

# **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)

## Contents

### Reports

|  |    |
|--|----|
| Reference and administrative information | 1  |
| Trustees' report                         | 2  |
| Independent auditor's report             | 14 |

### Financial statements

|                                   |    |
|-----------------------------------|----|
| Statement of financial activities | 19 |
| Balance sheet                     | 20 |
| Statement of cash flows           | 21 |
| Principal accounting policies     | 22 |
| Notes to the financial statements | 27 |

## Reference and administrative information

|                                     |  |
|-------------------------------------|--|
| <b>Trustees</b>                     | Mr David Thomas<br>Mr Jonathan Teckman<br>Ms Deborah Griffin<br>Mr Olly Spry<br>Mr James Cameron<br>Ms Victoria Griffin<br>Mr Mike Francis<br>Ms Pauline Broomhead |
| <b>Chief Executive</b>              | Mr Ken Cowen   |
| <b>Registered office</b>            | The Graystone Centre<br>28 Charles Square, Old Street<br>London<br>N1 6HT  |
| <b>Company Registration Number</b>  | 07743730   |
| <b>Charity Registration Numbers</b> | 1147009 (England and Wales)<br>SC046118 (Scotland)   |
| <b>Auditor</b>                      | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL   |
| <b>Solicitors</b>                   | Memery Crystal<br>11 Southampton Buildings<br>London<br>WC2A 1AP<br><br>Milbank, Tweed, Hadley & McCloy LLP<br>10 Gresham Street<br>London<br>EC2V 7JD             |
| <b>Bankers</b>                      | CAF Bank Ltd<br>25 Kings Hill Avenue<br>Kings Hill<br>West Malling<br>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 reached 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, comprising 47% of our forecasted budget.

Sales income (income from fundraising events and contracted income from schools and commissioned courses) comprises 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 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 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:

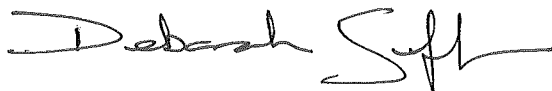
- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that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



Trustee

Deborah Griffin

Approved by the trustees on:

6<sup>th</sup> 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.



## **Independent auditor's report Year to 31 March 2021**

### **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](http://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<br>£ | Restricted funds<br>£ | 2021<br>Total funds<br>£ | Unrestricted funds<br>£ | Restricted funds<br>£ | 2020<br>Total funds<br>£ |
|--|-------|-------------------------|-----------------------|--------------------------|-------------------------|-----------------------|--------------------------|
| <b>Income and expenditure</b>                    |       |                         |                       |                          |                         |                       |                          |
| <b>Income from:</b>                              |       |                         |                       |                          |                         |                       |                          |
| 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                  | —                       | —                     | —                        |
| <b>Total income</b>                              |       | <b>748,125</b>          | <b>359,621</b>        | <b>1,107,746</b>         | <b>870,741</b>          | <b>436,272</b>        | <b>1,307,013</b>         |
| <b>Expenditure on:</b>                           |       |                         |                       |                          |                         |                       |                          |
| 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                |
| <b>Total expenditure</b>                         |       | <b>679,286</b>          | <b>356,993</b>        | <b>1,036,279</b>         | <b>858,595</b>          | <b>456,795</b>        | <b>1,315,390</b>         |
| <b>Net income (expenditure) before transfers</b> |       | <b>68,839</b>           | <b>2,628</b>          | <b>71,467</b>            | <b>12,146</b>           | <b>(20,523)</b>       | <b>(8,377)</b>           |
| Transfer between funds                           | 16    | —                       | —                     | —                        | (34,398)                | 34,398                | —                        |
| <b>Net movement in funds for the year</b>        | 16    | <b>68,839</b>           | <b>2,628</b>          | <b>71,467</b>            | <b>(22,252)</b>         | <b>13,875</b>         | <b>(8,377)</b>           |
| <b>Reconciliation of funds:</b>                  |       |                         |                       |                          |                         |                       |                          |
| 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   |       | <b>149,405</b>          | <b>16,895</b>         | <b>166,300</b>           | <b>80,566</b>           | <b>14,267</b>         | <b>94,833</b>            |

