

Smart Works Reading

Annual Report and Accounts

For the year ended 31 March 2021



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Smart Works Reading volunteers celebrating our 4th birthday at the House of Commons, June 2019

Annual Report of the Board of Trustees for the Year Ended 31 March 2021

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report together with the accounts of Smart Works Reading for the year ended 31 March 2021.

The accounts have been prepared in accordance with the accounting practice set out on pages 15-16 and comply with the charity's governing document, applicable laws and the requirements of Statement of recommended Practice on 'Accounting and Reporting by Charities' issued in 2019.

1. Objectives and activities

Smart Works Reading is a UK charity that provides high quality interview clothes, styling advice and interview training to women in need. We give women the confidence, the self-belief and the practical tools they require to succeed at interview and start a new chapter of their life.

The charity's objectives are the relief of financial hardship and the relief of unemployment for the public benefit through the promotion of economic independence among women in Reading and across the Thames Valley. To deliver this, Smart Works Reading was incorporated in June 2015 with a clear mission and vision to help more women back into the workplace by giving them the clothes and the confidence they need to succeed at job interview. Smart Works Reading is part of a network of six regional charities that deliver the Smart Works Charity service in their area.

At the core of our service is a two-hour appointment, during which time each woman receives a complete outfit of high quality clothes and accessories (theirs to keep) and tailored one-to-one interview training. This short intervention has a significant impact as our clients start believing in their own ability to succeed. Once they get the job, we offer clients a Second Dressing for more clothing, to provide a working wardrobe to see them through to their first pay cheque, and coaching on how to behave at work.

2. Achievements and performance

Highlights

During the year ended 31 March 2021, Smart Works Reading completed its fifth year of helping women across the Thames Valley back into work assisted by volunteers, donors and supporters. By the end of the financial year we had seen 1,400 women and helped over 850 of them enter or return to the workplace since we opened. Smart Works Reading has inevitably been impacted by the coronavirus pandemic but continued to offer our service in adapted form.

We continue to have a cumulative success rate of more than 1 in every 2 clients of our core service being successful at interview. During the year, activity levels were lower owing to the pandemic: we delivered 170 (2020: 429) appointments during the year to 149 (2020: 326) clients from the Thames Valley area. Of these clients, from their self-declared data (some prefer not to say),

- 41% (2020: 42%) had applied for more than 20 jobs before visiting Smart Works Reading
- 25% (2020: 46%) had been unemployed for more than one year
- 16% (2020: 31%) were lone parents
- 33% (2020: 33%) were black or minority ethnic
- 14% (2020: 15%) had a disability

We helped these clients while managing office closures and restrictions during lockdown periods, developing Covid-secure processes and adapting our services for remote delivery. Smart Works Charity

stepped in and delivered clothing parcels to our clients based on client information from our dressing volunteers during the first lockdown, and subsequent lockdowns when it wasn't possible to access the centre. Whenever safely possible for our dressers to be in the office, they conducted virtual styling sessions over zoom from our dressing room after which we sent a clothing parcel selected with the client. Our interview coaches delivered virtual coaching using zoom throughout the year. Owing to constraints from our office layout, coaches operated virtually even when clients were physically in the centre.

Overall, by the end of the year we had a fabulous team of 73 (2020: 77) volunteers providing the core service and other expertise. We continue to manage and train them. We increased our group of referral partners and ended the year with 101 (2020: 84) across the Thames Valley who send us clients. We continue to engage with these partners.

The board prioritises delivering a high quality service to clients with modest growth in numbers but – in part owing to the layout of our office – had to accept a decline in client numbers this year for the first time in our history. In parallel, the board continues to build operational and financial strength for the long term stability of the charity. This focus – together with fantastic support from our funders - enabled us to continue operations during the pandemic. Notable grants were received through Berkshire Community Foundation from both Segro and Reckitt. Fundraising events were moved online and weekly volunteer wellness sessions introduced. We continue to attract donations from individual and corporate donors. We carefully managed our expenditure (most of which is fixed in the short term) paying close attention to our cashflow. We finished the year with unrestricted reserves a little higher than policy.

We have raised awareness of Smart Works Reading within our community through social media (including InstaLives and Podcasts), online events and coverage on local radio. This exposure continues to generate volunteer interest, donations and support from local organisations. Fundraising events supported by our corporate partners include those for International Women's Day – this year our Cycle for Smart Works teams raised five times more than last - our thanks go to all who cycled and all who sponsored them. Thanks also to Corporate supporters Microsoft, PepsiCo and Vodafone.

