

UNLOCKED GRADUATES

England & Wales · Charity number 1187552

Details

Other names	UNLOCKED, UNLOCKED GRADS
Status	Registered
Legal form	Charitable company
Company number	11448853
Registered	2020-01-24
Register	View on the Charity Commission register

Contact

Address	7 Bell Yard London WC2A 2JR
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Activities

Objects: TO PROMOTE THE REHABILITATION AND EDUCATION OF PRISONERS AND EX-PRISONERS, AND THE REDUCTION OF REOFFENDING BY:I. THE PROVISION OF A SPECIALISED PROGRAMME OF EDUCATION AND TRAINING FOR GRADUATE PRISON OFFICERS;II. THE EDUCATION AND TRAINING OF THOSE ENGAGED IN THE PRISON AND PROBATION SERVICES AND THE CRIMINAL JUSTICE SYSTEM IN THE REHABILITATION AND EDUCATION OF PRISONERS AND EX-PRISONERS.

Activities: To promote the rehabilitation and education of prisoners and ex-prisoners and the reduction of reoffending by:(i) the provision of a specialised programme of education and training for graduate prison officers;(ii) the education and training of those engaged in the prison and probation services and the criminal justice system in the rehabilitation and education of prisoners and ex-prisoners.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,534,706	£3,784,322	£568,572	40
2024-03-31	£4,527,027	£4,282,883	£818,188	54
2023-03-31	£4,207,773	£4,446,680	£574,044	54
2022-03-31	£4,049,186	£3,896,636	£812,951	41
2021-03-31	£2,571,504	£1,911,103	£660,401	27

Trustees

Name	Role	Appointed
DAME SALLY COATES	Chair	2018-07-04
Angela Daniel		2022-10-09
Dr Christopher Thomas John Wilson		2026-03-24
Emma Jane Wilson		2021-12-07
JAMES BARRINGTON HUW DARLEY		2018-07-04
Nathan Anthony White		2022-03-14
Nicola Louise Marfleet		2019-12-05
Robert Douglas Farquharson		2019-02-27

UNLOCKED GRADUATES

England & Wales - Charity number 1187552

Accounts

ANNUAL REPORT

Leading change from the inside
2024/5

UNLOCKED GRADUATES

unlockedgrads.org.uk

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Charity No: 1187552 | Company No: 11448853

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Reference and administrative details

Directors and Members	Dame Sally A Coates Angela O Daniel James B H Darley Robert D Farquharson Rt Hon. David Laws (resigned 4 th March 2025) Nicola C Marfleet Thomas P J Shinner Nathan A White Emma J Wilson
Company number	11448853
Charity registration number	1187552
Registered Office	7 Bell Yard London WC2A 2JR
Auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Boundary House 91 Charterhouse St Barbican London EC1M 6HR
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

MESSAGE FROM THE CHAIR

By almost every measure we track, operationally the last year has been the most successful in Unlocked's history. We recruited our ninth cohort — the largest group we've ever welcomed, and with the most competition for each place too. Those selected have now embarked on their journey toward becoming exceptional prison leaders, working on the frontline of some of our toughest prisons. Together with the wider Unlocked community — now nearing 900 strong — they are living proof that the model works. When presented with a real opportunity for leadership, graduates who may never have considered a role in prisons are taking up the challenge.

It's important to acknowledge that this progress comes at a time of considerable pressure across the prison system. Capacity is stretched, and issues such as violence and self-harm continue to rise. In this climate, the role of a prison officer has never been more critical. I am deeply proud of the impact our participants make every day — showing resilience, commitment, and compassion as they work to change lives and improve outcomes for some of society's most vulnerable individuals.

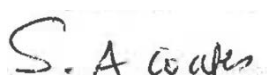
The guidance and oversight of the Board has been especially valuable in this period. The breadth of insight and experience among our trustees has enabled them to effectively support and challenge the executive team — particularly as the organisation decides on its future direction and how best to cement its legacy.

I would like to extend my particular thanks to the Rt. Hon. David Laws, who has led the organisation as Chair from its inception in 2016 until earlier this year. David has worked tirelessly to help steward Unlocked from a concept to one of the largest prison reform charities in the UK. It has been an enormous privilege to work alongside him.

We are enormously grateful to all our partners. Your continued support is instrumental in enabling Unlocked to deepen its impact and extend its reach year after year.

Most importantly, we thank His Majesty's Prison and Probation Service and the Ministry of Justice. Their belief in the potential of the specific recommendation arising from my Review in 2016 (of an external organisation working from within the system to bring change) has been foundational to everything we've achieved. This kind of bold, collaborative thinking in the criminal justice system is something we hope to continue to see government adopting.

Finally, we extend our heartfelt thanks to our major donors — The Adrian Swire Charitable Trust, The Hadley Trust, Garfield Weston Foundation, Jeremy Lloyd, The Christopher and Henry Oldfield Trust, John Swire 1989 Charitable Trust, The Portrack Charitable Trust and The Goldsmiths' Foundation. Your support powers the most ambitious parts of our work and protects our ability to take bold, independent action when it's needed most.



Dame Sally Coates

MESSAGE FROM THE CEO

I am incredibly proud of everything Unlocked has accomplished over the past year.

We have continued to elevate the prison officer role as a career of impact and leadership. Our most recent recruitment campaign was the most successful to date, with more than 40 applicants for every place on the programme. Retention among our participants continues to outpace the standard entry route, demonstrating the strength of our approach in attracting, developing, and supporting outstanding individuals to lead change from within the prison system. We also launched our new middle leadership programme, designed to strengthen the capability of prison line managers.

These achievements would not be possible without the dedication of our staff, partners, and supporters. Every day, Unlocked participants and Ambassadors — working shoulder-to-shoulder with their colleagues in the prison service — are making a profound difference. Their commitment to driving systemic change and supporting those in custody is both humbling and inspiring.

Yet, the need for reform remains urgent and vast. Our prisons still face significant challenges, and the goal of preparing people for life beyond custody must remain at the centre. We know that the relationship between officers and prisoners is critical — and that better support for those on the frontline can have a transformative effect. Our ChangeMakers pilot, supporting middle leaders to develop their practice, has highlighted the huge impact uniformed managers have on the performance of front line staff too.

In the year ahead, we remain laser-focused on expanding and cementing our impact. Our priority is, and will always be, supporting the participants currently on prison landings to have the biggest impact they can on the lives of those in their care. Alongside that, we plan to pursue several projects aimed at scaling and mainstreaming what we've learned over the last decade, leaving a legacy for the benefit of all prison officers and the system more broadly. We will continue sharing what works — surfacing practical, evidence-based solutions and making them accessible to those best placed to implement them: the frontline.

Our model works because it is embedded in the system. We are hugely grateful to our colleagues across His Majesty's Prison and Probation Service and the Ministry of Justice — from Ministers and senior leaders to governors and officers — for backing our mission and enabling us to deliver it. Your support continues to make all the difference.

To everyone who has contributed to our journey this year: thank you. I hope you take pride in what we have achieved together — and enjoy reading about some of the milestones you have helped us reach.



Natasha Porter OBE

TRUSTEES' REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with financial statements of Unlocked Graduates ("the charity") for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 25 of the attached financial statements and comply with the charity's governing document, applicable laws 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).

Structure, governance and management

Constitution and background

Unlocked Graduates is a company limited by guarantee and a registered charity established on 4th July 2018 and governed by its Memorandum and Articles of Association ("the charity").

The directors of the charity are the trustees for the purpose of charity law and throughout this report are collectively referred to as "the trustees". The number of trustees consists of nine persons, who collectively make up the Board of Trustees ("the Board"). The Articles of Association require a minimum of three trustees.

The charity's objects are to promote the rehabilitation and education of prisoners and ex-prisoners, and to reduce reoffending through the provision of:

1. A specialised programme of education and training for graduate prison officers;
2. Education and training of those engaged in the prison and probation services and the criminal justice system in the rehabilitation and education of prisoners and ex-prisoners.

Method of appointment and election of trustees

The trustees are elected in accordance with the provisions of the Articles of Association. Normally, trustees are elected for a three-year term, with the possibility of reappointment for two consecutive terms, or three terms for founder trustees.

Upon appointment, trustees complete a variety of incorporation documents, and their details are submitted to Companies House and the Charity Commission. Trustees must declare any conflicts of interest throughout their term of office, and these are managed accordingly. Training needs are monitored on an ongoing basis. Trustees attend an annual away day which provides a more in-depth opportunity for strategic discussion and offers a training opportunity for new and existing members. New trustees also meet with existing Board members and the Senior Leadership Team (SLT) and are introduced to Unlocked Graduates' mission and strategy.

Organisation structure and decision making

The day to day running of the charity is delegated by the trustees to the Chief Executive Officer (CEO) and key management personnel which consists of the Chief Operating Officer (COO) and three staff directors (Directors).

The trustees meet quarterly at Board meetings (and more if required on an ad-hoc basis) to review the progress relative to plans, monitor compliance with policies, and to review and approve plans for the year ahead. The Finance, Audit and Risk committee (FARC) was established in December 2020 and meets quarterly to discuss and review the charity's financial position and principal risks, and reports to the Board.

Salary banding and remuneration policy is reviewed and approved by the Board annually. The Board also approves the CEO's salary. The CEO approves all salaries within the organisation. This is based on a benchmarking exercise against similar charities to ensure competitiveness and fairness, and ultimately, is focussed on maximising effective use of resource towards the Unlocked Graduates mission.

Risk management

Unlocked Graduates is committed to managing risk effectively to safeguard the future of the charity and achieve its charitable aims. Risk management is a key focus of the Board. In particular, the FARC monitors risk, and the actions taken by the SLT in response to risk, at each of its quarterly meetings.

The SLT leads on identifying and managing risks and implementing appropriate contingency planning. This is reviewed and monitored by FARC and the Board.

Volunteers and supporters

We are grateful to the trustees who are all volunteers and provide their time and expertise without payment. We have also benefited from some voluntary pro-bono contributions from supporters. Besides this, the operations and activities of Unlocked Graduates are run by paid staff and not reliant on volunteers.

Trustees are entitled to the reimbursement of any reasonable expenses incurred in carrying out the business of the charity, but are encouraged to keep their expense claims to a minimum. Trustees' expenses reimbursed during 2024/25 are detailed in Note 9.

Key management personnel

The key management personnel of the charity in charge of controlling, running and operating the charity on a day-to-day basis comprise the trustees and personnel comprising the CEO, COO and three staff Directors.

Public benefit

The trustees confirm that they have given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and planning its objectives. The main activities undertaken to further the charity's aims are set out in this report. The charity meets its obligations to provide a public benefit by working with anyone in need regardless of age, gender reassignment, marital status, pregnancy, disability, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

Activities and approach

Main activities

The Unlocked Graduates mission is to break cycles of reoffending through developing outstanding leaders in prison and wider society. The main activities by which the charity seeks to fulfil its charitable objects and this mission are:

1. Recruitment of a brilliant, diverse group of graduates who are motivated to break cycles of reoffending;
2. Provision of a two-year leadership programme for selected graduates, working on the frontline of prisons to directly break cycles of reoffending;
3. Development of an Ambassadors' network to drive meaningful system change and break cycles of reoffending.

Our approach

We have always believed that prisons and cycles of reoffending can be changed through prison officers. The prison officer is the only professional who can build a relationship with every single prisoner – including the most vulnerable and challenging. They set the culture on the prison landings and have the power to create a safe and secure environment that is focused on rehabilitation.

Our vision is a prison system where every prisoner receives the support that they need to flourish and desist from crime. Our 2023-2026 strategy reflects on everything we have learnt to date, and the steps we now need to take to build the prison system we need. With this in mind, we have committed to four areas of work:

1. Recruit, develop and retain more high-quality graduates as Prison Officers.
2. Support Ambassadors to progress into operational prison leadership roles.
3. Mainstream our solutions so all Prison Officers benefit from our research & work.
4. Prove what works in prisons to catalyse whole system change.

All Unlocked Graduates activities feed into this strategy, and achieving these aims is key to furthering our charitable objectives.

Achievements and performance

During this reporting period, Unlocked Graduates has made further significant progress against its goals with work continuing to ensure that we can meet our ambitious strategy for 2023 to 2026. This is summarised below.

Recruit, develop and retain more high-quality graduates as prison officers

Recruit

We attract, recruit and select brilliant, diverse and mission-aligned candidates to become prison officers. Since launch, we have placed almost 900 prison officers in 38 prisons across England and Wales, helping transform the lives of tens of thousands of prisoners.

In 2024 we placed our highest number of recruits ever into prisons, with 141 starting the programme. This was our most competitive recruitment cycle ever, with over 40 applicants per place. With this cohort we reached even more people who would not have entered the service, with 87% of Unlocked participants telling us they had not considered a job in the prison service before hearing about our mission.

We also succeeded in recruiting a very diverse cohort of participants, with 16% of participants coming from an ethnic minority background (compared with one in ten of the broader prison officer population). 72% were women, compared with 41% of the prison workforce nationally. Our participants studied over 26 different degree subjects at university, bringing a diversity of experience and problem-solving skills into prisons.

Our work to improve the status of the prison officer role continued to bear fruit. We were shortlisted for a number of prestigious graduate recruitment awards including 'Best Graduate and Early Careers Attraction campaign' at the 2025 Recruitment Advertising Awards and retained our position in the Times Top 100 graduate employers listing.

Develop

We believe that the right training and support can radically accelerate the time it takes for a frontline workforce to make a difference.

Weaving practical and theoretical learning throughout the programme, we support and develop outstanding individuals who excel in their roles, take on additional responsibilities, and influence best practice on and off the landings.

The initial training in our Summer Institute is followed by intensive mentoring support which runs throughout the two years alongside the theoretical study enabled by the MSc in Applied Custodial Leadership. The Masters is co-designed and delivered by Leeds Trinity University and fully integrated into every element of the programme.

Once in role in prisons, officers are supported and challenged by their Mentoring Prison Officers (MPOs) from day one to contribute meaningfully to making their prisons more rehabilitative. All of our support and learning aims to create a framework to empower these officers and push them to innovate.

The Unlocked Graduates curriculum is evidence-based and informed by a range of influences, including Scandinavian models of prison officer training. Our training offer is delivered across multiple years in recognition of the time it takes to refine expert practice. We also require a high level of prior academic attainment so training can be pitched at a high level. This enables us to accommodate the difficulty of the theories involved in the MSc as well as to build in deep critical analysis and significant independent research.

Practice-based learning underpins our pedagogy for the sections of our curriculum which focus on prison officer skills and professionalism. We have also been informed by the work of Professor Alison Liebling around balancing different components of the prison officer role. We have shared these approaches with other training organisations and the wider prison service, and elements have already been adopted by the mainstream prison officer training scheme as well as other organisations.

In line with our philosophy of ongoing learning, practitioner skills are developed throughout the programme. Participants receive 30 half-days of in-prison training which focuses on specialised aspects of the prison officer role. The focus on practitioner skills is central to the programme's impact. Our participants continue to develop over the two years, meaning their skills are always up to date, relevant and in line with best practice. The programme includes a significant independent research element. This empowers these frontline professionals to make an immediate contribution to rehabilitation in their prisons.

The quality of our programme remained high, with 100% of participants rating their initial training as excellent or good in 2024.

Retain

Retention has remained an area of focus for the organisation, recognising the pressing need for the prison service to retain the very best talent in frontline operational roles. 2024 saw our highest retention yet, with 88% of the 2022 cohort completing the programme and 60% of our 2021 cohort who graduated last year still in operational roles (which is our best ever retention in operational roles for Ambassadors since this target was set). The support and challenge from our MPOs is key to this. Feedback from participants about their MPOs continues to be exceptionally high, with 94% rating the quality of the support positively. One participant noted: "I would not have got through my role (as a prison officer) without my MPO".

Support Ambassadors to progress into operational prison leadership roles

Ambassadors are alumni who have successfully completed the Unlocked Graduates programme as frontline prison officers. Our aim is to create a network of Ambassadors with exceptional leadership skills using their frontline experience to impact systemic changes in prisons, the wider criminal justice system, and beyond. Ambassadors are key to our mission of developing outstanding leaders to break cycles of reoffending in prison and throughout society.

Given the pressing need for the service to retain the very best talent in frontline operational roles, we focus our efforts on supporting Ambassadors to progress into operational roles and empowering them to work together on prison reform after the two year programme has completed. 90% of Ambassadors from our most recent cohort to graduate were still operational in the prison service or the Ministry of Justice (MoJ) six months after they finished the programme, the highest number ever. Almost 75% of the two most recent cohorts to graduate from the Unlocked programme were promoted or took on additional responsibility during their time on the programme, including roles as Band 4 supervising officers, counter-terrorism liaison officers and equalities officers.

72% of those who have completed the programme since 2017 continue to work towards the mission of breaking cycles of reoffending in their primary role, with 41% of everyone who has ever completed the programme still operational in prison. A small number have now reached governor grades, with many more taking on roles as Custodial Managers.

Ambassadors continue to have a remarkable impact on the landings and beyond. This has been recognised with a range of Ambassadors having been nominated for and winning multiple awards this year, including: the Changing Lives award HMPPS Wales, the High Sheriff of Greater London Hidden Hero award, and the 'Rising Star Award' at Target Jobs National Graduate Recruitment Awards.

Mainstream our solutions so all Prison Officers benefit from our research and work

We have spent the past decade researching what makes the most effective prison officers and applying this to our recruitment, training and leadership development. Our approach to training and support has influenced wider prison officer training and development. Organisations from across the world regularly reach out to us to learn from our work.

We are focussing on mainstreaming our solutions and sharing what works between our cohorts and in the entire prison service, covering workforce issues such as recruitment, wellbeing, progression and retention. This varies from private meetings with those with agency, advocating for change with the MoJ, speaking at national and international conferences, publishing peer-reviewed research in credible journals and leading the sector to catalyse whole system change.

Prison officers joining the service through Unlocked Graduates are less likely to leave the service in their first two years. In the last year of the programme, overall retention of Unlocked participants was 14 per cent higher than prison officers joining via the standard route. This year we have supported His Majesty's Prison and Probation Service (HMPPS) 'Enable' programme with learnings from our training and retention work. We have given oral evidence to several parliamentary committees, including the House of Lords Justice and Home Affairs Committee on prison culture, governance and staffing.

Unlocked Graduates can only challenge and change the prison service with the support of those within it, and we remain grateful to our partners and colleagues across the service. We continue to receive positive feedback from prisons. For example, the Governing Governor in one of our partner prisons noted how our solutions were benefiting the prison: "Wormwood Scrubs has really benefitted from the enthusiasm, drive and professional curiosity that Unlocked Graduates participants bring. I'm proud to see these officers stay with us beyond their two years on the programme, with many becoming Supervising Officers, Custodial Managers and part of my senior management team."

This year will see the publication of our new book and the launch of the accompanying instructional coaching model. Informed by our evidence-based approach, this will codify the solutions we have developed that we know are making a real difference to prison officer training. We have already received interest from across the sector in the UK and internationally for this work.

Prove what works in prisons to catalyse whole system change

We want to drive system reform, and to do this we need to prove that change is possible, particularly in areas where failure is expected. We ultimately want to use excellence and proof of concept on the frontline to lead evidence-based change and build a system which effectively breaks cycles of reoffending. Over the last year we have continued to work with leading academics and expert thinkers to celebrate excellence and share evidence-based approaches with the frontline. This includes the delivery of our Annual Conference, which focused on highlighting the solutions that really work in our prisons, and connecting the world's leading criminal justice experts with frontline staff. We published research in an academically peer-reviewed journal, namely *Corrections: Policy, Practice and Research*. This research used Unlocked data to examine the relationship between procedural justice, mental wellbeing and prison officers' role commitment. Working with two partner prisons we have also made further progress with work to operationalise a randomised control trial (RCT) to test the impact of key components of our model on prisoner outcomes, drawing on learning from Little Scandinavia (an international research project using a similarly robust RCT design to test the adoption of Scandinavian-style reforms within a Pennsylvania prison, emphasising rehabilitation and improving the quality of prison life both for prisoners and staff). Later this year we have been invited to present at the prestigious American Society of Criminology conference in Washington DC, and the International Corrections and Prisons Association annual conference in Istanbul.

An evidence-base is vitally important to drive rehabilitation in the prison service. As part of their Master's degree, participants continue to undertake a research project based on a problem, question or initiative that they co-identify with the prison governor as an area of interest. These are focused on making targeted, tangible recommendations, whether to policy-makers or practitioners of the prison, developing the evidence-base on topics including prisoner wellbeing, rehabilitative practices and culture change.

Our Innovation Acceleration Programme (IAP) continues to support and amplify the impact participants can have by offering funding for small-scale, evidence-driven innovation projects in their prisons. To receive funding, participants must demonstrate how they work closely with other non-Unlocked Graduates prison officers in their prison to develop an idea that will achieve senior buy-in and has the potential to be sustainable long-term. We have invested a total of £41,597 in these frontline initiatives, including £17,348 over the past 12 months, funding projects focused on improving literacy, the rollout of a foreign national mentorship programme and a fitness and wellbeing solution to drive rehabilitative change.

This year we also launched Unlocked ChangeMakers - a bespoke leadership development scheme for Custodial Managers (CMs) which aims to transform the quality of middle leadership in prisons. After years of gathering evidence and curriculum design, this 12-month pilot launched in September 2024 and was supported by the Garfield Weston Foundation. The programme leverages our world-leading expertise in delivering leadership development training for prison officers alongside learnings from our graduate programme. It combines rigorous, evidence-based theory with practical learning to give CMs the tools required to lead culture change in their prisons.

An excellent middle manager can radically improve outcomes for an entire wing, driving rehabilitative change, while helping to shape the prison service's future leaders. Despite this, most CMs receive very limited training. 23 outstanding CMs from six prisons joined our first ChangeMakers cohort. Early analysis suggests that the ChangeMakers programme is supporting CMs to be exceptional leaders, accelerating the impact of the prison officers that they work with. Surveyed during the programme, 100% of participants reported feeling confident building the culture in their area of the prison – a 25% increase compared to the start of the programme. Meanwhile, over 30% of this cohort were recognised for their outstanding leadership, achieving promotions in their prisons. More than 95% of ChangeMakers participants felt that they had grown as a leader as a result of the training and support they had received – there was also a 22% increase in those that felt completely confident ensuring officers they manage are well supported. As part of the programme, participants are also completing a series of evidence-based challenge goals focused on shifting culture and leading change in their prisons. This is already making a tangible difference to prisoners' lives.

Financial review

The charity's total income during the period was £3,534,706 (2024 - £4,527,027). The main source of income was from our contract with the Ministry of Justice which generated income of £3,301,107 (2024 - £3,992,477). In addition, Unlocked Graduates raised income of £233,599 (2024 - £534,550) from trusts and other donations. Of this income, £20,000 (2024 - £410,000) was restricted income and £213,599 (2024 - £124,550) was unrestricted income.

The large decrease in restricted income is due to us having received funding for our ChangeMakers programme in 2024 (£310,000), a large portion of which was spent in 2025, as shown in our reserves table (note 14 to the accounts).

Expenditure totalled £3,784,322 (2024 - £4,282,883) of which £425,970 (2024 - £1,392,306) was spent on recruitment activities and £3,065,299 (2024 - £2,751,801) on graduate programme delivery. Expenditure on raising funds came to £53,740 (2024 - £65,764).

Restricted funds were spent on our ChangeMakers middle leadership programme (£189,622) through the support of the Garfield Weston Foundation, building our evidence based through the support of the Hadley Trust (£32,343) and our Innovation Acceleration Programme through the support of the John Armitage Charitable Trust (£17,348).

Risks and uncertainties

As part of the charity's commitment to effective risk management, the trustees review identified risks, as well as the plans and strategies for managing those risks. The principal risks and uncertainties identified are:

- Failure to secure sustainable direction and funding for future work in the absence of a new MoJ contract. Mitigations include continual evidencing of impact and value for money, active influencing work, and close involvement of the CEO and Board in ongoing discussion on future contracts.
- Lack of stakeholder support from government, the civil service, or prison governors. Mitigations include relationship-building with all relevant stakeholders, gaining cross-party support, and demonstrating the positive impact of the charity.
- Reputational risks relating to participants, such as negative media coverage or a high-profile departure of a participant. Mitigations include a rigorous recruitment process, strong training and mentoring for participants on the programme, internal evaluation and continual improvement, close monitoring and detailed reporting systems, involvement of MOJ press office and a formalised crisis communications strategy.
- Cyber security or data breach. Mitigations include Cyber Essentials Plus and ISO 27001 audit and compliance, use of data protection agreements with subcontractors, staff training and comprehensive IT and data protection policies.

Reserves policy

As of 31 March 2025, Unlocked Graduates had total reserves of £568,572 (2024: £818,188) of which £137,675 (2024: £356,988) was restricted, leaving unrestricted reserves of £430,897 (2024: £461,200). Our unrestricted reserves include one designated fund of £9,034 (2024: 150,480) for our Ambassador programme. In 2024, we closed our new ventures fund (2024: £119,232), transferring the balance to general funds and the Ambassador programme. We are proud of the work ongoing over several years to fundraise unrestricted income to build our reserves.

The trustees have examined the requirements for reserves in light of the main risks to the charity and have established a reserves policy to protect the charity and its long-term charitable activities, ensuring sufficient time to adapt to changing financial circumstances.

The level of reserves is set to cover a minimum of one busy month's expenditure and three months' expenditure outside of busy periods. Based on forecast expenditure for 2025-26, the trustees have approved a minimum level of free unrestricted reserves of £400,000 (2024: £400,000). A minimum level of £400,000 reserves is deemed to be necessary for working capital requirements and to mitigate against the financial impact of risks. Given the position of the organisation, we have no maximum level of reserves.

Working capital and cash flow requirements include costs such as monthly salaries, VAT bills and office rent. The charity currently operates under seven-day payment terms with the MoJ which lowers risks relating to cash flow.

Fundraising

Unlocked Graduates is registered with the Fundraising Regulator and adheres to their fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data, never sells data or swaps data with other organisations, and undertakes to promptly and thoroughly investigate any complaints regarding its fundraising activities. We aim to learn from any complaints and improve operations accordingly. During 2024/25, Unlocked Graduates received no complaints about fundraising activities.

Post balance sheet events, future plans and going concern

The trustees have assessed the resources, activities and risks of the charity to determine whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted until October 2026. In addition, the charity has a healthy unrestricted reserves position. The trustees have reviewed the expenditure plans for the following period and are assured these can be met from existing resources and expected future income. The trustees have also assessed the reserves position in the context of potential organisational change and are confident that the charity holds sufficient funds to support a range of possible future scenarios.

Trustees have reviewed the organisation's financial and strategic position and are actively exploring a range of possible futures. These include seeking a revised agreement to deliver future graduate schemes, diversifying into new programme areas - several of which are already under development with funding bids submitted - or, if necessary, entering an orderly wind-down after the end of the current MoJ contract.