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<br>£        | 2021<br>£      | 2020<br>£        | 2020<br>£     |
|--|-------|------------------|----------------|------------------|---------------|
| <b>Fixed assets</b>                            |       |                  |                |                  |               |
| Tangible assets                                | 13    |                  | 940            |                  | 1,883         |
| <b>Current assets</b>                          |       |                  |                |                  |               |
| Debtors  | 14    | 139,661          |                | 64,139           |               |
| Cash at bank and in hand                       |       | <u>321,189</u>   |                | <u>161,432</u>   |               |
|  |       | 460,850          |                | 225,571          |               |
| <b>Liabilities</b>                             |       |                  |                |                  |               |
| Creditors: amounts falling due within one year | 15    | <u>(295,490)</u> |                | <u>(132,621)</u> |               |
| <b>Net current assets</b>                      |       |                  | 165,360        |                  | 92,950        |
| <b>Total net assets</b>                        |       |                  | <u>166,300</u> |                  | <u>94,833</u> |
| <b>The funds of the charity:</b>               |       |                  |                |                  |               |
| Unrestricted funds                             |       |                  |                |                  |               |
| . General fund                                 | 16    |                  | 149,405        |                  | 80,566        |
| Restricted funds                               | 16    |                  | <u>16,895</u>  |                  | <u>14,267</u> |
| <b>Total charity funds</b>                     |       |                  | <u>166,300</u> |                  | <u>94,833</u> |

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: 6<sup>th</sup> 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<br>£      | 2020<br>£      |
|--|-------|----------------|----------------|
| <b>Cash flows from operating activities:</b>           |       |                |                |
| Net cash provided by operating activities              | A     | <b>159,757</b> | 12,852         |
| <b>Cash flows from investing activities:</b>           |       |                |                |
| Purchase of tangible fixed assets                      |       | —              | (1,751)        |
| <b>Net cash used in investing activities</b>           |       | <b>—</b>       | <b>(1,751)</b> |
| <b>Change in cash and cash equivalents in the year</b> |       | <b>159,757</b> | 11,101         |
| <b>Cash and cash equivalents at 1 April 2020</b>       | B     | <b>161,432</b> | 150,331        |
| <b>Cash and cash equivalents at 31 March 2021</b>      | B     | <b>321,189</b> | 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<br>£       | 2020<br>£ |
|---|-----------------|-----------|
| <b>Net movement in funds (as per the statement of financial activities)</b> | <b>71,467</b>   | (8,377)   |
| <b>Adjustments for:</b>   |                 |           |
| Depreciation charge   | <b>943</b>      | 942       |
| (Increase) decrease in debtors  | <b>(75,522)</b> | 32,938    |
| Increase (decrease) in creditors  | <b>162,869</b>  | (12,651)  |
| <b>Net cash provided by operating activities</b>                            | <b>159,757</b>  | 12,852    |

#### B Analysis of changes in net debt

|  | As at 31<br>March 2020<br>£ | Cash flows<br>£ | As at 31<br>March 2021<br>£ |
|--|-----------------------------|-----------------|-----------------------------|
| Cash at bank and in hand               | 161,432                     | 159,757         | <b>321,189</b>              |
| <b>Total cash and cash equivalents</b> | <b>161,432</b>              | <b>159,757</b>  | <b>321,189</b>              |

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 2021

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.