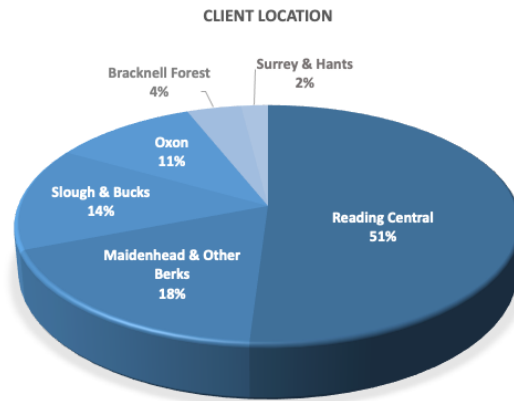
We thank our ambassadors, Virginia Chadwyck-Healey, Nayna McIntosh and Emma-Jane Taylor whose support helps to raise awareness of our work locally with prospective clients as well as volunteers, donors and other supporters.

After the end of the financial year, in June 2021, we were honoured to receive a Queen's Award for Voluntary Service. This is the highest award a voluntary group can receive in the UK and recognizes our amazing volunteer team.

Operational achievements and performance

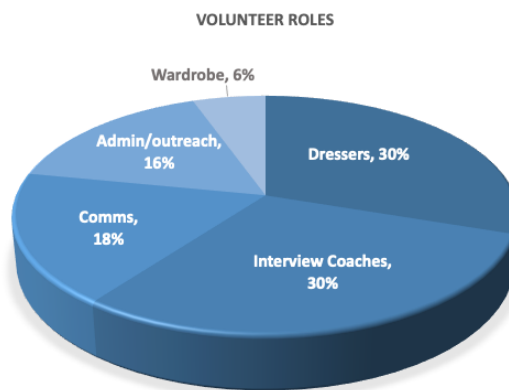
Client Base

We saw 149 (2020: 326) clients during the year to 31 March 2021 and while this is less than half the year before there are some encouraging signs as we transition from lockdown. In addition to central Reading, we support clients from Maidenhead, Slough, Oxford and the surrounding areas and will continue to expand this base across the Thames Valley.



Volunteers

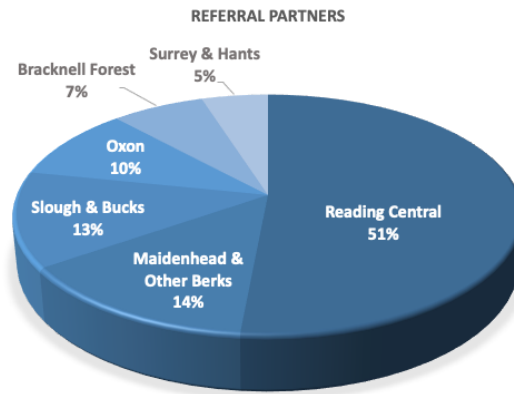
We have a strong team of volunteers but also recruit more in response to demand and as vacancies arise. Dressers and interview coaches are core volunteers. They operate on regular or cover rotas to respond to client needs. In addition to these dresser and interview coaches, other volunteers bring a wide range of expertise including Social Media skills and office administration. We adapted our core service to offer clothing packages (beautifully wrapped) for clients with video consultations with a dresser in our office whenever it was safe to do so. Interview coaching also moved to remote delivery. In addition, we introduced a Career Coaching service targeted at clients before they have an interview and begin to see those same clients returning for interview outfits and preparation.



We cheered our Volunteers with 'have a cuppa on us' gifts of a few speciality teabags. This project was delivered by our interns who engaged with good humour to complete their virtual internships. We continue to update volunteers – as well as other stakeholders – with our popular monthly newsletter and through Microsoft Teams.

Referral Partners

All our clients come to us through one of our referral partners. We have developed strategic partnerships with key agencies such as Job Centre Plus organisations to ensure that we reach as many potential clients as possible. During the pandemic, we took the opportunity to engage with current and new referral partners although live events have been delayed.



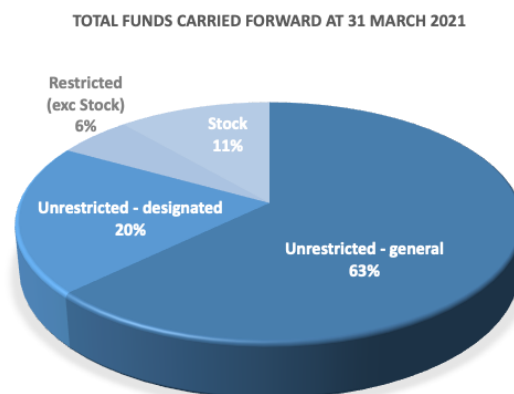
We have a solid base of partners in Reading and during the year focused on building our presence in Slough while continuing to work with partners in other key areas such as Oxford, Maidenhead and Bracknell. At the end of the year we had 101 (2020: 84) referral partners across the Thames Valley.