The absence of a confirmed MoJ contract beyond October 2026 creates a material uncertainty regarding the charity's ability to continue as a going concern beyond that point. However, given the charity's strong reserves position, secured income through to 2026, and the active pursuit of alternative funding opportunities, the trustees are satisfied that the charity has sufficient resources to meet its obligations for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

Future plans

Future plans for the charity in the year ahead continue to be focused on its aforementioned aims:

1. Recruit, develop and retain more high-quality graduates as Prison Officers.
2. Support Ambassadors to progress into operational prison leadership roles.
3. Mainstream our solutions so all Prison Officers benefit from our research & work.
4. Prove what works in prisons to catalyse whole system change.

We aim to maximise our impact in the final eighteen months of our current MoJ contract.

Statement of trustees' responsibilities

The trustees (who are also directors of Unlocked Graduates for the purposes of company law) are responsible for preparing the trustees' report and 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 charity and the income and expenditure of the charity for that year.

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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);

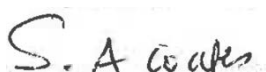
Trustees' report Year to 31 March 2025

- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees and signed on their behalf by:



Dame Sally Coates

Approved on: 30th September 2025

Independent auditor's report to the members of Unlocked Graduates

Opinion

We have audited the financial statements of Unlocked Graduates (the 'charitable company') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Material uncertainty related to going concern

We draw attention to the accounting policies on page 23, which explain that the charitable company was unable to reach an agreement on the terms and conditions of its contract with the Ministry of Justice. As a result, it will not be recruiting any programme participants beyond the current cohort, with existing Ministry of Justice-funded delivery due to expire in October 2026. This contract represents the majority of the charity's funding. The trustees are reviewing a number of future scenarios including an orderly wind-down. As a consequence, a material uncertainty exists which may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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:

- ◆ We obtained an understanding of the legal and regulatory framework that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS102 and the Charities Act 2011.
- ◆ We understood how the charitable company is complying with those legal and regulatory frameworks by making enquires to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of trustees meetings and paper provided to the trustees

We assessed the susceptibility of charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- ◆ making enquiries of management and those charged with governance as to where they consider there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal control in place to mitigate the risk of fraud and non-compliance with laws and regulations.

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

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

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transaction; and
- ◆ assessed whether judgement and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC.

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 is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Hugh Swainson (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL
06 October 2025

Statement of financial activities Year to 31 March 2025
(incorporating the income and expenditure account)

Statement of financial activities

	Notes	Restricted funds £	Un-restricted general Funds £	Year to 31 March 2025 £	Year to 31 March 2024 £
Income from:					
Donations	1	20,000	205,000	225,000	534,550
Charitable activities	2	—	3,301,107	3,301,107	3,992,477
Other trading activities	3	—	6,850	6,850	
Investments	4	—	1,749	1,749	
Other income		—	—	—	—
Total income		20,000	3,514,706	3,534,706	4,527,027
Expenditure on:					
Raising funds	5	—	53,740	53,740	65,764
Charitable activities	6	239,313	3,491,269	3,730,582	4,217,119
Total expenditure		239,313	3,545,009	3,784,322	4,282,883
Net income (expenditure) and movement in funds for the period	8	(219,313)	(30,303)	(249,616)	244,144
Reconciliation of funds:					
Funds brought forward at 1 April 2024		356,988	461,200	818,188	574,044
Funds carried forward at 31 March 2025		137,675	430,897	568,572	818,188

All activities derive from continuing operations.

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

Balance sheet 31 March 2025

Balance Sheet

	Notes	31 March 2025 £	31 March 2025 £	31 March 2024 £	31 March 2024 £
Fixed assets					
Tangible fixed assets	10		18,118		38,543
Current assets					
Debtors	11	658,130		888,638	
Cash at bank and in hand		523,081		804,879	
		1,181,211		1,693,517	
Creditors: amounts falling due within one year	12	(630,757)		(913,872)	
Net current assets			550,454		779,645
Creditors: amounts falling due after one year			—		—
Total net assets			568,572		818,188
The funds of the charity:					
Restricted fund	14		137,675		356,988
Unrestricted funds:					
General funds	15		421,863		310,720
Designated funds	15		9,034		150,480
			568,572		818,188

The financial statements were approved by the trustees and signed on their behalf by:

S. A Coates

Approved on: 30th September 2025

Unlocked Graduates: A company limited by guarantee, Company Registration No.11448853 (England and Wales).

Statement of cash flows – Year ended 31 March 2025

Statement of cash flows

	Notes	Year ended 31 March 2025 £	Year ended 31 March 2024 £
Net cash flows provided by operating activities	A	(278,698)	83,847
Net cash flows used in investing activities	B	(3,100)	(7,100)
Change in cash and cash equivalents		(281,798)	76,747
Cash and cash equivalents at 1 April 2024		804,879	728,132
Cash and cash equivalents at 31 March 2025		523,081	804,879

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

A Reconciliation of net movement in funds to net cash flows from operating activities

	Year to 31 March 2025 £	Year to 31 March 2024 £
Net income (expenditure)	(249,616)	244,144
Depreciation	23,525	32,590
(Increase) in debtors	230,508	(12,644)
(Decrease) increase in creditors	(283,115)	(180,243)
Net cash provided by operating activities	(278,698)	83,847

B Cash flows from investing activities

	Year to 31 March 2025 £	Year to 31 March 2024 £
Investing activities		
Purchase of fixed assets	(3,100)	(7,100)
Net cash flows used in investing activities	(3,100)	(7,100)

C Cash and cash equivalents

	Year to 31 March 2025 £	Year to 31 March 2024 £
Cash at bank	523,081	804,879
Total	523,081	804,879

Cash and cash equivalents at the year-end consisted solely of cash at bank and no other cash instruments. No cash has been borrowed and no debt repayments are outstanding at year-end.

Principal accounting policies – Year ended 31 March 2025

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 of financial statements

These financial statements have been prepared for the year ended 31 March 2025. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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) ('Charities FRS 102 SORP') and the Charities Act 2011.

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.

Critical accounting estimates and areas of judgement

No significant judgments and/or estimates have been made by the trustees in preparing these financial statements.

Assessment of going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until October 2026. In addition, the charity has a healthy reserves position. The absence of a confirmed MoJ contract beyond October 2026 creates a material uncertainty regarding the charity's ability to continue as a going concern beyond that point. However, given the charity's strong reserves position, secured income through to 2026, and the active pursuit of alternative funding opportunities, the trustees are satisfied that the charity has sufficient resources to meet its obligations for the foreseeable future. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and the accounts and financial statements have been prepared on this basis.

Income

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.

Contract and grant income

Contract funding is recognised over the term of the contract term as services are delivered.

Grant funding is recognised when receivable, except where there are performance conditions, where it is recognised as the related services or outcomes are delivered.

Principal accounting policies – Year ended 31 March 2025

Income (continued)

Donations

Income from donations is recognised in the period in which the charity becomes entitled to the donation and where receipt is probable and its amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation 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 costs are inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. The classification between activities in direct costs and support costs is as follows:

- ◆ Expenditure on raising funds includes any expenditure associated with raising funds for the charity and includes direct costs associated with fundraising events. An allocation of support costs is made against fundraising activities based on the amount of staff time involved.
- ◆ Expenditure on charitable activities comprises direct expenditure on the charity's two primary charitable activities and includes support costs.

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 a finance function and other overheads such as the maintenance of websites etc.

Governance costs comprise the costs related to the public accountability of the charity and costs in respect of its compliance with applicable regulations and good practice.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 9. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 10. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Principal accounting policies – Year ended 31 March 2025

Debtors

Debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

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 measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

Fund accounting

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

There are designations made to Unrestricted (general) funds by the trustees for specific programmes of work, details of which can be found in note 13 to the accounts.

Restricted funds comprise monies received for, or their use is restricted to, a specific purpose or have donor-imposed conditions.

Notes to the financial statements – Year ended 31 March 2025

1. Donations

	Restricted funds £	Unrestricted general funds £	Total funds 2025 £
Donations from Trusts and Foundations	20,000	205,000	225,000
2025 Total funds	20,000	205,000	225,000

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2024 £</i>
<i>Donations from Trusts and Foundations</i>	<i>410,000</i>	<i>124,550</i>	<i>534,550</i>
2024 Total funds	410,000	124,550	534,550

2. Income from charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2025 £
Graduate Prison Officers Programme	—	2,602,460	2,602,460
Participant Recruitment Activities	—	698,647	698,647
2025 Total funds	—	3,301,107	3,301,107

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2024 £</i>
<i>Graduate Prison Officers Programme</i>	<i>—</i>	<i>2,595,110</i>	<i>2,595,110</i>
<i>Participant Recruitment Activities</i>	<i>—</i>	<i>1,397,367</i>	<i>1,397,367</i>
2024 Total funds	—	3,992,477	3,992,477

3. Income from other trading activities

	Restricted funds £	Unrestricted general funds £	Total funds 2025 £
Sale of merchandise	—	183	183
Sponsorship of annual conference	—	6,667	6,667
2025 Total funds	—	6,850	6,850

Notes to the financial statements – Year ended 31 March 2025

3. Income from other trading activities (continued)

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2024 £</i>
<i>Sale of merchandise</i>	—	—	—
<i>Sponsorship of annual conference</i>	—	—	—
2024 Total funds	—	—	—

4. Income from investments

	Restricted funds £	Unrestricted general funds £	Total funds 2025 £
Interest on bank deposits	—	1,749	1,749
2025 Total funds	—	1,749	1,749

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2024 £</i>
<i>Interest on bank deposits</i>	—	—	—
2024 Total funds	—	—	—

5. Expenditure on raising funds

	Restricted funds £	Unrestricted general funds £	Total funds 2025 £
Support costs (see note 7)	—	53,740	53,740
2025 Total expenditure	—	53,740	53,740

	<i>Restricted funds £</i>	<i>Unrestricted General funds £</i>	<i>Total funds 2024 £</i>
<i>Support costs (see note 7)</i>	—	65,764	65,764
2024 Total expenditure	—	65,764	65,764

6. Expenditure on charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2025 £
Activities undertaken directly			
Graduate Prison Officers Programme	239,313	2,678,598	2,917,911
Participant Recruitment Activities	—	322,158	322,158
	<u>239,313</u>	<u>3,000,756</u>	<u>3,240,069</u>
Support costs (see note 7)			
Graduate Prison Officers Programme	—	386,699	386,699
Participant Recruitment Activities	—	103,814	103,814
	<u>—</u>	<u>490,513</u>	<u>490,513</u>
2025 total expenditure	<u>239,313</u>	<u>3,491,269</u>	<u>3,730,582</u>

	Restricted funds £	Unrestricted general funds £	Total funds 2024 £
Activities undertaken directly			
Graduate Prison Officers Programme	73,012	2,473,804	2,546,816
Participant Recruitment Activities	—	1,242,616	1,242,616
	<u>73,012</u>	<u>3,716,420</u>	<u>3,789,432</u>
Support costs (see note 7)			
Graduate Prison Officers Programme	—	277,997	277,997
Participant Recruitment Activities	—	149,690	149,690
	<u>—</u>	<u>427,687</u>	<u>427,687</u>
2024 total expenditure	<u>73,012</u>	<u>4,144,107</u>	<u>4,217,119</u>

7. Analysis of support costs

		Unrestricted Charitable activities		
	Raising funds £	Graduate Prison Officers Programme £	Participant Recruitment activities £	2025 Total £
Human resources:				
- Shared staff costs allocations	32,098	129,241	34,696	196,035
- Other HR related shared costs	174	2,070	556	2,800
Finance	446	5,306	1,425	7,177
Information Technology	4,287	50,994	13,690	68,971
Premises and office running costs	14,684	174,676	46,893	236,253
Governance costs:				
- Auditor's remuneration	753	8,963	2,406	12,122
- Legal, professional and accountancy	1,164	13,850	3,718	18,732
- Bank charges	132	1,574	423	2,129
- Other governance costs	2	25	7	34
Totals	53,740	386,699	103,814	544,253

		Unrestricted Charitable activities		
	Raising funds £	Graduate Prison Officers Programme £	Participant Recruitment activities £	2024 Total £
Human resources:				
- Shared staff costs allocations	30,310	55,522	29,896	115,728
- Other HR related shared costs	2,603	16,330	8,793	27,726
Finance	752	4,716	2,540	8,008
Information Technology	8,220	51,587	27,777	87,584
Premises and office running costs	20,903	131,174	70,632	222,709
Governance costs:				
- Auditor's remuneration	1,030	6,462	3,479	10,971
- Legal, professional and accountancy	1,747	10,961	5,902	18,610
- Bank charges	150	938	505	1,593
- Other governance costs	49	307	166	522
Totals	65,764	277,998	149,690	493,451

Support costs are allocated on the following bases, which reflect an estimate of staff time, spent on fundraising activities and the direct staff time on the primary charitable activities of running the programme and recruitment activities:

	2025 %	2024 %
Fundraising	6%	9%
Charitable activities:		
(i) Graduate Prison Officers Programme	74%	59%
(ii) Participant Recruitment Activities	20%	32%
Total allocations	100%	100%

8. Net income (expenditure)

This is stated after charging the following against unrestricted funds:

	2025 Total £	2024 Total £
Staff costs (see note 0)	1,745,189	1,790,422
Auditor's remuneration	12,122	10,970
Depreciation	23,525	32,590
Operating lease rentals	204,817	174,341

9. Staff costs and trustees' remuneration

	2025 £	2024 £
Staff costs during the period were as follows:		
Wages and salaries	1,461,222	1,490,845
Social security costs	148,742	154,717
Termination payments	1,400	—
Pension costs	133,825	144,860
	1,745,189	1,790,422

The average number of employees during the period was:

	2025 Number	2024 Number
Management and Leadership	5	4
Programme	15	13
Recruitment	14	30
Operations	5	4
External Relations	1	3
	40	54

During the current accounting period, there were six (2024 - three) employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions).

	2025 Number	2024 Number
£60,001 – £70,000	2	1
£70,001 – £80,000	3	—
£80,001 – £90,000	—	—
£90,001 – £100,000	1	1
£100,001 – £110,000	—	—
£110,001 – £120,000	1	1

No trustee received any remuneration in respect of their services during the year (2024 - £nil) and no expenses were reimbursed to the trustees during the year (2024 - £nil).

The key management personnel of the charity in charge of directing and controlling, running and operating the organisation on a day-to-day basis comprise the trustees together with five employees: the Chief Executive Officer, the Chief Operating Officer, the External Relations Director, Recruitment/Strategy Director and Programme Director. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year is set out below.

Notes to the financial statements – Year ended 31 March 2025

9. Staff costs and trustees' remuneration (continued)

	2025 £	2024 £
Key Management Personnel – Gross pay	449,994	434,597
Key Management Personnel – Employer pensions	37,124	43,848
Key Management Personnel – Employer NI	44,450	48,241
	531,568	526,686

The gross pay figure includes costs of £76,247 paid to The Home Office, the employer of a secondee who served as Programme Director during the year. The secondee was considered part of the charity's key management personnel due to their leadership and strategic decision-making responsibilities.

10. Tangible fixed assets

	Computer equipment £	Furniture, fixtures equipment £	Leasehold improve- ments £	2025 Total £
Cost				
At 1 April 2024	85,615	31,376	8,520	125,511
Additions	3,100	—	—	3,100
At 31 March 2025	88,715	31,376	8,520	128,611
Depreciation				
At 1 April 2024	61,706	16,742	8,520	86,968
Charge for period	17,250	6,275	—	23,525
At 31 March 2025	78,956	23,017	8,520	110,493
Net book values				
At 31 March 2025	9,759	8,359	—	18,118
At 1 April 2024	23,909	14,634	—	38,543

11. Debtors

	2025 £	2024 £
Trade debtors	418,301	493,264
Prepayments	211,938	337,186
Accrued income	27,891	51,028
Other debtors	—	7,160
	658,130	888,638

12. Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	212,436	237,842
Other creditors	33,238	99,495
Tax and social security	135,733	161,779
Accruals and deferred income	249,350	414,757
	630,757	913,873

13. Creditors: amounts falling due after one year

	2025 £	2024 £
Lease liability	—	—
	—	—

14. Restricted funds

	At 1 April 2024 £	Income £	Expenditure £	At 31 March 2025 £
Restricted funds				
John Armitage Charitable Trust	22,473	20,000	(17,348)	25,125
Garfield Weston Foundation	302,172	—	(189,622)	112,550
Hadley Trust	32,343	—	(32,343)	—
Total	356,988	20,000	(239,313)	137,675

Restricted funds

John Armitage Charitable Trust: to support the prison innovation acceleration project.

Garfield Weston Foundation: to support the launch of the Middle Leadership Programme, ChangeMakers.

Hadley Trust: to support work towards increasing our evidence base.

15. Analysis of net assets between funds

	Restricted funds £	Unrestricted general funds £	Total funds 2025 £
Fund balances at 31 March 2025 are represented by:			
Tangible fixed assets	—	18,118	18,118
Current assets	137,675	1,043,536	1,181,211
Current liabilities	—	(630,757)	(630,757)
Non-current liabilities	—	—	—
Total net assets	137,675	430,897	568,572

Unrestricted funds at 31 March 2025 include designated funds as follows:

- ♦ New ventures fund of £nil. This designation has been closed due to no future planned activities and funds transferred to the Ambassadors fund and unassigned funds in 2024/2025.
- ♦ Ambassadors fund of £9,034, to be added to in 2025/2026 in line with the trustee-agreed annual budget to be spent on mobilisation and running costs of our ambassador programme.

15. Analysis of net assets between funds (continued)

	At 1 April 2024 £	Income £	Expenditure £	Funds transfer £	At 31 March 2025 £
Designated funds					
New ventures fund	119,232	—	(19,375)	(99,857)	—
Ambassadors fund	31,248	—	(57,490)	35,276	9,034
Total	150,480	—	(76,865)	(64,581)	9,034

	Restricted funds £	Unrestricted general funds £	Total funds 2024 £
Fund balances at 31 March 2024 are represented by:			
Tangible fixed assets	—	38,543	38,543
Current assets	356,988	1,336,528	1,693,517
Current liabilities	—	(913,872)	(913,872)
Non-current liabilities	—	—	—
Total net assets	356,988	461,200	818,188

16. Operating lease commitments

At 31 March 2025, the balance sheet date, the Charity had operating lease commitments as follows:

	2025 £	2024 £
On office space		
Due within one year	114,660	163,800
Due between one and two years	—	36,400
	114,660	200,200

17. Taxation

Unlocked Graduates 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.

18. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

19. Post balance sheet events

There have been no events since the balance sheet date that require adjustment to or disclosure in the financial statements.

UNLOCKED GRADUATES

England & Wales - Charity number 1187552

Accounts

ANNUAL REPORT

Leading change from the inside
2023/4

Unlocked Graduates

unlockedgrads.org.uk

020 3949 4750

hello@unlockedgrads.org.uk

Charity No: 1187552 | Company No: 11448853

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Reference and administrative details

Directors and Members	Dame Sally A Coates Angela O Daniel James B H Darley Robert D Farquharson Rt Hon. David Laws Nicola C Marfleet Thomas P J Shinner Nathan A White Emma J Wilson
Company number	11448853
Charity registration number	1187552
Registered Office	7 Bell Yard London WC2A 2JR
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Boundary House 91 Charterhouse St Barbican London EC1M 6HR
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

MESSAGE FROM THE CHAIR

The last year has seen Unlocked Graduates go from strength to strength. We have just finished recruiting our eighth cohort – the largest and most competitive in our history. Those who were selected have now begun their journey to become prison leaders on the landings of some of the country's toughest prisons. Alongside their Unlocked peers, they make up a group of almost 900 who continue to prove the model works: graduates who would otherwise never have considered a frontline public sector role in a prison have shown they will do so when offered genuine leadership opportunities.

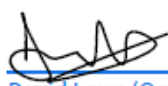
It would be remiss not to acknowledge that much of the success of the programme has been achieved against the backdrop of what is inarguably a difficult time for prisons. With the wider system running very close to capacity and rates of violence and self-harm ever increasing, the role of the prison officer has never been more important. I am immensely proud of the role our participants play in the lives of the prisoners in their care. Despite the challenges, they show up day in, day out determined to have a positive and powerful impact on the outcomes of some of our society's most complicated and vulnerable members.

As ever, the leadership of the Board has been crucial throughout this period. The diversity of background and experience of trustees has allowed it to effectively support and challenge the executive team, particularly with regards to the recent contract negotiations and the ultimate decision not to sign the new contract. We remain hopeful for a solution which will enable Unlocked to deliver a 2025 cohort.

This note would not be complete without a sincere thank you to all our partners. Your support is central to allowing Unlocked Graduates to grow in strength and deliver more impact each year.

Most important, of course, is His Majesty's Prison and Probation Service and the Ministry of Justice, whose support for our model and work has made everything we have done possible. Their belief, that an external charity given the chance to work from the inside can drive bold change, is admirable and more parts of government could benefit from this approach.

I want to thank our donors - Adrian Swire Charitable Trust, Hadley Trust, Drapers Charitable Fund, Garfield Weston Foundation, Jeremy Lloyd, John Swire 1989 Charitable Trust, Portrack Charitable Trust, The Dulverton Trust, The Goldsmiths Company Charity, and Treebeard Trust. Their support not only enables the most innovative elements of our work but ensures our independence to take bold action.



David Laws (Oct 1, 2024 09:49 GMT+1)

Rt. Hon David Laws

MESSAGE FROM THE CEO

I feel a great sense of pride in what we have achieved at Unlocked over the past year.

We have continued to transform the status of the prison officer role, rising to 22nd on the Times Top 100 list of most prestigious graduate employers. 2024 was our most competitive and successful recruitment season ever, with more than 40 applications for every place on the programme. Our retention rates have further improved and remain higher than the standard entry route, and we continue to deliver a recruitment and training model that attracts, motivates, and supports the very best talent to pursue a career in the prison service and make a positive impact.

None of this would be possible without the staff, partners and supporters who have helped make it happen. Working alongside their dedicated colleagues, Unlocked participants and Ambassadors continue to inspire in all that they do, working tirelessly to deliver system change and give the people in their care the support they need.

But the scale and urgency of reform needed to improve prisons and better prepare prisoners for life post-release cannot be understated. There is still much to do to ensure our prisons are places that are focused on helping those in their care receive the help and support they need to desist from crime. The relationship between prison officers and prisoners is central to this.

In the year ahead, we will maintain our relentless focus on reaching more prisoners with brilliant people. We look forward to rolling out our middle leadership programme to improve the support prison officers get from their line managers. This is one of the most effective ways to recharge the engine room of prisons, addressing the middle leadership capability gap that participants and Ambassadors identify as the single biggest opportunity to scale culture change and impact on the prison landings, whilst also improving retention and performance of frontline staff. Alongside this, we will focus our efforts on exchanging evidence and identifying solutions that work, ensuring this is accessible for frontline staff given their uniquely powerful position to deliver change.

Our model only works from the 'inside' and our colleagues across His Majesty's Prison and Probation Service and the Ministry of Justice have been incredible at making sure we can deliver our mission. From the Ministers and CEO, who have led the support for our approach, through to governors and frontline officers and staff who make the practicalities work: thank you.

We could not do it without all of you so thank you. I hope you will enjoy reading about a few of the achievements that you made possible this year.



Natasha Porter

Natasha Porter (Nov 1, 2024 15:47 GMT)

Natasha Porter

01/11/24

TRUSTEES' REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with financial statements of Unlocked Graduates ("the charity") for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 25 of the attached financial statements and comply with the charity's governing document, applicable laws 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).

Structure, governance and management

Constitution and background

Unlocked Graduates is a company limited by guarantee and a registered charity established on 4th July 2018 and governed by its Memorandum and Articles of Association.

The directors of the charity are the trustees for the purpose of charity law and throughout this report are collectively referred to as "the trustees". The number of trustees consists of nine persons, who collectively make up the Board of Trustees ("the Board"). The Articles of Association require a minimum of three trustees.

The charity's objects are to promote the rehabilitation and education of prisoners and ex-prisoners, and to reduce reoffending through the provision of:

1. A specialised programme of education and training for graduate prison officers;
2. Education and training of those engaged in the prison and probation services and the criminal justice system in the rehabilitation and education of prisoners and ex-prisoners.

Method of appointment and election of trustees

The trustees are elected in accordance with the provisions of the Articles of Association. Normally, trustees are elected for a three-year term, with the possibility of reappointment for two consecutive terms, or three terms for founder trustees.

Upon appointment, trustees complete a variety of incorporation documents, and their details are submitted to Companies House and the Charity Commission. Trustees must declare any conflicts of interest throughout their term of office. Training needs are monitored on an ongoing basis. Trustees attend an annual away day which provides a more in-depth opportunity for strategic discussion and offers a training opportunity for new and existing members. New trustees also meet with existing Board members and the Senior Leadership Team (SLT) and are introduced to Unlocked Graduates' mission and strategy.

Organisation structure and decision making

The day to day running of the charity is delegated by the trustees to the Chief Executive Officer (CEO) and key management personnel which consists of the COO and three directors.

The trustees meet quarterly at Board meetings (and more if required on an ad-hoc basis) to review the progress relative to plans, monitor compliance with policies, and to review and approve plans for the year ahead. The Finance, Audit and Risk committee (FARC) was established in December 2020 and meets quarterly to discuss and review the charity's financial position and principal risks, and reports to the Board.

Salary banding and remuneration policy is reviewed and approved by the Board annually. The Board also approves the CEO's salary. The CEO approves all salaries within the organisation. This is based on a benchmarking exercise against similar charities to ensure competitiveness and fairness, and ultimately, is focussed on maximising effective use of resource towards the Unlocked Graduates mission.

Risk management

Unlocked Graduates is committed to managing risk effectively to safeguard the future of the charity and achieve its charitable aims. Risk management is a key focus of the Board. In particular, the FARC monitors risk, and the actions taken by the SLT in response to risk, at each of its quarterly meetings.

The SLT leads on identifying and managing risks and implementing appropriate contingency planning. This is reviewed and monitored by FARC and the Board.

Volunteers and supporters

We are grateful to the trustees who are all volunteers and provide their time and expertise without payment. We have also benefited from some voluntary pro-bono contributions from supporters. Besides this, the operations and activities of Unlocked Graduates are run by paid staff and not reliant on volunteers.

Trustees are entitled to the reimbursement of any reasonable expenses incurred in carrying out the business of the charity, but are encouraged to keep their expense claims to a minimum. Trustees' expenses reimbursed during 2023/24 are detailed in Note 7.

Key management personnel

The key management personnel of the charity in charge of controlling, running and operating the charity on a day-to-day basis comprise the trustees and personnel comprising the CEO, COO and three Directors.

