Total funds £
Income and expenditure							
Income from:							
Donations	1	**511,069**	**—**	**511,069**	372,171	8,326	380,497
Other trading activities	2	**267,654**	**1,360**	**269,014**	188,779	7,674	196,453
Charitable activities							
• Provision of training courses	3	**397,907**	**601,598**	**999,505**	461,957	514,951	976,908
Coronavirus Job Retention Scheme Grants	4	**—**	**—**	**—**	1,669	—	1,669
Interest receivable		**143**		**143**	—	—	—
Total income		**1,176,773**	**602,958**	**1,779,731**	1,024,576	530,951	1,555,527
Expenditure on:							
Raising funds	5	**243,202**	**113**	**243,315**	225,659	13,716	239,375
Charitable activities							
• Provision of training courses	6	**984,402**	**610,875**	**1,595,277**	776,933	521,883	1,298,816
Total expenditure		**1,227,604**	**610,988**	**1,838,592**	1,002,592	535,599	1,538,191
Net (expenditure) income		**(50,831)**	**(8,030)**	**(58,861)**	21,984	(4,648)	17,336
Transfers between funds	16	**(350)**	**350**	—	—	—	—
Net movement in funds for the year		**(51,181)**	**(7,680)**	**(58,861)**	21,984	(4,648)	17,336
Reconciliation of funds:							
Fund balances brought forward at 1 April 2022		**171,389**	**12,247**	**183,636**	149,405	16,895	166,300
Fund balances carried forward at 31 March 2023	16	**120,208**	**4,567**	**124,775**	171,389	12,247	183,636

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	13		**903**		—
Current assets					
Debtors	14	**210,476**		148,819	
Cash at bank and in hand		**46,816**		229,276	
		257,292		378,095	
Liabilities					
Creditors: amounts falling due within one year	15	**(133,420)**		(194,459)	
Net current assets			**123,872**		183,636
Total net assets			**124,775**		183,636
The funds of the charity:					
Unrestricted funds					
. General fund	16		**120,208**		171,389
Restricted funds	16		**4,567**		12,247
Total charity funds			**124,775**		183,636

The financial statements have been prepared in accordance with the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Trustee Deborah Griffin

Approved on: 7 July 2023

Company Registration Number: 07743730 (England and Wales)
Charity Registration Numbers: 1147009 (England and Wales) and SC046110 (Scotland)

Statement of cash flows Year to 31 March 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash (used in) operating activities	A	**(181,165)**	(91,913)
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(1,295)**	—
Net cash used in investing activities		**(1,295)**	—
Change in cash and cash equivalents in the year		**(182,460)**	(91,913)
Cash and cash equivalents at 1 April 2022	B	**229,276**	321,189
Cash and cash equivalents at 31 March 2023	B	**46,816**	229,276

Notes to the statement of cash flows for the year to 31 March 2023.

A Reconciliation of net movement in funds to net cash used in operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	**(58,861)**	17,336
Adjustments for:		
Depreciation charge	**392**	940
(Increase) in debtors	**(61,657)**	(9,158)
(Decrease) increase in creditors	**(61,039)**	(101,031)
Net cash (used in) operating activities	**(181,165)**	(91,913)

B Analysis of changes in cash and cash equivalents

	As at 31 March 2022 £	Cash flows £	**As at 31 March 2023 £**
Cash at bank and in hand	229,276	(182,460)	**46,816**
Total cash and cash equivalents	229,276	(182,460)	**46,816**

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies Year to 31 March 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2023, with comparative information given in respect to the year ended 31 March 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Assessment of going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The trustees and senior staff remain highly conscious of the lasting impact of the Coronavirus pandemic and the current cost of living crisis on how the charity will continue to operate to ensure long-term, sustainable delivery. While the charity has ended this financial year with a deficit, which can be attributed to a difficult fundraising landscape and increased costs, the trustees are confident in the charity's ability to continue to adapt to provide a much-needed service. This can be seen in the charity's updated fundraising strategy that includes the appointment of two new roles funded by the Fidelity Foundation - an Events Co-Ordinator and a Trusts and Foundations Manger. Together, with our Partnerships Executive, this will be the first time the charity has a fully-fledged fundraising team with specific roles that focus on fundraising events, grant income generation, and corporate partnerships. We are confident this shift in strategy to increase corporate partners within our schools' programme, plan our long-term events calendar with risk mitigations, and establish new multi-year grant funding will allow the charity to maintain a stable financial position and achieve our reserves target.

The trustees continue to monitor and maintain sufficient cashflow and the Board's Finance Subcommittee continues to meet quarterly to review the financial position of the charity and each programme, the balance of restricted and unrestricted funds, the balance sheet, profit and loss, and budget variance for the year to date. The trustees, along with the leadership team, also continue to develop alternative delivery models to ensure the charity can adapt no matter the current financial climate.

Assessment of going concern (continued)
On the basis of their assessment of the Charity's financial position the Trustees continue to adopt the going concern basis in preparing the financial statements.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- estimating the value of gifts in kind received; and
- estimating future inflows and outflows for the purpose of assessing going concern.

Income recognition
Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and grants, fee income, sponsorship, income from events and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided to the charity. An equivalent amount is included as expenditure.

Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income recognition (continued)
Grants and fee income from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding. Income is deferred when the charity has not satisfied the requirements for entitlement or when the donor has specified funds for use in a future accounting period. Sponsorship income is receivable on an annual basis in recognition of the charity's participation in certain activities.

Fee income is recognised once the charity has fully met all performance criteria as specified in the relevant contract.

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

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising and the costs of fundraising events.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the delivery of training courses, direct and support costs including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of project management carried out at Headquarters, personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice. Governance costs are allocated to the charity's sole activity, provision of training courses.

Support costs are allocated to the charity's activity, provision of training courses, and fundraising.

Principal accounting policies Year to 31 March 2023

Taxation

The company is a charity under the Finance Act 2010 (schedule 6, paragraph 1) definition. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by the Corporation Tax Act 2010 (part 11, chapter 3) or the Taxation of Chargeable Gains Act 1992 (section 256), to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful economic lives on the following basis:

Computer equipment	33.33% straight line
Schools equipment	33.33% straight line
Outdoor equipment	33.33% straight line
Motor vehicles	20% straight line

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School of Hard Knock's charitable objects.

Pension costs

Contributions in respect of the charity's defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme.

1 Income from donations

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Individuals	**220,294**	**—**	**220,294**
Corporate donations	**190,295**	**—**	**190,295**
Trusts and Foundations	**5,000**	**—**	**5,000**
Gifts in Kind	**95,480**	**—**	**95,480**
2023 Total funds	**511,069**	**—**	**511,069**

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Individuals	*111,121*	*150*	*111,271*
Corporate donations	*145,375*	*—*	*145,375*
Trusts and Foundations	*18,000*	*—*	*18,000*
Gifts in Kind	*97,675*	*8,176*	*105,851*
2022 Total funds	*372,171*	*8,326*	*380,497*

2 Income from other trading activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Income from fundraising events	**267,654**	**1,360**	**269,014**
2023 Total funds	**267,654**	**1,360**	**269,014**

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Income from fundraising events	*188,779*	*7,674*	*196,453*
2022 Total funds	*188,779*	*7,674*	*196,453*

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Grant income	**67,000**	**601,598**	**668,598**
Fee income	**330,907**	**—**	**330,907**
2023 Total funds	**397,907**	**601,598**	**999,505**

3 Income from charitable activities (continued)

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Grant income	*58,884*	*514,951*	*573,835*
Fee income	*403,073*	*—*	*403,073*
2022 Total funds	*461,957*	*514,951*	*976,908*

Income from charitable activities includes £nil (2022 - £37,940) received from Government.

4 Other income

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Coronavirus Job Retention Scheme grants	*1,669*	*—*	*1,669*
2022 Total funds	*1,669*	*—*	*1,669*

5 Expenditure on raising funds

	Unrestricted funds £	**Restricted funds £**	**2023 Total funds £**
Fundraising staff costs (note 10)	**104,362**	**—**	**104,362**
Cost of fundraising events	**78,138**	**113**	**78,251**
Other fundraising costs	**38,180**	**—**	**38,180**
Support costs (note 7)	**22,522**	**—**	**22,522**
2023 Total funds	**243,202**	**113**	**243,315**

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Fundraising staff costs (note 10)	*78,410*	*—*	*78,410*
Cost of fundraising events	*120,024*	*13,604*	*133,628*
Support costs (note 7)	*27,225*	*112*	*27,337*
2022 Total funds	*225,659*	*13,716*	*239.375*

6 Expenditure on charitable activities

	Unrestricted funds £	**Restricted funds £**	**2023 Total funds £**
Training courses	**155,506**	**247,395**	**402,901**
Course delivery staff costs (note 10)	**591,192**	**330,754**	**921,946**
Support costs (note 7)	**237,704**	**32,726**	**270,430**
2023 Total funds	**984,402**	**610,875**	**1,595,277**

6 Expenditure on charitable activities (continued)

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Training courses	*165,343*	*191,893*	*357,236*
Course delivery staff costs (note 10)	*328,880*	*304,214*	*633,094*
Support costs (note 7)	*282,710*	*25,776*	*308,486*
2022 Total funds	*776,933*	*521,883*	*1,298,816*

7 Support costs

	Unrestricted funds £	**Restricted funds £**	**2023 Total funds £**
Office and rent costs	**35,091**	**22,565**	**57,656**
Communication costs	**480**	**42**	**522**
Accommodation, travel and subsistence costs	**9,913**	**440**	**10,353**
Staff expenses reimbursed	**2,022**	**60**	**2,082**
Insurance	**4,607**	**—**	**4,607**
Website and promotional material	**22,522**	**—**	**22,522**
Consultancy fees	**49,389**	**—**	**49,389**
Depreciation	**392**	**—**	**392**
Sundry expenses	**10,076**	**229**	**10,305**
Support staff costs (note 10)	**95,216**	**—**	**95,216**
Irrecoverable VAT	**8,045**	**—**	**8,045**
Governance costs (note 8)	**22,473**	**9,390**	**31,863**
	260,226	**32,726**	**292,952**

	Unrestricted funds £	**Restricted funds £**	**2023 Total funds £**
Analysis of support costs			
. Fundraising costs	**22,552**	**—**	**22,552**
. Charitable activities	**237,704**	**32,726**	**270,430**
	260,226	**32,726**	**292,952**

7 Support costs (continued)

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Office and rent costs	*52,746*	*12,099*	*68,845*
Communication Cost	*3,597*	*800*	*4,397*
Accommodation, travel and subsistence costs	*8,008*	*393*	*8,401*
Staff expenses reimbursed	*3,051*	*—*	*3,051*
Staff training	*—*	*10,477*	*10,477*
Insurance	*2,262*	*428*	*2,690*
Website and promotional material	*27,225*	*112*	*27,337*
Consultancy fees	*68,643*	*—*	*68,643*
Depreciation	*940*	*—*	*940*
Sundry expenses	*10,066*	*264*	*10,330*
Support staff costs (note 10)	*102,474*	*1,273*	*103,747*
Irrecoverable VAT	*5,748*	*42*	*5,790*
Governance costs (note 8)	*25,175*	*—*	*25,175*
	309,935	*25,888*	*335,823*

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Analysis of support costs			
. Fundraising costs	*27,225*	*112*	*27,337*
. Charitable activities	*282,710*	*25,776*	*308,486*
	309,935	*25,888*	*335,823*

8 Governance costs

	Unrestricted funds £	**Restricted funds £**	**2023 Total funds £**
Accountancy and audit costs	**19,750**	**—**	**19,750**
Other professional fees	**2,723**	**9,390**	**12,113**
2023 Total funds	**22,473**	**9,390**	**31,863**

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Accountancy and audit costs	*20,052*	*—*	*20,052*
Other professional fees	*5,123*	*—*	*5,123*
2022 Total funds	*25,175*	*—*	*25,175*

9 Net (expenditure) income

This is stated after charging:

	2023 Total funds £	2022 Total funds £
Staff costs (note 10)	**1,121,524**	815,251
Depreciation of tangible fixed assets	**392**	940
Auditor's remuneration		
. Statutory Audit	**11,450**	11,400

10 Staff costs

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	**1,007,601**	725,055
Social security costs	**85,024**	68,272
Pension costs	**28,899**	21,924
	1,121,524	815,251

Total staff costs have been allocated between expenditure on raising funds, course delivery, governance and support costs based on the approximate percentage of staff time spent in each area, as follows:

	2023 £	2022 £
Expenditure on raising funds	**104,362**	78,410
Course delivery	**921,946**	633,094
Support costs	**95,216**	103,747
	1,121,524	815,251

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

	2023 No.	2022 No.
Management	**6**	4
Operational	**27**	21
	33	25

One employee received remuneration between £70,000 and £80,000 in the year (2022 - one employee received remuneration between £60,000 and £70,000). Pension contributions of £2,121 (2022 - £2,020) were paid in respect of this employee.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees (who are not remunerated), the Chief Executive, the Operations Executive, and the Finance Manager. Total remuneration (including taxable benefits, employer's pension contributions and employers national insurance contributions) of the key management personnel for the year was £153,022 (2022 - £161,345).

11 Trustees' remuneration

No trustee received any remuneration for services or reimbursed expenses as a trustee in the current year (2022 - none).

12 Taxation

School of Hard Knocks is a registered Charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	Computer equipment £	Schools Equipment £	**Total £**
Cost			
At 1 April 2022	2,824	—	**2,824**
Additions	—	1,295	**1,295**
At 31 March 2023	2,824	1,295	**4,119**
Depreciation			
At 1 April 2022	2,824	—	**2,824**
Charge for the year	—	392	**392**
At 31 March 2023	2,824	392	**3,216**
Net book value			
At 31 March 2023	—	903	**903**
At 31 March 2022	—	—	—

14 Debtors

	2023 £	2022 £
Trade debtors	**201,994**	132,202
Prepayments and accrued income	**8,457**	15,256
Other debtors	**25**	1,361
	210,476	148,819

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	**40,510**	41,477
Other taxation and social security	**25,063**	19,890
VAT	**10,412**	5,211
Other creditors	**7,440**	5,791
Accruals and deferred income	**49,995**	122,090
	133,420	194,459

15 Creditors: amounts falling due within one year (continued)

	2023 £	2022 £
Deferred income brought forward at 1 April 2022	**102,547**	208,290
Income deferred in year	**25,000**	102,547
Deferred income released in year	**(102,547)**	(208,290)
Carried forward at 31 March 2023	**25,000**	102,547

Deferred income relates to income received in 2023 for use by the charity in 2024, as specified by the donors.