## **Principal accounting policies** Year to 31 March 2021

### **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.

## **Principal accounting policies** Year to 31 March 2021

### **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.

## Principal accounting policies Year to 31 March 2021

### **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.

## **Principal accounting policies** Year to 31 March 2021

### **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.

## Notes to the financial statements Year to 31 March 2021

### 1 Income from donations

|                         | Unrestricted funds<br>£ | Restricted funds<br>£ | 2021<br>Total funds<br>£ |
|-------------------------|-------------------------|-----------------------|--------------------------|
| Individuals             | 127,650                 | 10,000                | <b>137,650</b>           |
| Corporate donations     | 38,065                  | —                     | <b>38,065</b>            |
| Trusts and Foundations  | 13,500                  | —                     | <b>13,500</b>            |
| Gifts in Kind           | 100,984                 | —                     | <b>100,984</b>           |
| <b>2021 Total funds</b> | <b>280,199</b>          | <b>10,000</b>         | <b>290,199</b>           |

|                               | Unrestricted funds<br>£ | Restricted funds<br>£ | 2020<br>Total funds<br>£ |
|-------------------------------|-------------------------|-----------------------|--------------------------|
| <i>Individuals</i>            | <i>159,721</i>          | <i>—</i>              | <i>159,721</i>           |
| <i>Corporate donations</i>    | <i>103,630</i>          | <i>—</i>              | <i>103,630</i>           |
| <i>Trusts and Foundations</i> | <i>14,540</i>           | <i>—</i>              | <i>14,540</i>            |
| <i>Gifts in Kind</i>          | <i>113,072</i>          | <i>—</i>              | <i>113,072</i>           |
| <i>2020 Total funds</i>       | <i>390,963</i>          | <i>—</i>              | <i>390,963</i>           |

### 2 Income from other trading activities

|                                | Unrestricted funds<br>£ | Restricted funds<br>£ | 2021<br>Total funds<br>£ |
|--------------------------------|-------------------------|-----------------------|--------------------------|
| Sponsorship income             | —                       | —                     | <b>—</b>                 |
| Income from fundraising events | 110,728                 | 9,468                 | <b>120,196</b>           |
| <b>2021 Total funds</b>        | <b>110,728</b>          | <b>9,468</b>          | <b>120,196</b>           |

|                                       | Unrestricted funds<br>£ | Restricted funds<br>£ | 2020<br>Total funds<br>£ |
|---------------------------------------|-------------------------|-----------------------|--------------------------|
| <i>Sponsorship income</i>             | <i>768</i>              | <i>—</i>              | <i>768</i>               |
| <i>Income from fundraising events</i> | <i>178,075</i>          | <i>1,471</i>          | <i>179,546</i>           |
| <i>2020 Total funds</i>               | <i>178,843</i>          | <i>1,471</i>          | <i>180,314</i>           |

### 3 Income from charitable activities

|                         | Unrestricted funds<br>£ | Restricted funds<br>£ | 2021<br>Total funds<br>£ |
|-------------------------|-------------------------|-----------------------|--------------------------|
| Grant income            | 27,500                  | 340,153               | <b>367,653</b>           |
| Fee income              | 198,020                 | —                     | <b>198,020</b>           |
| <b>2021 Total funds</b> | <b>225,520</b>          | <b>340,153</b>        | <b>565,673</b>           |

## Notes to the financial statements Year to 31 March 2021

### 3 Income from charitable activities (continued)

|                         | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ |
|-------------------------|----------------------------|--------------------------|-----------------------------|
| <i>Grant income</i>     | 38,195                     | 434,801                  | 472,996                     |
| <i>Fee income</i>       | 262,740                    | —                        | 262,740                     |
| <b>2020 Total funds</b> | <b>300,935</b>             | <b>434,801</b>           | <b>735,736</b>              |

Income from charitable activities includes £47,100 (2020 - £85,150) received from Government.