Public benefit

The trustees confirm that they have given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and planning its objectives. The main activities undertaken to further the charity's aims are set out in

this report. The charity meets its obligations to provide a public benefit by working with anyone in need regardless of age, gender reassignment, marital status, pregnancy, disability, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

Activities and approach

Main activities

The Unlocked Graduates mission is to break cycles of reoffending through developing outstanding leaders in prison and wider society. The main activities the charity seeks to fulfil its charitable objects and this mission, are:

1. Recruitment of a brilliant, diverse group of graduates who are motivated to break cycles of reoffending.
2. Provision of a two-year leadership programme for selected graduates, working on the frontline of prisons to directly break cycles of reoffending.
3. Development of an Ambassadors' network to drive meaningful system change and break cycles of reoffending.

Our approach

We have always believed that prisons and cycles of reoffending can be changed through prison officers. The prison officer is the only professional who can build a relationship with every single prisoner – including the most vulnerable and challenging. They set the culture on the landings and have the power to create a safe and secure environment that is focused on rehabilitation.

Our vision is a prison system where every prisoner receives the support that they need to flourish and desist from crime. Our 2023-2026 strategy reflects on everything we have learnt over the past five years, and the steps we now need to take to build the prison system we need. With this in mind we have committed to four areas of work:

1. Recruit, develop and retain more high-quality graduates as Prison Officers.
2. Support Ambassadors to progress into operational prison leadership roles.
3. Mainstream our solutions so all Prison Officers benefit from our research & work.
4. Prove what works in prisons to catalyse whole system change.

All Unlocked Graduates activities feed into this strategy, and achieving these aims is key to furthering our charitable objectives.

Achievements and performance

During this reporting period, Unlocked Graduates has made further significant progress against its goals with work continuing to ensure that we can meet our ambitious strategy for 2023 to 2026. This is summarised below.

Recruit, develop and retain more high-quality graduates as prison officers

We continue to focus relentlessly on recruiting, developing and retaining the best and most diverse pool of graduates to work as prison officers. Our focus on graduates is, in part, because they are under-represented in the prison service, and we believe that their addition will diversify the problem-solving skills available in the workforce – critical given the magnitude of the challenge. We also focus on this audience because one way to raise the status of the job of a prison officer is to actively target this ambitious group of jobseekers that society views as our 'best and brightest'.

What we did

Recruit

We attract, recruit and select brilliant, diverse and mission-aligned candidates to become prison officers. Since launch, we have placed almost 900 prison officers in 38 prisons across England and Wales, helping transform the lives of tens of thousands of prisoners.

In 2023-2024 we received our most applications ever, with nearly 6,000 started applications and more than 40 applications per place. Our recruitment strategy is designed to attract high-calibre candidates, particularly those graduates who would not have considered a role in the prison service. This year we reached even more people who would not have entered the service, with 90% of Unlocked participants telling us they had not considered a job in the prison service before hearing about our mission.

We also succeeded in recruiting our most diverse cohort of participants ever, with one in five participants coming from an ethnic minority background (compared with one in ten of the broader prison officer population). 72% were women, compared with 41% of the prison workforce nationally).

We continue our work to improve the status of the prison officer role, rising to 22nd on the Times Top 100 list of graduate employers in 2023; the first time the prison service has been represented on that list.

Develop

We believe that the right training and support can radically accelerate the time it takes for a frontline workforce to make a difference.

Weaving practical and theoretical learning throughout the programme, we support and develop outstanding individuals who excel in their roles, take on additional responsibilities, and influence best practice on and off the landings.

The initial training in Summer Institute is followed by intensive mentoring support which runs throughout the two years alongside the theoretical study enabled by the MSc in Applied Custodial Leadership. This is co-designed and delivered by Leeds

Trinity University but fully integrated into every element of the programme. The Summer Institute was highlighted as a particular strength by participants, with 99% rating the quality of training as excellent or good.

Once in role these officers are supported and challenged by their Mentoring Prison Officers (MPOs) from day one to meaningfully contribute to making their prisons more rehabilitative. All of our support and learning aims to create a framework to empower these officers and push them to innovate.

The Unlocked Graduates curriculum is evidence-based and informed by a range of influencers, including Scandinavian models of prison officer training. Our training offer sits across multiple years in recognition of the time it takes to refine expert practice. We also require a high level of prior academic attainment so training can be pitched at a high level. This enables us to accommodate the difficulty of the theories involved in the course as well as build in deep critical analysis and significant independent research.

Practice-based learning underpins our pedagogy for the sections of our curriculum which focus on prison officer skills and professionalism. We have also been informed by the work of Professor Alison Liebling around balancing different components of the prison officer role. We have shared these approaches with other training organisations and the wider prison service, and elements have already been adopted by the mainstream prison officer training scheme as well as other organisations.

In line with our philosophy of ongoing learning, practitioner skills are developed throughout the programme. Participants receive 30 half-days of in-prison training which focuses on specialised aspects of the prison officer role. The focus on practitioner skills is central to the programme's impact. Our participants continue to develop over the two years, meaning their skills are always up to date, relevant and in line with best practice. The programme includes a significant independent research element. This empowers these frontline professionals to make an immediate contribution to rehabilitation in their prisons.

The quality of our programme was recognised nationally in 2023, winning the Institute for Student Employers Graduate Development Programme of the Year.

Retain

Retention has remained an area of focus for the organisation, recognising the pressing need for the prison service to retain the very best talent in the frontline operational roles.

We carried out a benchmarking exercise with our partner prisons, with representation from prisons from the north, Midlands, Greater London and the south. We were looking to compare the retention of Band 3 officers in the 2022/23 year to understand how well the retention of our Unlocked officers compared to those that entered the service via the standard route. The analysis showed that the

retention of Unlocked participants is 14 per cent higher during our two-year programme compared to those entering via the standard route. This is despite increasing numbers of participants being actively approached for other roles during their time on the programme.

The support and challenge from our MPOs is key to this. Feedback from participants about their MPOs continues to be exceptionally high, with 94% rating the quality of the support positively. One participant noted: "I would not have got through my role (as a prison officer) without my MPO".

We also had a paper published in the 17th Edition of the Journal of the International Corrections and Prisons Association, evidencing our solutions and learning to date on the factors contributing to prison officers leaving the service and proposed solutions.

Support Ambassadors to progress into operational prison leadership roles

What we did

Ambassadors are key to our mission of developing outstanding leaders to break cycles of reoffending in prison and throughout society. Our aim is to create a network of Ambassadors with exceptional leadership skills using their frontline experience to impact systemic changes in prisons, the wider criminal justice system, and beyond.

We focus our efforts on supporting Ambassadors to progress into operational roles and empowering them to work together on prison reform after the programme, given the pressing need for the service to retain the very best talent in frontline operational roles. 79% of Ambassadors from our most recent cohort to graduate were still operational in the prison service or the Ministry of Justice six months after they finished the programme. 85% were promoted or took on additional responsibility during their time on the programme, including roles as Band 4 supervising officers, counter-terrorism liaison officers and equalities officers.

72% of those who have completed the programme since 2017 continue to work towards the mission of breaking cycles of reoffending in their primary role, with 36% of everyone who has ever completed the programme still operational in prison. A small number have now reached governor grades, with many more taking on roles as Custodial Managers.

Ambassadors continue to have a remarkable impact on the landings and beyond. By way of example, in the past year, one Ambassador has launched a Think Tank to connect research and evidence about what works and help frontline staff solve the most pressing problems facing the service.

We continue to use community organising principles to better formalise the Ambassador network and develop their influence as leaders together, led by our first Ambassador Network Manager, Karan Rai, himself a graduate of our Leadership Development Programme. This includes networking events and study visits, and evidence-gathering trips to other prisons (including trips overseas to visit reform-oriented institutions).

Mainstream our solutions so all Prison Officers benefit from our research and work.

What we did

We have spent the past eight years researching what makes the most effective prison officers and applying this to our recruitment, training and leadership development. Our approach to training and support has influenced wider prison officer training and development, and organisations from across the world regularly reach out to us to learn from our work.

We are working hard to mainstream our solutions and to share what works between our cohorts and in the entire service, covering workforce issues such as recruitment, wellbeing, progression and retention. This varies from private meetings with those with agency, advocating for change with the Ministry of Justice (e.g. a retention roundtable event), speaking at national and international conferences, publishing peer-reviewed research in credible journals and leading the sector to catalyse whole system change.

Prison officers joining the service through Unlocked Graduates are less likely to leave the service in their first two-years. In the last year, overall retention of Unlocked participants was 14 per cent higher than prison officers joining via the standard route. We were proud to receive the 2023 Gary Hill Memorial Award for Staff Wellbeing and Development from the International Corrections and Prisons Association. We also launched an evidence-based 'wellbeing workout' for Unlocked participants at our March 2024 Conference. This event was opened-up to officers in the standard entry route, as well as leadership from across the prison service. We have also invested fundraised income to pilot a Middle Leadership Programme, with the aim of improving the support prison officers get from line managers. The pilot programme is due to launch in Autumn 2024.

Unlocked Graduates can only challenge and change the prison service with the support of those within it, and we remain grateful to our partners and colleagues across the service. 100 percent of governors recently surveyed said they thought Unlocked Graduates were contributing positively to the prison service and all would recommend Unlocked Graduates to other prisons. Consistent with this positive feedback, a Custodial Manager in one of our partner prisons noted how our solutions were benefiting the prison: "The three of them (Unlocked participants) have been a revelation. They listen to prisoners and use their education in a good way – they see things from a different viewpoint...by having the way my staff talk

to everyone down there better – that is how it's been so successful. And that is slowly rubbing off. It's just a different way to be a prison officer."

It is also noteworthy that Unlocked Graduates was featured as an example of leading practice in a thematic review of behaviour in prisons, led by HM Chief Inspector of Prisons (published April 2024). The report highlighted the rigour of our recruitment, initial training, ongoing development and support for prison officers, translating into improved prisoner experiences and outcomes. To quote:

'They listen to prisoners... they see things from a different viewpoint... The Unlocked [Graduates] people are good at talking to people. They have good communication skills. And those skills have rubbed off on other members of staff. When Unlocked are redeployed onto other wings – they take more time with prisoners, and people usually on that wing realise prisoners aren't coming out shouting and swearing because someone spoke politely to them and given them the time of day – told them they will sort out their problem instead of just shutting their flap.'

Prison Custodial Manager

Prove what works in prisons to catalyse whole system change

What we did

To ensure that there was sufficient expertise and capacity within Unlocked Graduates, we restructured the senior team to create a new role, Associate Director of Impact and Insights. Dr Liam Fenn joined in this role in March 2023, bringing extensive experience in process and impact evaluation in the criminal justice sector.

Over the last year we have worked with leading academics and expert thinkers to celebrate excellence and share evidence-based approaches with the frontline. This includes the launch of our Evidence Exchange series to facilitate the frontline exchange of ideas. We published our research on prison officer retention in the 17th edition of Advancing Corrections (Journal of the International Corrections and Prisons Association) and were also invited to present at the prestigious Stockholm Criminology Symposium to share our learning on the prison workforce.

An evidence-base is vitally important to drive rehabilitation in the prison service. As part of their Master's degree, participants continue to undertake a research project based on a problem, question or initiative that they co-identify with the prison governor as an area of interest. These are focused on making targeted, tangible recommendations, whether to policy-makers or practitioners of the prison, developing the evidence-base on topics including prisoner wellbeing, rehabilitative practices and culture change.

We have continued our work to find ways to robustly measure our impact with independent experts and behavioural scientists, resulting in a feasibility paper that

we are now looking to operationalise. We also commissioned independent analysis to evaluate our contribution to society from an economic perspective – providing indicative evidence that for every £1 spent on Unlocked Graduates at least £59 is saved to society over a five-year period.

Our Innovation Accelerations Programme (IAP) continues to support and amplify the impact participants can have by offering funding for small-scale, evidence driven innovation projects in their prisons. To receive funding, participants must demonstrate how they work closely with other non-Unlocked Graduates prison officers in their prison to develop an idea that will achieve senior buy-in and has the potential to be sustainable long-term. Through this we have invested £17,527 in frontline prison innovation, including projects creating libraries on the prison wings, providing hair products for Afro Caribbean hair and developing a Retirement Hub to support elderly people in prison.

Financial review

The charity's total income during the period was £4,527,027 (2023 - £4,207,773). The main source of income was from our contract with the Ministry of Justice (MOJ) which generated income of £3,992,477 (2023 - £4,044,912). In addition, Unlocked Graduates raised income of £534,550 (2023 - £160,161) from trusts and other donations. Of these donations, £410,000 (2023 - £1,424) was restricted income and £124,550 (2023 - £158,737) was unrestricted income.

The large increase in restricted income was driven by funding for our middle leadership programme, which totalled £310,000 from the Garfield Weston Foundation.

Expenditure totalled £4,282,883 (2023 - £4,446,680) of which £1,392,306 (2023 - £1,301,656) was spent on recruitment activities and £2,751,801 (2023 - £3,029,730) on graduate programme delivery. Expenditure on raising funds came to £65,764 (2023 - £35,503).

Restricted funds were spent on building our evidence based through the support of the Hadley Trust (£47,657), our Innovation Acceleration Programme through the support of the John Armitage Charitable Trust (£17,527), and on launching our middle leadership programme (£7,828).

Risks and uncertainties

As part of the charity's commitment to effective risk management, the trustees review identified risks, as well as the plans and strategies for managing those risks. The principal risks and uncertainties facing the charity are:

- Loss of the MOJ contract, or failure to secure a new contract. Mitigations include continual evidencing of impact and value for money; continuing strong performance against the contract KPIs; and close involvement of the CEO and Board in contract extension negotiations.

- Lack of stakeholder support from government, the civil service, or prison governors. Mitigations include relationship building with all relevant stakeholders, gaining cross-party support, and demonstrating the positive impact of the charity.
- Reputational risks relating to participants, such as negative media coverage or a high-profile departure of a participant. Mitigations include a rigorous recruitment process, strong training and mentoring for participants on the programme, internal evaluation and continual improvement, close monitoring and detailed reporting systems, involvement of MOJ press office and a formalised crisis communications strategy.
- Cyber security or data breach. Mitigations include Cyber Essentials Plus and ISO 27001 audit and compliance, use of data protection agreements with subcontractors, staff training and strict IT policies.

Reserves policy

As of 31 March 2024, Unlocked Graduates had total reserves of £818,188 (2023: £574,044) of which £356,988 (2023: £20,000) were restricted, leaving unrestricted reserves of £461,200 (2023: £554,044). Unrestricted reserves consist of two designated funds – new ventures fund of £119,232, and ambassadors fund of £31,248 – leaving free unrestricted reserves of £310,720 (2023: £324,044). The new ventures fund is to be reallocated to a new designation in 2024/2025, and the ambassadors fund is to be spent over the next two years on mobilisation costs of our ambassador programme. As a newly independent charity, we are proud of the work over several years to fundraise unrestricted income to build our reserves.

In this financial period, we have taken a prudent position in relation to reserves as we establish the most effective use of non-contractual funding. Now that Unlocked Graduates has established itself as an independent charity, we have ambitious plans to use this income to further our charitable objectives. The growth of our non-contractual activity, enabled by fundraised income, is key to the next phase of our strategy. The surplus against the minimum level of reserves represents funds that will be used over the next three years as we grow to enable delivery of our ambassadors' programme, innovation acceleration within prisons, and strategic expansion.

The trustees have examined the requirements for reserves in light of the main risks to the charity. The trustees have established a reserves policy to protect the charity and its long-term charitable activities by providing time to adjust to changing financial circumstances.

The level of reserves is set to cover a minimum of one busy month's expenditure and three months' expenditure outside of busy periods. Based on forecast expenditure for 2024-25, the trustees have approved a minimum level of free unrestricted reserves of £400,000. A minimum level of £400,000 reserves is deemed to be necessary predominantly based on working capital requirements and to mitigate against the financial impact of risks. Given the strategic focus to date has been on income generation to enable stability as a newly independent charity, the trustees have not currently set a maximum level of reserves.

Working capital and cash flow requirements include costs such as monthly salaries, VAT bills and office rents. The charity currently operates under seven-day payment terms with the Ministry of Justice (MOJ), which lowers risks relating to cash flow. However, we must mitigate against delays in payments of invoices to the MOJ: as the charity's main funding source, delays can have a significant impact. Exit costs (including office lease commitments, staff redundancy costs and university exit costs) are included in the MOJ contract which significantly reduces financial risk relating to termination of the contract.

Fundraising

Unlocked Graduates is registered with the Fundraising Regulator and adheres to their fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data, never sells data or swaps data with other organisations, and undertakes to promptly and thoroughly investigate any complaints regarding its fundraising activities. We aim to learn from complaints and improve operations accordingly. During 2023/24, Unlocked Graduates received no complaints about fundraising activities.

Post balance sheet events, future plans and going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until at least 2026 (and in the event of termination of the contract, exit provisions cover most costs incurred). In addition, the charity has a healthy reserves position. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and therefore, the accounts and financial statements have been prepared on this basis.

The Graduate Prison Programme contract with the MoJ went out for retender in the year and Unlocked Graduates was successful in securing the tender. Since the balance sheet date, we have been negotiating the terms of the new contract. Unfortunately, we have been unable to reach an agreement on the terms of the new contract and so have not signed. This means that, as things stand, we will not be recruiting any future cohorts. We are hopeful that in the coming weeks the government will work with us to find a solution. Our current contract runs through to October 2026.

Future plans for the charity continue to be focused on its aforementioned aims:

- 1. Recruit, develop and retain more high-quality graduates as Prison Officers.**
- 2. Support Ambassadors to progress into operational prison leadership roles.**

3. Mainstream our solutions so all Prison Officers benefit from our research & work.

4. Prove what works in prisons to catalyse whole system change.

Statement of trustees' responsibilities

The trustees (who are also directors of Unlocked Graduates for the purposes of company law) are responsible for preparing the trustees' report and 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 charity and the income and expenditure of the charity for that year.

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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees and signed on their behalf by:



David Laws (Oct 1, 2024 09:49 GMT+1)

David Laws

Approved on: 01/10/24

Independent auditor's report to the members of Unlocked Graduates

Opinion

We have audited the financial statements of Unlocked Graduates (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.

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 accounts 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 accounts 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102 and the Charities Act 2011.
- ◆ We understood how the charitable company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of trustee meetings and papers provided to the trustees.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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 journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC.

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. International Standards on Auditing 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.

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

Use of this 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

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

15 October 2024

Statement of financial activities Year to 31 March 2024
(incorporating the income and expenditure account)

	Notes	Restricted funds £	Un-restricted general Funds £	Year to 31 March 2024 £	Year to 31 March 2023 £
Income from:					
Donations	1	410,000	124,550	534,550	160,161
Charitable activities	2	—	3,992,477	3,992,477	4,044,912
Other income		—	—	—	2,700
Total income		410,000	4,117,027	4,527,027	4,207,773
Expenditure on:					
Raising funds	3	—	65,764	65,764	35,503
Charitable activities	4	73,012	4,144,107	4,217,119	4,411,177
Total expenditure		73,012	4,209,871	4,282,883	4,446,680
Net income (expenditure) and movement in funds for the period	6	336,988	(92,844)	244,144	(238,907)
Reconciliation of funds:					
Funds brought forward at 1 April 2023		20,000	554,044	574,044	812,951
Funds carried forward at 31 March 2024		356,988	461,200	818,188	574,044

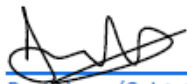
All activities derive from continuing operations.

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

Balance sheet 31 March 2024

	Notes	31 March 2024 £	31 March 2024 £	31 March 2023 £	31 March 2023 £
Fixed assets					
Tangible fixed assets	8		38,543		64,033
Current assets					
Debtors	9	888,638		875,994	
Cash at bank and in hand		804,879		728,132	
		1,693,517		1,604,126	
Creditors: amounts falling due within one year	10	(913,872)		(1,092,865)	
Net current assets			779,645		511,261
Creditors: amounts falling due after one year			—		(1,250)
Total net assets			818,188		574,044
The funds of the charity:					
Restricted fund	12		356,988		20,000
Unrestricted funds:					
General funds	13		310,720		324,044
Designated funds	13		150,480		230,000
			818,188		574,044

The financial statements were approved by the trustees and signed on their behalf by:



David Laws (Oct 1, 2024 09:49 GMT+1)

Approved on: 01/10/24

Unlocked Graduates: A company limited by guarantee, Company Registration No.11448853 (England and Wales).

Statement of cash flows – Year ended 31 March 2024

	Notes	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Net cash flows provided by operating activities	A	83,847	75,844
Net cash flows used in investing activities	B	(7,100)	(35,735)
Change in cash and cash equivalents		76,747	40,109
Cash and cash equivalents at 1 April 2023		728,132	688,023
Cash and cash equivalents at 31 March 2024		804,879	728,132

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

A Reconciliation of net movement in funds to net cash flows from operating activities

	Year to 31 March 2024 £	Year to 31 March 2023 £
Net income (expenditure)	244,144	(238,907)
Depreciation	32,590	33,683
(Increase) in debtors	(12,644)	(163,049)
(Decrease) increase in creditors	(180,243)	444,117
Net cash provided by operating activities	83,847	75,844

B Cash flows from investing activities

	Year to 31 March 2024 £	Year to 31 March 2023 £
Investing activities		
Purchase of fixed assets	(7,100)	(35,735)
Net cash flows used in investing activities	(7,100)	(35,735)

C Cash and cash equivalents

	Year to 31 March 2024 £	Year to 31 March 2023 £
Cash at bank	804,879	728,132
Total	804,879	728,132

Cash and cash equivalents at the year-end consisted solely of cash at bank and no other cash instruments. No cash has been borrowed and no debt repayments are outstanding at year-end.

Principal accounting policies – Year ended 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 of financial statements

These financial statements have been prepared for the year ended 31 March 2024. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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) ('Charities FRS 102 SORP') and the Charities Act 2011.

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.

Critical accounting estimates and areas of judgement

No significant judgments and/or estimates have been made by the trustees in preparing these financial statements.

Assessment of going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until at least 2026 (and in the event of termination of the contract, exit provisions cover most costs incurred). In addition, the charity has a healthy reserves position. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and therefore, the accounts and financial statements have been prepared on this basis.

Income

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.

Contract and grant income

Contract funding is recognised over the term of the contract term as services are delivered.

Grant funding is recognised when receivable, except where there are performance conditions, where it is recognised as the related services or outcomes are delivered.

Principal accounting policies – Year ended 31 March 2024

Income (continued)

Donations

Income from donations is recognised in the period in which the charity becomes entitled to the donation and where receipt is probable and its amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation 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 costs are inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. The classification between activities in direct costs and support costs is as follows:

- ◆ Expenditure on raising funds includes any expenditure associated with raising funds for the charity and includes direct costs associated with fundraising events. An allocation of support costs is made against fundraising activities based on the amount of staff time involved.
- ◆ Expenditure on charitable activities comprises direct expenditure on the charity's two primary charitable activities and includes support costs.

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 a finance function and other overheads such as the maintenance of websites etc.

Governance costs comprise the costs related to the public accountability of the charity and costs in respect of its compliance with applicable regulations and good practice.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 9. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 10. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Principal accounting policies – Year ended 31 March 2024

Debtors

Debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

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 measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

Fund accounting

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

There are designations made to Unrestricted (general) funds by the trustees for specific programmes of work, details of which can be found in note 13 to the accounts.

Restricted funds comprise monies received for, or their use is restricted to, a specific purpose or have donor-imposed conditions.

Notes to the financial statements – Year ended 31 March 2024

1. Donations

	Restricted funds £	Unrestricted general funds £	Total funds 2024 £
Donations from Trusts and Foundations	410,000	124,550	534,550
2024 Total funds	410,000	124,550	534,550

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Donations from Trusts and Foundations	1,424	158,737	160,161
2023 Total funds	1,424	158,737	160,161

2. Income from charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2024 £
Graduate Prison Officers Programme	—	2,595,110	2,595,110
Participant Recruitment Activities	—	1,397,367	1,397,367
2024 Total funds	—	3,992,477	3,992,477

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Graduate Prison Officers Programme	—	2,554,681	2,554,681
Participant Recruitment Activities	—	1,490,231	1,490,231
2023 Total funds	—	4,044,912	4,044,912

3. Expenditure on raising funds

	Restricted funds £	Unrestricted general funds £	Total funds 2024 £
Support costs (see note 5)	—	65,764	65,764
2024 Total expenditure	—	65,764	65,764

Expenditure on raising funds (continued)

	<i>Restricted funds £</i>	<i>Unrestricted General funds £</i>	<i>Total funds 2023 £</i>
<i>Support costs (see note 5)</i>	—	35,503	35,503
2023 Total expenditure	—	35,503	35,503

4. Expenditure on charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2024 £
Activities undertaken directly			
Graduate Prison Officers Programme	73,012	2,473,804	2,546,816
Participant Recruitment Activities	—	1,242,616	1,242,616
	73,012	3,716,420	3,789,432
Support costs (see note 5)			
Graduate Prison Officers Programme	—	277,997	277,997
Participant Recruitment Activities	—	149,690	149,690
	—	427,687	427,687
2024 total expenditure	73,012	4,144,107	4,217,119

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2023 £</i>
Activities undertaken directly			
Graduate Prison Officers Programme	79,791	2,705,589	2,785,380
Participant Recruitment Activities	—	1,112,573	1,112,573
	79,791	3,818,162	3,897,953
Support costs (see note 5)			
Graduate Prison Officers Programme	—	324,141	324,141
Participant Recruitment Activities	—	189,083	189,083
	—	513,224	513,224
2023 total expenditure	79,791	4,331,386	4,411,177

5. Analysis of support costs

	Raising funds £	Unrestricted Charitable activities		2024 Total £
		Graduate Prison Officers Programme £	Participant Recruitment activities £	
Human resources:				
- Shared staff costs allocations	30,310	55,522	29,896	115,728
- Other HR related shared costs	2,603	16,330	8,793	27,726
Finance	752	4,716	2,540	8,008
Information Technology	8,220	51,587	27,777	87,584
Premises and office running costs	20,903	131,174	70,632	222,709
Governance costs:				
- Auditor's remuneration	1,030	6,462	3,479	10,971
- Legal, professional and accountancy	1,747	10,961	5,902	18,610
- Bank charges	150	938	505	1,593
- Other governance costs	49	307	166	522
Totals	65,764	277,998	149,690	493,451

	Raising funds £	Unrestricted Charitable activities		2023 Total £
		Graduate Prison Officers Programme £	Participant Recruitment activities £	
Human resources:				
- Shared staff costs allocations	28,613	87,466	51,022	167,101
- Other HR related shared costs	323	11,098	6,474	17,895
Finance	302	10,387	6,059	16,748
Information Technology	654	22,455	13,099	36,208
Premises and office running costs	5,185	178,104	103,893	287,182
Governance costs:				
- Auditor's remuneration	171	5,860	3,419	9,450
- Legal, professional and accountancy	215	7,398	4,316	11,929
- Bank charges	40	1,365	796	2,201
- Other governance costs	0	8	5	13
Totals	35,503	324,141	189,083	548,727

Notes to the financial statements – Year ended 31 March 2024

Analysis of support costs (continued)

Support costs are allocated on the following bases, which reflect an estimate of staff time, spent on fundraising activities and the direct staff time on the primary charitable activities of running the programme and recruitment activities:

	2024 %	2023 %
Fundraising	9%	2%
Charitable activities:		
(i) Graduate Prison Officers Programme	59%	62%
(ii) Participant Recruitment Activities	32%	36%
Total allocations	100%	100%

6. Net income (expenditure)

This is stated after charging the following against unrestricted funds:

	2024 Total £	2023 Total £
Staff costs (see note 7)	1,790,422	1,864,055
Auditor's remuneration	10,970	9,450
Depreciation	32,590	33,684
Operating lease rentals	174,341	232,723

7. Staff costs and trustees' remuneration

	2024 £	2023 £
Staff costs during the period were as follows:		
Wages and salaries	1,490,845	1,511,297
Social security costs	154,717	160,730
Termination payments	—	14,902
Pension costs	144,860	177,126
	1,790,422	1,864,055

The average number of employees during the period was:

	2024 Number	2023 Number
Management and Leadership	4	6
Programme	13	14
Recruitment	30	29
Operations	4	3
External Relations	3	2
	54	54

Staff costs and trustees' remuneration (continued)

During the current accounting period, there were three (2023 - three) employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions).