16 Statement of funds

	At 1 April 2022 £	Income £	Expenditure £	Transfers £	At 31 March 2023 £
Unrestricted funds	171,389	1,176,773	(1,227,604)	(350)	**120,208**
Restricted funds					
Charles Hayward	1,188	25,000	(25,392)	—	**796**
Comic Relief	3,917	190,061	(191,478)	—	**2,500**
Fife Mental Health Fund	—	18,669	(18,669)	—	**—**
Gosling Foundation Restricted	—	10,000	(10,000)	—	**—**
Improving Lives Glasgow Restricted		91,548	(91,548)	—	**—**
John Lyon's Charity	1,667	25,020	(26,687)	—	**—**
KPE4 Trust	—	59,300	(58,524)	—	**776**
Laureus Sport for Good	—	20,000	(20,000)	—	**—**
National Lottery Community Fund Restricted		10,000	(10,000)	—	**—**
Paul Hamlyn Foundation	—	33,000	(32,964)	—	**36**
Quilter Foundation	—	45,000	(44,598)	—	**402**
Riverside Resource Community Fund	2,414	—	(2,414)	—	**—**
Tabard RFC	541	1,360	(1,901)	—	**—**
Walcot Foundation	—	65,000	(64,995)	—	**5**
Wates Foundation	2,520	9,000	(11,468)	—	**52**
Young Londoners	—	—	(350)	350	**—**
	12,247	602,958	(610,484)	350	**4,567**
Total funds	**183,636**	**1,779,730**	**(1,838,038)**	**—**	**124,775**

16 Statement of funds (continued)

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Unrestricted funds	*149,405*	*1,024,576*	*(1,002,592)*	*—*	*171,389*
Restricted funds					
Charles Hayward Coalfields	*—*	*25,000*	*(23,812)*	*—*	*1,188*
Comic Relief	*—*	*20,582*	*(20,582)*	*—*	*—*
Communities Recovery Fund	*2,068*	*141,210*	*(139,361)*	*—*	*3,917*
Fife Mental Health Fund	*—*	*24,076*	*(24,076)*	*—*	*—*
Hertfordshire Community Foundation	*—*	*7,631*	*(7,631)*	*—*	*—*
John Lyon's Charity	*—*	*960*	*(960)*	*—*	*—*
KPE4 Trust	*—*	*26,031*	*(24,364)*	*—*	*1,667*
Laureus Sport for Good	*—*	*38,101*	*(38,101)*	*—*	*—*
Masonic Charitable Foundation	*4,631*	*21,614*	*(26,245)*	*—*	*—*
Paul Hamlyn Foundation	*—*	*36,763*	*(36,763)*	*—*	*—*
Paul Hamlyn Covid-Response	*7,575*	*35,272*	*(42,847)*	*—*	*—*
Quilter Foundation	*—*	*7,850*	*(7,850)*	*—*	*—*
Riverside Resource Community Fund	*—*	*75,534*	*(75,534)*	*—*	*—*
Robertson Trust	*—*	*7,000*	*(4,586)*	*—*	*2,414*
Sir John Cass Foundation	*—*	*4,612*	*(4,612)*	*—*	*—*
SOL Foundation	*—*	*8,029*	*(8,029)*	*—*	*—*
Tabard RFC	*543*	*15,899*	*(15,901)*	*—*	*541*
Walcot Foundation	*—*	*11,212*	*(11,212)*	*—*	*—*
Wates Foundation	*—*	*10,000*	*(7,480)*	*—*	*2,520*
Young Londoners Fund	*2,078*	*13,577*	*(15,655)*	*—*	*—*
	16,895	*530,953*	*(535,601)*	*—*	*12,247*
Total funds	*166,300*	*1,555,529*	*(1,538,193)*	*—*	*183,636*

Restricted Funds

Charles Hayward Foundation

Charles Hayward Foundation has given us multi-year grant funding for rugby coaching and behavioural support mentoring for schools in North Hertfordshire.

Comic Relief

Comic Relief gave us funding for three years starting in 2020 to deliver 12 adult courses in Wales with psychotherapy support. We have also received extension funding for to deliver 4 more courses from April 2023.

Fife Mental Health Fund

Fife Voluntary Action have given us funding for a Scotland Adults course which started in April 2022.

16 Statement of funds (continued)

Gosling Foundation
The Gosling Foundation has given us a grant for our England Schools programme at Bacon's College.

The National Lottery-Improving Lives
The National Lottery has given us multi-year grant funding to deliver 6 courses over 2 years in Glasgow, working with unemployed adults with a focus on Roma community and refugee/asylum seekers, breaking down barriers between them and local 'settled' population.

John Lyon's Charity
John Lyon's Charity provided a grant to allow us to expand our schools programme into West London. The grant supports our schools programme for 3 years with the first instalment received in December 2018 for work that started in September 2019.

KPE4 Trust
KPE4 Trust gave us grant funding to deliver our Scotland Schools programme in Broughton and Craigroyston schools.

Laureus Sport for Good
Laureus Sport for Good continued to support our SOHK for Schools programme across all three regions.

National Lottery Community Fund
The National Lottery gave us match funding to support our adult work in Edinburgh.

Paul Hamlyn Foundation
The Paul Hamlyn Foundation provided a grant to support our INC project to develop a good practice guide on how to improve the experiences of trans, non-binary and gender exploring young people in Wales.

Quilter Foundation
The Quilter Foundation has provided a grant for three years starting in 2020 to fund two England adult courses per year, which has been postponed and deferred into the new financial year. We have also received continuation funding to continue to deliver our adult courses at Black Prince Trust.

Riverside Resource Community Fund
Riverside Resource Community Fund have given us grant funding for our work with Bacon's College.

Tabard RFC
Tabard RFC and their President, Ross Hopcroft, have raised money to support our SOHK for Schools intervention in Hertfordshire. This funding will be used to support our Hertfordshire based schools.

Walcot Foundation
The Walcot Foundation provided a grant to deliver our England Adult courses in London.

16 Statement of funds (continued)

William Wates

William Wates Memorial Trust have given us multi-year grant funding over three years to support our work in Warlingham School in London.

Young Londoners Fund

The Mayor's Young Londoners Fund provided a grant to support our work in schools across London, working with children at risk of permanent exclusion.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Tangible fixed assets	**903**	**—**	**903**
Current assets	**227,725**	**29,567**	**257,292**
Creditors due within one year	**(108,420)**	**(25,000)**	**(133,420)**
	120,208	**4,567**	**124,775**

	Unrestricted funds £	*Restricted funds £*	*2022 Total funds £*
Tangible fixed assets	*—*	*—*	*—*
Current assets	*263,301*	*114,794*	*378,095*
Creditors due within one year	*(91,912)*	*(102,547)*	*(194,459)*
	171,389	*12,247*	*183,636*

18 Related party transactions

During the year the charity received donations of £1,566 (2022 - £1,791) from the trustees. The charity also received donations of £14,210 (2022 - £5,550) from Milbank LLP of which James Cameron is a Partner, and £12,800 from Alderson Francis Associates Ltd of which Michael Francis is a partner. The charity also received donations in kind in the form of donated auction prizes with a value of approximately £32,286 (2022 - £23,500) from the trustees.

In addition, the charity received pro bono services of £49,389 (2022 - £68,642) from Millbank LLP, a law firm of which James Cameron is a partner.

19 Commitments under operating leases

At 31 March 2023, the total of the charity's future minimum lease payments under non-cancellable operating leases was as follows:

	2023 £	2022 £
Amounts due within one year	**2,280**	13,568
Amounts due between two and five years inclusive	**2,470**	38,614
	4,740	52,182

SCHOOL OF HARD KNOCKS

England & Wales - Charity number 1147009

Accounts

School of Hard Knocks

Annual Report and Financial Statements

31 March 2022

Company Limited by Guarantee
Registration Number
07743730 (England and Wales)

Charity Registration Numbers
1147009 (England and Wales)
SC046118 (Scotland)

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Reference and administrative information

Trustees	Mr David Thomas (resigned 6 December 2021) Mr Jonathan Teckman Ms Deborah Griffin Mr Olly Spry (resigned 7 June 2021) Mr James Cameron Ms Victoria Griffin Mr Mike Francis Ms Pauline Broomhead Ms Yasmine Hafiz (appointed 6 December 2021) Mr Robert McKillop (appointed 6 December 2021)
Chief Executive	Mr Ken Cowen
Registered office	The Graystone Centre 28 Charles Square, Old Street London N1 6HT
Company Registration Number	07743730
Charity Registration Numbers	1147009 (England and Wales) SC046118 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Memery Crystal 11 Southampton Buildings London WC2A 1AP Milbank, Tweed, Hadley & McCloy LLP 10 Gresham Street London EC2V 7JD
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ

The trustees, who are the directors for the purposes of company law, present their statutory report together with the financial statements of School of Hard Knocks for the year to 31 March 2022.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 26 of the attached financial statements and comply with the charitable company's memorandum of association, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and 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 United Kingdom and Republic of Ireland (FRS 102).

Our Aims and objectives

Purposes and Aims

The principal objects of the charity are set out in the charity's Memorandum of Association:

To assist persons who may have need of support by virtue of poor health, disability, financial hardship or other disadvantage, in particular but not exclusively by the provision of facilities and programmes of physical, educational and other activities as a means of:

a) advancing in life and by developing skills, capacities and capabilities to enable persons to participate in society as independent, mature and responsible individuals;

b) advancing education;

c) relieving unemployment;

d) advancing physical, mental and emotional health and wellbeing.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

Achievements and performance

To achieve these aims, we deliver two streams of work: 1) Courses for unemployed adults in which we address wellbeing as well as employability and 2) A three-year school programme for pupils at risk of exclusion, and/or who are struggling with their mental health and /or are vulnerable.

Delivery during this financial year has increased across all regions-particularly in our schools' programmes and has allowed the charity to increase our number of staff, develop established teams, provide stable income, and rely on consistent delivery after Coronavirus closures and restrictions have greatly affected our in-person delivery during the last two years.

England

Our England Adult programme secured its first ever multi-year grant funding at the start of 2020 with the Quilter Foundation, to deliver six courses over three years that have enabled a stable presence in London. After having to postpone and deliver courses virtually during the last financial year due to the Coronavirus pandemic, we were happy to resume face-to-face delivery this financial year and deliver our first in-person course funded by Quilter. We are set to deliver our final Quilter funded course in May 2022.

After having delivered multiple online courses in the previous financial year, our adult programme was awarded another contract by DWP West London to deliver an in-person course in Richmond where we were able to work with 22 beneficiaries.

Within our England Schools programme, we have seen great stability across the programme post schools' closures and restrictions in the last financial year. We have consistently worked with nearly 500 pupils every week this academic year, with 9 schools across Hertfordshire and 3 across London.

We have been able to grow and promote our staff as well by appointing a London Schools Manager to manage the doubling of pupils we experienced this academic year, and promote a National Schools Manager to ensure that delivery across all regions is consistent. Our mission and values remain at the forefront of our delivery.

We also delivered one summer camp in Hertfordshire, funded by Herts Sports Partnership, and is something we are looking to do more of next year.

Scotland

Our Scotland Adult programme (OSCR registration number SC046118) delivered an adults employability course in Alloa, funded by Coalfields Regeneration Trust, of which 42% of participants reached a positive destination (work, education, training, or volunteering) since starting the course, 83% noted an improvement in their general wellbeing with a 100% increase in the amount they exercise by the end of the course. 100% of participants felt their employment prospects improved since engaging with the course and 100% noted that they have been more interested in other people since taking part in the course.

Achievements and performance (continued)

Scotland *(continued)*

The DWP commissioned us to work in partnership with Streetwork to deliver our work to homeless people who had been housed at an Edinburgh hotel. Throughout the project we engaged with 29 Streetwork service users accounting for 66% of all those staying at the hotel. Since engaging, 5 of those participants have secured permanent housing, 4 have done accredited courses and 3 have found work.

We have also secured £183k from the National Lottery, our largest multi-year grant in Scotland to date, to deliver 6 courses over 2 years in Glasgow, working with unemployed adults with focus on the Roma community and refugee/asylum seekers, breaking down barriers between them and the local 'settled' population. This is set to start in the next financial year, along with an adult course funded by Fife Voluntary Action in April 2022.

Our Scotland Schools programme was successful in reaching our goal set in the 2021 accounts to double our number of schools, delivering to 16 cohorts across 8 schools (4 in Glasgow, 3 in Fife, and 1 in Bathgate). We also delivered a 7-week long summer camp followed by a year long after-school club for 20 vulnerable pupils transitioning to secondary school called 'Lift Off', funded by KPE4 Trust and we have secured further funding to continue the summer camp and after-school club in 2022.

Due to the growth of the schools programme, we have been able to establish an entirely new team along with a programme manager to bring stability within our staff.

Wales

Our Wales Adult programme has continued to deliver our grant funded Comic Relief courses alongside our research partners, Cardiff Metropolitan University and has established our psychotherapy support as an integral aspect of delivery and is something we hope to establish further across the charity.

We were also commissioned to run a shortened version of our adult course in HMP Prescoed open prison as well as deliver some of our adult content to Princes Trust groups in Cardiff.

Within our Wales School programme, we have been able to maintain a high rate of delivery as we have increased to 10 schools consisting of 3 cohorts in each school and have been able to establish two full delivery teams of four staff each, as well as a new Schools Manager. We also delivered 6 summer camps to 350 young people funded by the WRU and have continued to establish great corporate partnerships such as Admiral Group and SEWSCAP to support our work in schools-particularly our behavioural support which has proven to be a crucial aspect of our delivery due to increased demand on the already limited mental health services for young people.