### 4 Other income

|   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2021<br>Total<br>funds<br>£ |
|---|----------------------------|--------------------------|-----------------------------|
| Coronavirus Job Retention Scheme grants | 131,678                    | —                        | 131,678                     |
| <b>2021 Total funds</b>                 | <b>131,678</b>             | <b>—</b>                 | <b>131,678</b>              |

### 5 Expenditure on raising funds

|                                   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2021<br>Total<br>funds<br>£ |
|-----------------------------------|----------------------------|--------------------------|-----------------------------|
| Fundraising staff costs (note 10) | 74,437                     | 24,163                   | 98,600                      |
| Cost of fundraising events        | 6,996                      | 4,800                    | 11,796                      |
| <b>2021 Total funds</b>           | <b>81,433</b>              | <b>28,963</b>            | <b>110,396</b>              |

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ |
|--|----------------------------|--------------------------|-----------------------------|
| <i>Fundraising staff costs (note 10)</i> | 99,460                     | 18,582                   | 118,042                     |
| <i>Cost of fundraising events</i>        | 52,966                     | 4,335                    | 57,301                      |
| <b>2020 Total funds</b>                  | <b>152,426</b>             | <b>22,917</b>            | <b>175,343</b>              |

### 6 Expenditure on charitable activities

|                                       | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2021<br>Total<br>funds<br>£ |
|---------------------------------------|----------------------------|--------------------------|-----------------------------|
| 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                     |
| <b>2021 Total funds</b>               | <b>597,853</b>             | <b>328,030</b>           | <b>925,883</b>              |

## Notes to the financial statements Year to 31 March 2021

### 6 Expenditure on charitable activities (continued)

|                                       | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ |
|---------------------------------------|----------------------------|--------------------------|-----------------------------|
| 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<br>funds<br>£ | Restricted<br>funds<br>£ | 2021<br>Total<br>funds<br>£ |
|---|----------------------------|--------------------------|-----------------------------|
| 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<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ |
|---|----------------------------|--------------------------|-----------------------------|
| 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.

## Notes to the financial statements Year to 31 March 2021

### 8 Governance costs

|                             | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2021<br>Total<br>funds<br>£ |
|-----------------------------|----------------------------|--------------------------|-----------------------------|
| Accountancy and audit costs | 13,297                     | —                        | 13,297                      |
| Other professional fees     | 2,128                      | 342                      | 2,470                       |
| <b>2021 Total funds</b>     | <b>15,425</b>              | <b>342</b>               | <b>15,767</b>               |

|                             | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ |
|-----------------------------|----------------------------|--------------------------|-----------------------------|
| Accountancy and audit costs | 22,189                     | —                        | 22,189                      |
| Other professional fees     | 4,389                      | 1,810                    | 6,199                       |
| <b>2020 Total funds</b>     | <b>26,578</b>              | <b>1,810</b>             | <b>28,388</b>               |

### 9 Net income (expenditure)

This is stated after charging:

|                                       | 2021<br>Total<br>funds<br>£ | 2020<br>Total<br>funds<br>£ |
|---------------------------------------|-----------------------------|-----------------------------|
| 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<br>£ | 2020<br>£ |
|----------------------------------|-----------|-----------|
| 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:



## Notes to the financial statements Year to 31 March 2021

### 10 Staff costs (continued)

|                              | 2021<br>£      | 2020<br>£      |
|------------------------------|----------------|----------------|
| Expenditure on raising funds | 98,600         | 118,042        |
| Course delivery              | 492,494        | 467,226        |
| Support costs                | 96,744         | 94,163         |
|                              | <b>687,838</b> | <b>679,431</b> |

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

|             | 2021<br>No. | 2020<br>No. |
|-------------|-------------|-------------|
| Management  | 3           | 3           |
| Operational | 17          | 16          |
|             | <b>20</b>   | <b>19</b>   |

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.