	2024 Number	2023 Number
£60,001 – £70,000	1	—
£70,001 – £80,000	—	1
£80,001 – £90,000	—	1
£90,001 – £100,000	1	—
£100,001 – £110,000	—	1
£110,001 – £120,000	1	—

No trustee received any remuneration in respect of their services during the year (2023 - £nil) and no expenses were reimbursed to the trustees during the year (2023 - £83).

The key management personnel of the charity in charge of directing and controlling, running and operating the organisation on a day-to-day basis comprise the trustees together with five employees: the Chief Executive Officer, the Chief Operating Officer, the External Relations Director, Recruitment Director and Programme Director. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year is set out below.

	2024 £	2023 £
Key Management Personnel – Gross pay	434,597	440,670
Key Management Personnel – Employer pensions	43,848	47,361
Key Management Personnel – Employer NI	48,241	53,312
	526,686	541,343

8. Tangible fixed assets

	Computer equipment £	Furniture, fixtures equipment £	Leasehold improve- ments £	2024 Total £
Cost				
At 1 April 2023	78,515	31,376	8,520	118,411
Additions	7,100	—	—	7,100
At 31 March 2024	85,615	31,376	8,520	125,511
Depreciation				
At 1 April 2023	36,670	10,466	7,242	54,378
Charge for period	25,036	6,276	1,278	32,590
At 31 March 2024	61,706	16,742	8,520	86,968
Net book values				
At 31 March 2024	23,909	14,634	—	38,543
At 1 April 2023	41,845	20,910	1,278	64,033

9. Debtors

	2024 £	2023 £
Trade debtors	493,264	448,930
Prepayments	337,186	341,433
Accrued income	51,028	85,631
Other debtors	7,160	—
	888,638	875,994

10. Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	237,842	364,118
Other creditors	99,495	64,393
Tax and social security	161,779	163,056
Accruals and deferred income	414,757	501,298
	913,873	1,092,865

11. Creditors: amounts falling due after one year

	2024 £	2023 £
Lease liability	—	1,250
	—	1,250

12. Restricted funds

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
Restricted funds				
John Armitage Charitable Trust	20,000	20,000	(17,527)	22,473
Garfield Weston Foundation	—	310,000	(7,828)	302,172
Hadley Trust	—	80,000	(47,657)	32,343
Total	20,000	410,000	(73,012)	356,988

Restricted funds

John Armitage Charitable Trust: to support the prison innovation acceleration project.

Garfield Weston Foundation: to support the launch of the Middle Leadership Programme.

Hadley Trust: to support work towards increasing our evidence base.

13. Analysis of net assets between funds

	Restricted funds £	Unrestricted general funds £	Total funds 2024 £
Fund balances at 31 March 2024 are represented by:			
Tangible fixed assets	—	38,543	38,543
Current assets	356,988	1,336,528	1,693,517
Current liabilities	—	(913,872)	(913,872)
Non-current liabilities	—	—	—
Total net assets	356,988	461,200	818,188

Unrestricted funds at 31 March 2024 include designated funds as follows:

- ◆ New ventures fund of £119,232, to be reallocated to new designation in 2024/2025 due to programme of work coming to an end in 2023/2024 with no further expenditure expected.
- ◆ Ambassadors fund of £31,248, to be increased in 2024/2025 and spent over the next two years on mobilisation costs of our new ambassador programme.

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
Designated funds				
New ventures fund	139,000	—	(19,768)	119,232
Ambassadors fund	91,000	—	(59,752)	31,248
Total	230,000	—	(79,520)	150,480

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	—	64,033	64,033
Current assets	20,000	1,584,126	1,604,126
Current liabilities	—	(1,092,865)	(1,092,865)
Non-current liabilities	—	(1,250)	(1,250)
Total net assets	20,000	554,044	574,044

14. Operating lease commitments

At 31 March 2024, the balance sheet date, the Charity had operating lease commitments as follows:

	2024 £	2023 £
On office space		
Due within one year	163,800	75,552
Due between one and two years	36,400	—
	200,200	75,552

15. Taxation

Unlocked Graduates 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.

16. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

17. Post balance sheet events

The Graduate Prison Programme contract with the MoJ went out for retender in the year and Unlocked Graduates was successful in securing the tender. Since the balance sheet date, we have been negotiating the terms of the new contract. Unfortunately, we have been unable to reach an agreement on the terms of the new contract and so have not signed. This means that, as things stand, we will not be recruiting any future cohorts. We are hopeful that in the coming weeks the government will work with us to find a solution. Our current contract runs through to October 2026.

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Final Audit Report

2024-11-01

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UNLOCKED GRADUATES

England & Wales - Charity number 1187552

Accounts

Unlocked

ANNUAL REPORT

Leading change from the inside
2022/23

Unlocked Graduates
unlockedgrads.org.uk
020 3949 4750
hello@unlockedgrads.org.uk
Charity No: 1187552 | Company No: 11448853

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Reference and administrative details

Directors and Members	Dame Sally A Coates Angela O Daniel (appointed 9 October 2022) James B H Darley Robert D Farquharson Rt Hon. David Laws Nicola C Marfleet Karan Rai (resigned 28 April 2022) Thomas P J Shinner Nathan A White Emma J Wilson Christopher R Wright (resigned 16 March 2023)
Company number	11448853
Charity registration number	1187552
Registered Office	7 Bell Yard London WC2A 2JR
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Boundary House 91 Charterhouse St Barbican London EC1M 6HR
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

MESSAGE FROM THE CHAIR

This year has been a very productive one for Unlocked Graduates. In many areas of our work, it has felt that we have finally had a year which has not been entirely overshadowed by Covid emergencies. In many operating areas the landscape has completely changed. Yet we have continued to deliver even in this new world.

Our 750th prison officer has been recruited, and will start the programme in September 2023; our ambassador network has continued to grow, and we have seen more applications to the Unlocked Graduate core programme than ever.

We are delighted to note that Unlocked's CEO, Natasha Porter, was last year recognised by His Majesty the King, by becoming an Officer of the British Empire (OBE) for her work in establishing and running Unlocked. This is a well merited recognition both of her personal leadership and inspiration and of the success of Unlocked since its inception.

This year has not been without its challenges. We faced a recruitment landscape with few similarities to the market pre-Covid, ever higher levels of inflation and cost pressures, and a prison service which is running out of beds.

The Board continues to be a huge help at this time, and we have been delighted to welcome Angela Daniel to the board who is not only a qualified accountant, but also has much experience running an alumni network at the University of Oxford.

Coming out of Covid has coincided with proof of the concept of Unlocked Graduates and our model. This has led the board to work with Natasha and her senior team to design and launch a new strategy. This strategy is focused on impact and ultimately on trying to move towards creating a tipping point for the prison service. It gives the direction we need to focus our work where we will have the most impact, and the impetus to gather the evidence and data we need to persuade others.

As always however, our work would not be possible were it not for the incredible support of all of our partners.

Of course, first and foremost we must thank His Majesty's Prison and Probation Service and the Ministry of Justice. Their continued support makes what we do possible, and we are grateful to the government for their commitment to innovation. Finally, I want to thank our generous donors. Their support not only enables the most innovative elements of our work but ensures our independence to take bold action.

We hope to continue implementing our bold new strategy, break cycles of reoffending and repay the trust that government and our partners continue to put in us.



Rt. Hon David Laws

MESSAGE FROM THE CEO

We are now at a stage of our development where we can see our model is working: we are attracting excellent people onto the frontline of prisons despite negative and largely incorrect perceptions of the role and sector, and we see those who are on our leadership programme making real impact. We have recently placed our 750th participant, and our retention continues to compare positively to those joining the service through other routes. This year we have continued to hear from prisoners, other prison officers, and governors of prisons about the positive impact those who join the service through Unlocked are having, and we have seen another year where every governor we work with say they would recommend our programme to colleagues in other prisons. We are also delighted with the growth of our ambassador network, and the impact they are continuing to have on prisoner outcomes.

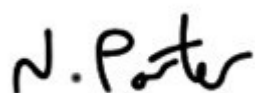
In December 2022, against this backdrop of early organisational success, we launched our new strategy in the House of Lords. Our new strategy focuses on depth: being laser focused in robustly evidencing what we have found works, and then using that to catalyse whole system change. At the heart of this is a focus on how to best lead rehabilitative culture in a prison and beyond, and a recognition that excellent prison officer – prisoner relationships need to sit at the heart of a prison.

There are also many people and organisations without whom our work would not be possible.

First and foremost, we are hugely grateful to His Majesty's Prison and Probation Service and the Ministry of Justice. They continue to be hugely supportive, and in doing so ensure that we can deliver our mission. From the Secretary of State to the CEO, Executive Directors, to all those who work with us in HMPPS and MoJ, through to governors and frontline officers and staff who make the practicalities work: thank you.

Our independence is completely essential to our success, and here we have a large network of partners and supporters to thank. Funders in particular allow us to experiment and try new things, and their assistance enables us to achieve what many believe is impossible. There are easier and safer areas to fund than prisons, and we continue to be ever grateful for those who invest in this challenging, but vitally important space. Partners from private sector have also been exceedingly generous with their pro bono support, and a myriad of organisations have embraced the opportunity to connect with frontline prison staff in new ways, including by speaking at our events and hosting work placements.

We could not do it without all of you so thank you. I hope you will enjoy reading about our achievements this year.



Natasha Porter

TRUSTEES' REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with financial statements of Unlocked Graduates ("the charity") for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 233 to 255 of the attached financial statements and comply with the charity's governing document, applicable laws 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).

Structure, governance and management

Constitution and background

Unlocked Graduates is a company limited by guarantee and a registered charity established on 4th July 2018 and governed by its Memorandum and Articles of Association.

The directors of the charity are the trustees for the purpose of charity law and throughout this report are collectively referred to as "the trustees". The number of trustees consists of nine persons, who collectively make up the Board of Trustees ("the Board"). The Articles of Association require a minimum of three trustees.

The charity's objects are to promote the rehabilitation and education of prisoners and ex-prisoners, and to reduce reoffending through the provision of:

1. A specialised programme of education and training for graduate prison officers;
2. Education and training of those engaged in the prison and probation services and the criminal justice system in the rehabilitation and education of prisoners and ex-prisoners.

Method of appointment and election of trustees

The trustees are elected in accordance with the provisions of the Articles of Association. Normally, trustees are elected for a three-year term, with the possibility of reappointment for two consecutive terms, or three terms for founder trustees.

Upon appointment, trustees complete a variety of incorporation documents, and their details are submitted to Companies House and the Charity Commission. Trustees must declare any conflicts of interest throughout their term of office. Training needs are monitored on an ongoing basis. Trustees attend an annual away day which provides a more in-depth opportunity for strategic discussion and offers a training opportunity for new and existing members. New trustees also meet with existing Board members and the Senior Leadership Team (SLT) and are introduced to Unlocked Graduate's mission and strategy.

Organisation structure and decision making

The day to day running of the charity is delegated by the trustees to the Chief Executive Officer (CEO) and key management personnel which consists of the CEO, Chief Operating Officer (COO) and three Directors.

The trustees meet quarterly at Board meetings (and more if required on an ad-hoc basis) to review the progress relative to plans, monitor compliance with policies, and to review and

approve plans for the year ahead. The Finance, Audit and Risk committee (FARC) meets quarterly to discuss and review the charity's financial position and principal risks, and reports to the Board.

Salary banding and remuneration policy is reviewed and approved by the Board annually. The Board also approves the CEO's salary. The CEO approves all salaries within the organisation. This is based on a benchmarking exercise against similar charities to ensure competitiveness and fairness, and ultimately, is focussed on maximising effective use of resource towards the Unlocked Graduates mission.

Risk management

Unlocked Graduates is committed to managing risk effectively to safeguard the future of the charity and achieve its charitable aims. Risk management is a key focus of the Board. In particular, the FARC monitors risk, and the actions taken by the SLT in response to risk, at each of its quarterly meetings.

The SLT leads on identifying and managing risks and implementing appropriate contingency planning. This is reviewed and monitored by FARC and the Board.

Volunteers and supporters

We are grateful to the trustees who are all volunteers and provide their time and expertise without payment. We have also benefited from some voluntary pro-bono contributions from supporters. Besides this, the operations and activities of Unlocked Graduates are run by paid staff and not reliant on volunteers.

Trustees are entitled to the reimbursement of any reasonable expenses incurred in carrying out the business of the charity, but are encouraged to keep their expense claims to a minimum. Trustees' expenses reimbursed during 2022/23 are detailed in Note 7.

Key management personnel

The key management personnel of the charity in charge of controlling, running and operating the charity on a day-to-day basis comprise the trustees and personnel comprising the CEO, COO and three Directors.

Public benefit

The trustees confirm that they have given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and planning its objectives. The main activities undertaken to further the charity's aims are set out in this report.

The charity meets its obligations to provide a public benefit by working towards a reduction in cycles of reoffending, which we envisage having a positive impact on the public in general. The charity will work with anyone in need regardless of age, gender reassignment, marital status, pregnancy, disability, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

Activities and approach

Main activities

Unlocked Graduates' mission is to break cycles of reoffending through developing outstanding leaders in prison and wider society. The main activities by which the charity seeks to fulfil its charitable objects and this mission are:

1. Recruitment of a brilliant, diverse group of graduates who are motivated to break cycles of reoffending.
2. Provision of a two-year leadership programme for selected graduates, working on the frontline of prisons to directly break cycles of reoffending.
3. Development of an ambassadors' network to drive meaningful system change and break cycles of reoffending.

Our approach

In December 2022, at the House of Lords, Unlocked Graduates launched our new strategy.

Our vision is a prison system where every prisoner receives the support that they need to flourish and desist from crime. Our strategy reflects everything we have learnt over the past five years, and the steps we now need to take to build the prison system we need. With this in mind, we have committed to four areas of work:

1. **Recruit, develop and retain more high-quality graduates as prison officers.**
2. **Support ambassadors to progress into operational prison leadership roles.**
3. **Mainstream our solutions so all prison officers benefit from our research & work.**
4. **Prove what works in prisons to catalyse whole system change.**

All Unlocked Graduates' activities feed into this strategy, and working towards these aims is key to furthering our charitable objects. Inspiring and developing participants enables them to have a rehabilitative impact; growth enables that rehabilitation to happen on a larger scale; and amplification creates virtuous cycles where this is even more effective.

Achievements and performance

During this reporting period, Unlocked Graduates has made significant progress against our goals. We are excited about the direction in which our ambitious new strategy is taking our work. Our focus is very much on continuing and growing our core work, focusing on proving our impact, and using this to catalyse system change.

Area 1: Recruit, develop and retain more high-quality graduates as prison officers

This work is at the heart of Unlocked Graduates' work to date. Since launch, we have recruited over 750 prison officers to be placed in 38 prisons. This year we had our highest application number yet with over 30 applications for each place on the programme.

What we did

Recruit

We attract, recruit and select brilliant, diverse and mission-aligned candidates to become prison officers. In 2022-2023 we received our most applications ever and saw the attractiveness of our brand and offer continue to grow within the graduate market.

Our recruitment strategy is designed to attract high-calibre candidates, particularly the overwhelming majority of graduates who would not have considered a role in the prison service without us. Our focus on graduates is, in part, because they are under-represented in the prison service, and we believe that their addition will diversify the problem-solving skills available in the workforce – critical given the magnitude of the challenge. We also focus on this audience because one way to raise the status of the job of a prison officer is to actively target this ambitious group of jobseekers that society views as our 'best and brightest'.

To achieve our ambitious goals for diversity in our recruitment, Unlocked also offered free, independent coaching for applicants from under-represented groups. This is delivered by the recruitment team and a third-party expert consultant who helps applicants plan and navigate the application process.

Develop

We believe that the right training and support can radically accelerate the time it takes for a frontline workforce to make a difference.

Weaving practical and theoretical learning throughout the programme, we support and develop outstanding individuals who excel in their roles, take on additional responsibilities, and influence best practice on and off the landings.

The initial training in Summer Institute is followed by intensive mentoring support which runs throughout the two years alongside the theoretical study enabled by the MSc in Applied Custodial Leadership. This is co-designed and delivered by Leeds Trinity University but fully integrated into every element of the programme.

Once in role these officers are supported and challenged by their Mentoring Prison Officers (MPOs) from day one to meaningfully contribute to making their prisons more rehabilitative. All of our support and learning aims to create a framework to empower these officers and push them to innovate.

The Unlocked Graduates curriculum is informed by a range of influencers including Scandinavian models of prison officer training. Our training offer runs across multiple years in recognition of the time it takes to refine expert practice. We also require a high level of prior academic attainment so training can be pitched at a high level. This enables us to accommodate the difficulty of the theories involved in the course as well as build in deep critical analysis and significant independent research.

Practice-based learning underpins our pedagogy for the sections of our curriculum which focus on prison officer skills and professionalism. We have also been informed by the work of Professor Alison Lieblich around balancing different components of the prison officer role. We have shared these approaches with other training organisations and the wider prison service, and elements have already been adopted by the mainstream prison officer training scheme as well as other organisations.

In line with our philosophy of ongoing learning, practitioner skills are developed throughout the programme. Participants receive 30 half-days of in-prison training which focuses on specialised aspects of the prison officer role. The focus on practitioner skills is central to the programme's impact. Our participants continue to develop over the two years, meaning their skills are always up to date, relevant and in line with best practice. The programme includes a significant independent research element. This empowers these frontline professionals to make an immediate contribution to rehabilitation in their prisons.

Retain

Our retention has remained an area of focus for the organisation, focused on the support and challenge from our MPOs. Feedback from participants about their MPOs continues to be exceptionally high, with 91 per cent rating the quality of the support positively.

We know that an officer who leaves the prison service has the potential to be another broken connection for the prisoners in their care. One ex-prisoner said to us "Unlocked officers were just very consistent and that made a real difference. That kind of a relationship with a prison officer really does make you change your ways."

Our impact

Recruit

We are changing graduates' perceptions around working in the prison service and are reaching people who would not otherwise consider entering this sector: nine out of ten participants on our programme had not considered joining the prison service before discovering Unlocked. And yet, 86 per cent of current participants would recommend Unlocked Graduates to a friend. One participant said, "doing this graduate scheme was one of the best decisions I have made".

We have also worked hard and succeeded in recruiting Black, Asian and other ethnic minority participants. Each year, the scheme has successfully attracted a diverse range of applications. This year, over 70 per cent of successful applicants are women, compared with 41 per cent of prison service staff. One in five are from ethnic minority backgrounds, which compares to around one in ten of the broader prison officer population.

We have continued to win industry awards for our recruitment campaigns and Leadership Development Programme. In 2023, Unlocked Graduates won 'Best Graduate Development Programme' at the Institute of Student Employers Awards. High Fliers also shortlisted our Instagram account as an example of best practice in reaching our audience effectively, and Unlocked were runners up for overall best use of social media.

Each year, the influential Times Top 100 list of Graduate Employers is released. This year, Unlocked Graduates is ranked at number 22, and are the highest risers in the list. Unlocked were the only public sector scheme to rise in the rankings. This positions us as a more attractive option than graduate schemes with many household names and law firms.

Develop

Our 2022 Summer Institute was run for the first time in a number of years with no lockdown restrictions. We delivered an extremely successful programme to our new cohort of prison officers, making them day-one ready. Unlocked Graduates training is an important part of our strategy to professionalise the prison officer role, and thereby create systemic change in the prison service to address cycles of reoffending. We continue to pioneer new training and development approaches to improve all elements of our ongoing support and training. 98 per

cent of current participants rate their training positively, and 100 per cent were positive about the range of work placements on offer to them as part of our Leadership Development Programme. 95 per cent rated the support from their MPO positively, with one participant describing the support from their MPO as “faultless”. Another said, “He has been exactly what I have needed this year, and I honestly think that my experience in prison would have been very different without an MPO as amazing as [mine].”

We know that these officers are having an immediate impact. In our 2021 cohort, 63 per cent of officers have been promoted or taken on additional responsibility. These include Band 4 Supervising Officers, counter-terrorism liaison officers, equalities officers and physical education officers.

We also seek to offer our participants ways to use their unique position to identify solutions to problems they face on the frontline and to take action:

- **Pilot projects:** Those on the frontline know best the problems we are seeking to solve. The Innovation Acceleration Programme (IAP) is designed to support and amplify the impact participants can have by offering funding for small-scale, evidence driven innovation projects in their prisons. To receive funding, participants must demonstrate how they work closely with other non-Unlocked Graduates prison officers in their prison to develop an idea that will achieve senior buy-in and has the potential to be sustainable long-term. To date, we have supported 72 small and 39 large projects. Through this we have invested over £80,000 in frontline prison innovation.
- **Ideas to share:** We believe an evidence-based approach will be an important part of driving rehabilitation in the prison service. As part of their Master's degree, participants undertake a research project based on a problem, question or initiative that they co-identify with the prison governor as an area of interest. These are focused on making targeted, tangible recommendations, whether to policy-makers or practitioners of the prison. In the past year, some of these have been turned in to ‘policy papers’ which were published in a special edition of the Prison Service Journal in 2023, led by Leeds Trinity University.

Retain

In 2022, we placed nearly 130 officers into 28 prisons. This included a new placement in North Wales at HMP Berwyn. We have recruited over 750 prison officers in 37 establishments across England and Wales, reaching over a third of the prisoner population.

In the past year we undertook a benchmarking exercise with a sample of 14 of our partner prisons, with representation from prisons from the north, Midlands, Greater London and the south. We were looking to compare the retention of Band 3 officers in the 2021/22 year to understand how well the retention of our Unlocked officers compared to those that entered the service via the standard route. The analysis showed that the retention of Unlocked participants is currently 13 per cent higher during our two-year programme compared to those entering via the standard route. This is despite increasing numbers of participants being actively approached for other roles during their time on the programme.

Almost 75 per cent of Unlocked ambassadors stay in a role in the prison service employed by HMPPS or MoJ (specifically operational in prison, HMPPS or MoJ) for eight months after they finish Unlocked Graduates' Leadership Development Programme.

Unlocked Graduates can only challenge and change the prison service with the support of those within it, and we remain grateful to our partners and colleagues across the service. 100 per cent of governors recently surveyed would recommend Unlocked Graduates to other prisons. One governor Unlocked Graduates works with said, “I think Unlocked is starting to

influence how we recruit and support. It is also attracting some brilliant people into the prison service". Another governor said that Unlocked Graduates should be the model for all our new staff and "undoubtedly contributes to developing confident, competent and capable prison officers."

Support ambassadors to progress into operational prison leadership roles

What we did

Ambassadors are key to our mission of developing outstanding leaders to break cycles of reoffending in prison and throughout society. Our aim is to create a network of alumni (ambassadors) with exceptional leadership skills using their frontline experience to impact systemic changes in prisons, the wider criminal justice system, and beyond.

Our Ambassador Network Manager is a graduate of our Leadership Development Programme. This year he has been using community organising principles to formalise our alumni network and creating spaces for ambassadors to form networks organically. This has included various events, study visits and networking opportunities. One example is his work with a group of ambassadors who were keen to organise on how prisoners with neurodiversity can be better supported.

We trust ambassadors to identify how they can make the most impact on prisons, however many tell us they want to stay in operational roles long term but feel unable to do so. As a result, we have worked with Oliver Wyman on a pro bono basis to research and report back on what the most prevalent push factors are. The recommendations from this report will influence our work in this area through 2023-24.

Our impact

The majority of ambassadors remain are still operational in prison over six months after completing the programme and nearly 90 per cent still work towards the mission of Unlocked Graduates in their primary role. About half (44 per cent) of everyone who has ever completed the programme are still operational in prison. A small number have now reached governor grades, with many more taking on roles as Custodial Managers.

Our ambassadors continue to have a remarkable impact on prisons. In the past year, one has won a Butler Trust Award and another a Prime Minister's Award for their work changing the lives of those in prison.

Mainstream our solutions so all prison officers benefit from our research & work.

What we did

The retention of Unlocked Graduates is 13 per cent higher than the standard entry route. When surveyed, one governor told us, "The Unlocked scheme is certainly bringing something different. We welcome the Unlocked scheme and I would recommend it to any prison that is currently not part of the scheme". We are working hard to mainstream our solutions and to share what works between our cohorts and in the entire service. This varies from private meetings with those with agency, lobbying for change with the Ministry of Justice and leading the sector to catalyse whole system change.

Part of our strategy to mainstream our solution is to share solutions we have found to workforce issues. We launched this at our December 2022 House of Lords reception, where we were joined by the Minister for Prisons Rt Hon Damian Hinds MP, colleagues from across HMPPS and the Ministry of Justice and frontline staff including our participants and ambassadors.

Our March 2023 Conference was opened up to prison officers and senior leaders from across our partner prisons. Attendance from establishments across the country continues to be high at events such as Champions Day and Governors Day at our Summer Institute.

In December 2022, Unlocked Graduates gave a written submission to the Justice Select Committee's Inquiry on the Prison Operational Workforce. Subsequently, Natasha Porter OBE was asked to give oral evidence on behalf of Unlocked. The report from the Committee is due in late summer 2023.

Our impact

We are continuing to work closely with HMPPS to mainstream best practice. The Ministry of Justice referenced our contributions in one of their submissions to the Justice Select Committee's Inquiry on the Prison Operational Workforce, saying that the Unlocked CEO was invited "to share her expertise and views about what a good prison officer needs in terms of training. Natasha has also shared resources, learning plans and content of the Unlocked curriculum and we continue to work together to improve the impact of our training".

We have also been invited speak about the work of Unlocked at international prison service conferences in Lisbon and Berlin.