Achievements and performance (continued)

Fundraising

The charity experienced a 40% increase in overall income due to tremendous growth following reduced and restricted delivery in the previous financial year. While the previous financial year was marked with reduced spending due to the Coronavirus pandemic which contributed to the charity's ability to end the previous year with nearly £150k in unrestricted reserves; this financial year was marked by a 50% increase in staff, double the number of schools across all three regions, and consistent in-person adult delivery. With this incredible growth also came an increase in spending, and we are extremely happy to have maintained a strong and stable financial position and cashflow throughout this financial year and contribute to the charity's ongoing financial security during a period of growth.

Our income in 2021-2022 continued to be driven largely by grant income, which contributed to 38% (2021-37%) of our overall turnover, though we have successfully increased our fee income as part of our fundraising strategy detailed in the 2021 accounts. Our growth has allowed us to increase our schools income and commission courses with the DWP, WRU, and corporate partners needed to diversify our revenue and reduce our reliance on grant funding.

After cancelling our annual fundraising events due to the Coronavirus pandemic in the previous financial year, we were able to host an End of Lockdown lunch in July 2021, a Six Nations dinner in Scotland, as well as our annual End of Dry January lunch at the end of the financial year, which together raised nearly £200k in unrestricted income. These events are instrumental in ensuring the charity maintains a stable unrestricted funds balance with the aim of meeting our reserves target every year.

Approach to fundraising

SOHK is a values-driven charity that conducts its activities in line with the highest ethical standards.

The charity uses a mixed funding economy to spread risk and ensure stability. Currently, the main methods for accessing individual donors are fundraising events, personal referrals from ambassadors and social media campaigns targeted at friends and supporters of the charity. This greatly reduces the risk of SOHK inadvertently contacting members of the public, especially vulnerable people, in an unreasonably intrusive or persistent manner. The charity has robust internal policies on data collection and handling, is fully GDPR compliant and has a robust, externally validated complaints procedure. The charity is prepared to refund any donation which is shown to have been gained through unreasonable fundraising, whether advertently or inadvertently. During the year the charity received no complaints in respect of its fundraising activities.

Looking ahead

As of 25 April 2022, SOHK will enter its 10-year anniversary. We plan to celebrate this monumental achievement throughout the next financial year by establishing a 10-year anniversary campaign which will include our annual fundraising events as well as new regional and national events focused on securing our future growth and improving the quality of our delivery.

Achievements and performance (continued)

Looking ahead *(continued)*

Coming off the 2022 financial year which saw incredible growth across all regions-doubling the number of pupils we are working with in schools and increasing our staff by 50%- our focus in the 2022-2023 financial year is to continue incorporating behavioral support with our mentoring and rugby coaching to continue steadily and incrementally improving the quality of our delivery.

The Coronavirus pandemic has allowed for increased knowledge of best practices between staff and allowed for greater consistency in our services across the regions that are invaluable lessons to the charity for the future. The wellbeing and professional development of our staff and leadership is of utmost importance so that everyone feels equipped and resourced to embody the values and mission of the charity. We are also focused on increasing our partnerships with several top universities to be the best evidenced and researched sports-based initiative in the UK.

How our activities deliver public benefit

All our programmes focus on either relieving unemployment or advancing education through creating internal changes, which then affect external behaviour.

Throughout our work, we aim to relieve unemployment and prevent exclusion from school. If someone who has been unemployed gains sustainable employment, it benefits their families and particularly their children, their friends and their physical, mental and economic health.

Similarly, children who are excluded from school are statistically more likely to offend, achieve poor educational outcomes, become unemployed and suffer from poorer mental and physical health. Relieving and preventing these issues delivers a clear public benefit.

Our operations are centered in London, Cardiff, Edinburgh, and Glasgow. We have now defined a set of criteria in determining where we work, which takes into account three factors:

1. Is there genuine need? Does the area have neighbourhoods in the 10% most deprived areas on the Multiple Deprivation Index? Is there a concentration of these?

2. Can we make a difference? Is there a sufficient geographical concentration of beneficiaries for us to run group-based interventions? How well is the area served by other agencies? Are there location-specific barriers to our types of work? Can we meet the logistical challenges of working there?

3. Can we fund our work there? Is the area a priority area for national funders? How many local funders are there who might be favourable to us and able to fund our work? How competitive is the funding landscape in the area?

Using these criteria, we will continue to establish our presence throughout England, Scotland, and Wales as well as improve our delivery and adapt our courses as the charity navigates the lasting effects of the Coronavirus pandemic.

Achievements and performance (continued)

How our activities deliver public benefit *(continued)*
Outside the UK, our award-winning sister project in South Africa continues to deliver SOHK programmes; these projects are helped via a sharing of knowledge and best practice rather than financial support.

Financial review

Our revenue
SOHK's revenue increased by 40% compared to the last year. While grant/fee income still comprised the majority of our income, this increase was largely due to an increase in contracted income and corporate income which more than doubled. This incredible growth is due to an increase in our number of schools, commissioned courses, and corporate partners.

We experienced a 103% increase in fee income compared to the prior year due to nearly doubling the number of schools and pupils we are working with across all three regions, as well as securing DWP West London contracts. This has enabled us to diversify the charity's income and reduce our over-reliance on restricted grant income.

We experienced a 281% increase in corporate income compared to the prior year due in large to a successful shift in funding strategy within our Wales programmes. As detailed in the 2021 accounts, we were successful in establishing multiple corporate partnerships with the Welsh Rugby Union, SEWSCAP, and the Admiral Group to support our behavioural specialists and deliver summer camps.

As detailed in the 2021 accounts, we deferred a large portion of restricted grant income to support postponed delivery that took place within this financial year. Restricted grant income continues to be a large portion of the charity's income and has increased by 51% from the previous financial year. While our funding strategy is to continue to diversify our income and establish partnerships to support our contracted and commissioned work, we do rely on multi-year grant funding to provide stable year-on-year support across all our programmes.

Principal funding sources
Grant income accounted for 38% of SOHK's income. The principal sources of this were Comic Relief, KPE4 Charitable Trust, the Quilter Foundation, Masonic Charitable Foundation, Paul Hamlyn Foundation, Charles Hayward Foundation, Development Trust Association Scotland, Coalfields Regeneration Trust, the Walcot Foundation, and Laureus Sport for Good.

Aside from grant income, SOHK received 26% of our total turnover in contracted income, with contributions from schools and the DWP, and 10% of our total turnover in corporate income, with contributions from the WRU and SEWSCAP.

Reserves policy
The trustees have considered the charity's need for free reserves. These are required to cover an unexpected loss of income, cash flow shortage, or unforeseen operational cost.

Financial review (continued)

***Reserves policy** (continued)*
For some years now, the charity has set a reserve target which has proved extremely difficult to fund practically. In recognition of this, the charity established a risk-level reserves policy that set a short-term and a medium-term reserves target.

The short-term reserves target considers immediate unforeseen expenses, cashflow issues, and the charity's winding up costs and is set at £160,000. The charity's aim is to have this amount available as a minimum target in line with the determined short-term financial risks. We are extremely pleased to have reached this reserve target with a level of free reserves totalling £171,389.,

The medium-term reserves target considers risks to multi-year funding, planned commitments, key risks of the charity identified in the risk register, the long-term effects of the Coronavirus pandemic and is set at £310,000. This being an amount equal to three months' running costs and sufficient to cover the charity's most significant risks.

Our reserves target is a constant goal that we seek to work towards by increasing our level of unrestricted funds. Very few funders are willing to fund core costs or unrestricted reserves, so most of our unrestricted income must come from fundraising and individual giving. To set benchmarks towards reaching our medium-term reserve target, our goal is to increase unrestricted funds by 5% each year. In FY21, we were successful in reaching our short-term reserves target of £145,000. It is our goal to continue to meet our short-term reserves target-currently £160,000, while still increasing towards our medium-term target.

Financial position
At the year end the balance sheet showed total funds of £183,636 (2021- £166,300). Of these £12,247 were restricted (2021 - £16,895). At the year-end our unrestricted balance was £171,389 (2021 - £149,405).

As we have achieved our short-term reserves target of £160,000 and our goal of increasing our unrestricted reserves by 5% each year, the charity will continue to ensure progress towards our medium-term reserves target as outlined above and within the charity's reserves policy.

Going concern
As unemployment, homelessness, and mental health issues continue to rise as a result of the Coronavirus pandemic, our case for support continues to increase with the challenges facing our beneficiaries. This means now more than ever SOHK is needed to offer valuable help to support the young people and adults we work with allowing them to realise their potential. The impact of Covid-19 and lockdowns on our beneficiaries has been reflected in the increased number of schools we are now working with, an increased number of cohorts in existing partnership schools, and the increased necessity to provide mental health support to adults in areas of deprivation.

Going concern (continued)
The trustees and senior staff remain highly conscious of the lasting impact of the Coronavirus pandemic on how the charity will operate delivery and administrative functions in the long-term. However, the trustees are confident in the charity's ability to continue to adapt whether in-person or online to provide a much-needed service. This can be seen in the charity's ability to maintain a stable financial position and cashflow throughout the financial year by executing diligent cost control and by diversifying the charity's income sources as outlined in the charity's fundraising strategy.

The trustees continue to monitor and maintain sufficient cashflow and the Board's Finance Subcommittee continues to meet quarterly to review the financial position of the charity and each programme, the balance of restricted and unrestricted funds, the balance sheet, profit and loss, and budget variance for the year to date.

On the basis of their assessment of the Charity's financial position the Trustees have continued to adopt the going concern basis in preparing the financial statements.

Plans for Financial Year 2022-2023
SOHK will prioritise improving our current delivery, increasing our long-term partnerships, establishing consistent school fee income across all regions, and executing multiple fundraising events as part of our 10-year anniversary campaign.

Restricted grant income will continue to be our main source of income, compromising 34% of our forecasted budget. However, this forecast is 5% lower compared to previous financial year as we have increased our fundraising target for the 10-year anniversary campaign, continue to establish corporate partners, and focus on stable contracted income from schools.

The contribution from schools to the costs of the school programme is an integral part of our financial sustainability. It also ensures that the schools have 'skin in the game' and so cooperate on the management and information sharing necessary to the programme. SOHK now has a well-structured income pipeline, with a clear process for engaging and securing schools, and we aim to increase revenue from schools in all three regions next academic year.

As well as generating revenue, the trustees recognise the need to continue our cost control processes and the continuation of the Board's Finance Subcommittee with the charity's finance director. Remaining in surplus is a critical aim for SOHK and streams of work which are not financially sustainable will be paused or scaled back. The charity aims to deliver a surplus of £83,000 in the current financial year and aims to increase our level of free reserves by 5% to work towards the medium-term reserves target of £310,000.

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 17 August 2011. It is registered with the Charity Commission, charity number 1147009. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The charity registered with OSCR, the Scottish Charity Regulator, on 9 November 2015, charity number SC046118.

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law and Members for the purposes of the Articles of Association. The management of the charity is the responsibility of the trustees who are elected every three years, for three-year terms, under the terms of the Articles of Association. The charity is managed by the trustees via periodic Board meetings and the day-to-day operation of the charity is delegated by the trustees to Mr. Ken Cowen, the Chief Executive Officer.

The trustees review each year the skills and experience of the Board of Trustees and determine the need to appoint further trustees.

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Key management personnel

The key management personnel of the charity in charge of directing, controlling, running, and operating the charity on a day-to-day basis comprise the trustees (who are not remunerated), the Chief Executive, the Operations Executive, and the Finance Director.

Their remuneration is set annually by the Board, considering individual performance, the performance of the charity as a whole, and the financial outlook of the charity. This process is informed by SOHK's Performance & Development Reviews, which are conducted by line managers with all staff and by the Chair of Trustees for the CEO.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The charity has implemented a number of policies in relation to all aspects of personnel matters:

- Equal opportunities policy
- Volunteers' policy
- Health and safety policy

In accordance with the charity's equal opportunities policy, the charity has established fair employment practices in recruitment, selection, retention, and training of disabled staff.

Structure, governance and management (continued)

Employee involvement and employment of the disabled *(continued)*
Full details of these policies are available from the charity's offices.

Risk management
The trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The charity has a strategic plan, business plan, and fundraising plan, updated annually, which considers and mitigates major risks to the organisation. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, and clients.

SOHK's risk register scores risks for their probability and severity, to give an unmitigated risk score. Mitigation is then put in place and the risk is re-evaluated. The charity's risk registers shows the biggest unmitigated risks to the charity to be the following. The mitigation is also included:

- Sporting activity / injuries - Every delivery day has a qualified first aider and first aid kit to hand, and all frontline work has its own standalone risk assessment. The charity holds specific public liability and employers' liability insurance for its activities, and coaches are required to hold £5m in public liability cover personally. All coaching involves warmups, clearly marked pitches which have been checked for obstructions and hazards and approved equipment. All activities are clearly explained, and no one is forced to participate. The charity has clear Health and Safety Policy which is rigorously adhered to. Charity keeps participant disclaimers in perpetuity.

- Loss of key staff (temporary or permanent) – The charity has a shared drive with non-confidential files, which can be accessed by all staff. The charity has a financial process document and living delivery manual. All departing staff are required to steward a handover process to their successor. Staff who are made redundant are given paid extension to oversee handover of materials. The charity's reserves policy includes funds for temporary staff to cover sickness, maternity for key staff members. The charity has a staff succession plan assessing roles criticality and impact of individuals. A comprehensive staff wellbeing policy is in place with ongoing refinement. We now retain a counselling service for staff, via our HR support. We have invested in 30 'Headspace' licenses for personal staff use to enhance wellbeing and have recently established staff well-being ambassadors.

Structure, governance and management (continued)

***Risk management** (continued)*

- Inability to make payments – Our fundraising strategy, whilst ever evolving, is now well established and more successful than ever. We have implemented regional fundraising targets, which is working well. We have diversified our events during the past 12 months which has provided more consistent diversity of income. The charity has secured a £100k working capital facility from Big Issue Invest to provide cashflow stability. Fundraising strategy revolves around regular individual giving, multi-year grant funding, increasing corporate partnerships and our annual fundraising events to provide stable income. The leadership team conducts a quarterly review of funding pipeline and strategy to identify new sources of funding and gaps. Our reserves policy is updated annually to account for the current financial position and costings with a goal to consistently maintain our short-term reserve target. Despite reduced income during the Coronavirus pandemic, we are in a stronger financial position than we have been for the past three years.