Donations

We aim to maintain sufficient stock in all sizes. We are grateful to our individual donors many from corporates across the Thames Valley. We cherish our supportive local retail donors including Cecilia Quinn, Fluidity, Hope, Louisa Paris, Olivia May, Scream Pretty and Winser London. And we benefit from local relationships with retailers who support Smart Works nationally. In our clothing parcels we're working with Grace & Green to include sanitary products in clothing packages we send.

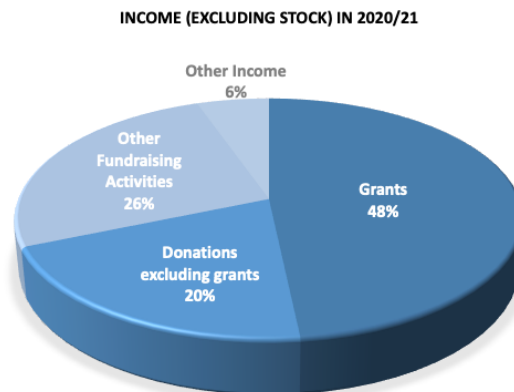
3. Financial review

Results for the year

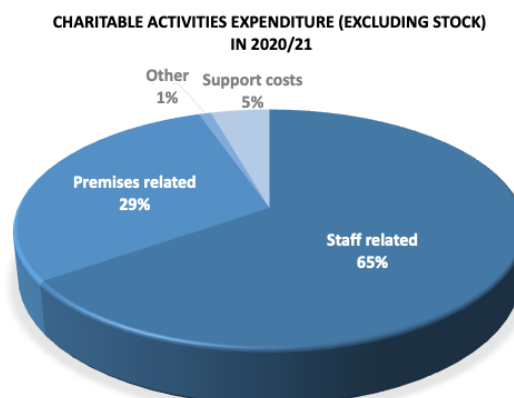


We continue to make applications to grant giving organisations where we assess there is alignment to our work and have been successful in attracting awards to help with our staff and premises costs. This year, in line with our five year plan, we've continued to employ two full time staff members. Restricted funds continue to provide significant support for our operations during the year. Net income for the year was £62.6k (2020: £51.2k). Total funds carried forward increased to £188.0k (2020: £125.4k) of which £31.8k (2020: £22.2k) was restricted and £156.2k (2020: £103.2k) was unrestricted. In the coming years we plan to move to a larger and more accessible office in order to increase our capacity and

improve the environment for our volunteers. This Board has designated £38.0K (2020: £0) to an Expansion and Accessibility fund to support the move and allow time to scale up fundraising for the additional costs anticipated. That leaves £118.2K in the unrestricted General fund.



On the fundraising side, during the year, we were awarded ten restricted grants (excluding stock) totalling £71.9k (2020: £40.4) notably grants through the Berkshire Community Foundation from Segro and Reckitt as well as discretionary funding from Reading Borough Council. Some of these grants were accelerated because of the pandemic. For a third year we were pleased to receive a grant from Reading University enabling us to offer two summer internships to undergraduates and these were delivered remotely. In addition we received £30.3k (2020: £55.5k) from many individual and corporate donors. These included a generous matching donation from Microsoft. Donations also include funds from Smart Works Charity who were quick to confirm their annual funding although we had to reduce client targets dramatically during lockdowns. Our fundraising events moved online including #Give5For5 in celebration of our fifth birthday and a successful auction with Guards Polo club which raised £6.2K. Fundraising events raised £38.5K (2020 £42.5k) net of event costs. Our stock team took advantage of the office being closed to review and sort sale stock – since it has not been possible to run a Sustainable Sale, some was sold online raising £2.0K during the year. We are grateful to all our funders, donors, ambassadors and all those who supported online events for their financial support.



Total expenditure on charitable activities (excluding stock) is £89.3k (2020: £89.3k): most staff and premises costs are largely fixed in the short term. Some modest savings in running costs were offset by expenses to make our office covid-secure. During the year we recruited maternity cover for service delivery which resulted in a smooth transition. Smart Works Reading is a volunteer led organisation which maintains a highly efficient business model: in the year to 31 March 2021, over 99% (2020: 85%)

of expenditure was on charitable activities with the remaining <1% (2020: 15%) being spent on raising funds. Online fundraising has lower costs.

Investment policy

The trustees having regard to the liquidity requirements of a young charity hold working capital funds in instant-access accounts. During the year, we continued with our two banks – HSBC and Santander - to ensure all deposits are covered by the Financial Services Compensation Scheme.

Reserves policy

The trustees have reviewed the requirement for free reserves, i.e. those unrestricted funds not designated for specific purpose or otherwise committed. It has been determined that, given the nature of the charity's work, the level of free reserves should be equivalent to six to twelve months of regular annual expenditure (excluding stock). This provides sufficient flexibility to cover any temporary shortfall in incoming resources and will allow the charity to cope and respond immediately to a reasonable range of unforeseen adverse circumstances (such as pandemics) prior to specific remedial plans being implemented. The closing General Fund of £118.2k is a little above this policy based on expenditure in the current year. The Trustees anticipate the General Fund will return to policy levels by March 2022 as covid restrictions ease. In addition, in line with Charity Commission guidance CC19, the trustees have designated funds to an Expansion and Accessibility reserve to support the transition to larger and more accessible premises. Further details are in note 16.