Peter Dawson, the former Director of the Prison Reform Trust, spoke on the ongoing impact of Unlocked ambassadors across the criminal justice sector stating that "Unlocked is seeding the whole system with good people and fresh thinking... it is a tremendous force for good."

Prove what works in prisons to catalyse whole system change

What we did

In order to ensure that there was sufficient expertise and capacity within Unlocked Graduates, we have restructured the senior team to create a new role: Associate Director of Impact and Insights. In March 2023, Dr Liam Fenn joined in this role, bringing extensive experience in defining impact in the criminal justice sector. Liam has spent his first few months working through how to bring this strategic goal to life. We are now progressing work in the following areas:

- Harnessing actionable insights from our data and improved surveying to understand the factors that shape the performance, wellbeing, and retention of prison officers.
- Codifying our solutions and research evidence to share with the sector, covering recruitment, training and support for prison officers.
- Working with leading academics and experts to collaborate on the evaluation of Unlocked and developing thought-papers that can be used to inform change.
- Designing a robust evaluation to better understand the contribution that Unlocked is making to culture and system change.
- Improving participant and ambassador access to best practice and supporting them to evaluate impact.

Our impact

We know that our model works. A Custodial Manager (senior officer) in a central London prison recently told us that Unlocked Graduates are changing the way that he does his job. Referring to a group of participants and ambassadors he told us, "The three of them have been a revelation. They listen to prisoners and use their education in a good way – they see things from a different viewpoint... by having the way my staff talk to everyone down there better – that is how it's been so successful. And that is slowly rubbing off. It's just a different way to be a prison officer".

We will codify and prove what works in order to ensure that the changes that this Custodial Manager has described can happen across the entire sector.

Financial review

The charity's total income during the period was £4,207,773 (2022 - £4,049,186). The main source of income has been our contract with the Ministry of Justice (MOJ) which has generated income of £4,044,912 (2022 - £3,680,847). In addition, Unlocked Graduates has raised income of £160,161 (2022 - £368,339) from trusts and other donations. Of these donations, £1,424 (2022 - £75,000) was restricted income and £158,737 (2022 - £293,339) was unrestricted income.

Expenditure has totalled £4,446,680 (2022 - £3,896,636) of which £1,301,656 (2022 - £1,291,356) was spent on recruitment activities and £3,109,521 (2022 - £2,521,120) on graduate programme delivery. Expenditure on raising funds came to £35,503 (2022 - £84,159).

Risks and uncertainties

As part of the charity's commitment to effective risk management, the trustees review identified risks, as well as the plans and strategies for managing those risks.

The principal risks and uncertainties facing the charity are:

- Loss of the MOJ contract, or failure to secure a new contract. Mitigations include continual evidencing of impact and value for money; continuing strong performance against the contract KPIs; and close involvement of the CEO and Board in contract extension negotiations.
- Lack of stakeholder support from government, the civil service, or prison governors. Mitigations include relationship building with all relevant stakeholders, gaining cross-party support, and demonstrating the positive impact of the charity.
- Reputational risks relating to participants, such as negative media coverage or a high-profile departure of a participant. Mitigations include a rigorous recruitment process, strong training and mentoring for participants on the programme, internal evaluation and continual improvement, close monitoring and detailed reporting systems, involvement of MOJ press office and a formalised crisis communications strategy.
- Cyber security or data breach. Mitigations include Cyber Essentials Plus and ISO 27001 audit and compliance, use of data protection agreements with subcontractors, staff training and strict IT policies.
- We are aware of wider societal and environmental factors and their interplay with our work. Our strategy integrates a particular focus on our responsibilities around sustainability, and equity, diversity and inclusion.

Reserves policy

As of 31 March 2023, Unlocked Graduates had total reserves of £574,044 (2022 - £812,951) of which £20,000 (2022 - £98,367) were restricted, leaving unrestricted reserves of £554,044 (2022 - £714,584). Unrestricted reserves consist of two designated funds – new ventures fund of £139,000, and ambassadors fund of £91,000 – as well as tangible fixed assets of £64,033 (2022 - £61,981), leaving free unrestricted reserves of £260,011 (2022 - £342,603). The new ventures fund is to be spent over the next two years on mobilisation costs of new ventures started by the charity, and the ambassadors fund is to be spent over the next two years on mobilisation costs of our new ambassador programme.

In this financial period, we have taken a prudent position in relation to reserves as we establish the most effective use of non-contractual funding. Now that Unlocked Graduates has established itself as an independent charity, we have ambitious plans to use this income to further our charitable objectives. The growth of our non-contractual activity, enabled by fundraised income, is key to the next phase of our strategy. The surplus against the minimum level of reserves represents funds that will be used over the next three years as we grow to enable delivery of our ambassadors' programme, innovation acceleration within prisons, and strategic expansion.

The trustees have examined the requirements for reserves in light of the main risks to the charity. The trustees have established a reserves policy to protect the charity and its long-term charitable activities by providing time to adjust to changing financial circumstances.

The level of reserves is set to cover a minimum of one busy month's expenditure and three months' expenditure outside of busy periods. Based on forecast expenditure for 2023-24, the trustees have approved a minimum level of free unrestricted reserves of £400,000. A minimum level of £400,000 reserves is deemed to be necessary predominantly based on working capital requirements and to mitigate against the financial impact of risks. Given the strategic focus to date has been on income generation to enable stability as a newly independent charity, the trustees have not currently set a maximum level of reserves. As we move into the next phase of our strategy, we expect this to evolve.

Working capital and cash flow requirements include costs such as monthly salaries, VAT bills and office rents. The charity currently operates under seven-day payment terms with the Ministry of Justice which lowers risks relating to cash flow. However, we must mitigate against delays in payments of invoices by the MOJ: as the charity's main funding source, delays can have a significant impact. Exit costs (including office lease commitments, staff redundancy costs and university exit costs) are included in the MOJ contract which significantly reduces financial risk relating to termination of the contract.

Fundraising

Unlocked Graduates is registered with the Fundraising Regulator and adheres to their fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data, never sells data or swaps data with other organisations, and undertakes to promptly and thoroughly investigate any complaints regarding its fundraising activities. We aim to learn from complaints and improve operations accordingly. During 2022/23, Unlocked Graduates received no complaints about fundraising activities.

Post balance sheet events, future plans and going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until at least 2026 (and in the event of termination of the contract, exit provisions cover most costs incurred). In addition, the charity has a healthy reserves position. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and therefore, the accounts and financial statements have been prepared on this basis.

There was one post balance sheet event to report, as described in Note 17, as a new office lease agreement was entered into.

Future plans for the charity are focused on its aforementioned aims of continuing the core programme of recruiting, developing and retaining graduates as prison officers; supporting ambassadors to develop into future leaders; sharing our work with the wider sector; and building and evidence base of what works in prisons.

Statement of trustees' responsibilities

The trustees (who are also directors of Unlocked Graduates for the purposes of company law) are responsible for preparing the trustees' report and 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 charity and the income and expenditure of the charity for that year.

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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees and signed on their behalf by:



David Laws

Approved on: 03 October 2023

Independent auditor's report to the members of Unlocked Graduates

Opinion

We have audited the financial statements of Unlocked Graduates (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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 accounts 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 accounts 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102 and the Charities Act 2011.
- ◆ We understood how the charitable company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of trustee meetings and papers provided to the trustees.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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 journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC.

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. International Standards on Auditing 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.

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

Use of this 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

06 October 2023

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

Statement of financial activities Year to 31 March 2023
(incorporating the income and expenditure account)

	Notes	Restricted funds £	Un- restricted general Funds £	Year to 31 March 2023 £	Year to 31 March 2022 £
Income from:					
Donations	1	1,424	158,737	160,161	368,339
Charitable activities	2	--	4,044,912	4,044,912	3,680,847
Other income		--	2,700	2,700	—
Total income		1,424	4,206,349	4,207,773	4,049,186
Expenditure on:					
Raising funds	3	--	35,503	35,503	84,159
Charitable activities	4	79,791	4,331,386	4,411,177	3,812,477
Total expenditure		79,791	4,366,889	4,446,680	3,896,636
Net (expenditure) income and movement in funds for the period	6	(78,367)	(160,540)	(238,907)	152,550
Reconciliation of funds:					
Funds brought forward at 1 April 2022		98,367	714,584	812,951	660,401
Funds carried forward at 31 March 2023		20,000	554,044	574,044	812,951

All activities derive from continuing operations.

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

Balance sheet 31 March 2023

	Notes	31 March 2023 £	31 March 2023 £	31 March 2022 £	31 March 2022 £
Fixed assets					
Tangible fixed assets	8		64,033		61,981
Current assets					
Debtors	9	875,994		712,945	
Cash at bank and in hand		728,132		688,023	
		1,604,126		1,400,968	
Creditors: amounts falling due within one year	10	(1,092,865)		(648,748)	
Net current assets			511,261		752,220
Creditors: amounts falling due after one year			(1,250)		(1,250)
Total net assets			574,044		812,951
The funds of the charity:					
Restricted fund	12		20,000		98,367
Unrestricted funds:					
General funds	13		324,044		404,584
Designated funds	13		230,000		310,000
			574,044		812,951

The financial statements were approved by the trustees and signed on their behalf by:



David Laws

Approved on: 03 October 2023

Unlocked Graduates: A company limited by guarantee, Company Registration No.11448853 (England and Wales)

Statement of cash flows Year ended 31 March 2023

	Notes	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Net cash flows from operating activities	A	42,161	(552,987)
Net cash flows from investing activities	B	(2,052)	(31,240)
Change in cash and cash equivalents		40,109	(584,227)
Cash and cash equivalents at 1 April 2022		688,023	1,272,250
Cash and cash equivalents at 31 March 2023		728,132	688,023

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

A Reconciliation of net movement in funds to net cash flows from operating activities

	Year to 31 March 2023 £	Year to 31 March 2022 £
Net (expenditure) income	(238,907)	152,550
(Increase) in debtors	(163,049)	(326,493)
Increase (decrease) in creditors	444,117	(379,044)
Net cash provided by (used in) operating activities	42,161	(552,987)

B Cash flows from investing activities

	Year to 31 March 2023 £	Year to 31 March 2022 £
Investing activities		
Purchase of fixed assets	(2,052)	(31,240)
Net cash flows used in investing activities	(2,052)	(31,240)

C Cash and cash equivalents

	Year to 31 March 2023 £	Year to 31 March 2022 £
Cash at bank	728,132	688,023
Total	728,132	688,023

Cash and cash equivalents at the year-end consisted solely of cash at bank and no other cash instruments. No cash has been borrowed and no debt repayments are outstanding at year-end.

Principal accounting policies – Year ended 31 March 2023

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

Basis of preparation of financial statements

These financial statements have been prepared for the year ended 31 March 2023. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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) ('Charities FRS 102 SORP') and the Charities Act 2011.

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.

Critical accounting estimates and areas of judgement

No significant judgments and/or estimates have been made by the trustees in preparing these financial statements.

Assessment of going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until at least 2026 (and in the event of termination of the contract, exit provisions cover most costs incurred). In addition, the charity has a healthy reserves position. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and therefore, the accounts and financial statements have been prepared on this basis.

Income

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.

Contract and grant income

Contract funding is recognised over the term of the contract term as services are delivered.

Grant funding subject to specific performance conditions is recognised as the related services or outcomes are delivered.

Income (continued)

Donations

Income from donations is recognised in the period in which the charity becomes entitled to the donation and where receipt is probable and its amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation 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 costs are inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. The classification between activities in direct costs and support costs is as follows:

- ◆ Expenditure on raising funds includes any expenditure associated with raising funds for the charity and includes direct costs associated with fundraising events. An allocation of support costs is made against fundraising activities based on the amount of staff time involved.
- ◆ Expenditure on charitable activities comprises direct expenditure on the charity's two primary charitable activities and includes support costs.

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 a finance function and other overheads such as the maintenance of websites etc.

Governance costs comprise the costs related to the public accountability of the charity and costs in respect of its compliance with applicable regulations and good practice.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 9. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Principal accounting policies – Year ended 31 March 2023

Financial instruments (continued)

Financial liabilities – accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 10. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Debtors

Debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

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 measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

Fund accounting

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Restricted funds comprise monies received for, or their use is restricted to, a specific purpose or have donor imposed conditions.

1 Donations

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Donations from Trusts and Foundations	1,424	158,737	160,161
2023 Total funds	1,424	158,737	160,161

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Donations from Trusts and Foundations	75,000	293,339	368,339
2022 Total funds	75,000	293,339	368,339

2 Income from charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Graduate Prison Officers Programme	--	2,554,681	2,554,681
Participant Recruitment Activities	--	1,490,231	1,490,231
2023 Total funds	--	4,044,912	4,044,912

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Graduate Prison Officers Programme	—	2,357,068	2,357,068
Participant Recruitment Activities	—	1,323,779	1,323,779
2022 Total funds	—	3,680,847	3,680,847

3 Expenditure on raising funds

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Support costs (see note 5)	--	35,503	35,503
2023 Total expenditure	--	35,503	35,503

3 Expenditure on raising funds (continued)

	<i>Restricted funds £</i>	<i>Unrestricted General funds £</i>	<i>Total funds 2022 £</i>
<i>Support costs (see note 5)</i>	—	84,159	84,159
2022 Total expenditure	—	84,159	84,159

4 Expenditure on charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Activities undertaken directly			
Graduate Prison Officers Programme	79,791	2,705,589	2,785,380
Participant Recruitment Activities	--	1,112,573	1,112,573
	79,791	3,818,162	3,897,953
Support costs (see note 5)			
Graduate Prison Officers Programme	--	324,141	324,141
Participant Recruitment Activities	--	189,083	189,083
	--	513,224	513,224
2023 total expenditure	79,791	4,331,386	4,411,177

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2022 £</i>
Activities undertaken directly			
Graduate Prison Officers Programme	38,378	2,162,571	2,200,949
Participant Recruitment Activities	—	1,116,717	1,116,717
	38,378	3,279,288	3,317,666
Support costs (see note 5)			
Graduate Prison Officers Programme	—	320,171	320,171
Participant Recruitment Activities	—	174,640	174,640
	—	494,811	494,811
2022 total expenditure	38,378	3,774,099	3,812,477

5 Analysis of support costs

		Unrestricted Charitable activities		
	Raising funds £	Graduate Prison Officers Programme £	Participant Recruitment activities £	2023 Total £
Human resources:				
- Shared staff costs allocations	28,613	87,466	51,022	167,101
- Other HR related shared costs	323	11,098	6,474	17,895
Finance	302	10,387	6,059	16,748
Information Technology	654	22,455	13,099	36,208
Premises and office running costs	5,185	178,103	103,893	287,181
Governance costs:				
- Auditor's remuneration	171	5,861	3,419	9,451
- Legal, professional and accountancy	215	7,398	4,316	11,929
- Bank charges	40	1,365	796	2,201
- Other governance costs	0	8	5	13
Totals	35,503	324,141	189,083	548,727

		Unrestricted Charitable activities		
	Raising funds £	Graduate Prison Officers Programme £	Participant Recruitment activities £	2022 Total £
Human resources:				
- Shared staff costs allocations	64,647	41,736	22,765	129,148
- Other HR related shared costs	2,161	30,835	16,819	49,815
Finance	153	2,185	1,193	3,531
Information Technology	1,723	24,589	13,412	39,724
Premises and office running costs	14,511	207,062	112,944	334,517
Governance costs:				
- Auditor's remuneration	390	5,571	3,039	9,000
- Legal, professional and accountancy	263	3,757	2,049	6,069
- Bank charges	72	1,031	562	1,665
- Other governance costs	239	3,405	1,857	5,501
Totals	84,159	320,171	174,640	578,970

5 Analysis of support costs (continued)

Support costs are allocated on the following bases, which reflect an estimate of staff time, spent on fundraising activities and the direct staff time on the primary charitable activities of running the programme and recruitment activities:

	2023 %	2022 %
Fundraising	2%	4%
Charitable activities:		
(i) Graduate Prison Officers Programme	62%	62%
(ii) Participant Recruitment Activities	36%	34%
Total allocations	100%	100%

6 Net (expenditure) income

This is stated after charging the following against unrestricted funds:

	2023 Total £	2022 Total £
Staff costs (see note 7)	1,864,055	1,490,363
Auditor's remuneration	9,450	9,000
Depreciation	33,684	18,732
Operating lease rentals	232,723	247,962

7 Staff costs and trustees' remuneration

	2023 £	2022 £
Staff costs during the period were as follows:		
· Wages and salaries	1,511,297	1,243,430
· Social security costs	160,730	117,970
· Termination payments	14,902	6,177
· Pension costs	177,126	122,786
	1,864,055	1,490,363

The average number of employees during the period was:

	2023 Number	2022 Number
Management and Leadership	6	5
Programme	14	12
Recruitment	29	16
Operations	3	4
External Relations	2	4
	54	41

7 Staff costs and trustees' remuneration (continued)

During the current accounting period, there were three (2022 - five) employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions).

	2023 Number	2022 Number
£60,001 – £70,000	--	2
£70,001 – £80,000	1	1
£80,001 – £90,000	1	1
£90,001 – £100,000	--	1
£100,001 – £110,000	1	--

No trustee received any remuneration in respect of their services during the year (2022 - £nil) and £83 of expenses were reimbursed to one trustee during the year (2022 - £337 to three trustees).

The key management personnel of the charity in charge of directing and controlling, running and operating the organisation on a day-to-day basis comprise the trustees together with five employees: the Chief Executive Officer, the Chief Operating Officer, the External Relations Director, Recruitment Director and Programme Director. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year is set out below.

	2023 £	2022 £
Key Management Personnel – Gross pay	440,670	414,148
Key Management Personnel – Employer pensions	47,361	40,816
Key Management Personnel – Employer NI	53,312	47,579
	541,343	502,543

8 Tangible fixed assets

	Computer equipment £	Furniture, fixtures equipment £	Leasehold improve- ments £	2023 Total £
Cost				
At 1 April 2022	44,280	29,876	8,520	82,676
Additions	34,235	1,500	--	35,735
At 31 March 2023	78,515	31,376	8,520	118,411
Depreciation				
At April 2022	14,199	4,366	2,130	20,695
Charge for period	22,471	6,100	5,112	33,683
At 31 March 2023	36,670	10,466	7,242	54,378
Net book values				
At 31 March 2023	41,845	20,910	1,278	64,033
At 1 April 2022	30,081	25,510	6,390	61,981

9 Debtors

	2023 £	2022 £
Trade debtors	448,930	377,741
Prepayments	341,433	276,761
Accrued income	85,631	58,443
	875,994	712,945

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	364,118	61,047
Other creditors	64,393	56,305
Tax and social security	163,056	143,666
Accruals and deferred income	501,298	387,730
	1,092,865	648,748

11 Creditors: amounts falling due after one year

	2023 £	2022 £
Lease liability	1,250	1,250
	1,250	1,250

12 Restricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Restricted funds				
Treebeard Trust	44,791	--	(44,791)	--
Hadley Trust	3,576	(3,576)	--	--
Drapers Charitable Trust	15,000	(15,000)	--	--
Dulverton Trust	35,000	--	(35,000)	--
John Armitage Charitable Trust	--	20,000	--	20,000
Total	98,367	1,424	(79,791)	20,000

Restricted funds

Treebeard Trust: to support the policy paperwork.

Hadley Trust: to support the technology innovation project.

Drapers Charitable Trust: to support the prison technology innovation project.

Dulverton Trust: to support graduate ventures.

John Armitage Charitable Trust: to support the prison innovation acceleration project.

13 Analysis of net assets between funds

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	--	64,033	64,033
Current assets	20,000	1,584,126	1,604,126
Current liabilities	--	(1,092,865)	(1,092,865)
Non-current liabilities	--	(1,250)	(1,250)
Total net assets	20,000	554,044	574,044

Unrestricted funds at 31 March 2023 include designated funds as follows:

- ◆ New ventures fund of £139,000, to be spent over the next two years on mobilisation costs of new ventures started by the charity.
- ◆ Ambassadors fund of £91,000, to be spent over the next two years on mobilisation costs of our new ambassador programme.

	At 1 April 2022 £	Income £	Expenditure£	At 31 March 2023 £
Designated funds				
New ventures fund	170,000	--	(31,000)	139,000
Ambassadors fund	140,000	--	(49,000)	91,000
Total	310,000	--	(80,000)	230,000

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Fund balances at 31 March 2022 are represented by:			
Tangible fixed assets	—	61,981	61,981
Current assets	98,367	1,302,602	1,400,969
Current liabilities	—	(648,748)	(648,748)
Non-current liabilities	—	(1,250)	(1,250)
Total net assets	98,367	714,584	812,951

14 Operating lease commitments

At 31 March 2023, the balance sheet date, the Charity had operating lease commitments as follows:

	2023 £	2022 £
On office space		
Due within one year	75,552	226,656
Due between one and two years	--	75,552
	75,552	302,208

The lease on office space was terminated post year-end prior to the full commitment balance being paid. A new lease agreement was entered into for office space in May 2023.

15 Taxation

Unlocked Graduates 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.

16 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

17 Post balance sheet events

There was a new office lease agreement entered into as described in Note 14.

Unlocked

ANNUAL REPORT

Leading change from the inside
2022/23

Unlocked Graduates
unlockedgrads.org.uk
020 3949 4750
hello@unlockedgrads.org.uk
Charity No: 1187552 | Company No: 11448853

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Reference and administrative details

Directors and Members	Dame Sally A Coates Angela O Daniel (appointed 9 October 2022) James B H Darley Robert D Farquharson Rt Hon. David Laws Nicola C Marfleet Karan Rai (resigned 28 April 2022) Thomas P J Shinner Nathan A White Emma J Wilson Christopher R Wright (resigned 16 March 2023)
Company number	11448853
Charity registration number	1187552
Registered Office	7 Bell Yard London WC2A 2JR
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Boundary House 91 Charterhouse St Barbican London EC1M 6HR
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

MESSAGE FROM THE CHAIR

This year has been a very productive one for Unlocked Graduates. In many areas of our work, it has felt that we have finally had a year which has not been entirely overshadowed by Covid emergencies. In many operating areas the landscape has completely changed. Yet we have continued to deliver even in this new world.

Our 750th prison officer has been recruited, and will start the programme in September 2023; our ambassador network has continued to grow, and we have seen more applications to the Unlocked Graduate core programme than ever.

We are delighted to note that Unlocked's CEO, Natasha Porter, was last year recognised by His Majesty the King, by becoming an Officer of the British Empire (OBE) for her work in establishing and running Unlocked. This is a well merited recognition both of her personal leadership and inspiration and of the success of Unlocked since its inception.

This year has not been without its challenges. We faced a recruitment landscape with few similarities to the market pre-Covid, ever higher levels of inflation and cost pressures, and a prison service which is running out of beds.

The Board continues to be a huge help at this time, and we have been delighted to welcome Angela Daniel to the board who is not only a qualified accountant, but also has much experience running an alumni network at the University of Oxford.

Coming out of Covid has coincided with proof of the concept of Unlocked Graduates and our model. This has led the board to work with Natasha and her senior team to design and launch a new strategy. This strategy is focused on impact and ultimately on trying to move towards creating a tipping point for the prison service. It gives the direction we need to focus our work where we will have the most impact, and the impetus to gather the evidence and data we need to persuade others.

As always however, our work would not be possible were it not for the incredible support of all of our partners.

Of course, first and foremost we must thank His Majesty's Prison and Probation Service and the Ministry of Justice. Their continued support makes what we do possible, and we are grateful to the government for their commitment to innovation. Finally, I want to thank our generous donors. Their support not only enables the most innovative elements of our work but ensures our independence to take bold action.

We hope to continue implementing our bold new strategy, break cycles of reoffending and repay the trust that government and our partners continue to put in us.



Rt. Hon David Laws

MESSAGE FROM THE CEO

We are now at a stage of our development where we can see our model is working: we are attracting excellent people onto the frontline of prisons despite negative and largely incorrect perceptions of the role and sector, and we see those who are on our leadership programme making real impact. We have recently placed our 750th participant, and our retention continues to compare positively to those joining the service through other routes. This year we have continued to hear from prisoners, other prison officers, and governors of prisons about the positive impact those who join the service through Unlocked are having, and we have seen another year where every governor we work with say they would recommend our programme to colleagues in other prisons. We are also delighted with the growth of our ambassador network, and the impact they are continuing to have on prisoner outcomes.

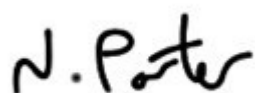
In December 2022, against this backdrop of early organisational success, we launched our new strategy in the House of Lords. Our new strategy focuses on depth: being laser focused in robustly evidencing what we have found works, and then using that to catalyse whole system change. At the heart of this is a focus on how to best lead rehabilitative culture in a prison and beyond, and a recognition that excellent prison officer – prisoner relationships need to sit at the heart of a prison.

There are also many people and organisations without whom our work would not be possible.

First and foremost, we are hugely grateful to His Majesty's Prison and Probation Service and the Ministry of Justice. They continue to be hugely supportive, and in doing so ensure that we can deliver our mission. From the Secretary of State to the CEO, Executive Directors, to all those who work with us in HMPPS and MoJ, through to governors and frontline officers and staff who make the practicalities work: thank you.

Our independence is completely essential to our success, and here we have a large network of partners and supporters to thank. Funders in particular allow us to experiment and try new things, and their assistance enables us to achieve what many believe is impossible. There are easier and safer areas to fund than prisons, and we continue to be ever grateful for those who invest in this challenging, but vitally important space. Partners from private sector have also been exceedingly generous with their pro bono support, and a myriad of organisations have embraced the opportunity to connect with frontline prison staff in new ways, including by speaking at our events and hosting work placements.

We could not do it without all of you so thank you. I hope you will enjoy reading about our achievements this year.



Natasha Porter

TRUSTEES' REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with financial statements of Unlocked Graduates ("the charity") for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 233 to 255 of the attached financial statements and comply with the charity's governing document, applicable laws 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).

Structure, governance and management

Constitution and background

Unlocked Graduates is a company limited by guarantee and a registered charity established on 4th July 2018 and governed by its Memorandum and Articles of Association.

The directors of the charity are the trustees for the purpose of charity law and throughout this report are collectively referred to as "the trustees". The number of trustees consists of nine persons, who collectively make up the Board of Trustees ("the Board"). The Articles of Association require a minimum of three trustees.

The charity's objects are to promote the rehabilitation and education of prisoners and ex-prisoners, and to reduce reoffending through the provision of:

1. A specialised programme of education and training for graduate prison officers;
2. Education and training of those engaged in the prison and probation services and the criminal justice system in the rehabilitation and education of prisoners and ex-prisoners.

Method of appointment and election of trustees

The trustees are elected in accordance with the provisions of the Articles of Association. Normally, trustees are elected for a three-year term, with the possibility of reappointment for two consecutive terms, or three terms for founder trustees.