- Illegal activity by the charity (intentional or unintentional). The charity is advised by Milbank on a pro bono basis. Clear policies are in place for all areas of charitable activity and line managers ensure that these are adhered to.

Trustees' Responsibilities Statement

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation; and

- declare any conflicts of interest under s175 of the Companies Act 2006.

Trustees' Responsibilities Statement (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 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.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

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 the trustees and signed on their behalf by:

Deborah Sutton

Approved by the trustees on: 6th July 2022

Independent auditor's report to the trustees and members of School of Hard Knocks

Opinion

We have audited the financial statements of School of Hard Knocks (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2022 and of 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 Act2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable company 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 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.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the 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 in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- 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 purpose 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.

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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006; the Charities Act 2011; the Charities Accounts Scotland Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102), Safeguarding Regulations, GDPR, fundraising regulations; and

Auditor's responsibilities for the audit of the financial statements (continued)

- We assess the extent of compliance with laws and regulations identified above by making enquiries of management and representatives of the trustees and review of the minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by:

- Making enquiries of management and representatives of the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Tested the implementation of financial controls;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of trustees; and
- Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 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.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 07 July 2022

Statement of financial activities
(incorporating an Income and Expenditure Account) Year to 31 March 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Income and expenditure							
Income from:							
Donations	1	**372,171**	**8,326**	**380,497**	280,199	10,000	290,199
Other trading activities	2	**188,779**	**7,674**	**196,453**	110,728	9,468	120,196
Charitable activities							
• Provision of training courses	3	**461,957**	**514,951**	**976,908**	225,520	340,153	565,673
Coronavirus Job Retention Scheme Grants	4	**1,669**	**—**	**1,669**	131,678	—	131,678
Total income		**1,024,576**	**530,951**	**1,555,527**	748,125	359,621	1,107,746
Expenditure on:							
Raising funds	5	**198,434**	**13,604**	**212,038**	81,433	28,963	110,396
Charitable activities							
• Provision of training courses	6	**804,158**	**521,995**	**1,326,153**	597,853	328,030	925,883
Total expenditure		**1,002,592**	**535,599**	**1,538,191**	679,286	356,993	1,036,279
Net income (expenditure) before transfers		**21,984**	**(4,648)**	**17,336**	68,839	2,628	71,467
Transfer between funds	16	**—**	**—**	**—**	—	—	—
Net movement in funds for the year		**21,984**	**(4,648)**	**17,336**	68,839	2,628	71,467
Reconciliation of funds:							
.Fund balances brought forward at 1 April 2021		**149,405**	**16,895**	**166,300**	80,566	14,267	94,833
Fund balances carried forward at 31 March 2022	16	**171,389**	**12,247**	**183,636**	149,405	16,895	166,300

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 March 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	13		—		940
Current assets					
Debtors	14	**148,819**		139,661	
Cash at bank and in hand		**229,276**		321,189	
		378,095		460,850	
Liabilities					
Creditors: amounts falling due within one year	15	**(194,459)**		(295,490)	
Net current assets			**183,636**		165,360
Total net assets			**183,636**		166,300
The funds of the charity:					
Unrestricted funds					
. General fund	16		**171,389**		149,405
Restricted funds	16		**12,247**		16,895
Total charity funds			**183,636**		166,300

The financial statements have been prepared in accordance with the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Trustee DEBORAH GRIFFIN

Approved on: 6th July 2022

Company Registration Number: 07743730 (England and Wales)
Charity Registration Numbers: 1147009 (England and Wales) and SC046110 (Scotland)

Statement of cash flows Year to 31 March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	**(91,913)**	159,757
Change in cash and cash equivalents in the year		**(91,913)**	159,757
Cash and cash equivalents at 1 April 2021	B	**321,189**	161,432
Cash and cash equivalents at 31 March 2022	B	**229,276**	321,189

Notes to the statement of cash flows for the year to 31 March 2022.

A Reconciliation of net movement in funds to net cash used in operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	**17,336**	71,467
Adjustments for:		
Depreciation charge	**940**	943
(Increase) in debtors	**(9,158)**	(75,522)
(Decrease) increase in creditors	**(101,031)**	162,869
Net cash (used in) provided by operating activities	**(91,913)**	159,757

B Analysis of changes in net debt

	As at 31 March 2021 £	Cash flows £	**As at 31 March 2022 £**
Cash at bank and in hand	321,189	(91,913)	**229,276**
Total cash and cash equivalents	321,189	(91,913)	**229,276**

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

Principal accounting policies Year to 31 March 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation
These financial statements have been prepared for the year to 31 March 2022, with comparative information given in respect to the year ended 31 March 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Assessment of going concern
The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The trustees and senior staff remain highly conscious of the lasting impact of the Coronavirus pandemic on how the charity will operate delivery and administrative functions in the long-term. However, the trustees are confident in the charity's ability to continue to adapt whether in-person or online to provide a much-needed service. This can be seen in the charity's ability to maintain a stable financial position and cashflow throughout the financial year by executing diligent cost control and by diversifying the charity's income sources as outlined in the charity's fundraising strategy.

The trustees continue to monitor and maintain sufficient cashflow and continue to execute the Board's Finance Subcommittee monthly review of the financial position of the charity and each programme, the balance of restricted and unrestricted funds, and the balance sheet, profit and loss, and budget variance for the year to date.

On the basis of their assessment of the Charity's financial position the Trustees continue to adopt the going concern basis in preparing the financial statements.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- estimating the value of gifts in kind received; and
- estimating future inflows and outflows for the purpose of assessing going concern.

Income recognition
Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and grants, fee income, sponsorship, income from events and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided to the charity. An equivalent amount is included as expenditure.

Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income recognition (continued)
Grants and fee income from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding. Income is deferred when the charity has not satisfied the requirements for entitlement or when the donor has specified funds for use in a future accounting period. Income from the Government's Coronavirus Job Retention Scheme is recognised when the charity has made a valid claim for the income, the amount can be measured and when it is entitled to receive the income. Sponsorship income is receivable on an annual basis in recognition of the charity's participation in certain activities.

Fee income is recognised once the charity has fully met all performance criteria as specified in the relevant contract.

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

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising and the costs of fundraising events.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the delivery of training courses, direct and support costs including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of project management carried out at Headquarters, personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Allocation of support and governance costs (continued)
Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are allocated to the charity's sole activity, provision of training courses.

Taxation
The company is a charity under the Finance Act 2010 (schedule 6, paragraph 1) definition. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by the Corporation Tax Act 2010 (part 11, chapter 3) or the Taxation of Chargeable Gains Act 1992 (section 256), to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

Tangible fixed assets and depreciation
All assets costing more than £1,000 are capitalised.

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful economic lives on the following basis:

Computer equipment	33.33% straight line
Outdoor equipment	33.33% straight line
Motor vehicles	20% straight line

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions
Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Principal accounting policies Year to 31 March 2022

Funds

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School of Hard Knock's charitable objects.

Pension costs

Contributions in respect of the charity's defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme.

1 Income from donations

	Unrestricted funds £	Restricted funds £	**2022 Total funds £**
Individuals	111,121	150	**111,271**
Corporate donations	145,375	—	**145,375**
Trusts and Foundations	18,000	—	**18,000**
Gifts in Kind	97,675	8,176	**105,851**
2022 Total funds	372,171	8,326	**380,497**

	Unrestricted funds £	*Restricted funds £*	*2021 Total funds £*
Individuals	*127,650*	*10,000*	*137,650*
Corporate donations	*38,065*	—	*38,065*
Trusts and Foundations	*13,500*	—	*13,500*
Gifts in Kind	*100,984*	—	*100,984*
2021 Total funds	*280,199*	*10,000*	*290,199*

2 Income from other trading activities

	Unrestricted funds £	Restricted funds £	**2022 Total funds £**
Income from fundraising events	188,779	7,674	**196,453**
2022 Total funds	188,779	7,674	**196,453**

	Unrestricted funds £	*Restricted funds £*	*2021 Total funds £*
Income from fundraising events	*110,728*	*9,468*	*120,196*
2021 Total funds	*110,728*	*9,468*	*120,196*

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	**2022 Total funds £**
Grant income	58,884	514,951	**573,835**
Fee income	403,073	—	**403,073**
2022 Total funds	461,957	514,951	**976,908**

3 Income from charitable activities (continued)

	Unrestricted funds £	*Restricted funds £*	*2021 Total funds £*
Grant income	*27,500*	*340,153*	*367,653*
Fee income	*198,020*	*—*	*198,020*
2021 Total funds	*225,520*	*340,153*	*565,673*

Income from charitable activities includes £37,940 (2021 - £47,100) received from Government.

4 Other income

	Unrestricted funds £	Restricted funds £	**2022 Total funds £**
Coronavirus Job Retention Scheme grants	1,669	—	**1,669**
2022 Total funds	1,669	—	**1,669**

	Unrestricted funds £	*Restricted funds £*	*2021 Total funds £*
Coronavirus Job Retention Scheme grants	*131,678*	*—*	*131,678*
2021 Total funds	*131,678*	*—*	*131,678*

5 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	**2022 Total funds £**
Fundraising staff costs (note 10)	78,410	—	**78,410**
Cost of fundraising events	120,024	13,604	**133,628**
2022 Total funds	198,434	13,604	**212,038**

	Unrestricted funds £	*Restricted funds £*	*2021 Total funds £*
Fundraising staff costs (note 10)	*74,437*	*24,163*	*98,600*
Cost of fundraising events	*6,996*	*4,800*	*11,796*
2021 Total funds	*81,433*	*28,963*	*110,396*

6 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	**2022 Total funds £**
Training courses	143,710	191,893	**335,603**
Course delivery staff costs (note 10)	350,513	304,214	**654,727**
Support costs (note 7)	309,935	25,888	**335,823**
2022 Total funds	804,158	521,995	**1,326,153**

	Unrestricted funds £	*Restricted funds £*	*2021 Total funds £*
Training courses	*50,304*	*84,333*	*134,637*
Course delivery staff costs (note 10)	*282,023*	*210,471*	*492,494*
Support costs (note 7)	*265,526*	*33,226*	*298,752*
2021 Total funds	*597,853*	*328,030*	*925,883*

7 Support costs

	Unrestricted funds £	Restricted funds £	**2022 Total funds £**
Office and rent costs	52,746	12,099	**68,845**
Communication costs	3,597	800	**4,397**
Accommodation, travel and subsistence costs	8,008	393	**8,401**
Staff expenses reimbursed	3,051	—	**3,051**
Staff training	—	10,477	**10,477**
Insurance	2,262	428	**2,690**
Website and promotional material	27,225	112	**27,337**
Consultancy fees	68,643	—	**68,643**
Depreciation	940	—	**940**
Sundry expenses	10,066	264	**10,330**
Support staff costs (note 10)	102,474	1,273	**103,747**
Irrecoverable VAT	5,748	42	**5,790**
Governance costs (note 8)	25,175	—	**25,175**
	309,935	25,888	**335,823**

7 Support costs (continued)

	Unrestricted funds £	*Restricted funds £*	*2021 Total funds £*
Office and rent costs	*67,467*	*20,708*	*88,175*
Accommodation, travel and subsistence costs	*2,742*	*—*	*2,742*
Staff expenses reimbursed	*456*	*246*	*702*
Insurance	*1,329*	*788*	*2,117*
Website and promotional material	*4,624*	*11,142*	*15,766*
Consultancy fees	*65,163*	*—*	*65,163*
Depreciation	*942*	*—*	*942*
Sundry expenses	*5,316*	*—*	*5,316*
Support staff costs (note 10)	*96,744*	*—*	*96,744*
Irrecoverable VAT	*5,318*	*—*	*5,318*
Governance costs (note 8)	*15,425*	*342*	*15,767*
	265,526	*33,226*	*298,752*

All support costs are attributable to the charitable activities of the charity.

8 Governance costs

	Unrestricted funds £	Restricted funds £	**2022 Total funds £**
Accountancy and audit costs	20,052	—	**20,052**
Other professional fees	5,123	—	**5,123**
2022 Total funds	25,175	—	**25,175**

	Unrestricted funds £	*Restricted funds £*	*2021 Total funds £*
Accountancy and audit costs	*13,297*	*—*	*13,297*
Other professional fees	*2,128*	*342*	*2,470*
2021 Total funds	*15,425*	*342*	*15,767*

9 Net income (expenditure)

This is stated after charging:

	2022 Total funds £	2021 Total funds £
Staff costs (note 10)	**836,884**	687,838
Depreciation of tangible fixed assets	**940**	942
Auditor's remuneration		
. Statutory Audit	**11,400**	10,980

10 Staff costs

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	**746,688**	617,933
Social security costs	**68,272**	51,800
Pension costs	**21,924**	18,105
	836,884	687,838

Total staff costs have been allocated between expenditure on raising funds, course delivery, governance and support costs based on the approximate percentage of staff time spent in each area, as follows:

	2022 £	2021 £
Expenditure on raising funds	**78,410**	98,600
Course delivery	**654,727**	492,494
Support costs	**103,747**	96,744
	836,884	687,838

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

	2022 No.	2021 No.
Management	**4**	3
Operational	**21**	17
	25	20

One employee received remuneration between £60,000 and £70,000 in the year (2021 - one). Pension contributions of £2,020 (2021 - £1,950) were paid in respect of this employee.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees (who are not remunerated), the Chief Executive, the Operations Executive and the Finance Director. The total remuneration (including taxable benefits, employer's pension contributions and employers national insurance contributions) of the key management personnel for the year was £161,345 (2021 - £152,142).

11 Trustees' remuneration

No trustee received any remuneration for services or reimbursed expenses as a trustee in the current year (2021 - none).