Coronavirus impact

There is no doubt that the coronavirus pandemic dramatically changed our plans for the year to 31 March 2021. Our core service offering is designed as an in-person service to build our clients confidence and courage as they prepare for interview. And our office layout – with poorly ventilated, narrow, shared staircases to our second floor space - presented logistical challenges when designing covid-secure procedures. We immediately paused our plans to research new premises to rent.

However our collective response to the pandemic, brings potential benefits for the future. Adapting both dressing and interview coaching services for virtual delivery means we now have an alternative for clients who are not able to travel to our office. And developing online Career Coaching means we're raising awareness of our service with potential clients before they have secured an interview. Working with our major referral partners, we hope this will increase our client numbers over time. Regrettably, we've seen fewer clients than we had originally targeted – and for the first time this number is lower than the previous year. But we are now actively seeking larger, more accessible office space as a prelude to the next phase of our growth. The support we've received from grant funders (including the government Coronavirus Job Retention Scheme), individual and corporate donors means that despite our mostly fixed costs and inability to run in-person fundraising events, we entered the new financial year with a healthy unrestricted general fund balance at just over twelve months running costs. Therefore, the trustees are confident we can continue operations for the next twelve months.

4. Plans for the future

Owing to the coronavirus pandemic, following the closure of our office in March 2020, we adapted our core dressing and interview service for virtual delivery in order to continue to support our clients in the best way possible. In the coming financial year, we plan to move to a larger office better suited to clients with accessibility needs. We will transition in stages from virtual to in-person service delivery as it is safe to do so. And retain the ability to support harder to reach clients remotely - for example those for whom it is more difficult to travel to visit our Reading office. When it is safe to do so, we're looking forward to holding face-to-face fundraising events since we will increase our cost base with our office move.

In line with our 5 year plan, our focus is to continue supporting vulnerable women who can benefit from our core service. We plan to maintain our excellent success rate (better than 1 in 2) of clients securing

employment. While we seek to increase the number of women we support across the Thames Valley, we prioritise the service quality and building a sustainable, financially stable operation above rapid growth.

We'll continue to target urban areas including Reading, Slough, Maidenhead, Bracknell, Oxford and Newbury and aim to nurture our base of referral partners. In addition we'll raise our profile in these communities by taking part in local events such as job fairs and through local media.

We plan to continue with a stable headcount of two full-time staff during the next year.

In order to maintain the quality of the service we offer our clients, we'll continue to focus on attracting and training a diverse team of high quality volunteers. We'll also enhance the matrix of skills and diversity represented on our board. Following virtual Board 'away-day' discussions we will develop our equity, diversity and inclusion initiative and maintain focus on safeguarding training for all staff and volunteers. We'll engage with current and new referral partners to increase the number of clients we see.

We'll continue to build relationships with local retailers, individuals and corporates so we have quality clothing to pass on to our clients. And we'll continue to engage with our local ambassadors to raise the profile of our work across the Thames Valley.

Financially, we plan to raise restricted and unrestricted funds to pay our expenses and maintain unrestricted general fund reserves in line with policy. In time, we'd like to work with multi-year funders who value the quality and success rate of our service and wish to have a positive impact on our clients and their families.

5. Structure, governance and management

Governance

Smart Works Reading and its trustees are bound by the Memorandum and Articles of Association last updated on 3 October 2019. The names of the trustees who served during the year are set out in the reference and administrative information on page 24.

Smart Works Charity (charity registration number 1080609, company registration number 3870671) is the sole member of Smart Works Reading. Smart Works Reading has been granted a licence to operate by Smart Works Charity and it has the same objectives and similar activities to the parent company.

During the year Smart Works Reading operated in line with their Safe and Sound Governance accreditation from Reading Voluntary Action and Fundraising Regulator registration.

Recruitment and appointment of new trustees

Regular reviews are undertaken to assess the skills of the current trustees and identify any areas for strengthening. New trustees are appointed by the existing trustees and their appointment is confirmed by Smart Works Charity.

Induction and training of new trustees

New trustees are provided with an induction to familiarise themselves with the charity and the not for profit sector. They are briefed on their responsibilities by the existing trustees. New trustees are also referred to the Charity Commission's guide 'The Essential Trustee'. A Trustee Welcome Pack is shared with all Smart Works trustees when they join the charity, setting out roles, responsibilities and the structure of Smart Works both regionally and nationally.

Organisational structure and decision making

Management

Operational and brand infrastructure is provided by Smart Works Charity.