Upon appointment, trustees complete a variety of incorporation documents, and their details are submitted to Companies House and the Charity Commission. Trustees must declare any conflicts of interest throughout their term of office. Training needs are monitored on an ongoing basis. Trustees attend an annual away day which provides a more in-depth opportunity for strategic discussion and offers a training opportunity for new and existing members. New trustees also meet with existing Board members and the Senior Leadership Team (SLT) and are introduced to Unlocked Graduate's mission and strategy.

Organisation structure and decision making

The day to day running of the charity is delegated by the trustees to the Chief Executive Officer (CEO) and key management personnel which consists of the CEO, Chief Operating Officer (COO) and three Directors.

The trustees meet quarterly at Board meetings (and more if required on an ad-hoc basis) to review the progress relative to plans, monitor compliance with policies, and to review and

approve plans for the year ahead. The Finance, Audit and Risk committee (FARC) meets quarterly to discuss and review the charity's financial position and principal risks, and reports to the Board.

Salary banding and remuneration policy is reviewed and approved by the Board annually. The Board also approves the CEO's salary. The CEO approves all salaries within the organisation. This is based on a benchmarking exercise against similar charities to ensure competitiveness and fairness, and ultimately, is focussed on maximising effective use of resource towards the Unlocked Graduates mission.

Risk management

Unlocked Graduates is committed to managing risk effectively to safeguard the future of the charity and achieve its charitable aims. Risk management is a key focus of the Board. In particular, the FARC monitors risk, and the actions taken by the SLT in response to risk, at each of its quarterly meetings.

The SLT leads on identifying and managing risks and implementing appropriate contingency planning. This is reviewed and monitored by FARC and the Board.

Volunteers and supporters

We are grateful to the trustees who are all volunteers and provide their time and expertise without payment. We have also benefited from some voluntary pro-bono contributions from supporters. Besides this, the operations and activities of Unlocked Graduates are run by paid staff and not reliant on volunteers.

Trustees are entitled to the reimbursement of any reasonable expenses incurred in carrying out the business of the charity, but are encouraged to keep their expense claims to a minimum. Trustees' expenses reimbursed during 2022/23 are detailed in Note 7.

Key management personnel

The key management personnel of the charity in charge of controlling, running and operating the charity on a day-to-day basis comprise the trustees and personnel comprising the CEO, COO and three Directors.

Public benefit

The trustees confirm that they have given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and planning its objectives. The main activities undertaken to further the charity's aims are set out in this report.

The charity meets its obligations to provide a public benefit by working towards a reduction in cycles of reoffending, which we envisage having a positive impact on the public in general. The charity will work with anyone in need regardless of age, gender reassignment, marital status, pregnancy, disability, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

Activities and approach

Main activities

Unlocked Graduates' mission is to break cycles of reoffending through developing outstanding leaders in prison and wider society. The main activities by which the charity seeks to fulfil its charitable objects and this mission are:

1. Recruitment of a brilliant, diverse group of graduates who are motivated to break cycles of reoffending.
2. Provision of a two-year leadership programme for selected graduates, working on the frontline of prisons to directly break cycles of reoffending.
3. Development of an ambassadors' network to drive meaningful system change and break cycles of reoffending.

Our approach

In December 2022, at the House of Lords, Unlocked Graduates launched our new strategy.

Our vision is a prison system where every prisoner receives the support that they need to flourish and desist from crime. Our strategy reflects everything we have learnt over the past five years, and the steps we now need to take to build the prison system we need. With this in mind, we have committed to four areas of work:

1. **Recruit, develop and retain more high-quality graduates as prison officers.**
2. **Support ambassadors to progress into operational prison leadership roles.**
3. **Mainstream our solutions so all prison officers benefit from our research & work.**
4. **Prove what works in prisons to catalyse whole system change.**

All Unlocked Graduates' activities feed into this strategy, and working towards these aims is key to furthering our charitable objects. Inspiring and developing participants enables them to have a rehabilitative impact; growth enables that rehabilitation to happen on a larger scale; and amplification creates virtuous cycles where this is even more effective.

Achievements and performance

During this reporting period, Unlocked Graduates has made significant progress against our goals. We are excited about the direction in which our ambitious new strategy is taking our work. Our focus is very much on continuing and growing our core work, focusing on proving our impact, and using this to catalyse system change.

Area 1: Recruit, develop and retain more high-quality graduates as prison officers

This work is at the heart of Unlocked Graduates' work to date. Since launch, we have recruited over 750 prison officers to be placed in 38 prisons. This year we had our highest application number yet with over 30 applications for each place on the programme.

What we did

Recruit

We attract, recruit and select brilliant, diverse and mission-aligned candidates to become prison officers. In 2022-2023 we received our most applications ever and saw the attractiveness of our brand and offer continue to grow within the graduate market.

Our recruitment strategy is designed to attract high-calibre candidates, particularly the overwhelming majority of graduates who would not have considered a role in the prison service without us. Our focus on graduates is, in part, because they are under-represented in the prison service, and we believe that their addition will diversify the problem-solving skills available in the workforce – critical given the magnitude of the challenge. We also focus on this audience because one way to raise the status of the job of a prison officer is to actively target this ambitious group of jobseekers that society views as our 'best and brightest'.

To achieve our ambitious goals for diversity in our recruitment, Unlocked also offered free, independent coaching for applicants from under-represented groups. This is delivered by the recruitment team and a third-party expert consultant who helps applicants plan and navigate the application process.

Develop

We believe that the right training and support can radically accelerate the time it takes for a frontline workforce to make a difference.

Weaving practical and theoretical learning throughout the programme, we support and develop outstanding individuals who excel in their roles, take on additional responsibilities, and influence best practice on and off the landings.

The initial training in Summer Institute is followed by intensive mentoring support which runs throughout the two years alongside the theoretical study enabled by the MSc in Applied Custodial Leadership. This is co-designed and delivered by Leeds Trinity University but fully integrated into every element of the programme.

Once in role these officers are supported and challenged by their Mentoring Prison Officers (MPOs) from day one to meaningfully contribute to making their prisons more rehabilitative. All of our support and learning aims to create a framework to empower these officers and push them to innovate.

The Unlocked Graduates curriculum is informed by a range of influencers including Scandinavian models of prison officer training. Our training offer runs across multiple years in recognition of the time it takes to refine expert practice. We also require a high level of prior academic attainment so training can be pitched at a high level. This enables us to accommodate the difficulty of the theories involved in the course as well as build in deep critical analysis and significant independent research.

Practice-based learning underpins our pedagogy for the sections of our curriculum which focus on prison officer skills and professionalism. We have also been informed by the work of Professor Alison Lieblich around balancing different components of the prison officer role. We have shared these approaches with other training organisations and the wider prison service, and elements have already been adopted by the mainstream prison officer training scheme as well as other organisations.

In line with our philosophy of ongoing learning, practitioner skills are developed throughout the programme. Participants receive 30 half-days of in-prison training which focuses on specialised aspects of the prison officer role. The focus on practitioner skills is central to the programme's impact. Our participants continue to develop over the two years, meaning their skills are always up to date, relevant and in line with best practice. The programme includes a significant independent research element. This empowers these frontline professionals to make an immediate contribution to rehabilitation in their prisons.

Retain

Our retention has remained an area of focus for the organisation, focused on the support and challenge from our MPOs. Feedback from participants about their MPOs continues to be exceptionally high, with 91 per cent rating the quality of the support positively.

We know that an officer who leaves the prison service has the potential to be another broken connection for the prisoners in their care. One ex-prisoner said to us "Unlocked officers were just very consistent and that made a real difference. That kind of a relationship with a prison officer really does make you change your ways."

Our impact

Recruit

We are changing graduates' perceptions around working in the prison service and are reaching people who would not otherwise consider entering this sector: nine out of ten participants on our programme had not considered joining the prison service before discovering Unlocked. And yet, 86 per cent of current participants would recommend Unlocked Graduates to a friend. One participant said, "doing this graduate scheme was one of the best decisions I have made".

We have also worked hard and succeeded in recruiting Black, Asian and other ethnic minority participants. Each year, the scheme has successfully attracted a diverse range of applications. This year, over 70 per cent of successful applicants are women, compared with 41 per cent of prison service staff. One in five are from ethnic minority backgrounds, which compares to around one in ten of the broader prison officer population.

We have continued to win industry awards for our recruitment campaigns and Leadership Development Programme. In 2023, Unlocked Graduates won 'Best Graduate Development Programme' at the Institute of Student Employers Awards. High Fliers also shortlisted our Instagram account as an example of best practice in reaching our audience effectively, and Unlocked were runners up for overall best use of social media.

Each year, the influential Times Top 100 list of Graduate Employers is released. This year, Unlocked Graduates is ranked at number 22, and are the highest risers in the list. Unlocked were the only public sector scheme to rise in the rankings. This positions us as a more attractive option than graduate schemes with many household names and law firms.

Develop

Our 2022 Summer Institute was run for the first time in a number of years with no lockdown restrictions. We delivered an extremely successful programme to our new cohort of prison officers, making them day-one ready. Unlocked Graduates training is an important part of our strategy to professionalise the prison officer role, and thereby create systemic change in the prison service to address cycles of reoffending. We continue to pioneer new training and development approaches to improve all elements of our ongoing support and training. 98 per

cent of current participants rate their training positively, and 100 per cent were positive about the range of work placements on offer to them as part of our Leadership Development Programme. 95 per cent rated the support from their MPO positively, with one participant describing the support from their MPO as “faultless”. Another said, “He has been exactly what I have needed this year, and I honestly think that my experience in prison would have been very different without an MPO as amazing as [mine].”

We know that these officers are having an immediate impact. In our 2021 cohort, 63 per cent of officers have been promoted or taken on additional responsibility. These include Band 4 Supervising Officers, counter-terrorism liaison officers, equalities officers and physical education officers.

We also seek to offer our participants ways to use their unique position to identify solutions to problems they face on the frontline and to take action:

- **Pilot projects:** Those on the frontline know best the problems we are seeking to solve. The Innovation Acceleration Programme (IAP) is designed to support and amplify the impact participants can have by offering funding for small-scale, evidence driven innovation projects in their prisons. To receive funding, participants must demonstrate how they work closely with other non-Unlocked Graduates prison officers in their prison to develop an idea that will achieve senior buy-in and has the potential to be sustainable long-term. To date, we have supported 72 small and 39 large projects. Through this we have invested over £80,000 in frontline prison innovation.
- **Ideas to share:** We believe an evidence-based approach will be an important part of driving rehabilitation in the prison service. As part of their Master's degree, participants undertake a research project based on a problem, question or initiative that they co-identify with the prison governor as an area of interest. These are focused on making targeted, tangible recommendations, whether to policy-makers or practitioners of the prison. In the past year, some of these have been turned in to ‘policy papers’ which were published in a special edition of the Prison Service Journal in 2023, led by Leeds Trinity University.

Retain

In 2022, we placed nearly 130 officers into 28 prisons. This included a new placement in North Wales at HMP Berwyn. We have recruited over 750 prison officers in 37 establishments across England and Wales, reaching over a third of the prisoner population.

In the past year we undertook a benchmarking exercise with a sample of 14 of our partner prisons, with representation from prisons from the north, Midlands, Greater London and the south. We were looking to compare the retention of Band 3 officers in the 2021/22 year to understand how well the retention of our Unlocked officers compared to those that entered the service via the standard route. The analysis showed that the retention of Unlocked participants is currently 13 per cent higher during our two-year programme compared to those entering via the standard route. This is despite increasing numbers of participants being actively approached for other roles during their time on the programme.

Almost 75 per cent of Unlocked ambassadors stay in a role in the prison service employed by HMPPS or MoJ (specifically operational in prison, HMPPS or MoJ) for eight months after they finish Unlocked Graduates' Leadership Development Programme.

Unlocked Graduates can only challenge and change the prison service with the support of those within it, and we remain grateful to our partners and colleagues across the service. 100 per cent of governors recently surveyed would recommend Unlocked Graduates to other prisons. One governor Unlocked Graduates works with said, “I think Unlocked is starting to

influence how we recruit and support. It is also attracting some brilliant people into the prison service". Another governor said that Unlocked Graduates should be the model for all our new staff and "undoubtedly contributes to developing confident, competent and capable prison officers."

Support ambassadors to progress into operational prison leadership roles

What we did

Ambassadors are key to our mission of developing outstanding leaders to break cycles of reoffending in prison and throughout society. Our aim is to create a network of alumni (ambassadors) with exceptional leadership skills using their frontline experience to impact systemic changes in prisons, the wider criminal justice system, and beyond.

Our Ambassador Network Manager is a graduate of our Leadership Development Programme. This year he has been using community organising principles to formalise our alumni network and creating spaces for ambassadors to form networks organically. This has included various events, study visits and networking opportunities. One example is his work with a group of ambassadors who were keen to organise on how prisoners with neurodiversity can be better supported.

We trust ambassadors to identify how they can make the most impact on prisons, however many tell us they want to stay in operational roles long term but feel unable to do so. As a result, we have worked with Oliver Wyman on a pro bono basis to research and report back on what the most prevalent push factors are. The recommendations from this report will influence our work in this area through 2023-24.

Our impact

The majority of ambassadors remain are still operational in prison over six months after completing the programme and nearly 90 per cent still work towards the mission of Unlocked Graduates in their primary role. About half (44 per cent) of everyone who has ever completed the programme are still operational in prison. A small number have now reached governor grades, with many more taking on roles as Custodial Managers.

Our ambassadors continue to have a remarkable impact on prisons. In the past year, one has won a Butler Trust Award and another a Prime Minister's Award for their work changing the lives of those in prison.

Mainstream our solutions so all prison officers benefit from our research & work.

What we did

The retention of Unlocked Graduates is 13 per cent higher than the standard entry route. When surveyed, one governor told us, "The Unlocked scheme is certainly bringing something different. We welcome the Unlocked scheme and I would recommend it to any prison that is currently not part of the scheme". We are working hard to mainstream our solutions and to share what works between our cohorts and in the entire service. This varies from private meetings with those with agency, lobbying for change with the Ministry of Justice and leading the sector to catalyse whole system change.

Part of our strategy to mainstream our solution is to share solutions we have found to workforce issues. We launched this at our December 2022 House of Lords reception, where we were joined by the Minister for Prisons Rt Hon Damian Hinds MP, colleagues from across HMPPS and the Ministry of Justice and frontline staff including our participants and ambassadors.

Our March 2023 Conference was opened up to prison officers and senior leaders from across our partner prisons. Attendance from establishments across the country continues to be high at events such as Champions Day and Governors Day at our Summer Institute.

In December 2022, Unlocked Graduates gave a written submission to the Justice Select Committee's Inquiry on the Prison Operational Workforce. Subsequently, Natasha Porter OBE was asked to give oral evidence on behalf of Unlocked. The report from the Committee is due in late summer 2023.

Our impact

We are continuing to work closely with HMPPS to mainstream best practice. The Ministry of Justice referenced our contributions in one of their submissions to the Justice Select Committee's Inquiry on the Prison Operational Workforce, saying that the Unlocked CEO was invited "to share her expertise and views about what a good prison officer needs in terms of training. Natasha has also shared resources, learning plans and content of the Unlocked curriculum and we continue to work together to improve the impact of our training".

We have also been invited speak about the work of Unlocked at international prison service conferences in Lisbon and Berlin.

Peter Dawson, the former Director of the Prison Reform Trust, spoke on the ongoing impact of Unlocked ambassadors across the criminal justice sector stating that "Unlocked is seeding the whole system with good people and fresh thinking... it is a tremendous force for good."

Prove what works in prisons to catalyse whole system change

What we did

In order to ensure that there was sufficient expertise and capacity within Unlocked Graduates, we have restructured the senior team to create a new role: Associate Director of Impact and Insights. In March 2023, Dr Liam Fenn joined in this role, bringing extensive experience in defining impact in the criminal justice sector. Liam has spent his first few months working through how to bring this strategic goal to life. We are now progressing work in the following areas:

- Harnessing actionable insights from our data and improved surveying to understand the factors that shape the performance, wellbeing, and retention of prison officers.
- Codifying our solutions and research evidence to share with the sector, covering recruitment, training and support for prison officers.
- Working with leading academics and experts to collaborate on the evaluation of Unlocked and developing thought-papers that can be used to inform change.
- Designing a robust evaluation to better understand the contribution that Unlocked is making to culture and system change.
- Improving participant and ambassador access to best practice and supporting them to evaluate impact.

Our impact

We know that our model works. A Custodial Manager (senior officer) in a central London prison recently told us that Unlocked Graduates are changing the way that he does his job. Referring to a group of participants and ambassadors he told us, "The three of them have been a revelation. They listen to prisoners and use their education in a good way – they see things from a different viewpoint... by having the way my staff talk to everyone down there better – that is how it's been so successful. And that is slowly rubbing off. It's just a different way to be a prison officer".

We will codify and prove what works in order to ensure that the changes that this Custodial Manager has described can happen across the entire sector.

Financial review

The charity's total income during the period was £4,207,773 (2022 - £4,049,186). The main source of income has been our contract with the Ministry of Justice (MOJ) which has generated income of £4,044,912 (2022 - £3,680,847). In addition, Unlocked Graduates has raised income of £160,161 (2022 - £368,339) from trusts and other donations. Of these donations, £1,424 (2022 - £75,000) was restricted income and £158,737 (2022 - £293,339) was unrestricted income.

Expenditure has totalled £4,446,680 (2022 - £3,896,636) of which £1,301,656 (2022 - £1,291,356) was spent on recruitment activities and £3,109,521 (2022 - £2,521,120) on graduate programme delivery. Expenditure on raising funds came to £35,503 (2022 - £84,159).

Risks and uncertainties

As part of the charity's commitment to effective risk management, the trustees review identified risks, as well as the plans and strategies for managing those risks.

The principal risks and uncertainties facing the charity are:

- Loss of the MOJ contract, or failure to secure a new contract. Mitigations include continual evidencing of impact and value for money; continuing strong performance against the contract KPIs; and close involvement of the CEO and Board in contract extension negotiations.
- Lack of stakeholder support from government, the civil service, or prison governors. Mitigations include relationship building with all relevant stakeholders, gaining cross-party support, and demonstrating the positive impact of the charity.
- Reputational risks relating to participants, such as negative media coverage or a high-profile departure of a participant. Mitigations include a rigorous recruitment process, strong training and mentoring for participants on the programme, internal evaluation and continual improvement, close monitoring and detailed reporting systems, involvement of MOJ press office and a formalised crisis communications strategy.
- Cyber security or data breach. Mitigations include Cyber Essentials Plus and ISO 27001 audit and compliance, use of data protection agreements with subcontractors, staff training and strict IT policies.
- We are aware of wider societal and environmental factors and their interplay with our work. Our strategy integrates a particular focus on our responsibilities around sustainability, and equity, diversity and inclusion.

Reserves policy

As of 31 March 2023, Unlocked Graduates had total reserves of £574,044 (2022 - £812,951) of which £20,000 (2022 - £98,367) were restricted, leaving unrestricted reserves of £554,044 (2022 - £714,584). Unrestricted reserves consist of two designated funds – new ventures fund of £139,000, and ambassadors fund of £91,000 – as well as tangible fixed assets of £64,033 (2022 - £61,981), leaving free unrestricted reserves of £260,011 (2022 - £342,603). The new ventures fund is to be spent over the next two years on mobilisation costs of new ventures started by the charity, and the ambassadors fund is to be spent over the next two years on mobilisation costs of our new ambassador programme.

In this financial period, we have taken a prudent position in relation to reserves as we establish the most effective use of non-contractual funding. Now that Unlocked Graduates has established itself as an independent charity, we have ambitious plans to use this income to further our charitable objectives. The growth of our non-contractual activity, enabled by fundraised income, is key to the next phase of our strategy. The surplus against the minimum level of reserves represents funds that will be used over the next three years as we grow to enable delivery of our ambassadors' programme, innovation acceleration within prisons, and strategic expansion.

The trustees have examined the requirements for reserves in light of the main risks to the charity. The trustees have established a reserves policy to protect the charity and its long-term charitable activities by providing time to adjust to changing financial circumstances.

The level of reserves is set to cover a minimum of one busy month's expenditure and three months' expenditure outside of busy periods. Based on forecast expenditure for 2023-24, the trustees have approved a minimum level of free unrestricted reserves of £400,000. A minimum level of £400,000 reserves is deemed to be necessary predominantly based on working capital requirements and to mitigate against the financial impact of risks. Given the strategic focus to date has been on income generation to enable stability as a newly independent charity, the trustees have not currently set a maximum level of reserves. As we move into the next phase of our strategy, we expect this to evolve.

Working capital and cash flow requirements include costs such as monthly salaries, VAT bills and office rents. The charity currently operates under seven-day payment terms with the Ministry of Justice which lowers risks relating to cash flow. However, we must mitigate against delays in payments of invoices by the MOJ: as the charity's main funding source, delays can have a significant impact. Exit costs (including office lease commitments, staff redundancy costs and university exit costs) are included in the MOJ contract which significantly reduces financial risk relating to termination of the contract.

Fundraising

Unlocked Graduates is registered with the Fundraising Regulator and adheres to their fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data, never sells data or swaps data with other organisations, and undertakes to promptly and thoroughly investigate any complaints regarding its fundraising activities. We aim to learn from complaints and improve operations accordingly. During 2022/23, Unlocked Graduates received no complaints about fundraising activities.

Post balance sheet events, future plans and going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until at least 2026 (and in the event of termination of the contract, exit provisions cover most costs incurred). In addition, the charity has a healthy reserves position. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and therefore, the accounts and financial statements have been prepared on this basis.

There was one post balance sheet event to report, as described in Note 17, as a new office lease agreement was entered into.

Future plans for the charity are focused on its aforementioned aims of continuing the core programme of recruiting, developing and retaining graduates as prison officers; supporting ambassadors to develop into future leaders; sharing our work with the wider sector; and building and evidence base of what works in prisons.

Statement of trustees' responsibilities

The trustees (who are also directors of Unlocked Graduates for the purposes of company law) are responsible for preparing the trustees' report and 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 charity and the income and expenditure of the charity for that year.

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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees and signed on their behalf by:



David Laws

Approved on: 03 October 2023

Independent auditor's report to the members of Unlocked Graduates

Opinion

We have audited the financial statements of Unlocked Graduates (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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 accounts 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 accounts 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102 and the Charities Act 2011.
- ◆ We understood how the charitable company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of trustee meetings and papers provided to the trustees.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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 journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC.

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. International Standards on Auditing 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.

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

Use of this 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. 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.



06 October 2023

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

Statement of financial activities Year to 31 March 2023
(incorporating the income and expenditure account)

	Notes	Restricted funds £	Un- restricted general Funds £	Year to 31 March 2023 £	Year to 31 March 2022 £
Income from:					
Donations	1	1,424	158,737	160,161	368,339
Charitable activities	2	--	4,044,912	4,044,912	3,680,847
Other income		--	2,700	2,700	—
Total income		1,424	4,206,349	4,207,773	4,049,186
Expenditure on:					
Raising funds	3	--	35,503	35,503	84,159
Charitable activities	4	79,791	4,331,386	4,411,177	3,812,477
Total expenditure		79,791	4,366,889	4,446,680	3,896,636
Net (expenditure) income and movement in funds for the period	6	(78,367)	(160,540)	(238,907)	152,550
Reconciliation of funds:					
Funds brought forward at 1 April 2022		98,367	714,584	812,951	660,401
Funds carried forward at 31 March 2023		20,000	554,044	574,044	812,951

All activities derive from continuing operations.

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

Balance sheet 31 March 2023

	Notes	31 March 2023 £	31 March 2023 £	31 March 2022 £	31 March 2022 £
Fixed assets					
Tangible fixed assets	8		64,033		61,981
Current assets					
Debtors	9	875,994		712,945	
Cash at bank and in hand		728,132		688,023	
		1,604,126		1,400,968	
Creditors: amounts falling due within one year	10	(1,092,865)		(648,748)	
Net current assets			511,261		752,220
Creditors: amounts falling due after one year			(1,250)		(1,250)
Total net assets			574,044		812,951
The funds of the charity:					
Restricted fund	12		20,000		98,367
Unrestricted funds:					
General funds	13		324,044		404,584
Designated funds	13		230,000		310,000
			574,044		812,951

The financial statements were approved by the trustees and signed on their behalf by:



David Laws

Approved on: 03 October 2023

Unlocked Graduates: A company limited by guarantee, Company Registration No.11448853 (England and Wales)

Statement of cash flows Year ended 31 March 2023

	Notes	Year ended 31 March 2023 £	Year ended 31 March 2022 £
Net cash flows from operating activities	A	42,161	(552,987)
Net cash flows from investing activities	B	(2,052)	(31,240)
Change in cash and cash equivalents		40,109	(584,227)
Cash and cash equivalents at 1 April 2022		688,023	1,272,250
Cash and cash equivalents at 31 March 2023		728,132	688,023

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

A Reconciliation of net movement in funds to net cash flows from operating activities

	Year to 31 March 2023 £	Year to 31 March 2022 £
Net (expenditure) income	(238,907)	152,550
(Increase) in debtors	(163,049)	(326,493)
Increase (decrease) in creditors	444,117	(379,044)
Net cash provided by (used in) operating activities	42,161	(552,987)

B Cash flows from investing activities

	Year to 31 March 2023 £	Year to 31 March 2022 £
Investing activities		
Purchase of fixed assets	(2,052)	(31,240)
Net cash flows used in investing activities	(2,052)	(31,240)

C Cash and cash equivalents

	Year to 31 March 2023 £	Year to 31 March 2022 £
Cash at bank	728,132	688,023
Total	728,132	688,023

Cash and cash equivalents at the year-end consisted solely of cash at bank and no other cash instruments. No cash has been borrowed and no debt repayments are outstanding at year-end.

Principal accounting policies – Year ended 31 March 2023

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

Basis of preparation of financial statements

These financial statements have been prepared for the year ended 31 March 2023. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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) ('Charities FRS 102 SORP') and the Charities Act 2011.

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.

Critical accounting estimates and areas of judgement

No significant judgments and/or estimates have been made by the trustees in preparing these financial statements.

Assessment of going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until at least 2026 (and in the event of termination of the contract, exit provisions cover most costs incurred). In addition, the charity has a healthy reserves position. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and therefore, the accounts and financial statements have been prepared on this basis.

Income

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.

Contract and grant income

Contract funding is recognised over the term of the contract term as services are delivered.

Grant funding subject to specific performance conditions is recognised as the related services or outcomes are delivered.

Income (continued)

Donations

Income from donations is recognised in the period in which the charity becomes entitled to the donation and where receipt is probable and its amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation 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 costs are inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. The classification between activities in direct costs and support costs is as follows:

- ◆ Expenditure on raising funds includes any expenditure associated with raising funds for the charity and includes direct costs associated with fundraising events. An allocation of support costs is made against fundraising activities based on the amount of staff time involved.
- ◆ Expenditure on charitable activities comprises direct expenditure on the charity's two primary charitable activities and includes support costs.

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 a finance function and other overheads such as the maintenance of websites etc.