12 Taxation

School of Hard Knocks is a registered Charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	Computer equipment £	**Total £**
Cost		
At 1 April 2021 and 31 March 2022	2,824	**2,824**
Depreciation		
At 1 April 2021	1,884	**1,884**
Charge for the year	940	**940**
At 31 March 2022	2,824	**2,824**
Net book value		
At 31 March 2022	—	**—**
At 31 March 2021	940	**940**

14 Debtors

	2022 £	2021 £
Trade debtors	**132,202**	128,546
Prepayments and accrued income	**15,256**	9,754
Other debtors	**1,361**	1,361
	148,819	139,661

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	**41,477**	55,338
Other taxation and social security	**19,890**	14,999
VAT	**5,211**	3,061
Other creditors	**5,791**	4,467
Accruals and deferred income	**122,090**	217,625
	194,459	295,490

	2022 £	2021 £
Deferred income brought forward at 1 April 2021	**208,290**	48,781
Income deferred in year	**102,547**	208,290
Deferred income released in year	**(208,290)**	(48,781)
/carried forward at 31 March 2022	**102,547**	208,290

Deferred income relates to income received in 2022 for use by the charity in 2023, as specified by the donors.

16 Statement of funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Unrestricted funds	149,405	1,024,576	(1,002,592)	—	**171,389**
Restricted funds					
Charles Hayward	—	25,000	(23,812)	—	**1,188**
Coalfields	—	20,582	(20,582)	—	**—**
Comic Relief	2,068	141,210	(139,361)	—	**3,917**
Communities Recovery Fund	—	24,076	(24,076)	—	**—**
Fire Mental Health Fund	—	7,631	(7,631)	—	**—**
Hertfordshire Community Foundation	—	960	(960)	—	**—**
John Lyon's Charity	—	26,031	(24,364)	—	**1,667**
KPE4 Trust	—	38,101	(38,101)	—	**—**
Laureus Sport for Good	4,631	21,614	(26,245)	—	**—**
Masonic Charitable Foundation	—	36,763	(36,763)	—	**—**
Paul Hamlyn Foundation	7,575	35,272	(42,847)	—	**—**
Paul Hamlyn Covid-Response	—	7,850	(7,850)	—	**—**
Quilter Foundation	—	75,534	(75,534)	—	**—**
Riverside Resource Community Fund	—	7,000	(4,586)	—	**2,414**
Sir John Cass Foundation	—	4,612	(4,612)	—	**—**
SOL Foundation	—	8,029	(8,029)	—	**—**
Tabard RFC	543	15,899	(15,901)	—	**541**
Walcot Foundation	—	11,212	(11,212)	—	**—**
Wates Foundation	—	10,000	(7,480)	—	**2,520**
Young Londoners Fund	2,078	13,577	(15,655)	—	**—**
	16,895	530,953	(535,601)	—	**12,247**
Total funds	166,300	1,555,529	(1,538,193)	—	**183,636**

16 Statement of funds (continued)

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
Unrestricted funds					
General	80,566	616,447	(547,608)	—	149,405
Cardiff Central Unrestricted	—	131,678	(131,678)	—	—
	80,566	748,125	(679,286)	—	149,405
Restricted funds					
Aspiring Communities	—	17,344	(17,344)	—	—
Coalfields	—	18	(18)	—	—
Comic Relief	—	70,796	(68,728)	—	2,068
Fidelity Foundation	—	30,729	(30,729)	—	—
John Lyon's Charity	—	8,949	(8,949)	—	—
Laureus Sport for Good	3,298	34,288	(32,955)	—	4,631
Masonic Charitable Foundation	—	29,691	(29,691)	—	—
National Lottery Awards for All	—	9,405	(9,405)	—	—
Paul Hamlyn Foundation	6,825	23,228	(22,478)	—	7,575
Paul Hamlyn Covid-Response	—	6,150	(6,150)	—	—
Quilter Foundation	—	28,086	(28,086)	—	—
Robertson Trust	—	14,000	(14,000)	—	—
Sir John Cass Foundation	—	5,388	(5,388)	—	—
SJP Foundation	2,066	—	(2,066)	—	—
SOL Foundation	—	30,247	(30,247)	—	—
Tabard RFC	—	19,468	(18,925)	—	543
Walcot Foundation	—	13,788	(13,788)	—	—
Wates Foundation	—	18,046	(18,046)	—	—
Young Londoners Fund	2,078	—	—	—	2,078
	14,267	359,621	(356,993)	—	16,895
Total funds	94,833	1,107,746	(1,036,279)	—	166,300

Aspiring Communities
Aspiring Communities (part of Project Scotland) provided a grant to run one adult course at Inch Park in Edinburgh focused on mental wellbeing.

Coalfields Regeneration Trust
Coalfields Regeneration Trust gave us funding for a Scotland Adult employability course in Alloa.

Charles Hayward Foundation
Charles Hayward Foundation has given us multi-year grant funding for rugby coaching and behavioural support mentoring for schools in North Hertfordshire.

Comic Relief
Comic Relief gave us funding for three years starting in 2020 to deliver 12 adult courses in Wales with psychotherapy support.

16 Statement of funds (continued)

Communities Recovery Fund

DTA Scotland gave us funding for a Scotland Adults course in May 2021 in Kirkcaldy.

Fife Mental Health Fund

Fife Voluntary Action have given us funding for a Scotland Adults course which starts in April 2022, though recruitment and planning started in March 2022.

Fidelity Foundation

The Fidelity Foundation gave us funding for 2 years starting in 2019, covering the marketing executive's full salary for the first year as well as one-off costs to establish our online membership scheme. The second year covers 50% of the marketing executive's salary and filming/editing costs.

Hertfordshire Community Foundation

Hertfordshire's Holiday Activity Programme gave us funding to deliver a schools summer camp at Tabard RFC.

John Lyon's Charity

John Lyon's Charity provided a grant to allow us to expand our schools programme into West London. The grant supports our schools programme for 3 years with the first instalment received in December 2018 for work that started in September 2019.

KPE4 Trust

KPE4 Trust gave us grant funding to deliver a 7-week long summer camp followed by a year long after-school club for 20 vulnerable pupils transitioning to secondary school called 'Lift-Off'.

Laureus Sport for Good

Laureus Sport for Good funded five SOHK for Schools cohorts working with girls – two in Cardiff, two in Fife and one in London.

Masonic Charitable Foundation

The Masonic Charitable Foundation kindly gave us funding for three years starting in 2019 for our work with children at risk of exclusion in Wales.

National Lottery

National Lottery Awards for All provided funding to support adult work in Wales and is being used to provide our online 'Back in the Game' course.

Paul Hamlyn Covid-Response Emergency Fund

The Paul Hamlyn Foundation provided a grant in 2020 to help sustain our work and more effectively help those who have been affected by the coronavirus pandemic.

Paul Hamlyn Foundation

The Paul Hamlyn Foundation provided a two-year grant starting in 2019 to support our behavioural specialists and mentoring programme in 5 of our Wales Schools.

16 Statement of funds (continued)

Quilter Foundation
The Quilter Foundation provided a grant for three years starting in 2020 to fund two England adult courses per year, this was postponed and deferred into 2021.

Robertson Trust
The Robertson Trust gave SOHK a partial grant towards work with unemployed adults in Fife. The grant involves a contribution each year for three years starting in 2018.

Riverside Resource Community Fund
Riverside Resource Community Fund have given us grant funding for our work with Bacons College.

Sir John Cass Foundation
Sir John Cass Foundation gave us funding for 2 years for our work in London schools, particularly Bacon's College and Westminster School.

SJP Foundation
St James' Place Foundation generously supported our schools work in Wales for three years, the last grant instalment was received in 2019.

SOL Foundation
The SOL Foundation provided a grant to support our work in 3 London based schools for three years starting in 2018.

Tabard RFC
Tabard RFC and their President, Ross Hopcroft, have raised money to support our SOHK for Schools intervention in Hertfordshire. This funding will be used to support our Hertfordshire based schools.

Walcot Foundation
The Walcot Foundation provided a grant to support our England Adult work which we were able to adapt to deliver our online Back in the Game course.

Wates Foundation
The Wates Foundation fully funded a course for unemployed adults in Wales.

William Wates
William Wates Memorial Trust have given us £28,000 over three years to support our work in Warlingham School in London.

Young Londoners Fund
The Mayor's Young Londoners Fund provided a grant to support our work in schools across London, working with children at risk of permanent exclusion for three years starting in 2018.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	**2022 Total funds £**
Tangible fixed assets	—	—	**—**
Current assets	263,301	114,794	**378,095**
Creditors due within one year	(91,912)	(102,547)	**(194,459)**
	171,389	12,247	**183,636**

	Unrestricted funds £	*Restricted funds £*	*2021 Total funds £*
Tangible fixed assets	*940*	*—*	*940*
Current assets	*235,665*	*225,185*	*460,850*
Creditors due within one year	*(87,200)*	*(208,290)*	*(295,490)*
	149,405	*16,895*	*166,300*

18 Related party transactions

During the year the charity received donations of £1,791 (2021 - £8,350) from the trustees. The charity also received donations in kind in the form of donated auction prizes with a value of approximately £23,500 (2021 - £nil) from the trustees.

In addition, the charity received pro bono services of £68,642 (2021 - £65,163) from a law firm of which one of the trustees is a partner.

19 Commitments under operating leases

At 31 March 2022, the total of the charity's future minimum lease payments under non-cancellable operating leases was as follows:

	2022 £	2021 £
Amounts due within one year	**13,568**	11,950
Amounts due between two and five years inclusive	**38,614**	52,183
	52,182	64,133

SCHOOL OF HARD KNOCKS

England & Wales - Charity number 1147009

Accounts

School of Hard Knocks

Annual Report and Financial Statements

31 March 2021

Company Limited by Guarantee
Registration Number
07743730 (England and Wales)

Charity Registration Numbers
1147009 (England and Wales)
SC046118 (Scotland)

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Reference and administrative information

Trustees	Mr David Thomas Mr Jonathan Teckman Ms Deborah Griffin Mr Olly Spry Mr James Cameron Ms Victoria Griffin Mr Mike Francis Ms Pauline Broomhead
Chief Executive	Mr Ken Cowen
Registered office	The Graystone Centre 28 Charles Square, Old Street London N1 6HT
Company Registration Number	07743730
Charity Registration Numbers	1147009 (England and Wales) SC046118 (Scotland)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Memery Crystal 11 Southampton Buildings London WC2A 1AP Milbank, Tweed, Hadley & McCloy LLP 10 Gresham Street London EC2V 7JD
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling ME19 4JQ

The trustees, who are the directors for the purposes of company law, present their statutory report together with the financial statements of School of Hard Knocks for the year to 31 March 2021.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 26 of the attached financial statements and comply with the charitable company's memorandum of association, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and 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 United Kingdom and Republic of Ireland (FRS 102).

Our Aims and objectives

Purposes and Aims

The principal objects of the charity are set out in the charity's Memorandum of Association:

To assist persons who may have need of support by virtue of poor health, disability, financial hardship or other disadvantage, in particular but not exclusively by the provision of facilities and programmes of physical, educational and other activities as a means of:

a) advancing in life and by developing skills, capacities and capabilities to enable persons to participate in society as independent, mature and responsible individuals;

b) advancing education;

c) relieving unemployment;

d) advancing physical, mental and emotional health and wellbeing.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

Achievements and performance

To achieve these aims, we deliver two streams of work: courses for unemployed adults, to help them find and sustain employment; and courses for school pupils at risk of exclusion, to help them complete mainstream education and develop skills to help them find employment once they have completed full time education.

England

Our England Adult programme secured its first ever multi-year grant funding at the end of the last financial year with the Quilter Foundation to deliver six courses over three years that will enable a stable presence in London. Due to in-person delivery being postponed during Covid-19 lockdowns, we were only able to deliver one of the intended courses 'in-person', although we were able to deliver the second Quilter funded course virtually in November 2020. This presented us with the opportunity to adapt our delivery via an online course in order to support our England Adult beneficiaries. We were able to use our grant funding from the Walcot Foundation to deliver one online course in February 2021, secure commissioning from the RFU to run an online pilot course that we hope will lead to a larger partnership in the new financial year and secure a contract with DWP West London that allowed us to deliver two online courses in March 2021. While Covid-19 restrictions did postpone our in-person adult work, the programmes' ability to adapt, afforded multiple opportunities to secure unrestricted funding and diversify our income within the England Adult programme.

Prior to Covid-19 school closures, our England Schools programme delivered to over 500 pupils across eight schools in London, Surrey, and Hertfordshire. As a testament to the strength and sustainability of the programme model and our existing staff, all eight schools have sought to reinstate delivery post Covid-19 school closures. During school closures, our England Schools staff created online resources for students to access, and supported schools with virtual delivery throughout the 2020 calendar year. Within Covid-19 restrictions, our England Schools staff were able to visit several of the schools to deliver sessions via their learning platforms and see pupils that were still attending. This combination of in-person and virtual delivery has seen real positives as it affords a mixture of exercise and workshops that students can continuously revisit or catch-up on if they could not attend an in-person session. Schools delivery also focused more on mental health and wellbeing, and in fact an increased number of vulnerable pupils that were able to attend school received more one-to-one mentoring than would have occurred in a typical delivery setting.

Scotland

Our Scotland Adult programme (OSCR registration number SC046118) was the first to return to in-person delivery and was also able to deliver hybrid courses throughout the financial year and Covid-19 pandemic.

We completed one in-person course commissioned by the DWP in partnership with Streetwork to support adults experiencing homelessness in Edinburgh. The adult delivery team supported 29 Streetwork service users, 3 of which moved into full-time work following the course. One beneficiary started a college course with a view to work within childcare, four beneficiaries underwent accredited training courses and qualifications, and five beneficiaries have moved into more permanent housing.

Achievements and performance (continued)

***Scotland** (continued)*

We also delivered a hybrid 'in-person' virtual course with funding from Aspiring Communities. This consisted of outdoor physical activity in Edinburgh followed by online delivery sessions in the afternoon. This course saw a 92% retention rate, and 30% of beneficiaries reached a positive destination of work, education, training, or volunteering upon completing the course and despite Covid-19 lockdowns and restrictions 100% of beneficiaries noted an improvement in their wellbeing and 85% felt in better physical condition by the end of the course.

Our Scotland Adults team was also able to deliver an online course to 11 beneficiaries with grant funding from the Robertson Trust, as well as an online employability course commissioned by the DWP to 16 beneficiaries.

