

# **STEEL WARRIORS**

## **Trustees' Report and Accounts for the year ended 31 December 2020**

**Charity No: 1175317**

# **STEEL WARRIORS**

## **TRUSTEES' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2020**

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# **STEEL WARRIORS**

## **TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

|                                   |  |
|-----------------------------------|--|
| <b>Legal status:</b>              | Charitable Incorporated Organisation incorporated on 24 October 2017   |
| <b>Registered Charity Number:</b> | 1175317  |
| <b>Principal Office:</b>          | Ground Floor<br>184-192 Drummond Street<br>London<br>NW1 3HP   |
| <b>Trustees:</b>                  | Ben Wintour Co-founder (24 October 2017)<br>Pia Fontes Co-founder (24 October 2017)<br>Harry Edwards (Appointed 10 June 2019)<br>Chudozie Okongwu (Appointed 1 July 2019)<br>Blair Wright (Appointed 15 August 2019)<br>Gethin Evans (Appointed 21 October 2019) |
| <b>Bankers:</b>                   | Metro Bank<br>One Southampton Row<br>London<br>WC1B 5HA  |
| <b>Independent Examiner:</b>      | Simon Goodridge FCA<br>Knox Cropper LLP<br>Chartered Accountants<br>65 Leadenhall Street<br>London<br>EC3A 2AD   |
| <b>Solicitors:</b>                | Herbert Smith Freehills LLP<br>Exchange House<br>Primrose Street<br>London<br>EC2A 2EG   |

## **STEEL WARRIORS**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees submit their Annual Report together with the financial statements for the year ended 31 December 2020. The financial statements comply with the Charities Act 2011, the Memorandum and Articles of Association, 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 UK and Republic of Ireland (FRS 102 second edition - effective 1 January 2019).

#### **Objectives and Activities**

We melt down knives taken off the streets and recycle the steel into outdoor community gyms. We provide young people with a free space that not only gets them talking about knife crime, but also enables them to build the physical and mental confidence to walk away from gangs and serious youth violence. Using street workout, also known as callisthenics, as a platform, we teach young people how to achieve seemingly impossible goals. We help them to unlock their talents and challenge 'the impossible', so they can realise their aspirations and live the life they want. Our three pillars are:

- Physical activity, health and wellbeing
- Personal development
- Community engagement

Since our inception, Steel Warriors has successfully funded and built three gyms in inner London, located in Haringey, Lambeth and Tower Hamlets. These boroughs have been impacted by high levels of knife crime. Working closely with councils, residents, education, health and youth services, each gym acts as a community hub, a safe space where people can train, hang out and build new relationships. We also employ local coaches to run free, weekly training sessions, including during the summer holidays, for all ages and levels of fitness.

Our vision is to build a UK-wide network of outdoor community gyms – a street workout movement – that empowers young people to succeed in life and fosters stronger, safer and better-connected neighbourhoods. Our purposes are:

1. To help young people aged 13-24 years old by:
  - a. Providing, or assisting in the provision of facilities for, recreation or other leisure time activities provided in the interests of social welfare and designed to improve quality of life;
  - b. Providing support, activities and interventions which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals.
2. To promote the prevention of crime and youth violence, in particular, but not exclusively, by providing information and advice to young people on how to reach their personal goals both at our gyms and in day-to-day life, so they can succeed in mainstream society.
3. To provide, or assist in the provision of, facilities in the interests of social welfare for recreation of individuals who have need of such facilities by reason of their youth, age, infirmity or disability, financial hardship or social circumstances with the object of improving their living conditions.

Our strategy is to continue to support and invest in disadvantaged young people by:

- Building further outdoor community gyms in inner-city areas impacted by knife crime;
- Rolling out the new Street Workout and Mentality Programmes online through our Steel Warriors App;
- Rolling out our Intervention Programme across our gyms;
- Continuing to develop local partnerships and networks to ensure our work is embedded in the community;

## **STEEL WARRIORS**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020**

- Implementing robust monitoring, measuring and learning systems that focus on the impact of our work; and
- Growing income and achieving a sustainable business model.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (P82)'.

#### **Achievements and Performance**

2020 has been a challenging year for Steel Warriors. In March 2020, our plans were interrupted by the Covid-19 pandemic. In line with Government guidelines, we closed our gyms. We paused our plans to instal new gyms and redirected our work towards managing the fallout, supporting young people during lockdown, and future-proofing our model. We ran our free training sessions live on Instagram.

Also, during 2020, our relationship with our main corporate donor ceased. In order to reduce our operating costs we scaled back our operations to focus on our three pillars, described in more detail in the 'Objectives and Activities'.

We have actively sought new donors to finance the provision of free training sessions at our existing gyms and instal apparatus made in previous years. In 2021 we have commenced new relationships with corporate partners and look forward to using these generous donations to ensure we continue to meet our charitable objectives.