Governance costs comprise the costs related to the public accountability of the charity and costs in respect of its compliance with applicable regulations and good practice.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 9. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Principal accounting policies – Year ended 31 March 2023

Financial instruments (continued)

Financial liabilities – accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 10. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Debtors

Debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

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 measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

Fund accounting

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Restricted funds comprise monies received for, or their use is restricted to, a specific purpose or have donor imposed conditions.

1 Donations

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Donations from Trusts and Foundations	1,424	158,737	160,161
2023 Total funds	1,424	158,737	160,161
	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Donations from Trusts and Foundations	75,000	293,339	368,339
2022 Total funds	75,000	293,339	368,339

2 Income from charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Graduate Prison Officers Programme	--	2,554,681	2,554,681
Participant Recruitment Activities	--	1,490,231	1,490,231
2023 Total funds	--	4,044,912	4,044,912
	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Graduate Prison Officers Programme	—	2,357,068	2,357,068
Participant Recruitment Activities	—	1,323,779	1,323,779
2022 Total funds	—	3,680,847	3,680,847

3 Expenditure on raising funds

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Support costs (see note 5)	--	35,503	35,503
2023 Total expenditure	--	35,503	35,503

3 Expenditure on raising funds (continued)

	<i>Restricted funds £</i>	<i>Unrestricted General funds £</i>	<i>Total funds 2022 £</i>
<i>Support costs (see note 5)</i>	—	84,159	84,159
2022 Total expenditure	—	84,159	84,159

4 Expenditure on charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Activities undertaken directly			
Graduate Prison Officers Programme	79,791	2,705,589	2,785,380
Participant Recruitment Activities	--	1,112,573	1,112,573
	79,791	3,818,162	3,897,953
Support costs (see note 5)			
Graduate Prison Officers Programme	--	324,141	324,141
Participant Recruitment Activities	--	189,083	189,083
	--	513,224	513,224
2023 total expenditure	79,791	4,331,386	4,411,177

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2022 £</i>
Activities undertaken directly			
Graduate Prison Officers Programme	38,378	2,162,571	2,200,949
Participant Recruitment Activities	—	1,116,717	1,116,717
	38,378	3,279,288	3,317,666
Support costs (see note 5)			
Graduate Prison Officers Programme	—	320,171	320,171
Participant Recruitment Activities	—	174,640	174,640
	—	494,811	494,811
2022 total expenditure	38,378	3,774,099	3,812,477

5 Analysis of support costs

		Unrestricted Charitable activities		
	Raising funds £	Graduate Prison Officers Programme £	Participant Recruitment activities £	2023 Total £
Human resources:				
- Shared staff costs allocations	28,613	87,466	51,022	167,101
- Other HR related shared costs	323	11,098	6,474	17,895
Finance	302	10,387	6,059	16,748
Information Technology	654	22,455	13,099	36,208
Premises and office running costs	5,185	178,103	103,893	287,181
Governance costs:				
- Auditor's remuneration	171	5,861	3,419	9,451
- Legal, professional and accountancy	215	7,398	4,316	11,929
- Bank charges	40	1,365	796	2,201
- Other governance costs	0	8	5	13
Totals	35,503	324,141	189,083	548,727

		Unrestricted Charitable activities		
	Raising funds £	Graduate Prison Officers Programme £	Participant Recruitment activities £	2022 Total £
Human resources:				
- Shared staff costs allocations	64,647	41,736	22,765	129,148
- Other HR related shared costs	2,161	30,835	16,819	49,815
Finance	153	2,185	1,193	3,531
Information Technology	1,723	24,589	13,412	39,724
Premises and office running costs	14,511	207,062	112,944	334,517
Governance costs:				
- Auditor's remuneration	390	5,571	3,039	9,000
- Legal, professional and accountancy	263	3,757	2,049	6,069
- Bank charges	72	1,031	562	1,665
- Other governance costs	239	3,405	1,857	5,501
Totals	84,159	320,171	174,640	578,970

5 Analysis of support costs (continued)

Support costs are allocated on the following bases, which reflect an estimate of staff time, spent on fundraising activities and the direct staff time on the primary charitable activities of running the programme and recruitment activities:

	2023 %	2022 %
Fundraising	2%	4%
Charitable activities:		
(i) Graduate Prison Officers Programme	62%	62%
(ii) Participant Recruitment Activities	36%	34%
Total allocations	100%	100%

6 Net (expenditure) income

This is stated after charging the following against unrestricted funds:

	2023 Total £	2022 Total £
Staff costs (see note 7)	1,864,055	1,490,363
Auditor's remuneration	9,450	9,000
Depreciation	33,684	18,732
Operating lease rentals	232,723	247,962

7 Staff costs and trustees' remuneration

	2023 £	2022 £
Staff costs during the period were as follows:		
· Wages and salaries	1,511,297	1,243,430
· Social security costs	160,730	117,970
· Termination payments	14,902	6,177
· Pension costs	177,126	122,786
	1,864,055	1,490,363

The average number of employees during the period was:

	2023 Number	2022 Number
Management and Leadership	6	5
Programme	14	12
Recruitment	29	16
Operations	3	4
External Relations	2	4
	54	41

7 Staff costs and trustees' remuneration (continued)

During the current accounting period, there were three (2022 - five) employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions).

	2023 Number	2022 Number
£60,001 – £70,000	--	2
£70,001 – £80,000	1	1
£80,001 – £90,000	1	1
£90,001 – £100,000	--	1
£100,001 – £110,000	1	--

No trustee received any remuneration in respect of their services during the year (2022 - £nil) and £83 of expenses were reimbursed to one trustee during the year (2022 - £337 to three trustees).

The key management personnel of the charity in charge of directing and controlling, running and operating the organisation on a day-to-day basis comprise the trustees together with five employees: the Chief Executive Officer, the Chief Operating Officer, the External Relations Director, Recruitment Director and Programme Director. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year is set out below.

	2023 £	2022 £
Key Management Personnel – Gross pay	440,670	414,148
Key Management Personnel – Employer pensions	47,361	40,816
Key Management Personnel – Employer NI	53,312	47,579
	541,343	502,543

8 Tangible fixed assets

	Computer equipment £	Furniture, fixtures equipment £	Leasehold improve- ments £	2023 Total £
Cost				
At 1 April 2022	44,280	29,876	8,520	82,676
Additions	34,235	1,500	--	35,735
At 31 March 2023	78,515	31,376	8,520	118,411
Depreciation				
At April 2022	14,199	4,366	2,130	20,695
Charge for period	22,471	6,100	5,112	33,683
At 31 March 2023	36,670	10,466	7,242	54,378
Net book values				
At 31 March 2023	41,845	20,910	1,278	64,033
At 1 April 2022	30,081	25,510	6,390	61,981

9 Debtors

	2023 £	2022 £
Trade debtors	448,930	377,741
Prepayments	341,433	276,761
Accrued income	85,631	58,443
	875,994	712,945

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	364,118	61,047
Other creditors	64,393	56,305
Tax and social security	163,056	143,666
Accruals and deferred income	501,298	387,730
	1,092,865	648,748

11 Creditors: amounts falling due after one year

	2023 £	2022 £
Lease liability	1,250	1,250
	1,250	1,250

12 Restricted funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Restricted funds				
Treebeard Trust	44,791	--	(44,791)	--
Hadley Trust	3,576	(3,576)	--	--
Drapers Charitable Trust	15,000	(15,000)	--	--
Dulverton Trust	35,000	--	(35,000)	--
John Armitage Charitable Trust	--	20,000	--	20,000
Total	98,367	1,424	(79,791)	20,000

Restricted funds

Treebeard Trust: to support the policy paperwork.

Hadley Trust: to support the technology innovation project.

Drapers Charitable Trust: to support the prison technology innovation project.

Dulverton Trust: to support graduate ventures.

John Armitage Charitable Trust: to support the prison innovation acceleration project.

13 Analysis of net assets between funds

	Restricted funds £	Unrestricted general funds £	Total funds 2023 £
Fund balances at 31 March 2023 are represented by:			
Tangible fixed assets	--	64,033	64,033
Current assets	20,000	1,584,126	1,604,126
Current liabilities	--	(1,092,865)	(1,092,865)
Non-current liabilities	--	(1,250)	(1,250)
Total net assets	20,000	554,044	574,044

Unrestricted funds at 31 March 2023 include designated funds as follows:

- ◆ New ventures fund of £139,000, to be spent over the next two years on mobilisation costs of new ventures started by the charity.
- ◆ Ambassadors fund of £91,000, to be spent over the next two years on mobilisation costs of our new ambassador programme.

	At 1 April 2022 £	Income £	Expenditure£	At 31 March 2023 £
Designated funds				
New ventures fund	170,000	--	(31,000)	139,000
Ambassadors fund	140,000	--	(49,000)	91,000
Total	310,000	--	(80,000)	230,000

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Fund balances at 31 March 2022 are represented by:			
Tangible fixed assets	—	61,981	61,981
Current assets	98,367	1,302,602	1,400,969
Current liabilities	—	(648,748)	(648,748)
Non-current liabilities	—	(1,250)	(1,250)
Total net assets	98,367	714,584	812,951

14 Operating lease commitments

At 31 March 2023, the balance sheet date, the Charity had operating lease commitments as follows:

	2023 £	2022 £
On office space		
Due within one year	75,552	226,656
Due between one and two years	--	75,552
	75,552	302,208

The lease on office space was terminated post year-end prior to the full commitment balance being paid. A new lease agreement was entered into for office space in May 2023.

15 Taxation

Unlocked Graduates 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.

16 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

17 Post balance sheet events

There was a new office lease agreement entered into as described in Note 14.

The Trustees
Unlocked Graduates
Holborn Town Hall
193-197 High Holborn
London
WC1V 7BD

06 October 2023

Our ref UGA001/HJS/TBE

Dear Trustees

Post-Audit Report – Year ended 31 March 2023

The purpose of this letter is to bring to the attention of the Board as those charged with governance and management the findings from our recent audit of the financial statements of Unlocked Graduates, for the year ended 31 March 2023, for your consideration and to enable you to address matters arising where appropriate. Throughout this letter, “you” and “your” refer to the Board. “We” and “our” refer to Buzzacott LLP.

We appreciate that you will already be aware of some of the matters contained in this letter. However, in accordance with International Standards on Auditing (UK) (ISAs) we are communicating them to you formally.

1. Purpose of the audit

As auditor, we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements for the year ended 31 March 2023 that have been prepared by management with the oversight of those charged with governance, and other matters required by legislation.

Our work has been carried out in accordance with our audit planning letter dated 11 April 2023.

Our audit work included consideration of the internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of your system of internal control.

The matters being reported are limited to those that were identified during the audit and that we conclude are of sufficient importance to merit being reported to those charged with governance.

2. Audit progress

We are pleased to report that, from our perspective, the audit has gone well and in accordance with the planned timetable.

We would like to take this opportunity to thank all those with whom we dealt during the audit for their assistance and co-operation, in particular Michael Reinsoo.

3. Annual report and financial statements' format

The financial statements have been prepared, as last year, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (Charities SORP FRS 102).

There are no significant changes to the format of the financial statements this year.

4. Auditor's report

We do not propose any modifications to our audit opinion and are therefore issuing an unqualified opinion in our auditor's report.

The wording of our auditor's report is unchanged from last year.

5. Adjustments made during the audit

There have only been two presentational adjustments made to the figures presented to us for audit. These are in relation to the higher paid employee and key management personnel disclosures where the calculations had initially been calculated on taxable salary as opposed to gross salary.

We will obtain written representations from you, as trustees, that you concur with these adjustments.

6. Unadjusted misstatements

We are pleased to report that we found only clearly trivial misstatements during our audit for the period.

7. Accounting policies, accounting estimates and disclosures

The accounting policies used in preparing the financial statements are unchanged from the previous year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies and estimation techniques adopted by the charity. We found the disclosed accounting policies, significant accounting estimates and the overall disclosure and presentation to be appropriate for the charity.

8. Key audit considerations

In advance of the audit fieldwork, we issued our audit planning arrangements letter, which set out a number of key considerations for the accounts and audit. We are reporting back to you on these matters now.

• ISA 315

The scope of our work increased for this audit year in response to the revised International Standard on Auditing 315 (ISA 315). This predominantly had an impact on the audit planning stage and required us to carry out additional work, particularly on the control environment in place at Unlocked Graduates.

Information was gathered at the planning stage in respect of access permissions to key systems housing financial data with controls over access being checked as part of the audit. We also gained a deeper understanding of the charity's general IT infrastructure, its data storage and back up procedures through the questionnaire that the charity was asked to complete and the subsequent meeting held between us and management.

From the work we had carried out in relation to this, we did not note any deficiencies that we wish to bring to your attention.

• Recognition of income in relation to services provided in the next accounting period

The HMPPS contract is a £nil profit contract through which Unlocked Graduates is reimbursed in full for any relevant costs. Although claims are made on a cash basis, accounting standards require Unlocked Graduates to record its income and expenditure on an accruals basis.

Income that is received in this financial year but relates to costs in the following financial year should be treated as deferred income.

The financial statements include a balance of £341,435 of deferred income relating to the HMPPS contract. Management have provided analysis of this balance for which we have tested a sample as part of our audit fieldwork. We are therefore satisfied that the income has been recognised on an appropriate basis.

- **Income diversification and VAT**

As the charity's income sources diversify, there is also a risk that there may be a need to change the VAT recovery methodology of the charity. VAT relating to HMPPS activity is fully recoverable. Previously, the focus of the charity's work was the HMPPS contract but diversification of income could change this position.

We discussed the above with management as part of the audit. From our discussions, we understand that the charity has concluded that all of its funding it receives, including that of restricted donations, is linked to its core activities that it undertakes in contract with HMPPS and therefore the related costs are eligible for recovery of VAT. We also understand that the charity has discussed this with Buzzacott's VAT team who have concurred with the charity's conclusion. As a result, we have no further issues to note but do recommend that Unlocked Graduate's continues to review its VAT position particularly where it undertakes any new activities.

9. Letter of representation

We enclose the draft letter of representation which we will request management and the trustees to approve and sign at the same time as the financial statements. This includes acknowledgement of the trustees' responsibility for the design and implementation of internal controls to prevent and detect fraud.

As set out in our planning letter, we understand the following applied to the year ended 31 March 2023.

- Trustees exercised effective oversight of management's processes for identifying and responding to the risks of fraud in the charity and a system of internal controls was in place to mitigate these fraud risks.
- The key areas at most risk of fraud at Unlocked Graduates are through phishing emails.
- Trustees were not aware of any instances of actual, suspected, or alleged fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets.
- There have not been any out of the ordinary transactions.

If there is further information you would like to discuss with us, or if any of the above is incorrect, please contact Hugh or Tom.

10. Accounting and internal control systems

Our work during the audit included an examination of some of the charity's transactions, procedures and controls with a view to expressing an opinion on the financial statements for the year ended 31 March 2023.

This work was not directed primarily towards discovering weaknesses, other than those that would affect our audit opinion, or towards the detection of fraud. We have included in this report only matters that have come to our attention as a result of our normal audit procedures and consequently our comments should not be regarded as a comprehensive record of all weaknesses that may exist or of all improvements that might be made.

We found no significant deficiencies in the accounting and internal control systems during our audit. However, we have made one recommendation for improvement, which is detailed in the section below.

11. Observations and recommendations on the accounting system and financial reporting function

The table below provides a summary of any observations made concerning weaknesses in the charity's accounting and internal control systems.

Observations included in the "A" grade (red) banding indicate that, in our opinion, there is a risk of significant financial impact on the charity that must be addressed immediately.

"B" grade (orange) banding recommendations relate to those issues where there is a risk of moderate financial impact on the charity, such as a control failure or the absence of a control in an area of moderate risk. These items should be addressed shortly.

Observations included in the "C" grade (yellow) banding indicates that the matter, although important, does not warrant urgent attention and should be addressed within an agreed timeframe.

Priority	No of points	Relating to
A	0	Payroll authorisation
B	1	
C	0	

Further details in respect of the observations and recommendations as a result of our audit work are given in Appendix A.

The matters have all been discussed with Michael Reinsoo, who have appropriate management authority and are informed management for independence purposes.

12. Prior year observation

There were no issues raised last year which required follow-up in the current year.

13. Materiality

Materiality threshold £88,900

Reporting threshold: £4,445

Materiality refers to the relative significance of a particular matter in the context of the financial statements as a whole. An item would be considered material if its omission or its erroneous inclusion would reasonably influence the decisions of those using the financial statements.

We are required to report corrected audit misstatements, and uncorrected audit misstatements in excess of our reporting threshold which is set at 5% of overall materiality.

Our materiality threshold is based on 2% of the charity's expenditure for the year. A lower level of materiality may be selected for specific areas of the financial statements and for some disclosure items e.g. transactions and other financial arrangements with trustees and their connected persons.

When considering the impact of misstatements discovered during the course of our audit and considering the implications for our report of such misstatements, we will refer to this level amongst other things. Whether a misstatement is 'material' or not is ultimately down to the auditor's judgement.

14. Professional ethics

In accordance with our profession's ethical guidance and further to our letter to you dated 11 April 2023 confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

15. Current developments

We have attached a summary of recent and ongoing developments as Appendix B to this report. The matters included in this appendix may not all be directly relevant to the charity. However, we are aware that a lot of trustees are involved with more than one organisation, therefore we have included items for general information.

16. Updates, insights and seminars

As part of our commitment to the charity sector, during the year the Charity Team issues occasional Updates and Insights on matters of relevance to the sector and also holds a number of seminars free of charge throughout the year. We would be delighted to welcome representatives of your charity to our seminars or to add trustees and management to our email distribution lists if this would be welcome. News and Insights are also available on our website at [News and insights \(buzzacott.co.uk\)](https://www.buzzacott.co.uk/news-and-insights), where there is also an opportunity to sign up to our mailing list should you wish.

17. Future fees

As per the audit planning letter, the agreed fee for the 2022/23 audit did not factor in the impact of inflation and the significant increases in audit regulation that have impacted the scope of the audit work including ISA315 and ISA240 this year. As a result, it is necessary for us to update our fee to be able to provide you with a compliant audit that remains commercially viable.

To take account of the above, we propose a fee estimate for the audit of Unlocked Graduates for the year to 31 March 2024 of £11,000 plus VAT.

We would be happy to provide more details on the above if requested.

Conclusion

This letter has been prepared for your private use only. It has been prepared on the understanding that it will not be shared with any third party without our prior written consent and we can therefore assume no responsibility to any other party. Any recommendations contained herein are based on the information you have provided and UK law and judicial and administrative interpretation as of the date of this letter. Should the facts provided to us be incorrect or incomplete, or should they change, our recommendations may be inappropriate. Buzzacott LLP accepts no liability for losses arising from changes in UK law, interpretation or practice or in public policy that are first published after the date of this letter.

If you require any further information or assistance, we shall be very pleased to help you.

We would be pleased to receive your comments and reaction to this letter.

Yours faithfully

A handwritten signature in black ink that reads "Buzzacott LLP". The script is cursive and fluid, with the letters "B", "L", and "P" being particularly prominent.

Appendix A: Audit observations and recommendations

Current year observations and recommendations

	Observation	Implication	Recommendation	Management comment
B	Payroll authorisation During the audit fieldwork, we noted that the Head of Finance both reviews and approves the final payroll before the payroll provider processes payment.	There is no segregation of duties in this part of the process, particularly where there are amends to payroll for a particular month.	We recommend that there is a second layer of oversight by a senior member of the team after the Head of Finance has carried out their initial review of payroll.	Management agrees with this recommendation and will implement second layer of approval by the COO beginning with August 2023 payroll.

Appendix B: Current developments

Trustees' Annual Report and Accounts

Financial Reporting Exposure Draft (FRED) 82

The Financial Reporting Council ('FRC') is currently undertaking its second triennial review of Financial Reporting Standard 102 (FRS 102), the underlying accounting framework under which the charity prepares its accounts. During 2023, the FRC released FRED 82, which outlined the proposed revisions to the next edition of FRS 102 and the consultation period closed on 30 April 2023. The FRC is currently considering the responses to this, and we expect a final version to be released later in 2023.

For more information please visit: <https://www.frc.org.uk/getattachment/e7cf66c5-7f1b-45b1-8620-2bd754f6c97f/20221215-FRED-82-At-a-glance.pdf>

One of the key changes proposed in FRED 82 is the alignment of lease accounting treatments with International Financial Reporting Standards. These changes will have a significant effect on the charity's accounts given its material leasing commitments. In summary, the proposed amendment to section 20 of FRS 102 will require all leases, not just finance leases, to be recognised as 'right of use' assets on the balance sheet, along with a corresponding liability reflecting the discounted cashflow value of all future lease payments. The exposure draft includes provisions for charities to use interest rates on deposits (or failing that gilt rates) as the discount rate instead of cost of capital which will simplify the process.

The proposed effective date for FRED 82 is for accounting periods beginning on or after 1 January 2025. The final text of the revised FRS102 is expected to be released later in 2023 at which point transitional provisions will be confirmed. An update on the practicalities of these changes will be issued in due course.

The other change expected is in respect of income recognition whereby a five-step recognition model is planned.

Development of new Charity Statement of Recommended Practice (SORP)

An exposure draft of the new SORP is expected in late 2023, with implementation expected for accounting periods commencing on or after 1 January 2025. Briefings on 15 topics with proposed changes that have been considered by the SORP Committee are available at: <https://charitysorp.org/engage-briefings-to-inform-the-engagement-process-in-developing-the-next-sorp>

Sustainability and reporting

Whilst many companies are including sustainability and climate change-related information in their annual reports, only the largest private and listed companies are required to provide such information. This disclosed

information is not yet subject to any independent 'checking' which has resulted in the 'greenwashing' claims about some unverified information contained in annual reports.

June 2023 saw the issue of the first two international sustainability reporting standards aimed at improving trust and confidence in company disclosures about sustainability and climate change. The two IFRS Sustainability Disclosure Standards are internationally effective from 1 January 2024 though have not yet been adopted by UK standard setters. However, it is likely that compliance will become mandatory in the near future. To begin with, the obligation may only be for large companies but, the 'trickle down' process is likely to require many companies to ensure that they can provide adequate information to others in their supply chain who have the reporting obligation. As is usually the way, the reporting obligation will ultimately be extended to smaller companies.

In anticipation of the above, it is advisable to start discussions around sustainability reporting and data early and more information can be found at: <https://www.ifrs.org/issued-standards/ifrs-sustainability-standards-navigator/>

Charity Commission guidance on cost of living pressures

The Charity Commission has published guidance on managing financial difficulties as a result of the cost of living crisis covering key topics regarding trustee duty and decision-making, practical tips on what to do in situations where charities are in financial difficulty, what to do if the charity cannot continue to operate and a reminder on reporting serious incidents.

The detailed guidance can be seen at: <https://www.gov.uk/guidance/manage-financial-difficulties-in-your-charity-arising-from-cost-of-living-pressure>

Additional questions on Charity Annual Returns

The questions posed in the Charity Commission's Annual Return have been updated for financial years starting on or after 1 January 2023. The most significant changes relate to smaller charities where, depending on the level of income, the number of responses required may be reduced. Narrative changes to some questions have been made to improve clarity and improvements in the glossary and guidance have also been made to help charities answer questions quickly and accurately.

The detailed list of questions can be found at Appendix 8 at the following link: <https://www.gov.uk/government/consultations/charity-commission-revisions-to-the-annual-return-2023-25>

UK employment law

A number of employment law regulatory changes have taken place in recent months including increases in statutory sick pay, updated redundancy pay calculations and national minimum wage increases which can impact organisations and their HR processes and documentation. The following insight provides detailed commentary on

the changes and information on how Buzzacott can support: <https://www.buzzacott.co.uk/insights/an-update-on-uk-employment-law-2023>

Charity Commission consultation on social media guidance

The Charity Commission has produced draft guidance on the use of social media following a consultation process. It analyses matters around how the charity uses social media, how to manage risks around content and engagement with controversial topics, what the trustees' responsibilities are and how employees of the charity ensure good practice. The guidance can be seen at the below link and is expected to be finalised over the Summer.

<https://www.gov.uk/government/consultations/draft-guidance-charities-use-of-social-media/draft-guidance-charities-and-social-media>

Tax

Business and non-business activities – new HMRC VAT guidance

On 1 June 2022, substantial changes were made to HMRC's Business/Non-Business manual. Previously, HMRC have applied a 'business test' derived from case law of 40 years earlier. The new guidance prefers a 'two-stage test' derived from a Court of Appeal case heard in 2018. The test is:

1. Does the activity result in a supply of goods or services for consideration?
2. Is the supply made for the purpose of obtaining income on a continuing basis?

HMRC identify the following types of organisation as being affected by the change in the test:

- Charities and not-for-profit organisations;
- Businesses providing nursery and crèche facilities;
- Entities that receive grants or subsidies; and
- Any entity carrying out non-business activities.

In practice, most charities have both business and non-business activities, so awareness of the new test is important in relation to claims for VAT relief and on deduction of VAT on costs. Many disputes with HMRC have been about charities seeking zero-rating for buildings used for non-business activity. It has emerged in 2023 that HMRC's new policy may affect entitlement to zero rating of building work retrospectively despite their earlier assurances that it was effective only from June 2022.

Detail on these changes can be found at: <https://www.gov.uk/government/publications/revenue-and-customs-brief-10-2022-vat-business-and-non-business-activities>

UNLOCKED GRADUATES

England & Wales - Charity number 1187552

Accounts

Unlocked

ANNUAL REPORT

Leading change from the inside
2021/22

Unlocked Graduates
unlockedgrads.org.uk
020 3949 4750
hello@unlockedgrads.org.uk
Charity No: 1187552 | Company No: 11448853

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Reference and administrative details

Directors and Members	Dame Sally A Coates James B H Darley Robert D Farquharson Rt Hon. David Laws Nicola C Marfleet Karan Rai (resigned 28 April 2022) Thomas P J Shinner (appointed 27 February 2022) Nathan A White (appointed 14 March 2022) Emma J Wilson (appointed 7 December 2021) Christopher R Wright
Company number	11448853
Charity registration number	1187552
Registered Office	Evergreen House North Grafton Place London NW1 2DX
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Stone King LLP Boundary House 91 Charterhouse St Barbican London EC1M 6HR
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

MESSAGE FROM THE CHAIR

Our first full-year Annual Report marks several important milestones for Unlocked Graduates. Our 600th prison officer was placed in September 2022 and, as our Ambassador network grows towards 300, we have demonstrated that, however unlikely it may have seemed, our model works. Top graduates will step up to take on one of the toughest jobs in public service if you offer genuine leadership opportunities.

This year has not been without its challenges. Our Summer Institute training went ahead in person but under strict social distancing conditions. Prisons started unlocking but, after two years of unprecedented challenge, the capacity for prison officers to focus on rehabilitation has been limited – though this is slowly changing.