We have been able to continue our work at all four of the Scotland schools we were delivering at prior to Covid-19 school closures, via virtual sessions for the current academic year. As in-person delivery opened in schools towards the end of the financial year, our schools programme continued to combine in-person activity with virtual sessions to provide one-to-one support to our pupils. The 2021-2022 academic year looks promising for our Scotland Schools team as we look to double our number of schools and return to fully in-person delivery, starting with a summer camp in 2021.

Wales

Our Wales Adult programme has been successful in securing grant funding from Comic Relief and the National Lottery 'Awards for All' to deliver 5 adult courses in 2020-2021. We were able to deliver one Comic Relief-funded course prior to the December 2020 lockdown by adapting delivery within Covid-19 restrictions and produced great outcomes for our beneficiaries including improvement in wellbeing, confidence, and employability skills. The course also included the additional resource of two psychotherapists that have further developed new content for continued use within the adult programme.

In addition to in-person delivery, our adult team delivered an online course funded by the National Lottery Awards for All, and via our partnership with the WRU that commissioned 7 online courses. These courses saw a 54% into-work rate after the course and 82% reached a positive destination including further training, referrals to our partners, or volunteer work. This has led to a strong relationship with the Welsh Rugby Union and we are optimistic about our future partnership to deliver more in-person work within the new financial year.

We have been able to maintain delivery at all our Wales schools and were able to add three additional schools at the start of the 2020-2021 academic year. While virtual mentoring has had its struggles, the schools saw an increase in engagement once delivery was able to return to in-person activity combined with online mentoring. Our Wales Schools' teams developed wellbeing packs for pupils which have been used by multiple organizations as a standard of good practice in engaging with young people during lockdown. We have secured three new schools for the 2021-2022 academic year, which will bring our number of Wales schools to 10 in total and is a testament to the resiliency of the programme and the staff's ability to adapt how they communicate to pupils during the Covid-19 pandemic, which will prove a valuable resource for the charity in the future.

Achievements and performance (continued)

Fundraising

The charity experienced a decrease in overall income as a result of the Coronavirus pandemic, though we are extremely happy to have maintained a strong and stable financial position and cashflow throughout the financial year due to diligent cost control, reduced delivery spending, and the Coronavirus Job Retention Scheme all of which have attributed to the charity's ongoing financial security.

Our income in 2020-2021 continued to be driven largely by grant income, which contributed 37% (2020-36%) of our overall turnover. This also includes grant income received from the Coronavirus Job Retention Scheme as well as multi-year grant funding.

As part of our fundraising strategy and our planned delivery in light of the Coronavirus pandemic detailed in the 2020 accounts, we were successful in adapting our programmes as face-to-face delivery was limited throughout the year. The shift to online delivery allowed us to commission courses with the DWP, the WRU, the RFU, and our corporate partners which allowed us to diversify our income and achieve our fundraising strategy.

Although our summer fundraiser and our annual End of Dry January event were cancelled causing a 33% decrease in income from fundraising events compared to the prior year, we were successful in executing multiple virtual fundraising events including online quizzes, a social media 'Bake or Break' challenge, an online summer auction, and most notably a virtual Land's End to John o' Groats cycle fundraiser which raised over £76k. This was instrumental in the charity ending the financial year with £149,405 in unrestricted reserves and thus meeting our reserves target of £150k as outlined in the 2020 accounts.

Approach to fundraising

SOHK is a values-driven charity that conducts its activities in line with the highest ethical standards. The charity uses a mixed funding economy to spread risk and ensure stability. Currently, the main methods for accessing individual donors are fundraising events, personal referrals from ambassadors and social media campaigns targeted at friends and supporters of the charity. This greatly reduces the risk of SOHK inadvertently contacting members of the public, especially vulnerable people, in an unreasonably intrusive or persistent manner. The charity has robust internal policies on data collection and handling, is fully GDPR compliant and has a robust, externally validated complaints procedure. The charity is prepared to refund any donation which is shown to have been gained through unreasonable fundraising, whether advertently or inadvertently. During the year the charity received no complaints in respect of its fundraising activities.

Achievements and performance (continued)

Looking ahead

Delivery during the Coronavirus pandemic has brought about numerous challenges, including reduced income, postponement and deferment of grant-funded courses, furloughed staff, and the ability for staff to connect in-person with each other and beneficiaries. However, in confronting these challenges, we have undoubtedly become a stronger organization.

The determination of the SOHK staff to continue to fulfil the vision and mission of the charity led to an entirely new approach to delivery and the creation of a live, online course called 'Back in the Game'. Virtual delivery has not only allowed us to diversify our income throughout the year and aided in maintaining financial security and increasing our unrestricted reserves, but it has also allowed us to inter-connect staff between the three regions as they have been able to deliver virtually on the same courses-something that would very seldom occur in face-to-face delivery.

This has allowed for increased knowledge of best practices between staff and allowed for greater consistency in our services across the regions that are invaluable lessons to the charity for the future. Online delivery has also established multiple commissioned sources that we hope to continue as long-term partnerships to deliver both online and in-person courses.

The circumstances brought about by the Coronavirus pandemic has necessitated the development of the charity. Our schools' programmes will continue to utilize the online resources created during lockdown and will continue to utilize one-to-one mentoring with pupils as we look to bring more behavioural support into our schools across the three regions. Our adults programmes will continue to be delivered through both our shortened, virtual course as well as in-person courses with the aim of achieving high impact outcomes and reaching an increased number of beneficiaries.

How our activities deliver public benefit

All our programmes focus on either relieving unemployment or advancing education through creating internal changes, which then affect external behaviour.

Throughout our work, we aim to relieve unemployment and prevent exclusion from school. If someone who has been unemployed gains sustainable employment, it benefits their families and particularly their children, their friends and their physical, mental and economic health. Similarly, children who are excluded from school are statistically more likely to offend, achieve poor educational outcomes, become unemployed and suffer from poorer mental and physical health. Relieving and preventing these issues delivers a clear public benefit.

Our operations are centred on London, Cardiff, Edinburgh and Glasgow. We have now defined a set of criteria in determining where we work, which takes into account three factors:

1. Is there genuine need? *Does the area have neighbourhoods in the 10% most deprived on the Multiple Deprivation Index? Is there a concentration of these?*

2. Can we make a difference? *Is there a sufficient geographical concentration of beneficiaries for us to run group-based interventions? How well is the area served by other agencies? Are there location-specific barriers to our types of work? Can we meet the logistical challenges of working there?*

Achievements and performance (continued)

How our activities deliver public benefit *(continued)*

3. Can we fund our work there? *Is the area a priority area for national funders? How many local funders are there who might be favourable to us and able to fund our work? How competitive is the funding landscape in the area?*

Using these criteria, we will continue to establish our presence throughout England, Scotland, and Wales as well as improve our delivery and adapt our courses as the charity navigates the continued effects of the Coronavirus pandemic.

Outside the UK, our award winning sister project in South Africa continues to deliver SOHK programmes; these projects are helped via a sharing of knowledge and best practice rather than financial support.

Financial review

Our revenue

SOHK's revenue decreased by 15% compared to the last year. This was largely due to the deferment (£207k) of restricted grant income needed to postpone delivery during the Coronavirus pandemic into the new financial year. The charity was successful in multiple virtual fundraising events that allowed the charity to meet our reserves target set in the 2020 accounts despite the Coronavirus pandemic and the postponement of delivery.

We experienced a 63% decrease in corporate income compared to the prior year due to a shift in funding strategy within our Wales Adult programme. As detailed in the 2020 accounts, the Wales Adults programme had to rely on unrestricted funds to continue increasing delivery between 2018 and 2020. At the end of the financial year ending 31 March 2020, we secured a multi-year grant from Comic Relief to deliver 12 courses over 3 years that allowed us to shift towards more stable grant funding. We have not completely ceased the commissioning of our work from corporate partners as we have established a partnership with the Welsh Rugby Union to deliver our Back in the Game course to unemployed adults.

We experienced a 317% increase in unrestricted grant income compared to the prior year due to the Coronavirus Job Retention Scheme which was utilized by the charity primarily during the summer months of 2020 when delivery was heavily paused across all programmes. Though the charity has deferred a large portion of restricted grant income to support postponed delivery that will now take place in the new financial year or grants that cover the current academic year, restricted grant income continues to be a large portion of the charity's income (31% in 2021 compared to 33% in 2020).

Financial review

Our revenue *(continued)*

We experienced a 25% decrease in fee income compared to the prior year due to continued school closures at the start of the 2020-2021 academic year which particularly affected our schools' income in England and Scotland. We were successful however in securing DWP contracts in England and Scotland to deliver our Back in the Game course as a part of our fundraising strategy detailed in the 2020 accounts. This has enabled us to diversify the charity's income and reduce our over-reliance on restricted grant income that has needed to be deferred. Our DWP funding in West London will continue within the new financial year as we strive to maintain multiple income sources and utilize our deferred income as a financial runway needed to continue expanding course delivery.

Principal funding sources

Grant income accounted for 45% of SOHK's income. The principal sources of this were Comic Relief, the Quilter Foundation, Laureus Sport for Good, Masonic Charitable Foundation, the SOL Foundation, the Young Londoners' Fund from the Greater London Authority, Paul Hamlyn Foundation, the Walcot Foundation, and the Coronavirus Job Retention Scheme.

Aside from grant income, SOHK received 18% of our total turnover in contracted income, with the majority from the contribution made by schools and the DWP.

Reserves policy

The trustees have considered the charity's need for free reserves. These are required to cover an unexpected loss of income, cash flow shortage, or unforeseen operational cost.

For some years now, the charity has set a reserve target which has proved extremely difficult to fund practically. In recognition of this, the charity established a risk level reserves target within the last financial year that set a short-term and a medium-term reserves target. As outlined in the 2020 accounts, the trustees set the reserves target of £150,000 by 31 March 2021. We are extremely pleased to have reach this reserve target with a level of free reserves totalling £149,405.

As this milestone has been achieved, the charity will work towards the medium-term reserves target which considers risks to multi-year funding, planned commitments, and key risks of the charity identified in the risk register. This currently equates to £300,000 and aims to have sufficient free reserves to cover the provision of three months' delivery of the charity's programmes within 3 years from 31 March 2021.

Financial position

At the year end the balance sheet showed total funds of £166,300 (2020- £94,878). Of these £16,895 were restricted (2020 £-20,086). At the year-end free reserves were £149,405 (2020- £114,964). The charity ended the year with a net surplus of £71,467, nearly achieving our targeted surplus of £75k as detailed in the 2020 accounts.

Going concern

Following a thorough going concern assessment at the end of the 31 March 2020 financial year and navigating the 31 March 2021 financial year with an initial level of unknown and uncertainty in light of the Coronavirus pandemic, the charity has followed the advice of the UK government regarding employees working from home, social distancing measures, and further Coronavirus restrictions throughout the year and has established procedures to facilitate virtual delivery of our programmes and effective support functions such as finance and administration remotely. As unemployment, homelessness, and mental health issues continue to rise as a result of the Coronavirus pandemic, our case for support continues to increase with the challenges facing our beneficiaries.

The trustees and senior staff remain highly conscious of the potential ongoing impact of the Coronavirus pandemic on how the charity will operate delivery and administrative functions in the long-term. However, the trustees are confident in the charity's ability to continue to adapt, whether in-person or online to provide a much-needed service. This can be seen in the charity's ability to maintain a stable financial position and cashflow throughout the financial year by executing diligent cost control and by diversifying the charity's income sources as outlined in the charity's fundraising strategy.

The trustees continue to monitor and maintain sufficient cashflow and continue to execute the Board's Finance Subcommittee monthly review of the financial position of the charity and each programme, the balance of restricted and unrestricted funds, and the balance sheet, profit and loss, and budget variance for the year to date.

On the basis of their assessment of the Charity's financial position the Trustees have continued to adopt the going concern basis in preparing the financial statements.

Plans for Financial Year 2021-2022

SOHK will prioritise the delivery of postponed courses, commissioning of our online Back in the Game course and establishing long-term partnerships, securing additional schools across all regions, and executing multiple fundraising events to continue increasing our unrestricted reserves.

Restricted grant income will continue to be our main source of income, compromising 47% of our forecasted budget.

Sales income (income from fundraising events and contracted income from schools and commissioned courses) compromises 40% of our forecasted budget. This is a 10% increase compared to the 31 March 2021 financial year and is a target of the charity in order to continue increasing our level of free reserves. The contribution from schools to the costs of the school programme is an integral part of our financial sustainability. It also ensures that the schools have 'skin in the game' and so cooperate on the management and information sharing necessary to the programme. SOHK now has a well-structured income pipeline, with a clear process for engaging and securing schools, and we aim to increase delivery and therefore revenue from schools in all three regions next academic year.

Plans for Financial Year 2021-2022 (continued)

As well as generating revenue, the trustees recognise the need to continue our cost control processes and the continuation of the Board's Finance Subcommittee with the charity's finance manager. Remaining in surplus is a critical aim for SOHK and streams of work which are not financially sustainable will be paused or scaled back. The charity aims to deliver a surplus of £75,000 in the current financial year and aims to increase our level of free reserves by 5% of our turnover to work towards the medium-term reserves target of £300,000.

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 17 August 2011. It is registered with the Charity Commission, charity number 1147009. The charity was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The charity registered with OSCR, the Scottish Charity Regulator, on 9 November 2015, charity number SC046118.

Recruitment and appointment of trustees

The directors of the company are also charity trustees for the purposes of charity law and Members for the purposes of the Articles of Association. The management of the charity is the responsibility of the trustees who are elected for three-year terms for a maximum of nine years, under the terms of the Articles of Association. The charity is managed by the trustees via periodic Board meetings and the day to day operation of the charity is delegated by the trustees to Mr. Ken Cowen, the Chief Executive Officer.

The trustees review each year the skills and experience of the Board of Trustees and determine the need to appoint further trustees.

The Members of the company guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Key management personnel

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis comprise the trustees (who are not remunerated), the Chief Executive, the Operations Manager and the Finance Manager.

Their remuneration is set annually by the Board, considering individual performance, the performance of the charity as a whole, and the financial outlook of the charity. This process is informed by SOHK's Performance & Development Reviews, which are conducted by line managers with all staff and by the Chair of Trustees for the CEO.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management. The charity has implemented a number of policies in relation to all aspects of personnel matters:

- Equal opportunities policy
- Volunteers' policy

Structure, governance and management (continued)

Employee involvement and employment of the disabled *(continued)*

- Health and safety policy

In accordance with the charity's equal opportunities policy, the charity has established fair employment practices in recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the charity's offices.