Pay policy for key management personnel

All directors give their time voluntarily and no director received remuneration in the year. The pay of staff is reviewed annually. The directors benchmark pay against pay levels in other similarly sized charities.

Risk management

The trustees maintain a risk register and regularly review the major risks to which the charity is exposed, in particular those relating to governance, operations, finance, HR, compliance and external factors.

Relationships with related parties

Smart Works Charity is the sole member of Smart Works Reading

Policies

Policies for all relevant areas are maintained, including Vulnerable Adults, Data Protection, Health and Safety, Bribery, Conflict of Interest, Complaints Handling, Privacy Policy for Clients & Donors and Diversity. A staff handbook is made available to all staff and includes a summary of all these policies.

Volunteers

The trustees are grateful for the invaluable contribution of those who give their time voluntarily to deliver the dressing and interview preparation for our clients as well as other roles. The total number of active volunteers at the end of the year was 73 and we have a high retention rate. Arguably, one of the greatest assets Smart Works Reading has is the enormous role played by its dedicated volunteers.

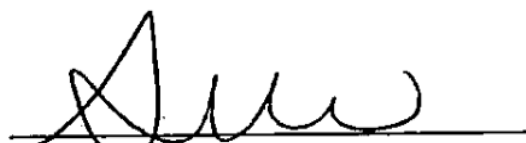
Employment of disabled people

Smart Works Reading has a policy of encouraging diversity and non-discrimination against disabled people.

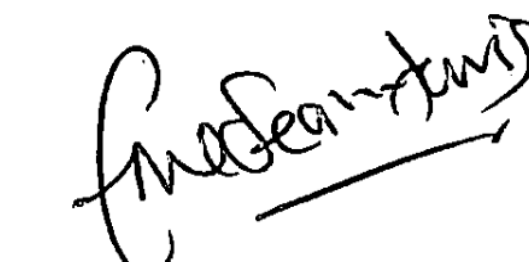
Public benefit

The trustees have read and complied with the guidance contained in the Charity Commission's general guidance on public benefits when reviewing our aims and objectives and in planning our future activities. In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board on 21 July 2021 and signed on its behalf by:



Sarah Burns, MBE
Chair



Edwina Dean-Lewis
Trustee, Company Secretary

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable company for that period. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate 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. 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.

Independent examiner's report to the Trustees of Smart Works Reading

I report to the trustees on my examination of the accounts of Smart Works Reading ("the Company") for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



.....
Katherine Wilkes FCA, Partner

For and on behalf of Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Date: 16 August 2021

STATEMENT OF FINANCIAL ACTIVITIES including an Income and Expenditure Account
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Income from:					
Donations	4	30,303	86,974	117,277	113,128
Other fundraising activities	5	38,565	-	38,565	61,025
Total Income		68,868	86,974	155,842	174,153
Expenditure on:					
Raising funds	6	69	-	69	18,557
Charitable activities	7	11,294	81,879	93,173	104,359
Total expenditure		11,363	81,879	93,242	122,916
Net income/(expenditure)		57,505	5,095	62,600	51,237
Reconciliation of funds					
Total funds brought forward		103,221	22,215	125,436	74,199
Total funds carried forward		160,726	27,310	188,036	125,436

All of the company's activities are classed as continuing.

The company had no gains or losses other than those shown above.

The notes on pages 15 to 24 form part of these accounts.

BALANCE SHEET**FOR THE YEAR ENDED 31 MARCH 2021**

Company Number 09626510

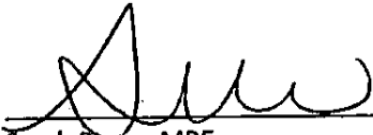
	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Current Assets					
Stock	11	-	21,435	21,435	18,215
Debtors	12	27,671	-	27,671	5,642
Cash at bank and in hand		133,933	5,875	139,808	103,227
		<u>161,604</u>	<u>27,310</u>	<u>188,914</u>	<u>127,084</u>
Creditors: amounts falling due within one year	13	<u>(878)</u>	<u>-</u>	<u>(878)</u>	<u>(1,648)</u>
Net current assets		<u>160,726</u>	<u>27,310</u>	<u>188,036</u>	<u>125,436</u>
Net assets		<u>160,726</u>	<u>27,310</u>	<u>188,036</u>	<u>125,436</u>
The funds of the charity					
Restricted funds	15	-	27,310	27,310	22,215
Unrestricted funds - designated	16	38,000	-	38,000	-
Unrestricted funds - general	16	122,726	-	122,726	103,221
Total charity funds		<u>160,726</u>	<u>27,310</u>	<u>188,036</u>	<u>125,436</u>

For the year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

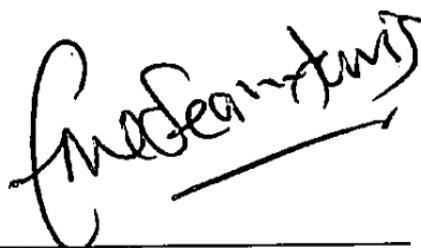
The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.



