

Companies House

School of Hard Knocks

Annual Report and Financial Statements

31 March 2024

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

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

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Reference and administrative information

Trustees

Mr James Cameron
Ms Victoria Griffin
Mr Mike Francis
Ms Yasmine Hafiz
Mr Mikel Mellick
Mr Neel Sood
Ms Kirstin McNutt (appointed 4 March 2024)
Mr Nicholas Dent (appointed 4 March 2024)
Ms Deborah Griffin (resigned 30 Sept 2023)
Mr Jonathan Teckman (resigned 30 Sept 2023)
Robert McKillop (resigned 30 Sept 2023)

Chief Executive

Mr Ken Cowen

Registered office

Ty Cefn Old Building Unit 4,
Rectory Road
Cardiff
Wales
CF5 1QL

Company Registration Number

07743730

Charity Registration Numbers

1147009 (England and Wales)
SC046118 (Scotland)

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Solicitors

Milbank, Tweed, Hadley & McCloy LLP
10 Gresham Street
London
EC2V 7JD

Trustees' report 31 March 2024

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

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

The financial statements have been prepared in accordance with the accounting policies set out on pages 22 to 25 of the attached financial statements and comply with the charitable company's memorandum of association, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Our Aims and objectives

Purposes and Aims

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

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

- a) advancing in life and by developing skills, capacities and capabilities to enable persons to participate in society as independent, mature and responsible individuals;
- b) advancing education;
- c) relieving unemployment;
- d) advancing physical, mental and emotional health and wellbeing.

Ensuring our work delivers our aims

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

Achievements and Performance

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

- 1) Courses for unemployed adults in which we address wellbeing as well as employability and
- 2) A three-year school programme for pupils at risk of exclusion and who have SEL (Social, Emotional Learning) needs.

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

Achievements and Performance (continued)

Strategic Change

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

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

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

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

England

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

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

Achievements and Performance (continued)

Scotland

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

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

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

Wales

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

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

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

Fundraising

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

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

Achievements and Performance (continued)

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

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

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

Ethical approach to fundraising

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

Looking ahead

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

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

How our activities deliver public benefit

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

Achievements and performance (continued)

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

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

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

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

Financial review

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

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

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

Principal funding sources

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

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

Financial review (continued)

Reserves policy

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

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

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

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

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

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

Financial position

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

Going concern

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

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

Financial review (continued)

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

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

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

Plans for Financial Year 2024-2025

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

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

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

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

Structure, Governance and Management

Governing document

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

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

Recruitment and appointment of trustees

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

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

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

Key management personnel

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

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

Employee involvement and employment of the disabled

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

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

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

Structure, Governance and Management (continued)

Risk management

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

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

- ◆ Sporting activity / injuries – Every delivery team has a qualified first aider and first aid kit to hand, and all frontline work has its own standalone risk assessment. The charity holds specific public liability and employers' liability insurance for its activities, and coaches are required to hold £5m in public liability cover personally. All coaching involves warmups, clearly marked pitches which have been checked for obstructions and hazards and approved equipment. All activities are clearly explained, and no one is forced to participate. The charity has clear Health and Safety Policy which is rigorously adhered to. Charity keeps participant disclaimers in perpetuity.
- ◆ Loss of key staff (temporary or permanent) – The charity has a shared drive with non-confidential files, which can be accessed by all staff. The charity has a financial process document and living delivery manual. All line managers of departing staff are required to steward a handover process to successors. Staff who are made redundant are given paid extension to oversee handover of materials. The charity's reserves policy includes funds for temporary staff to cover sickness, maternity for key staff members. The charity has a staff succession plan assessing roles criticality and impact of individuals. A comprehensive staff wellbeing policy is in place with ongoing refinement. We now retain a counselling service for staff, via our HR support.
- ◆ Reserve's Policy – Our reserves policy is updated annually to account for the current financial position and costings, with a goal to consistently maintain our short-term reserve target. While our cashflow requires strict management, the Director of Finance forecasts any cashflow shortages and remedial actions needed to the CEO and Trustees.
- ◆ Illegal activity by the charity (intentional or unintentional). The charity is advised by Milbank on a pro bono basis. Clear policies are in place for all areas of charitable activity and line managers ensure that these are adhered to.
- ◆ Failure to meet targets on delivery income- The charity realises given the current financial position and cost of living crisis, the charity must accept some risk within our fundraising landscape. A Director of Fundraising is now in place who will lead and further build a team that will ensure sustainability and growth - that said, the Trustees along with the senior leadership are prepared to adapt delivery dependent on the funding secured.

Trustees' Responsibilities Statement

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and accounting estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation; and
- ◆ declare any conflicts of interest under s175 of the Companies Act 2006.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

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

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

Trustees Responsibilities Statement (continued)

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

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

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

A handwritten signature in black ink, appearing to read 'V Griffin', written in a cursive style.