Risk management

The trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated quarterly. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. The charity has a strategic plan, business plan, and fundraising plan, updated annually, which considers and mitigates major risks to the organisation. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures re in place to ensure compliance with health and safety of staff, volunteers and clients.

SOHK's risk register scores risks for their probability and severity, to give an unmitigated risk score. Mitigation is then put in place and the risk is re-evaluated. The charity's risk registers show the biggest unmitigated risks to the charity to be the following (the mitigation is also included):

- Sporting activity / injuries - Every delivery day has a qualified first aider and first aid kit to hand, and all frontline work has its own standalone risk assessment. The charity holds specific public liability and employers' liability insurance for its activities, and coaches are required to hold £5m in public liability cover personally. All coaching involves warm ups, clearly marked pitches which have been checked for obstructions and hazards and approved equipment. All activities are clearly explained and no one is forced to participate. The charity has a clear Health and Safety Policy which is rigorously adhered to. The charity keeps participant disclaimers in perpetuity.

- Loss of key staff (temporary or permanent) – The charity has a shared drive with non-confidential files, which can be accessed by all staff. The charity has a financial process document and a living delivery manual. All departing staff are required to steward handover process to their successor. Staff who are made redundant are given paid extension to oversee handover of materials. The charity has a staff succession plan assessing roles criticality and the impact of the individual. A comprehensive staff wellbeing policy is in place with ongoing refinement. We now retain a counselling service for staff, via our HR support. We have invested in 30 'Headspace' licenses for personal staff use, to enhance wellbeing and have recently established staff well-being ambassadors.

Structure, governance and management (continued)

Risk management *(continued)*

- Cashflow shortage – Our fundraising strategy, whilst ever evolving, is now well established and more successful than ever. We have implemented regional fundraising targets, which is working well. We have diversified our events during the past 12 months, which has provided more consistent diversity of income. Our fundraising strategy revolves around regular individual giving, year-on-year grant funding, an increasing amount of corporate partnerships (such as Charity of the Year partners) and our annual fundraising events to provide stable income. We conduct a quarterly review of the funding pipeline and strategy to identify new sources of funding. We aim to ring-fence £2,500 monthly to continue establishing our financial reserve. Despite the Coronavirus pandemic, we are in a stronger financial position than we have been for the past three years.

- Illegal activity by the charity (intentional or unintentional) – The charity is advised by Milbank on a pro bono basis. Clear policies are in place for all areas of charitable activity and line managers ensure that these are adhered to.

Trustees' Responsibilities Statement

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

- make judgements and accounting estimates that are reasonable and prudent;

- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation; and

- declare any conflicts of interest under s175 of the Companies Act 2006.

Structure, governance and management (continued)

Trustees' Responsibilities Statement (continued)

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland), Regulations 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.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

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 the trustees and signed on their behalf by:

Deborah Griffin

Trustee
Deborah Griffin
Approved by the trustees on: 6th September 2021

Independent auditor's report to the trustees and members of School of Hard Knocks

Opinion

We have audited the financial statements of School of Hard Knocks (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 March 2021 and of 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable company 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 and charitable parent 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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' report, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- 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 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.

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:

How the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- We identified the laws and regulations applicable to the charity through discussions with management and trustees and from our knowledge and experience of the charity sector;

Auditor's responsibilities for the audit of the financial statements (continued)

- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Companies Act 2006; the Charities Act 2011; the Charities Accounts Scotland Regulations 2006; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2019), Safeguarding Regulations, GDPR, fundraising regulations; and

- We assess the extent of compliance with laws and regulations identified above my making enquiries of management and representatives of the trustees and review of the minutes of trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur by:

- Making enquiries of management and representatives of the trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;

- Tested and reviewed journal entries to identify unusual transactions;

- Tested the authorisation of expenditure;

- Tested the implementation of financial controls;

- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;

- Reading the minutes of meetings of trustees; and

- Enquiring of as to actual and potential litigation and claims.

Auditor's responsibilities for the audit of the financial statements (continued)
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 and to the charity's trustees as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 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.

Buzzacott LLP

Catherine Biscoe (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL
Date: 27 September 2021

Statement of financial activities

(incorporating an Income and Expenditure Account) Year to 31 March 2021

	Notes	**Unrestricted funds £**	**Restricted funds £**	**2021 Total funds £**	Unrestricted funds £	Restricted funds £	2020 Total funds £
Income and expenditure							
Income from:							
Donations	1	**280,199**	**10,000**	**290,199**	390,963	—	390,963
Other trading activities	2	**110,728**	**9,468**	**120,196**	178,843	1,471	180,314
Charitable activities							
• Provision of training courses	3	**225,520**	**340,153**	**565,673**	300,935	434,801	735,736
Coronavirus Job Retention Scheme Grants	4	**131,678**	**—**	**131,678**	—	—	—
Total income		**748,125**	**359,621**	**1,107,746**	870,741	436,272	1,307,013
Expenditure on:							
Raising funds	5	**81,433**	**28,963**	**110,396**	152,426	22,917	175,343
Charitable activities							
• Provision of training courses	6	**597,853**	**328,030**	**925,883**	706,169	433,878	1,140,047
Total expenditure		**679,286**	**356,993**	**1,036,279**	858,595	456,795	1,315,390
Net income (expenditure) before transfers		**68,839**	**2,628**	**71,467**	12,146	(20,523)	(8,377)
Transfer between funds	16	**—**	**—**	**—**	(34,398)	34,398	—
Net movement in funds for the year	16	**68,839**	**2,628**	**71,467**	(22,252)	13,875	(8,377)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2020		**80,566**	**14,267**	**94,833**	102,818	392	103,210
Fund balances carried forward at 31 March 2021		**149,405**	**16,895**	**166,300**	80,566	14,267	94,833

All of the charity's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		**940**		1,883
Current assets					
Debtors	14	**139,661**		64,139	
Cash at bank and in hand		**321,189**		161,432	
		460,850		225,571	
Liabilities					
Creditors: amounts falling due within one year	15	**(295,490)**		(132,621)	
Net current assets			**165,360**		92,950
Total net assets			**166,300**		94,833
The funds of the charity:					
Unrestricted funds					
. General fund	16		**149,405**		80,566
Restricted funds	16		**16,895**		14,267
Total charity funds			**166,300**		94,833

The financial statements have been prepared in accordance with the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the trustees and signed on their behalf by:

Deborah Griffin
Trustee

Approved on: 6th September 2021

Company Registration Number: 07743730 (England and Wales)
Charity Registration Numbers: 1147009 (England and Wales) and SC046110 (Scotland)

Statement of cash flows Year to 31 March 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	**159,757**	12,852
Cash flows from investing activities:			
Purchase of tangible fixed assets		**—**	(1,751)
Net cash used in investing activities		**—**	(1,751)
Change in cash and cash equivalents in the year		**159,757**	11,101
Cash and cash equivalents at 1 April 2020	B	**161,432**	150,331
Cash and cash equivalents at 31 March 2021	B	**321,189**	161,432

Notes to the statement of cash flows for the year to 31 March 2021.

A Reconciliation of net movement in funds to net cash used in operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	**71,467**	(8,377)
Adjustments for:		
Depreciation charge	**943**	942
(Increase) decrease in debtors	**(75,522)**	32,938
Increase (decrease) in creditors	**162,869**	(12,651)
Net cash provided by operating activities	**159,757**	12,852

B Analysis of changes in net debt

	As at 31 March 2020 £	Cash flows £	**As at 31 March 2021 £**
Cash at bank and in hand	161,432	159,757	**321,189**
Total cash and cash equivalents	161,432	159,757	**321,189**

No separate reconciliation of net debt has been prepared as there is no difference between the net cash (debt) of the charity and the above cash and cash equivalents.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation
These financial statements have been prepared for the year to 31 March 2021, with comparative information given in respect to the year ended 31 March 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Assessment of going concern
The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The trustees and senior staff remain highly conscious of the potential ongoing impacts of the Coronavirus pandemic on how the charity will operate delivery and administrative functions in the long-term. However, the trustees are confident in the charity's ability to continue to adapt whether in-person or online to provide a much-needed service. This can be seen in the charity's ability to maintain a stable financial position and cashflow throughout the financial year by executing diligent cost control and by diversifying the charity's income sources as outlined in the charity's fundraising strategy.

The trustees continue to monitor and maintain sufficient cashflow and continue to execute the Board's Finance Subcommittee monthly review of the financial position of the charity and each programme, the balance of restricted and unrestricted funds, and the balance sheet, profit and loss, and budget variance for the year to date.

On the basis of their assessment of the Charity's financial position the Trustees continue to adopt the going concern basis in preparing the financial statements.

Critical accounting estimates and areas of judgement
Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purpose of determining the annual depreciation charge;
- estimating the value of gifts in kind received; and
- estimating future inflows and outflows for the purpose of assessing going concern.

Income recognition
Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations and grants, fee income, sponsorship, income from events and investment income.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided to the charity. An equivalent amount is included as expenditure.

Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services of equivalent economic benefit on the open market.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Income recognition (continued)
Grants and fee income from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding. Income is deferred when the charity has not satisfied the requirements for entitlement or when the donor has specified funds for use in a future accounting period. Income from the Government's Coronavirus Job Retention Scheme is recognised when the charity has made a valid claim for the income, the amount can be measured and when it is entitled to receive the income. Sponsorship income is receivable on an annual basis in recognition of the charity's participation in certain activities.

Fee income is recognised once the charity has fully met all performance criteria as specified in the relevant contract.

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

Expenditure recognition
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment 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.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising and the costs of fundraising events.

- Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the delivery of training courses, direct and support costs including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs
Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of project management carried out at Headquarters, personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Allocation of support and governance costs (continued)
Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are allocated to the charity's sole activity, provision of training courses.

Taxation
Accounting policies Corporation tax - The company is a charity under the Finance Act 2010 (schedule 6, paragraph 1) definition. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by the Corporation Tax Act 2010 (part 11, chapter 3) or the Taxation of Chargeable Gains Act 1992 (section 256), to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

Tangible fixed assets and depreciation
All assets costing more than £1,000 are capitalised.

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful economic lives on the following basis:

Computer equipment	33.33% straight line
Outdoor equipment	33.33% straight line
Motor vehicles	20.0% straight line

Debtors
Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand
Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions
Creditors and provisions 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. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the School of Hard Knock's charitable objects.

Pension costs

Contributions in respect of the charity's defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme.

1 Income from donations

	Unrestricted funds £	Restricted funds £	**2021 Total funds £**
Individuals	127,650	10,000	**137,650**
Corporate donations	38,065	—	**38,065**
Trusts and Foundations	13,500	—	**13,500**
Gifts in Kind	100,984	—	**100,984**
2021 Total funds	280,199	10,000	**290,199**

	Unrestricted funds £	*Restricted funds £*	*2020 Total funds £*
Individuals	*159,721*	*—*	*159,721*
Corporate donations	*103,630*	*—*	*103,630*
Trusts and Foundations	*14,540*	*—*	*14,540*
Gifts in Kind	*113,072*	*—*	*113,072*
2020 Total funds	*390,963*	*—*	*390,963*

2 Income from other trading activities

	Unrestricted funds £	Restricted funds £	**2021 Total funds £**
Sponsorship income	—	—	**—**
Income from fundraising events	110,728	9,468	**120,196**
2021 Total funds	110,728	9,468	**120,196**

	Unrestricted funds £	*Restricted funds £*	*2020 Total funds £*
Sponsorship income	*768*	*—*	*768*
Income from fundraising events	*178,075*	*1,471*	*179,546*
2020 Total funds	*178,843*	*1,471*	*180,314*

3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	**2021 Total funds £**
Grant income	27,500	340,153	**367,653**
Fee income	198,020	—	**198,020**
2021 Total funds	225,520	340,153	**565,673**

3 Income from charitable activities (continued)

	Unrestricted funds £	*Restricted funds £*	*2020 Total funds £*
Grant income	*38,195*	*434,801*	*472,996*
Fee income	*262,740*	*—*	*262,740*
2020 Total funds	*300,935*	*434,801*	*735,736*

Income from charitable activities includes £47,100 (2020 - £85,150) received from Government.

4 Other income

	Unrestricted funds £	Restricted funds £	**2021 Total funds £**
Coronavirus Job Retention Scheme grants	131,678	—	**131,678**
2021 Total funds	131,678	—	**131,678**

5 Expenditure on raising funds

	Unrestricted funds £	Restricted funds £	**2021 Total funds £**
Fundraising staff costs (note 10)	74,437	24,163	**98,600**
Cost of fundraising events	6,996	4,800	**11,796**
2021 Total funds	81,433	28,963	**110,396**

	Unrestricted funds £	*Restricted funds £*	*2020 Total funds £*
Fundraising staff costs (note 10)	*99,460*	*18,582*	*118,042*
Cost of fundraising events	*52,966*	*4,335*	*57,301*
2020 Total funds	*152,426*	*22,917*	*175,343*

6 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	**2021 Total funds £**
Training courses	50,304	84,333	**134,637**
Course delivery staff costs (note 10)	282,023	210,471	**492,494**
Support costs (note 7)	265,526	33,226	**298,752**
2021 Total funds	597,853	328,030	**925,883**

6 Expenditure on charitable activities (continued)

	Unrestricted funds £	*Restricted funds £*	*2020 Total funds £*
Training courses	*123,778*	*191,327*	*315,105*
Course delivery staff costs (note 10)	*263,756*	*203,470*	*467,226*
Support costs (note 7)	*318,635*	*39,081*	*357,716*
2020 Total funds	*706,169*	*433,878*	*1,140,047*

7 Support costs

	Unrestricted funds £	Restricted funds £	**2021 Total funds £**
Office and rent costs	67,467	20,708	**88,175**
Communication costs	—	—	**—**
Accommodation, travel and subsistence costs	2,742	—	**2,742**
Staff expenses reimbursed	456	246	**702**
Insurance	1,329	788	**2,117**
Website and promotional material	4,624	11,142	**15,766**
Consultancy fees	65,163	—	**65,163**
Depreciation	942	—	**942**
Sundry expenses	5,316	—	**5,316**
Bad debt write off	—	—	**—**
Support staff costs (note 10)	96,744	—	**96,744**
Seconded personnel (note 10)	—	—	**—**
Irrecoverable VAT	5,318	—	**5,318**
Governance costs (note 8)	15,425	342	**15,767**
	265,526	33,226	**298,752**

	Unrestricted funds £	*Restricted funds £*	*2020 Total funds £*
Office and rent costs	*84,908*	*20,571*	*105,479*
Communication costs	*—*	*3,616*	*3,616*
Accommodation, travel and subsistence costs	*14,006*	*1,792*	*15,798*
Staff expenses reimbursed	*4,267*	*95*	*4,362*
Insurance	*2,411*	*22*	*2,433*
Website and promotional material	*10,497*	*9,209*	*19,706*
Consultancy fees	*45,914*	*—*	*45,914*
Depreciation	*942*	*—*	*942*
Sundry expenses	*9,086*	*900*	*9,986*
Bad debt write off	*18,118*	*—*	*18,118*
Support staff costs (note 10)	*93,097*	*1,066*	*94,163*
Seconded personnel (note 10)	*4,186*	*—*	*4,186*
Irrecoverable VAT	*4,625*	*—*	*4,625*
Governance costs (note 8)	*26,578*	*1,810*	*28,388*
	318,635	*39,081*	*357,716*

All support costs are attributable to the charitable activities of the charity.