Sarah Burns, MBE
Chair



Edwina Dean-Lewis
Trustee, Company Secretary

Approved by the Board on 21 July 2021.

The notes of pages 15 to 24 form part of these accounts.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. GENERAL INFORMATION

Smart Works Reading is a company limited by guarantee and incorporated in England and Wales. The registered office is 94 London Street, Reading, RG1 4SJ.

2. ACCOUNTING POLICIES

Basis of preparation

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

Smart Works Reading meets the definition of a public benefit entity under FRS 102. Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the charity's ability to continue as a going concern for the foreseeable future, based on most recent strategic plans and financial budgets.

The charity's presentational and functional currency is Pounds Sterling.

Income

Income is included in the period in which the charity becomes entitled to the resources, the trustees have sufficient certainty that they will receive the resources and the monetary value can be measured with sufficient reliability. The main and most common sources of income are grants received following application to awarding organisations, donations from corporate and individual supporters and income from fundraising events.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered. All expenditure is allocated to the particular activity where the cost relates directly to that activity. Indirect costs and overhead expenses are apportioned on a judgemental basis in proportion to floor space used.

Tax reclaims on donations and gifts

Income from tax reclaims are included in the SOFA at the same time as the gift to which they relate.

Donated Goods and services

Donated goods (such as office consumables) and services (such as professional services) are recognised in the financial statements when the goods and services are received by the charity and their value can be measured with reasonable accuracy. The value placed on these resources is their value to the charity. The trustees consider it impractical to measure the value volunteer help and consequently, as permitted by the SORP, their value is not recognised in the financial statements but is described in the trustees' annual report.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The cost of donated stock for distribution to beneficiaries is valued at fair value which has been estimated by the trustees.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Accrued income and tax recoverable is included at the best estimate of the amounts receivable at the balance sheet date.

Creditors

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Tangible fixed assets

Assets are capitalised if they can be used for more than one year and cost at least £1,000. Tangible fixed assets are stated at cost less depreciation.

Depreciation

Depreciation is provided at the following rates in order to write off the assets, less their estimated residual value, over their estimated useful economic lives:

Computer equipment	30% on the straight line basis
Office fixtures and fittings	20% on the straight line basis

Fund Accounting

The General Fund is an unrestricted fund which is available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for specific purposes. Designated funds are those which the Trustees have set aside for specific purposes. The aim and use of each Designated Fund is set out in the notes to the accounts.

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each Restricted Fund is set out in the notes to the accounts.

Income and expenditure is allocated to the Funds on a direct or time apportioned basis as appropriate.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are recorded at depreciated historical cost. Clothing stock is counted and valued based on cost of replacement from second hand sources.

Cash at bank and in hand

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

Pension costs

Employees are provided with an auto-enrolment pension with employee and employer contributions. Initial enrolment occurred during the year ended 31 March 2018 in accordance with Smart Works Reading's staging date from the Pensions Regulator. Pension costs are included in the SOFA.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Significant Accounting Estimates

The Trustees make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. TAXATION

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

4. DONATIONS

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Individual & Corporate Donations	30,303	-	30,303	55,454
Dressing stock donations	-	7,105	7,105	17,270
Grants	-	79,869	79,869	40,404
	30,303	86,974	117,277	113,128

Prior Year Donations

	Unrestricted Fund	Restricted Funds	2020 Total
	£	£	£
Individual & Corporate Donations	55,454	-	55,454
Dressing stock donations	-	17,270	17,270
Grants	-	40,404	40,404
	55,454	57,674	113,128

5. OTHER FUNDRAISING ACTIVITIES

	Unrestricted Funds	Restricted Funds	2021 Total	2020 Total
	£	£	£	£
Pop-up sales	2,021	-	2,021	283
Sustainable Fashion sales	-	-	-	7,631
Retail partner events	-	-	-	550
Fundraising Lunch	-	-	-	17,698
Cycle for Smartworks	25,600	-	25,600	4,595
Henley Literary Festival	-	-	-	1,807
Guards Polo	6,227	-	6,227	21,012
SmartTalks	-	-	-	3,764
5th Birthday Event	2,361	-	2,361	-
Other events	2,356	-	2,356	3,685
	38,565	-	38,565	61,025

In the year to 31 March 2021, all Other Fundraising Activities raised unrestricted funds.