Victoria Griffin

26 / 07 / 2024

Independent auditor's report Year to 31 March 2024

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

Opinion

We have audited the financial statements of School of Hard Knocks (the 'charitable company') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, 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

Independent auditor's report Year to 31 March 2024

of assurance conclusion thereon.

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- ◆ proper and adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made;
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the

Independent auditor's report Year to 31 March 2024

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of trustees (continued)

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

How the audit was considered capable of detecting irregularities including fraud

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

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

Independent auditor's report Year to 31 March 2024

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

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

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

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

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

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

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

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

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

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

Independent auditor's report Year to 31 March 2024

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.



29 July 2024

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

Statement of financial activities

(incorporating an Income and Expenditure Account) Year to 31 March 2024

	Notes	Un-restricted funds £	Restricted funds £	2024 Total funds £	Un-restricted funds £	Restricted funds £	2023 Total funds £
Income and expenditure							
Income from:							
Donations	1	349,336	199,322	548,658	511,069	—	511,069
Other trading activities	2	149,839	—	149,839	267,654	1,360	269,014
Charitable activities							
• Provision of training courses	3	361,739	457,824	819,563	397,907	601,598	999,505
Interest receivable		172	—	172	143	—	143
Total income		861,086	657,146	1,518,232	1,176,773	602,958	1,779,731
Expenditure on:							
Raising funds	4	112,585	39,377	151,962	243,202	113	243,315
Charitable activities							
• Provision of training courses	5	777,322	616,338	1,393,660	984,402	610,875	1,595,277
Total expenditure		889,907	655,715	1,545,622	1,227,604	610,988	1,838,592
Net (expenditure) income		(28,821)	1,431	(27,390)	(50,831)	(8,030)	(58,861)
Transfers between funds	16	—	—	—	(350)	350	—
Net movement in funds for the year		(28,821)	1,431	(27,390)	(51,181)	(7,680)	(58,861)
Reconciliation of funds:							
Fund balances brought forward at 1 April 2023		120,208	4,567	124,775	171,389	12,247	183,636
Fund balances carried forward at 31 March 2024	16	91,387	5,998	97,385	120,208	4,567	124,775

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

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

Balance sheet 31 March 2024

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

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



Victoria Griffin

26 / 07 / 2024

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

Statement of cash flows Year to 31 March 2024

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

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

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

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

B Analysis of changes in cash and cash equivalents

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

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

Principal accounting policies Year to 31 March 2024

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

Basis of preparation

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

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

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

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

Assessment of going concern

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

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

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

Principal accounting policies Year to 31 March 2024

Assessment of going concern (continued)

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

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

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

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

Income recognition

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

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

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

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

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

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

Principal accounting policies Year to 31 March 2024

Income recognition (continued)

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

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

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

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes staff costs associated with fundraising and the costs of fundraising events.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the delivery of training courses, direct and support costs including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

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

Principal accounting policies Year to 31 March 2024

Taxation

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

Tangible fixed assets and depreciation

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

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Funds

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

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

Pension costs

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

Notes to the financial statements Year to 31 March 2024

1 Income from donations

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

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

2 Income from other trading activities

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

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

3 Income from charitable activities

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

Notes to the financial statements Year to 31 March 2024

3 Income from charitable activities (continued)

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

4 Expenditure on raising funds

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

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

5 Expenditure on charitable activities

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

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

6 Support costs

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

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

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

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

7 Governance costs

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

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

8 Net (expenditure) income

This is stated after charging:

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

9 Staff costs

Staff costs were as follows:

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

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

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

Notes to the financial statements Year to 31 March 2024

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

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

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

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

10 Trustees' remuneration

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

11 Taxation

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

12 Tangible fixed assets

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

Notes to the financial statements Year to 31 March 2024

13 Debtors

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

14 Creditors: amounts falling due within one year

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

15 Creditors: amounts falling due within one year

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

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

Notes to the financial statements Year to 31 March 2024

16 Statement of funds

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

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

16 Statement of funds (continued)

Restricted Funds

Charles Hayward Foundation

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

Comic Relief

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

Fidelity Foundation

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

The National Lottery-Improving Lives

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

ISG Construction

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

KPE4 Trust

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

Lambeth Council

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

Linc Cymru Housing Association

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

Millenium Stadium Trust

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

16 Statement of funds (continued)

Paul Hamlyn Foundation

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

Quilter Foundation

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

SEWSCAP

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

Transport for Wales

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

Walcot Foundation

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

Wasps Legends

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

William Wates

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

Wooden Spoon Society

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

17 Analysis of net assets between funds

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

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

18 Related party transactions

During the year various trustees contributed financially to the organisation

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

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

19 Commitments under operating leases

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

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