## Notes to the financial statements Year to 31 March 2021

### 13 Tangible fixed assets

|                                   | Computer<br>equipment<br>£ | Total<br>£   |
|-----------------------------------|----------------------------|--------------|
| <b>Cost</b>                       |                            |              |
| At 1 April 2020 and 31 March 2021 | 2,824                      | <b>2,824</b> |
| <b>Depreciation</b>               |                            |              |
| At 1 April 2020                   | 942                        | <b>942</b>   |
| Charge for the year               | 942                        | <b>942</b>   |
| At 31 March 2021                  | 1,884                      | <b>1,884</b> |
| <b>Net book value</b>             |                            |              |
| At 31 March 2021                  | 940                        | <b>940</b>   |
| At 31 March 2020                  | 1,882                      | <b>1,882</b> |

### 14 Debtors

|                                | 2021<br>£      | 2020<br>£ |
|--------------------------------|----------------|-----------|
| Trade debtors                  | <b>128,546</b> | 50,671    |
| Prepayments and accrued income | <b>9,754</b>   | 4,525     |
| Other debtors                  | <b>1,361</b>   | 8,943     |
|                                | <b>139,661</b> | 64,139    |

### 15 Creditors: amounts falling due within one year

|  | 2021<br>£         | 2020<br>£         |
|--|-------------------|-------------------|
| Trade creditors                                  | <b>55,338</b>     | 46,210            |
| Other taxation and social security               | <b>14,999</b>     | 14,813            |
| VAT  | <b>3,061</b>      | —                 |
| Other creditors                                  | <b>4,467</b>      | 4,208             |
| Accruals and deferred income                     | <b>217,625</b>    | 67,390            |
|  | <b>295,490</b>    | 132,621           |
|  | <b>2021<br/>£</b> | <b>2020<br/>£</b> |
| Deferred income brought forward at 1 April 2020  | <b>48,781</b>     | 51,153            |
| Income deferred in year                          | <b>(208,290)</b>  | 48,781            |
| Deferred income released in year                 | <b>(48,781)</b>   | (51,153)          |
| Deferred income carried forward at 31 March 2021 | <b>208,290</b>    | 48,781            |

## Notes to the financial statements Year to 31 March 2021

### 16 Statement of funds

|                                    | At<br>1 April<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | At<br>31 March<br>2021<br>£ |
|------------------------------------|----------------------------|------------------|--------------------|----------------|-----------------------------|
| <b>Unrestricted funds</b>          |                            |                  |                    |                |                             |
| General                            | 77,269                     | 616,447          | (547,608)          | —              | <b>146,108</b>              |
| Cardiff Central Unrestricted       | —                          | 131,678          | (131,678)          | —              | <b>—</b>                    |
| Vale Unrestricted                  | 3,297                      | —                | —                  | —              | <b>3,297</b>                |
|                                    | <b>80,566</b>              | <b>748,125</b>   | <b>(679,286)</b>   | <b>—</b>       | <b>149,405</b>              |
| <b>Restricted funds</b>            |                            |                  |                    |                |                             |
| Aspiring Communities               | —                          | 17,344           | (17,344)           | —              | <b>—</b>                    |
| Coalfields                         | —                          | 18               | (18)               | —              | <b>—</b>                    |
| Comic Relief                       | —                          | 70,796           | (68,728)           | —              | <b>2,068</b>                |
| Fidelity Foundation                | —                          | 30,729           | (30,729)           | —              | <b>—</b>                    |
| John Lyon's Charity                | —                          | 8,949            | (8,949)            | —              | <b>—</b>                    |
| Laureus Sport for Good             | 3,298                      | 34,288           | (32,955)           | —              | <b>4,631</b>                |
| Masonic Charitable<br>Foundation   | —                          | 29,691           | (29,691)           | —              | <b>—</b>                    |
| National Lottery Awards for<br>All | —                          | 9,405            | (9,405)            | —              | <b>—</b>                    |
| Paul Hamlyn Foundation             | 6,825                      | 23,228           | (22,478)           | —              | <b>7,575</b>                |
| Paul Hamlyn Covid-<br>Response     | —                          | 6,150            | (6,150)            | —              | <b>—</b>                    |
| Quilter Foundation                 | —                          | 28,086           | (28,086)           | —              | <b>—</b>                    |
| Robertson Trust                    | —                          | 14,000           | (14,000)           | —              | <b>—</b>                    |
| Sir John Cass Foundation           | —                          | 5,388            | (5,388)            | —              | <b>—</b>                    |
| SJP Foundation                     | 2,066                      | —                | (2,066)            | —              | <b>—</b>                    |
| SOL Foundation                     | —                          | 30,247           | (30,247)           | —              | <b>—</b>                    |
| Tabard RFC                         | —                          | 19,468           | (18,925)           | —              | <b>543</b>                  |
| Walcot Foundation                  | —                          | 13,788           | (13,788)           | —              | <b>—</b>                    |
| Wates Foundation                   | —                          | 18,046           | (18,046)           | —              | <b>—</b>                    |
| Young Londoners Fund               | 2,078                      | —                | —                  | —              | <b>2,078</b>                |
|                                    | <b>14,267</b>              | <b>359,621</b>   | <b>(356,993)</b>   | <b>—</b>       | <b>16,895</b>               |
| <b>Total funds</b>                 | <b>94,833</b>              | <b>1,107,746</b> | <b>(1,036,279)</b> | <b>—</b>       | <b>166,300</b>              |