6. RAISING FUNDS

	2021	2020
	£	£
Event Costs	69	18,557
Total	69	18,557

7. CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	2021 Total
	£	£	£
Staff related direct expenditure	9,429	48,855	58,284
Premises related direct expenditure	(119)	26,361	26,242
Other direct expenditure	828	3,885	4,713
Support Costs	1,156	2,778	3,934
	11,294	81,879	93,173

Prior year Charitable Activities

	Unrestricted Fund	Restricted Funds	2020 Total
	£	£	£
Staff related direct expenditure	21,144	31,759	52,903
Premises related direct expenditure	18,979	5,459	24,438
Other direct expenditure	1,036	15,545	16,581
Support Costs	7,667	2,770	10,437
	48,826	55,533	104,359

8. SUPPORT COSTS

	Unrestricted Funds £	Restricted Funds £	2021 Total £
Independent Examination fees	509	-	509
Other legal and professional fees	-	-	-
Governance Costs	85	-	85
Stationery, printing and postage	0	191	191
Sundry expenditure	562	2,587	3,149
Bank charges	-	-	-
	1,156	2,778	3,934

Prior year Support Costs

	Unrestricted Fund £	Restricted Funds £	2020 Total £
Independent Examination fees	1,035	-	1,035
Other legal and professional fees	-	-	-
Governance Costs	50	-	50
Stationery, printing and postage	1,652	-	1,652
Sundry expenditure	4,930	2,770	7,700
Bank charges	-	-	-
	7,667	2,770	10,437

9. NET INCOME STATED AFTER CHARGING

	2021 £	2020 £
Operating lease payments	19,440	19,475
Wages and salaries	56,899	49,867
Employers' National Insurance contributions	1,385	888
Employers' Pension contributions	1,263	983
Independent Examiner's remuneration	509	1,035
The average number of employees for the year	2.8	2.5

No member of staff received employee benefits exceeding £60,000.

The key management personnel of the Charity comprise the Trustees. The total amount of employee benefits (including employer pension contributions) received by the key management team for their services to the Charity was £0 (2020: £0).

10. TRUSTEE REMUNERATION AND EXPENSES

No trustee received any remuneration in the year (2020: £0). One trustee was reimbursed for their expenses in the period (2020: none). Total expenses reimbursed were £18 (2020: £0).

11. STOCK

	2021	2020
	£	£
Dressing stock	21,435	18,215

12. DEBTORS

	2021	2020
	£	£
Prepayments	-	309
Accruals	27,671	5,333
	27,671	5,642

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Accruals	878	1,648
	878	1,648

14. NET ASSETS BY FUND

	Unrestricted Funds	Restricted Funds	2021 Total
	£	£	£
Tangible Fixed Assets	-	-	-
Current Assets	157,104	31,810	188,914
Creditors due within one year	(878)	-	(878)
Total Net Assets	156,226	31,810	188,036

Prior year Net Assets by Fund

	Unrestricted Fund £	Restricted Funds £	2020 Total £
Tangible Fixed Assets	-	-	-
Current Assets	104,869	22,215	127,084
Creditors due within one year	(1,648)	-	(1,648)
Total Net Assets	103,221	22,215	125,436

15. RESTRICTED FUNDS

	Balance 01-Apr 2020 £	Income £	Expenditure £	Balance 31-Mar 2021 £
Analysis of fund balance by project:				
Grant BCF Vital For Berkshire (Reaching Reading) 2020	4,000	-	(4,000)	-
Grant Heathrow Youth Community Fund 2018 (MAPIS)	-	5,000	(5,000)	-
Grant Covid-19 Reading Borough Council Discretionary 2020	-	8,350	(8,350)	-
Grant BCF Segro 2020	-	26,868	(26,868)	-
Grant BCF Reckitt 2020	-	15,000	(15,000)	-
Grant University of Reading Interns 2020	-	2,520	(2,520)	-
Grant BCF Smart Works Direct to your Door 2020	-	1,918	(903)	1,015
Grant BCF Christmas Appeal 2020	-	1,875	(1,875)	-
Grant BCF Reckitt 2021	-	5,833	(973)	4,860
National Lottery Community Fund - Coronavirus Community Support Fund (Collected via Smart Works Charity)	-	3,600	(3,600)	-
SWC Career Coaching (Bank of America 2021)	-	900	(900)	-
Coronavirus Job Retention Scheme grant	-	8,005	(8,005)	-
Total Restricted grants	4,000	79,869	(77,994)	5,875
 Dressing Stock	 18,215	 7,105	 (3,885)	 21,435
 Total Restricted funds	 22,215	 86,974	 (81,879)	 27,310

During the year, the remaining balance on one carried forward grant was spent. That grant is completed.

- BCF Berkshire Community Foundation Vital For Berkshire (Reaching Reading) 2020 is a grant for staff related costs

In addition, nine new grants were awarded and fully spent during the year. Those grants are completed.