#### **Financial Review**

Total income reduced to £606k in 2020 from £680K during 2019, predominantly due to the cessation of previous corporate partnerships. Expenditure also decreased, as we paused the manufacture and installation of gym equipment. At 31 December 2020, we had unrestricted funds of £56K (2019: £34K).

#### **Structure, Governance and Management**

Steel Warriors is a Charitable Incorporated Organisation (Foundation Structure) whose only voting members are its trustees. Its governing document is its constitution.

Steel Warriors was formed and registered as a Charitable Incorporated Organisation on 24 October 2017. Its registration with the Charity Commission is numbered 1175317.

##### *The Board of Trustees*

- Ben Wintour, Steel Warriors Co-founder – supports with marketing and stakeholders.
- Pia Fontes Steel Warriors Co-founder – supports with public relations and marketing.
- Harry Edwards, Partner, Herbert Smith Freehills – supports with legal matters.
- Chudozie Okongwu, Managing Director, NERA – supports with financial matters.
- Blair Wright, Partner, Fox Williams LLP – supports with human resources matters.
- Gethin Evans, Director, PricewaterhouseCoopers LLP – supports with financial matters.

Our trustees have a varied experience in Legal, Finance, HR and PR and Marketing. There are no formal procedures for the induction or training of trustees.

The board of trustees performs the administration, including financial management of the charity and works with volunteers to support the manufacture and construction of the gyms. External professional service providers are engaged where necessary, including in the production of the financial statements.

## **STEEL WARRIORS**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees periodically review the skills and experience of the board. Where gaps are identified, additional trustees are recruited. Trustees discuss and approve the pay and remuneration of the full-time staff each year.

#### **Statement of Trustees Responsibilities**

The trustees are responsible for preparing the trustees' report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustees to prepare accounts for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the year. In preparing those accounts the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011 and regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **APPROVAL**

This report was approved by the Board of Trustees on 1 November 2021 and signed on their behalf by:

.....  
**Gethin Evans**

## **STEEL WARRIORS**

### **INDEPENDENT EXAMINER'S REPORT TO STEEL WARRIORS**

I report to the charity trustees on my examination of the accounts of Steel Warriors for the year ended 31 December 2020.

#### *Respective responsibilities of trustees and examiner*

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under section 144(2) of the Charities Act 2011 (the 2011 Act)) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England & Wales.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

#### *Basis of independent examiner's report*

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

#### *Independent examiner's statement*

In connection with my examination, no material matters have come to my attention which give me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the 2011 Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

I 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.

#### **Simon Goodridge FCA**

Knox Cropper LLP

Chartered Accountants

65 Leadenhall St, London, EC3A 2AD

Date: 1 November 2021

# STEEL WARRIORS

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

|                                 |       | Unrestricted Funds<br>2020 | Unrestricted Funds<br>2019 |
|---------------------------------|-------|----------------------------|----------------------------|
|                                 | Notes | £                          | £                          |
| <b>INCOME FROM</b>              |       |                            |                            |
| Grants and donations            | 2     | 5,809                      | 29,524                     |
| Charitable activities           | 3     | 600,623                    | 650,629                    |
| <b>TOTAL INCOMING RESOURCES</b> |       | <u>606,432</u>             | <u>680,153</u>             |
| <b>EXPENDITURE ON</b>           |       |                            |                            |
| Raising funds                   |       | 216                        | 3,365                      |
| Charitable Activities           | 4     | 583,650                    | 653,448                    |
| <b>TOTAL RESOURCES EXPENDED</b> |       | <u>583,866</u>             | <u>656,813</u>             |
| <b>Net Income</b>               |       | 22,566                     | 23,340                     |
| <b>Net movement in funds</b>    |       | <u>22,566</u>              | <u>23,340</u>              |
| <b>RECONCILIATION OF FUNDS</b>  |       |                            |                            |
| Total funds brought forward     |       | <u>33,683</u>              | <u>10,343</u>              |
| <b>BALANCE CARRIED FORWARD</b>  |       | <u><u>56,249</u></u>       | <u><u>33,683</u></u>       |