## Notes to the financial statements Year to 31 March 2021

### 16 Statement of funds (continued)

|   | At<br>1 April<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£  | At<br>31 March<br>2020<br>£ |
|---|----------------------------|------------------|--------------------|-----------------|-----------------------------|
| <i>Unrestricted funds</i>                 |                            |                  |                    |                 |                             |
| 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                       |
|   | <u>102,818</u>             | <u>871,741</u>   | <u>(858,595)</u>   | <u>(34,398)</u> | <u>80,566</u>               |
| <i>Restricted funds</i>                   |                            |                  |                    |                 |                             |
| 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<br>Foundation          | —                          | 26,050           | (26,050)           | —               | —                           |
| Paul Hamlyn Foundation                    | —                          | 28,500           | (21,675)           | —               | 6,825                       |
| Prince of Wales Charitable<br>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<br>Charitable Trust | —                          | 3,000            | (3,000)            | —               | —                           |
| Wates Foundation                          | —                          | 20,000           | (20,000)           | —               | —                           |
| Young Londoners Fund                      | 2,078                      | 28,108           | (28,108)           | —               | 2,078                       |
|   | <u>392</u>                 | <u>436,272</u>   | <u>(456,794)</u>   | <u>34,398</u>   | <u>14,267</u>               |
| <i>Total funds</i>                        | <u>103,210</u>             | <u>1,307,013</u> | <u>(1,315,390)</u> | <u>—</u>        | <u>94,833</u>               |

#### **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<br>funds<br>£ | Restricted<br>funds<br>£ | 2021<br>Total<br>funds<br>£ |
|-------------------------------|----------------------------|--------------------------|-----------------------------|
| Tangible fixed assets         | 940                        | —                        | <b>940</b>                  |
| Current assets                | 235,665                    | 225,185                  | <b>460,850</b>              |
| Creditors due within one year | (87,200)                   | (208,290)                | <b>(295,490)</b>            |
|                               | <b>149,405</b>             | <b>16,895</b>            | <b>166,300</b>              |

|                               | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2020<br>Total<br>funds<br>£ |
|-------------------------------|----------------------------|--------------------------|-----------------------------|
| 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)                   |
|                               | <b>80,566</b>              | <b>14,267</b>            | <b>94,833</b>               |

**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.

## Notes to the financial statements Year to 31 March 2021

### 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<br>£     | 2020<br>£    |
|--|---------------|--------------|
| Amounts due within one year                      | 11,950        | 1,547        |
| Amounts due between two and five years inclusive | 52,183        | —            |
|  | <b>64,133</b> | <b>1,547</b> |