8 Governance costs

	Unrestricted funds £	Restricted funds £	**2021 Total funds £**
Accountancy and audit costs	13,297	—	**13,297**
Other professional fees	2,128	342	**2,470**
2021 Total funds	15,425	342	**15,767**

	Unrestricted funds £	*Restricted funds £*	*2020 Total funds £*
Accountancy and audit costs	*22,189*	*—*	*22,189*
Other professional fees	*4,389*	*1,810*	*6,199*
2020 Total funds	*26,578*	*1,810*	*28,388*

9 Net income (expenditure)

This is stated after charging:

	2021 Total funds £	2020 Total funds £
Staff costs (note 10)	**687,838**	683,617
Depreciation of tangible fixed assets	**942**	942
Auditor's remuneration		
. Statutory Audit	**10,980**	10,500

10 Staff costs

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	**617,933**	609,877
Social security costs	**51,800**	52,025
Pension costs	**18,105**	17,529
	687,838	679,431
Gift in kind: seconded personnel	**—**	4,186
	687,838	683,617

Total staff costs have been allocated between expenditure on raising funds, course delivery, governance and support costs based on the approximate percentage of staff time spent in each area, as follows:

10 Staff costs (continued)

	2021	2020
	£	£
Expenditure on raising funds	**98,600**	118,042
Course delivery	**492,494**	467,226
Support costs	**96,744**	94,163
	687,838	679,431

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

	2021	2020
	No.	No.
Management	**3**	3
Operational	**17**	16
	20	19

One employee received remuneration between £60,000 and £70,000 in the year (2020 - one). Pension contributions of £1,950 (2020 - £1,950) were paid in respect of this employee.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees (who are not remunerated), the Chief Executive, the Operations Manager and the Finance Manager. The total remuneration (including taxable benefits, employer's pension contributions and employers national insurance contributions) of the key management personnel for the year was £152,142 (2020 - £149,277).

11 Trustees' remuneration

No trustee received any remuneration for services or reimbursed expenses as a trustee in the current year (2020 - none).

12 Taxation

School of Hard Knocks is a registered Charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Tangible fixed assets

	Computer equipment £	**Total £**
Cost		
At 1 April 2020 and 31 March 2021	2,824	**2,824**
Depreciation		
At 1 April 2020	942	**942**
Charge for the year	942	**942**
At 31 March 2021	1,884	**1,884**
Net book value		
At 31 March 2021	940	**940**
At 31 March 2020	1,882	**1,882**

14 Debtors

	2021 £	2020 £
Trade debtors	**128,546**	50,671
Prepayments and accrued income	**9,754**	4,525
Other debtors	**1,361**	8,943
	139,661	64,139

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	**55,338**	46,210
Other taxation and social security	**14,999**	14,813
VAT	**3,061**	—
Other creditors	**4,467**	4,208
Accruals and deferred income	**217,625**	67,390
	295,490	132,621

	2021 £	2020 £
Deferred income brought forward at 1 April 2020	**48,781**	51,153
Income deferred in year	**(208,290)**	48,781
Deferred income released in year	**(48,781)**	(51,153)
Deferred income carried forward at 31 March 2021	**208,290**	48,781

16 Statement of funds

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	**At 31 March 2021 £**
Unrestricted funds					
General	77,269	616,447	(547,608)	—	**146,108**
Cardiff Central Unrestricted	—	131,678	(131,678)	—	**—**
Vale Unrestricted	3,297	—	—	—	**3,297**
	80,566	748,125	(679,286)	—	**149,405**
Restricted funds					
Aspiring Communities	—	17,344	(17,344)	—	**—**
Coalfields	—	18	(18)	—	**—**
Comic Relief	—	70,796	(68,728)	—	**2,068**
Fidelity Foundation	—	30,729	(30,729)	—	**—**
John Lyon's Charity	—	8,949	(8,949)	—	**—**
Laureus Sport for Good	3,298	34,288	(32,955)	—	**4,631**
Masonic Charitable Foundation	—	29,691	(29,691)	—	**—**
National Lottery Awards for All	—	9,405	(9,405)	—	**—**
Paul Hamlyn Foundation	6,825	23,228	(22,478)	—	**7,575**
Paul Hamlyn Covid-Response	—	6,150	(6,150)	—	**—**
Quilter Foundation	—	28,086	(28,086)	—	**—**
Robertson Trust	—	14,000	(14,000)	—	**—**
Sir John Cass Foundation	—	5,388	(5,388)	—	**—**
SJP Foundation	2,066	—	(2,066)	—	**—**
SOL Foundation	—	30,247	(30,247)	—	**—**
Tabard RFC	—	19,468	(18,925)	—	**543**
Walcot Foundation	—	13,788	(13,788)	—	**—**
Wates Foundation	—	18,046	(18,046)	—	**—**
Young Londoners Fund	2,078	—	—	—	**2,078**
	14,267	359,621	(356,993)	—	**16,895**
Total funds	94,833	1,107,746	(1,036,279)	—	**166,300**

16 Statement of funds (continued)

	At 1 April 2019 £	*Income £*	*Expenditure £*	*Transfers £*	*At 31 March 2020 £*
Unrestricted funds					
General	*102,818*	*820,241*	*(811,393)*	*(34,398)*	*77,269*
Cardiff Central Unrestricted	*—*	*30,000*	*(30,000)*	*—*	*—*
Vale Unrestricted	*—*	*20,500*	*(17,203)*	*—*	*3,297*
	102,818	*871,741*	*(858,595)*	*(34,398)*	*80,566*
Restricted funds					
Aberdeen Asset	*—*	*18,291*	*(18,291)*	*—*	*—*
Active Wales	*—*	*(7,126)*	*(26,435)*	*33,561*	*—*
Aspiring Communities	*—*	*43,036*	*(43,036)*	*—*	*—*
Bill McLaren Foundation	*—*	*5,000*	*(5,000)*	*—*	*—*
Fidelity Foundation	*—*	*42,144*	*(42,144)*	*—*	*—*
John Lyon's Charity	*—*	*30,000*	*(30,000)*	*—*	*—*
Laureus Sport for Good	*1,501*	*47,882*	*(46,085)*	*—*	*3,298*
Masonic Charitable Foundation	*—*	*26,050*	*(26,050)*	*—*	*—*
Paul Hamlyn Foundation	*—*	*28,500*	*(21,675)*	*—*	*6,825*
Prince of Wales Charitable Foundation	*—*	*1,500*	*(1,500)*	*—*	*—*
Quilter Foundation	*—*	*24,724*	*(24,724)*	*—*	*—*
Robertson Trust	*—*	*14,000*	*(14,000)*	*—*	*—*
Scottish Children's Lottery	*—*	*10,000*	*(10,000)*	*—*	*—*
Sir John Cass Foundation	*—*	*10,000*	*(10,000)*	*—*	*—*
SJP Foundation	*2,066*	*32,820*	*(32,820)*	*—*	*2,066*
SOL Foundation	*(5,253)*	*50,527*	*(46,111)*	*837*	*—*
Tabard RFC	*—*	*7,816*	*(7,816)*	*—*	*—*
The Monica Rabagliati Charitable Trust	*—*	*3,000*	*(3,000)*	*—*	*—*
Wates Foundation	*—*	*20,000*	*(20,000)*	*—*	*—*
Young Londoners Fund	*2,078*	*28,108*	*(28,108)*	*—*	*2,078*
	392	*436,272*	*(456,794)*	*34,398*	*14,267*
Total funds	*103,210*	*1,307,013*	*(1,315,390)*	*—*	*94,833*

Aberdeen Asset Management

Aberdeen Asset Management kindly supported us with a donation to run one adult employability course in Scotland.

16 Statement of funds (continued)

Active Wales
The Active Inclusion Fund (part of the East Wales European Social Fund overseen by the Welsh Government) awarded grants to SOHK to work with long-term unemployed and economically inactive adults. Our last grant from Active Wales covered a project that took place in FY19 and was accrued into 2019, with our final claim received in FY20. Wales Adult therefore had to rely on unrestricted funds to continue increasing delivery within the last 2 years. We are extremely pleased to have secured a grant from Comic Relief that will allow us to run 12 courses over the next 3 years and shift our unrestricted income towards achieving our free reserves target.

Aspiring Communities
Aspiring Communities (part of Project Scotland) provided a grant to run one adult course at Inch Park in Edinburgh focused on mental wellbeing.

Comic Relief
Comic Relief awarded 3 years of funding from 2020 to deliver adult courses in Wales with psychotherapy support.

Bill McLaren Foundation
The Bill McLaren Foundation contributed a grant towards the costs of running SOHK for Schools in Scotland, in one of our Fife Schools.

Fidelity Foundation
The Fidelity Foundation gave us funding for 2 years starting in 2019, covering the marketing executive's full salary for the first year as well as one-off costs to establish our online membership scheme. The second year covers 50% of the marketing exec's salary and filming/editing costs.

John Lyon's Charity
John Lyon's Charity provided a grant to allow us to expand our schools programme into West London. The grant supports our schools programme for 3 years with the first instalment received in December 2018 for work that started in September 2019 and was deferred into the 2019 financial year.

Laureus Sport for Good
Laureus Sport for Good funded five SOHK for Schools cohorts working with girls – two in Cardiff, two in Fife and one in London. Work with these girls' cohorts is ongoing.

Masonic Charitable Foundation
The Masonic Charitable Foundation kindly gave us funding for three years starting in 2019 for our work with children at risk of exclusion in Wales.

Monica Rabagliati Charitable Trust
The Monica Rabagliati Charitable Trust supported our schools work in England with a general grant.

16 Statement of funds (continued)

National Lottery
National Lottery Awards for All provided funding to support adult work in Wales and is being used to provide our on line 'Back in the Game' course.

Paul Hamlyn Foundation
The Paul Hamlyn Foundation provided a two-year grant starting in 2019 to support our behavioural specialists and mentoring programme in 5 of our Wales Schools.

Prince of Wales Charitable Foundation
The Prince of Wales Charitable Foundation supported our schools work in Wales with a general grant.

Quilter Foundation
The Quilter Foundation has provided a grant for three years starting in 2020 to fund two England adult courses per year.

Robertson Trust
The Robertson Trust gave SOHK a partial grant towards work with unemployed adults in Fife. The grant involves a contribution each year for three years starting in 2018.

Scottish Children's Lottery
Chance to Succeed provided a grant to help partially fund SOHK for Schools in Fife.

Sir John Cass Foundation
Sir John Cass Foundation gave us funding for 2 years for our work in London schools, particularly Bacon's College and Westminster School.

SJP Foundation
St James' Place Foundation generously supported our schools work in Wales for three years, the last grant instalment was received in 2019.

SOL Foundation
The SOL Foundation provided a grant to support our work in 3 London based schools for three years starting in 2018.

Tabard RFC
Tabard RFC and their President, Ross Hopcroft, have raised money to support our SOHK for Schools intervention in Hertfordshire. This funding will be used to support our Hertfordshire based schools.

Wates Foundation
The Wates Foundation fully funded a course for unemployed adults in Wales.

Young Londoners Fund
The Mayor's Young Londoners Fund provided a grant to support our work in schools across London, working with children at risk of permanent exclusion for three years starting in 2018.

16 Statement of funds (continued)

Cardiff Central Unrestricted

Cardiff Central Unrestricted funded one Wales Adult course in Cardiff supported by our corporate partners.

Vale Unrestricted

Vale Unrestricted funded one Wales Adult course in Barry supported by our corporate partners.

Walcot Foundation

The Walcot Foundation provided funding to support adult work in England and is being used to support our on line 'Back in the Game' course.

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	**2021 Total funds £**
Tangible fixed assets	940	—	**940**
Current assets	235,665	225,185	**460,850**
Creditors due within one year	(87,200)	(208,290)	**(295,490)**
	149,405	16,895	**166,300**

	Unrestricted funds £	*Restricted funds £*	*2020 Total funds £*
Tangible fixed assets	*1,883*	*—*	*1,883*
Current assets	*162,523*	*63,048*	*225,571*
Creditors due within one year	*(83,840)*	*(48,781)*	*(132,621)*
	80,566	*14,267*	*94,833*

18 Related party transactions

During the year the charity received donations of £8,350 (2020 - £9,130) from the trustees. In addition, the charity received donations in kind in the form of donated auction prizes with a value of around £nil (2020 - £9,800) from the trustees.

In addition, the charity received pro bono services of £65,163 (2020 - £45,914) from a law firm of which one of the trustees is a partner.

19 Commitments under operating leases

At 31 March 2021, the total of the charity's future minimum lease payments under non-cancellable operating leases was as follows:

	2021	2020
	£	£
Amounts due within one year	**11,950**	1,547
Amounts due between two and five years inclusive	**52,183**	—
	64,133	1,547