# STEEL WARRIORS

## BALANCE SHEET AS AT 31 DECEMBER 2020

|   |       | <b>2020</b>    | <b>2019</b>      |
|---|-------|----------------|------------------|
|   | Notes | £              | £                |
| <b>FIXED ASSETS</b>                                   | 7     | 1,857          | -                |
| <b>CURRENT ASSETS</b>                                 |       |                |                  |
| Debtors   | 8     | 5,000          | 309,391          |
| Cash at Bank and In Hand                              |       | <u>55,716</u>  | <u>37,007</u>    |
|   |       | 60,716         | 346,398          |
| <b>CREDITORS: Amounts falling due within one year</b> | 9     | <u>(6,324)</u> | <u>(312,715)</u> |
| <b>NET CURRENT ASSETS</b>                             |       | <u>54,392</u>  | <u>33,683</u>    |
| <b>NET ASSETS</b>                                     |       | <u>56,249</u>  | <u>33,683</u>    |
| <b>FUNDS</b>  |       |                |                  |
| Unrestricted Funds :                                  |       |                |                  |
| General Reserve                                       | 10    | <u>56,249</u>  | <u>33,683</u>    |
|   |       | <u>56,249</u>  | <u>33,683</u>    |

The accounts were approved by the Trustees on 1 November 2021 and were signed on their behalf by:

.....

**Gethin Evans**

# STEEL WARRIORS

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2020

|   | 2020<br>£      | 2019<br>£     |
|---|----------------|---------------|
| <b>Cash flows from operating activities</b>                               |                |               |
| <b>Net cash provided by/(used in) operating activities</b>                | <u>21,185</u>  | <u>25,164</u> |
| <b>Cash flows from investing activities:</b>                              |                |               |
| Dividends and interest from investments                                   | -              | -             |
| Purchase of property, plant and equipment                                 | (2,476)        | -             |
| Proceeds from sale of assets  | -              | -             |
| Purchase of investments   | -              | -             |
| <b>Net cash provided by/(used in) investing activities</b>                | <u>(2,476)</u> | <u>-</u>      |
| <b>Change in cash and cash equivalents in the reporting period</b>        | 18,709         | 25,164        |
| <b>Cash and cash equivalents at the beginning of the reporting period</b> | <u>37,007</u>  | <u>11,843</u> |
| <b>Cash and cash equivalents at the end of the reporting period</b>       | <u>55,716</u>  | <u>37,007</u> |

### Reconciliation of net income/(expenditure) to net cash flow from operating activities

|  | 2020<br>£     | 2019<br>£     |
|--|---------------|---------------|
| Net income/(expenditure) for the reporting period          | 22,566        | 23,340        |
| Depreciation charges                                       | 619           | -             |
| (Gains)/losses on investments                              | -             | -             |
| Dividends and interest from investments                    | -             | -             |
| Decrease / (increase) in debtors                           | 304,391       | (309,391)     |
| (Decrease) / increase in creditors                         | (306,391)     | 311,215       |
| (Increase)/decrease in stock                               | -             | -             |
| Loss on sale of assets                                     | -             | -             |
| <b>Net cash provided by/(used in) operating activities</b> | <u>21,185</u> | <u>25,164</u> |

# STEEL WARRIORS

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 ACCOUNTING POLICIES

**(a) Basis of accounting**

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS102 second edition) '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 (FRS102), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in pounds sterling.

**(b) Grants and other charitable expenditure**

Grants and other charitable expenditure are accounted for when qualifying conditions, if any, have been met, or in particular cases on payment dates agreed between the Trustees and the recipient.

**(c) Income resources**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**(d) Donations in kind**

Donations in kind are included in the Statement of Financial Activities at their economic value to the charity where qualifiable and measurable.

**(e) Taxation**

The charity is exempt from tax on its charitable activities.

**(f) Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment - 33.3% straight line

**(g) Going concern**

The trustees have reviewed our committed cash outflows and likely sources of further inflows, predominantly grants from corporate entities and public bodies, and have concluded that we have sufficient reserves to cover at least the 12 month period following the signing of the balance sheet. The key factors in this assessment are our low overheads and extensive range of opportunities for inflows.

On this basis the trustees are satisfied that the CIO remains a going concern for the foreseeable future.

**(h) Fund accounting**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the charity.

# STEEL WARRIORS

## NOTES TO THE ACCOUNTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. GRANTS AND DONATIONS

|           | 2020         | 2019          |
|-----------|--------------|---------------|
|           | £            | £             |
| Donations | 5,809        | 29,524        |
|           | <u>5,809</u> | <u>29,524</u> |

#### 3. CHARITABLE ACTIVITIES

|                            | 2020           | 2019           |
|----------------------------|----------------|----------------|
|                            | £              | £              |
| Corporate Partners (Co-Op) | 268,823        | 165,213        |
| Other income               | 5,000          | -              |
| <b>Donations in kind</b>   |                |                |
| Gym Build programme        | 149,280        | 273,416        |
| Legal advice               | 105,520        | 140,000        |
| Office premises            | 72,000         | 72,000         |
|                            | <u>600,623</u> | <u>650,629</u> |