- Heathrow Youth Community Fund 2018 (MAPIS) is a grant for staff related costs
- Covid-19 Reading Borough Council Discretionary 2020 is a grant for property related costs
- BCF Berkshire Community Foundation Segro 2020 is a grant for staff related costs
- BCF Berkshire Community Foundation Reckitt 2020 is a grant for core office costs
- University of Reading Interns 2020 is grant for the staff costs for two undergraduate summer internships
- BCF Berkshire Community Foundation Christmas Appeal 2020 is a grant to support office running costs

- National Lottery Community Fund - Coronavirus Community Support Fund (Collected via Smart Works Charity) is a grant for core costs
- SWC Smart Works Charity Career Coaching (Bank of America 2021) is a grant for core costs
- Coronavirus Job Retention Scheme grant is a government grant for furloughed staff costs

The balance on restricted funds represents the unexpended portion of funding received which will be returnable to the funder if not used for the project.

- BCF Berkshire Community Foundation Smart Works Direct to your Door 2020 is a grant to support remote service provision during the pandemic
- BCF Berkshire Community Foundation Reckitt 2021 is grant for property related costs

The dressing stock fund represents donations received for the specific purpose of providing beneficiaries with clothing for interview.

Prior year Restricted Funds

	Balance 01-Apr 2019 £	Income £	Expenditure £	Balance 31-Mar 2020 £
Analysis of fund balance by project:				
BCF Berkshire Community Foundation - Tampon Tax 2019	4,113	-	(4,113)	-
Sage Foundation Enterprise Grant 2019	-	10,127	(10,127)	-
Goods Exchange Grant	-	1,265	(1,265)	-
BCF Vital For Berkshire 2019	-	2,500	(2,500)	-
BCF SEGRO (Bracknell) Community Fund 2019	-	2,252	(2,252)	-
Groundwork Thames Valley - ESFA Community Training Grant 2019	-	5,500	(5,500)	-
Reading University Interns	-	4,200	(4,200)	-
National Lottery Awards - Taking Steps to Success 2020	-	9,560	(9,560)	-
Louis Baylis Foundation	-	1,000	(1,000)	-
BCF Vital for Berkshire - Reaching Reading	-	4,000	-	4,000
Total Restricted grants	4,113	40,404	(40,517)	4,000
Dressing Stock	15,960	17,270	(15,015)	18,215
Total Restricted funds	20,073	57,674	(55,532)	22,215

16. UNRESTRICTED FUNDS

	Balance 01-Apr 2020 £	Income £	Expenditure £	Balance 31-Mar 2021 £
Designated Expansion and Accessibility Fund	-	38,000	-	38,000
General Fund	103,221	68,868	(49,363)	122,726
Total Unrestricted funds	103,221	106,868	(49,363)	160,726

The Expansion and Accessibility Fund is a designated fund to support the Board's strategic objective to move to larger and more accessible premises. The premises move will enable offering a better service to more clients and improve the working environment while reducing health and safety risks for staff and volunteers.

17. OTHER FINANCIAL COMMITMENTS

	2021 £	2020 £
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating Leases - within one year	19,440	14,580
Operating Leases - between 2 and 5 years	14,580	-
Total	34,020	14,580

18. MEMBERS' LIABILITIES

The company is limited by guarantee. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up while they are a member, or within one year after they cease to be a member, for payment of the debts and liabilities of the company contracted before they ceased to be a member, and of the costs, charges and expenses of winding up such amount as may be required not exceeding £1. At the balance sheet date, there was 1 member, Smart Works Charity.

19. RELATED PARTY TRANSACTIONS

During the year the charity received net payments of £50,725 (2020: £22,605) from Smart Works Charity, its immediate parent. There are no other related party transactions.

20. CONTROL

The charity is controlled by Smart Works Charity (charity number 1080609, company number 03870671) who is the sole member of this charity. Smart Works Charity has the same principal activity as this charity.

Reference and administrative information

Registered name	Smart Works Reading
Charity registration number	1164723
Company registration number	09626510
Corporate status	The Company is limited by guarantee
Registered office	94 London Street Reading RG1 4SJ
Telephone	0118 959 4245
Email	reading@smartworks.org.uk
Website	www.smartworks.org.uk
Trustees	Sarah Burns - Chair Ana Perez Joanna Perrin Kim Wedderburn Annette Pendry Edwina Dean-Lewis - Treasurer Estelle Christmas Maggie McMillan (resigned 22 June 2020) Claire Murdoch Elina Nesimioglu (resigned 28 February 2021) Candace Williams (appointed 14 October 2020) Aduke Onafowokan (appointed 28 January 2021) <i>There were no other changes in trustees during the year</i>
Company Secretary	Ana Perez (to 20 January 2021) Edwina Dean-Lewis (from 21 January 2021)
Independent Examiner	Katherine Wilkes FCA, Partner Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP
Bankers	HSBC - 1 Corn Market, High Wycombe, HP11 2AY Santander - 100 Broad Street, Reading, RG1 2AX