#### 4. CHARITABLE ACTIVITIES

|                          | 2020           | 2019           |
|--------------------------|----------------|----------------|
|                          | £              | £              |
| Gym Build programme      | 485,265        | 551,507        |
| Rent                     | 72,204         | 72,000         |
| Community Outreach       | 1,100          | 7,476          |
| Street Workout programme | 18,017         | 6,780          |
| Support costs            | 7,064          | 15,685         |
|                          | <u>583,650</u> | <u>653,448</u> |

| Governance costs included in Charitable activities: | 2020         | 2019         |
|---|--------------|--------------|
|   | £            | £            |
| Independent examination                             | 1,440        | 1,810        |
|   | <u>1,440</u> | <u>1,810</u> |

#### 5. SUPPORT COSTS

|                      | 2020         | 2019          |
|----------------------|--------------|---------------|
|                      | £            | £             |
| Administration costs | 2,180        | 10,513        |
| Travel               | 814          | 2,837         |
| Governance costs     | 4,070        | 2,335         |
|                      | <u>7,064</u> | <u>15,685</u> |

# STEEL WARRIORS

## NOTES TO THE ACCOUNTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 6. STAFF COSTS

|   | 2020          | 2019          |
|---|---------------|---------------|
|   | £             | £             |
| Gross salary costs  | 69,944        | 16,049        |
| Social security costs   | 7,886         | 1,563         |
| Employer's pension  | 1,812         | 289           |
|   | <u>79,642</u> | <u>19,464</u> |
| The average number of employees (full time equivalent)  | 2             | 2             |
| The total employee benefits of the Key Management Personnel of the charity, defined as the Senior Management Team | 51,166        | 10,301        |

No member of staff received remuneration over £60,000.

#### 7. TANGIBLE FIXED ASSETS

|                                   | Computer Equipment | Total        |
|-----------------------------------|--------------------|--------------|
|                                   | £                  | £            |
| <b>Cost</b>                       |                    |              |
| At start of year                  | -                  | -            |
| Additions                         | 2,476              | 2,476        |
| Disposals                         | -                  | -            |
| At 31 <sup>st</sup> December 2020 | <u>2,476</u>       | <u>2,476</u> |
| <b>Depreciation</b>               |                    |              |
| At start of year                  | -                  | -            |
| Charge for the year               | 619                | 619          |
| Disposals                         | -                  | -            |
| At 31 <sup>st</sup> December 2020 | <u>619</u>         | <u>619</u>   |
| <b>Net Book Values</b>            |                    |              |
| At 31 <sup>st</sup> December 2020 | <u>1,857</u>       | <u>1,857</u> |
| At 31 <sup>st</sup> December 2019 | <u>-</u>           | <u>-</u>     |

# STEEL WARRIORS

## NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020

### 8. DEBTORS

|                | 2020        | 2019          |
|----------------|-------------|---------------|
|                | £           | £             |
| Trade debtors  | 5,000       | 180,590       |
| Prepayments    | -           | 110,516       |
| Accrued income | -           | 17,285        |
| Other debtors  | -           | 1,000         |
|                | <hr/> 5,000 | <hr/> 309,391 |

### 9. CREDITORS

|                  | 2020        | 2019          |
|------------------|-------------|---------------|
|                  | £           | £             |
| Trade creditors  | -           | 20,805        |
| Accrued expenses | 6,324       | 114,022       |
| Deferred income  | -           | 177,888       |
|                  | <hr/> 6,324 | <hr/> 312,715 |

### 10. UNRESTRICTED FUNDS

|                      | 2020         | 2019         |
|----------------------|--------------|--------------|
|                      | £            | £            |
| <b>General funds</b> |              |              |
| As at 1 January      | 33,683       | 10,343       |
| Income               | 606,432      | 680,153      |
| Expenditure          | (583,866)    | (656,813)    |
| As at 31 December    | <hr/> 56,249 | <hr/> 33,683 |

### 11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| Unrestricted funds | Total 2020   | Total 2019   |
|--------------------|--------------|--------------|
|                    | £            | £            |
| Net Current Assets | <hr/> 56,249 | <hr/> 33,683 |
|                    | <hr/> 56,249 | <hr/> 33,683 |

## **STEEL WARRIORS**

### **NOTES TO THE ACCOUNTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2020**

#### **12. RELATED PARTY TRANSACTIONS**

The charity receives legal advice on a pro-bono basis from Herbert Smith Freehills LLP, of which one of the trustees is a partner. This advice has been valued at £105,520 (2019: £140,000) in these accounts. There were no other related party transactions.

#### **13. COMMITMENTS UNDER OPERATING LEASES**

There are no commitments under operating leases. During the period the charity received office space on a pro bono basis valued at £72,000 (2019: £72,000).

#### **14. TRUSTEES REMUNERATION AND EXPENSES**

The Trustees do not receive any remuneration or reimbursement of expenses for their services.