The Board has provided exceptional leadership during this challenging time, supporting and challenging the executive team. I am especially pleased to have welcomed Emma Wilson and Tom Shinner. Emma brings with her practical legal expertise and a deep understanding of the criminal justice sector. Tom's experience in government and the start-up sector brings important new insights as we grow to scale.

Our first Ambassador Board member, Karan Rai, stepped down but, brilliantly, has joined the Unlocked Graduates executive team to found our Ambassador network. In his place, our second Ambassador Board member, Nathan White, who completed the programme in 2020, working in HMYOI Feltham, has joined the team and his perspective has been invaluable.

Once again, we are confident that, despite big challenges, Unlocked Graduates continues to grow in strength and deliver more impact each year. We have bold plans for the coming year and look forward to sharing this with all our partners.

This note would not be complete without a sincere thank you to all our partners.

Most important, of course, is His Majesty's Prison and Probation Service and the Ministry of Justice, whose vision to create a graduate scheme for prison officers makes everything we do possible. Their insight, that an external charity given the chance to work from the inside can drive bold change, is inspiring and more parts of government could benefit from this approach.

Finally, I want to thank our donors - Adrian Swire Charitable Trust, Drapers Charitable Fund, Garfield Weston Foundation, Jeremy Lloyd, John Swire 1989 Charitable Trust, Portrack Charitable Trust, The Dulverton Trust, The Goldsmiths Company Charity, and Treebeard Trust. Their support not only enables the most innovative elements of our work but ensures our independence to take bold action.

We hope we continue to reward the trust that all our partners put in us.



Rt. Hon David Laws

MESSAGE FROM THE CEO

The quality of a prison system cannot outperform the quality of its frontline prison officers. These are the individuals who can set the culture and be the face of justice to every prisoner. This has never been truer than the last two years when, for most prisoners, their officer became the sole face of the outside world. One prisoner I met this year explained how he was now able to identify every officer just from their footsteps outside his cell door. He said that what he heard each morning would define whether it would be a bad day or a less bad day. This is the power of every prison officer, a workforce that society continues to under-value and under-appreciate.

We know we are helping to shift this perspective. Despite a challenging and unpredictable graduate recruitment market, we once again saw more than 20 applications for every place on our programme this year. The fact that we attracted this interest despite a far more limited presence on campuses is a testament not only to the herculean efforts of our team, but also to changes in these underlying attitudes that we are slowly affecting.

Including the recruits who will start on the landings in September 2022, we have now placed over 600 prison officers in 37 jails, expanding into Wales for the first time. This means that we now reached a third of the prisoner population. We know these officers are having an impact. They stay in the role, get promoted and take on new responsibilities. The Governors we work with want more of them.

I am incredibly proud of our work this year and want to acknowledge the people and organisations who make our work possible.

Our model only works from the 'inside' and our colleagues across His Majesty's Prison and Probation Service and the Ministry of Justice have been incredible at making sure we can deliver in our mission. From the Ministers and CEO, who have led the support for our approach, through to governors and frontline officers and staff who make the practicalities work: thank you.

Prisons are, by their nature, a closed world, but often breaking cycles of reoffending comes from breaking down some of those barriers and bringing in new ideas. Certainly, a big part of our impact comes from being an independent organisation with a different perspective. This impact is compounded by the support of a much bigger network of partners. Funders, who allow us to experiment and try new ideas; corporate partners who offer pro bono support, mentoring and expertise; and a myriad of organisations from across the criminal justice sector who have embraced the opportunity to connect with frontline staff in new way by speaking at our events and hosting work placements.

We could not do it without all of you so thank you. I hope you will enjoy reading about a few of the achievements that you made possible this year.



Natasha Porter

TRUSTEES' REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with financial statements of Unlocked Graduates ("the charity") for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 28 of the attached financial statements and comply with the charity's governing document, applicable laws 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).

Structure, governance and management

Constitution and background

Unlocked Graduates is a company limited by guarantee and a registered charity established on 4th July 2018 and governed by its Memorandum and Articles of Association.

The directors of the charity are the trustees for the purpose of charity law and throughout this report are collectively referred to as "the trustees". The number of trustees consists of nine persons, who collectively make up the Board of Trustees ("the Board"). The Articles of Association require a minimum of three trustees.

The charity's objects are to promote the rehabilitation and education of prisoners and ex-prisoners, and to reduce reoffending through the provision of:

1. A specialised programme of education and training for graduate prison officers;
2. Education and training of those engaged in the prison and probation services and the criminal justice system in the rehabilitation and education of prisoners and ex-prisoners.

Method of appointment and election of trustees

The trustees are elected in accordance with the provisions of the Articles of Association. Normally, trustees are elected for a three-year term, with the possibility of reappointment for two consecutive terms, or three terms for founder trustees.

Upon appointment, trustees complete a variety of incorporation documents, and their details are submitted to Companies House and the Charity Commission. Trustees must declare any conflicts of interest throughout their term of office. Training needs are monitored on an ongoing basis. Trustees attend an annual away day which provides a more in-depth opportunity for strategic discussion and offers a training opportunity for new and existing members. New trustees also meet with existing Board members and the Senior Leadership Team (SLT) and are introduced to Unlocked Graduate's mission and strategy.

Organisation structure and decision making

The day to day running of the charity is delegated by the trustees to Chief Executive Officer (CEO) and key management personnel which consists of the CEO and four Directors.

The trustees meet quarterly at Board meetings (and more if required on an ad-hoc basis) to review the progress relative to plans, monitor compliance with policies, and to review and approve plans for the year ahead. The Finance, Audit and Risk committee (FARC) was established in December 2020 and meets quarterly to discuss and review the charity's financial position and principal risks, and reports to the Board.

Salary banding and remuneration policy is reviewed and approved by the Board annually. The Board also approves the CEO's salary. The CEO approves all salaries within the organisation. This is based on a benchmarking exercise against similar charities to ensure competitiveness and fairness, and ultimately, is focussed on maximising effective use of resource towards the Unlocked Graduates mission.

Risk management

Unlocked Graduates is committed to managing risk effectively to safeguard the future of the charity and achieve its charitable aims. Risk management is a key focus of the Board. In particular, the FARC monitors risk, and the actions taken by the SLT in response to risk, at each of its quarterly meetings.

The SLT leads on identifying and managing risks and implementing appropriate contingency planning. This is reviewed and monitored by FARC and the Board.

Volunteers and supporters

We are grateful to the trustees who are all volunteers and provide their time and expertise without payment. We have also benefited from some voluntary pro-bono contributions from supporters. Besides this, the operations and activities of Unlocked Graduates are run by paid staff and not reliant on volunteers.

Trustees are entitled to the reimbursement of any reasonable expenses incurred in carrying out the business of the charity, but are encouraged to keep their expense claims to a minimum. Trustees' expenses reimbursed during 2021/22 are detailed in Note 7.

Key management personnel

The key management personnel of the charity in charge of controlling, running and operating the charity on a day-to-day basis comprise the trustees and personnel comprising the CEO, COO and four Directors.

Public benefit

The trustees confirm that they have given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and planning its

objectives. The main activities undertaken to further the charity's aims are set out in this report.

The charity meets its obligations to provide a public benefit by working with anyone in need regardless of age, gender reassignment, marital status, pregnancy, disability, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation.

Activities and approach

Main activities

Unlocked Graduates mission is to break cycles of reoffending through developing outstanding leaders in prison and wider society. The main activities the charity seeks to fulfil its charitable objects and this mission, are:

1. Recruitment of a brilliant, diverse group of graduates who are motivated to break cycles of reoffending.
2. Provision of a two-year leadership programme for selected graduates, working on the frontline of prisons to directly break cycles of reoffending.
3. Development of an Ambassadors' network to drive meaningful system change and break cycles of reoffending.

Our approach

Unlocked Graduates believes that prisons and cycles of reoffending can be changed through prison officers. The prison officer is the only professional who can build a relationship with every single prisoner – including the most vulnerable and challenging. They set the culture on the landings and have the power to create a safe and secure environment that is focused on rehabilitation.

This is based on strong evidence. The work of academic Alison Liebling showed that high performing prison officers led to better outcomes across the board – including reductions in violence and self-harm, improvements in wellbeing and family links while in prison and even reductions in reoffending after leaving prison.

As she puts it: "When officers use their authority well – that is, legitimately and carefully, every outcome is improved: suicide, disorder, violence, political charge, and even prisoners' futures."

We drew heavily on her work as well as conducting our own research into what constitutes a great prison officer, and this underpins the theory of change that drives our strategy with our focus on four key outcomes:

INSPIRE brilliant, diverse graduates to join the Unlocked Graduates programme.

Attract, recruit and select brilliant, diverse and mission-aligned candidates to become prison officers.

DEVELOP outstanding and influential individuals to lead and deliver change from the frontline to make prisons safer and more rehabilitative.

Create and deliver exceptional training and support – underpinned by best practice curriculum, pedagogy and coaching, as well as providing access to funding and the latest research. Through these, equip and empower frontline prison officers with the understanding, skills and resources to proactively drive change in prisons, responding quickly to develop new ideas that support prison officers to break cycles of reoffending.

GROW to a critical mass where we can have the most impact across the system and effectively share best practice.

Continue to expand the work of Unlocked Graduates so it is responsive to what prisoners need. Find ways to mainstream parts of our work where there is evidence which could benefit the prison system more widely.

AMPLIFY the impact of individuals and drive new and diverse activity that drives systemic change as well as interest in the prison sector in wider society.

Create a powerful and engaged Ambassadors' network in prison and society committed to breaking cycles of reoffending and driving change as leaders.

All Unlocked Graduates activity relates to these outcomes, and achieving these aims is key to furthering our charitable objects. Inspiring and developing participants enables them to have a rehabilitative impact; growth enables that rehabilitation to happen on a larger scale; and amplification creates virtuous cycles where this is even more effective.

Achievements and performance

During this reporting period, Unlocked Graduates has made significant progress against its goals.

INSPIRE brilliant, diverse graduates to join the Unlocked programme.

In line with plans set out in our 2020/21 annual report, Unlocked Graduates continues to successfully influence perceptions of the role prison officers can play in rehabilitation, particularly in the target graduate audience.

What we did

Our recruitment strategy is designed to reach and persuade high-calibre participants – particularly those who would not otherwise consider a job in the prison service – that this is the role for them. Our focus on graduates is, in part, because they are under-represented in the prison service, and we believe that their addition will diversify the problem-solving skills available in the workforce – critical given the magnitude of the challenge. We also focus on this audience because one way to raise the status of the role is to actively target this ambitious group of jobseekers that society views as our 'best and brightest'.

Our programme is highly competitive, with the number of applications to the programme increasing year on year; our approach is effectively attracting top graduates to the programme in high numbers, enabling us to select excellent participants while raising the profile of the prison officer job.

We drew extensively on the insights of the other public sector graduate schemes Teach First, Frontline, Police Now and Think Ahead who had all extensively tested what makes frontline, public sector roles appealing to this sought-after graduate workforce. It was their experience that led us to shaping a two-year programme – in line with the expectations of graduates, most of whom expect their first role to last around 18 months. Including a high-status qualification and building a cohort model have also been seen as critical by these successful graduate schemes.

Our impact

When surveyed, only three percent of recent finalists say they would positively consider a career in the prison service – however, after reviewing the Unlocked Graduates programme and opportunities, over half (55%) changed their mind, saying they found the idea of working as a prison officer more appealing. We are changing graduate perceptions of working in the prison service.

Most Unlocked Graduates participants had not considered being a prison officer before discovering Unlocked Graduates. When asked, only two per cent of our latest cohort cited 'always wanting to be a prison officer' as the main reason for joining the programme.

The charity has continued to win industry awards for its recruitment campaigns, bringing the total to 12 awards. This year our website and Instagram account were particularly singled out by High Fliers and TikTok highlighted our content as an example of best practice in reaching their audience effectively.

This year, despite unusual trends continuing as Covid continued to keep much of the university experience online, we still received over 20 applications for every place and over half of participants on the programme were from the highly selective Russell Group universities. The team was also successful in once again increasing the proportion of Black, Asian and other ethnic minority applicants to 24 percent up from 18 percent in the previous year. This is in contrast the just 12 percent for those joining through the standard HMPPS route. The programme appeared in the Times Top 100 Graduate Employers for the fourth year, although there was a drop in placement along with other big frontline public sector recruitment programmes.

DEVELOP outstanding and influential individuals to lead and deliver change from the frontline to make prisons safer and more rehabilitative.

Last year we said that we planned to strengthen the quality of the programme, particularly by reviewing and enhancing the Mentoring Prison Officer support model

with an increased focus on data-driven insights enabling us to focus improvements on the most impactful areas. This has been achieved.

What we did

We believe that the right training and support can radically accelerate the time it takes for a frontline workforce to make a difference. Drawing on the latest thinking in pedagogy, we have developed a model that other, more established programmes in this country and internationally are already copying.

Weaving practical and theoretical learning throughout the programme, we support and develop outstanding individuals who excel in their roles, take on additional responsibilities, and influence best practice on and off the landings.

The initial training in Summer Institute is followed by intensive mentoring support which runs throughout the two years alongside the theoretical study enabled by the MSc in Applied Custodial Leadership. This is co-designed and delivered by Leeds Trinity University but fully integrated into every element of the programme.

Once in role these officers are supported and challenged by their Mentoring Prison Officers (MPOs) from day one to meaningfully contribute to making their prisons more rehabilitative. All of our support and learning aims to create a framework to empower these officers and push them to innovate.

The Unlocked Graduates curriculum is informed by a range of influencers including Scandinavian models of prison officer training. Our training offer sits across multiple years in recognition of the time it takes to refine expert practice. We also require a high level of prior academic attainment so training can be pitched at a high level. This enables us to accommodate the difficulty of the theories involved in the course as well as build in deep critical analysis and significant independent research.

Practice-based learning underpins our pedagogy for the sections of our curriculum which focus on prison officer skills and professionalism. We have also been informed by the work of Professor Alison Liebling around balancing different components of the prison officer role. We have shared these approaches with other training organisations and the wider prison service, and elements have already been adopted by the mainstream prison officer training scheme as well as other organisations.

In line with our philosophy of ongoing learning, practitioner skills are developed throughout the programme. Participants receive 30 half-days of in-prison training which focuses on specialised aspects of the prison officer role. The focus on practitioner skills is central to the programme's impact. Our participants continue to develop over the two years, meaning their skills are always up to date, relevant and in line with best practice. The programme includes a significant independent research element. This empowers these frontline professionals to make an immediate contribution to rehabilitation in their prisons.

Our impact

Our 2021 Summer Institute was once again heavily impacted by lockdown restrictions. However, lessons learned in 2020 meant we were able to implement multiple improvements and deliver an extremely successful programme to over 100 new prison officers.

Unlocked Graduates' training is an important part of our strategy to professionalise the prison officer role, and thereby create systemic change in the prison service to address cycles of reoffending. We continue to pioneer new training and development approaches to improve all elements of our ongoing support and training.

We know that these officers are having an immediate impact. Over half (53%) of officers currently on the programme have been promoted or taken on additional responsibilities already. These responsibilities include hostage negotiation, mental health training, offender management and equality officers.

We also seek to offer our participants ways to use their unique position to identify solutions to problems they face on the frontline and to take action.

- **Pilot projects:** Our participants are in a unique position to identify solutions to problems they face on the frontline. The Innovation Acceleration Programme (IAP) is designed to support and amplify the impact participants can have by offering funding for small-scale, evidence driven innovation projects in their prisons. To receive funding, participants must demonstrate how they work closely with other non-Unlocked Graduates prison officers in their prison to develop an idea that will achieve senior buy-in and has the potential to be sustainable long-term. To date, we have supported 47 small and 32 large projects. Through this we have invested over £65,000 in frontline prison innovation and reached almost 15,000 prisoners.
- **Ideas to share:** We believe an evidence-based approach will be an important part of driving rehabilitation in the prison service. As part of their Master's degree, participants undertake a research project based on a problem, question or initiative that they co-identify with the prison governor as an area of interest. These are focused on making targeted, tangible recommendations, whether to policy-makers or practitioners of the prison. Over 300 papers and dissertations have now been written by Unlocked Graduates participants. A selection of specialist 'policy papers' have been shared with HMPPS and MOJ policy-makers over the years and from 2023 we hope to release a selection of these papers publicly to better share ideas.

Critically, officers recruited and supported by Unlocked Graduates stay committed to the mission. After the end of the programme, the majority of recruits that Unlocked Graduates brings into the system are staying in prisons or the wider criminal justice sector.

GROW to a critical mass where we can have the most impact across the system and effectively share best practice.

Our objective in 2021/22 was to increase both depth and breadth, going into more prisons in our existing regions, as well as expanding the scope of the North region to include the Leeds area. We have succeeded in this objective, in particular expanding out of England into Wales for the first time.

What we did

Although numbers of new recruits have remained steady, we have grown our reach year on year, expanding to allow for the formation of clusters critical for our mentoring model – Greater London, South Central, East of England, Kent & Sussex, North West, Yorkshire & Humber, Wales and the Midlands.

We place our participants in prisons that need us the most with some of the most demanding working environments. We focus on some of the most challenging prisons and institutions where we know the prison officer can make a difference. They have worked in establishments across the men's estate – including high security and foreign national prisons, the female estate and the youth estate.

Our impact

We placed over 120 new officers in 2021 in 29 prisons. New prisons this year include HMP Berwyn in North Wales.

This means we have placed over 600 prison officers in 37 establishments in England and Wales. This is more than one in three public prisons in England and covers a third (33%) of the prisoner population.

We continue to share our training approaches with other training organisations and the wider prison service. Elements of it have already been adopted by the mainstream prison officer training scheme as well as other organisations.

Our mentors – experienced, mission-aligned prison officers who are seconded from the prison service – continue to be a critical part of this work. We have now recruited over 30 of these officers and application numbers to these roles have risen sharply.

We are particularly delighted to see the impact of the mentors as they complete their time with us and return to their home establishments.

AMPLIFY our Ambassadors' work to drive interest in the prison sector through wider society

This area was set out as the major focus for expansion last year and has been a key focus this year.

What we did

Ambassadors are key to our mission of developing outstanding leaders to break cycles of reoffending in prison and throughout society. Our aim is to create a network of Ambassadors with exceptional leadership skills using their frontline experience to impact systemic changes in prisons, the wider criminal justice system, and beyond.

Our aim is to have a network of 500 ambassadors actively working towards the mission by 2024. We are well on our way to achieving this target. We now have almost 300 ambassadors working across the criminal justice sector – the majority remain within HMPPS and over 75 percent still work towards the mission in their primary role.

Community organising is at the core of our strategy for the network and we want to provide the infrastructure for Ambassadors to drive the change that the prison system needs. Our focus this year has been on formalising this network and creating spaces for Ambassadors to form networks organically – including communities that focus on specific issues within the justice system to come together to organise and collaborate with the network and the wider sector.

Our impact

Over 90 percent of Ambassadors stay engaged with Unlocked Graduates and, more importantly, the majority remain within HMPPS with over 75 percent still working towards the mission in their primary role, taking on roles in organisations including probation, policing and criminal justice charities.

Financial review

The charity's total income during the period was £4,049,186 (2021 - £2,571,504). The main source of income has been our contract with the Ministry of Justice (MOJ) which has generated income of £3,680,847 (2021 - £1,893,341). In addition, Unlocked Graduates has raised income of £368,339 (2021 - £678,163) from trusts and other donations. Of these donations, £75,000 (2021 - £73,403) was restricted income and £293,339 (2021 - £604,760) was unrestricted income.

Expenditure has totalled £3,896,636 (2021 - £1,911,103) of which £1,291,356 (2021 - £603,960) was spent on recruitment activities and £2,521,120 (2021 - £1,295,812) on graduate programme delivery. Expenditure on raising funds came to £84,159 (2021 - £11,331).

The most notable event in this year was the impact of the Covid-19 pandemic. We were fortunate that our main funding source, the MOJ contract, was unaffected. We were also able to generate additional fundraised income despite the increasingly challenging landscape. Delivery, however, was more challenging: the limitations of face-to-face contact on campus in recruitment affected brand awareness, and significant additional planning was required to enable training and programme events to go ahead.

Risks and uncertainties

As part of the charity's commitment to effective risk management, the trustees review identified risks, as well as the plans and strategies for managing those risks.

The principal risks and uncertainties facing the charity are:

- Loss of the MOJ contract, or failure to secure a new contract. Mitigations include continual evidencing of impact and value for money; continuing strong performance against the contract KPIs; and close involvement of the CEO and Board in contract extension negotiations.
- Lack of stakeholder support from government, the civil service, or prison governors. Mitigations include relationship building with all relevant stakeholders, gaining cross-party support, and demonstrating the positive impact of the charity.
- Reputational risks relating to participants, such as negative media coverage or a high-profile departure of a participant. Mitigations include a rigorous recruitment process, strong training and mentoring for participants on the programme, internal evaluation and continual improvement, close monitoring and detailed reporting systems, involvement of MOJ press office and a formalised crisis communications strategy.
- Cyber security or data breach. Mitigations include Cyber Essentials Plus and ISO 27001 audit and compliance, use of data protection agreements with subcontractors, staff training and strict IT policies.
- Like most organisations, we continue to stay aware of the potential impact of a Covid-19 resurgence but have moved to risk management and no longer limit face-to-face activities. In particular, we plan to return to a proportion of our assessment centres being in person this year.

Reserves policy

As of 31 March 2022, Unlocked Graduates had total reserves of £812,951 (2021 - £660,401) of which £98,367 (2021 - £61,745) were restricted, leaving unrestricted reserves of £714,584 (2021 - £598,656). Unrestricted reserves consist of two designated funds – new ventures fund of £170,000, and ambassadors fund of £140,000 – leaving free unrestricted reserves of £404,584. The new ventures fund is to be spent over the next two years on mobilisation costs of new ventures started by the charity, and the ambassadors fund is to be spent over the next three years on mobilisation costs of our new ambassador programme. As a newly independent charity, we are proud of the work over several years to fundraise unrestricted income to build our reserves.

In this financial period, we have taken a prudent position in relation to reserves as we establish the most effective use of non-contractual funding. Now that Unlocked Graduates has established itself as an independent charity, we have ambitious plans to use this income to further our charitable objectives. The growth of our non-contractual activity, enabled by fundraised income, is key to the next phase of our strategy. The surplus against the minimum level of reserves represents funds that will be used over the next three years as we grow to enable delivery of our ambassadors' programme, innovation acceleration within prisons, and strategic expansion.

Trustees' report - Year to 31 March 2022

The trustees have examined the requirements for reserves in light of the main risks to the charity. The trustees have established a reserves policy to protect the charity and its long-term charitable activities by providing time to adjust to changing financial circumstances.

The level of reserves is set to cover a minimum of one busy month's expenditure and three months' expenditure outside of busy periods. Based on forecast expenditure for 2022-23, the trustees have approved a minimum level of free unrestricted reserves of £400,000.

A minimum level of £400,000 reserves is deemed to be necessary predominantly based on working capital requirements and to mitigate against the financial impact of risks. Given the strategic focus to date has been on income generation to enable stability as a newly independent charity, the trustees have not currently set a maximum level of reserves. As we move into the next phase of our strategy, we expect this to evolve.

Working capital and cash flow requirements include costs such as monthly salaries, VAT bills and office rents. The charity currently operates under seven-day payment terms with the Ministry of Justice (MOJ), which lowers risks relating to cash flow. However, we must mitigate against delays in payments of invoices to the MOJ: as the charity's main funding source, delays can have a significant impact.

Exit costs (including office lease commitments, staff redundancy costs and university exit costs) are included in the MOJ contract which significantly reduces financial risk relating to termination of the contract.

Fundraising

Unlocked Graduates is registered with the Fundraising Regulator and adheres to their fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data, never sells data or swaps data with other organisations, and undertakes to promptly and thoroughly investigate any complaints regarding its fundraising activities. We aim to learn from complaints and improve operations accordingly. During 2021/22, Unlocked Graduates received no complaints about fundraising activities.

Post balance sheet events, future plans and going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until at least 2026 (and in the event of termination of the contract, exit provisions cover most costs incurred). In addition, the charity has a healthy reserves position. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and therefore, the accounts and financial statements have been prepared on this basis.

Trustees' report - Year to 31 March 2022

There were no post balance sheet events to report.

Future plans for the charity continue to be focused on its aforementioned aims, building on this year's progress as follows:

Inspire: We will continue to raise brand awareness and appeal, with a particular focus on rebuilding our brand on campus after two years with limited in-person contact. Given the uncertain graduate recruitment market, we plan to invest significant resource to increase applications for this year and build awareness for future years.

Develop: We will continue to make improvements to the core programme year-on-year, constantly looking to improve the performance of our recruits from day one. We expect middle leadership and network building for officers and across the sector to be a particular focus.

Grow: We want to increase our depth within the prisons we currently work – increasing cohort size rather than the number of prisons. We also hope to increase our numbers if funding is available. We will also look to codify some of the best practices identified to ensure solutions we find are shared through the system.

Amplify: With the formal foundations of our Ambassador network in place and another generation about to join the network, we want to see further impact emerge from this network. We also want to better support Ambassadors to progress in operational roles in prison.

Statement of trustees' responsibilities

The trustees (who are also directors of Unlocked Graduates for the purposes of company law) are responsible for preparing the trustees' report and 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 charity and the income and expenditure of the charity for that year.

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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees and signed on their behalf by:



Rt. Hon David Laws

Approved on: 31 October 2022

Independent auditor's report to the members of Unlocked Graduates

Opinion

We have audited the financial statements of Unlocked Graduates (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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 accounts 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 accounts 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ◆ We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102 and the Charities Act 2011.
- ◆ We understood how the charitable company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of trustee meetings and papers provided to the trustees.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

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 journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC.

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. International Standards on Auditing 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.

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

Use of this 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP

23 November 2022

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

Statement of financial activities Year to 31 March 2022
(incorporating the income and expenditure account)

		Restricted funds	Unrestricted general funds	Year to 31 March 2022	Total Eight months to 31 March 2021
	Notes	£	£	£	£
Income from:					
Donations	1	75,000	293,339	368,339	87,077
Charitable activities	2	—	3,680,847	3,680,847	1,893,341
Transfer from Catch22		—	—	—	591,086
Total income		75,000	3,974,186	4,049,186	2,571,504
Expenditure on:					
Raising funds	3	—	84,159	84,159	11,331
Charitable activities	4	38,378	3,774,099	3,812,477	1,899,772
Total expenditure		38,378	3,858,258	3,896,636	1,911,103
Net income and movement in funds for the period	6	36,622	115,928	152,550	660,401
Reconciliation of funds:					
Funds brought forward at 1 April 2021		61,745	598,656	660,401	—
Funds carried forward at 31 March 2022		98,367	714,584	812,951	660,401

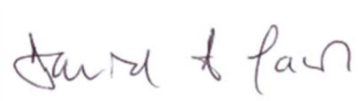
All activities derive from continuing operations.

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

Balance sheet 31 March 2022

	Notes	31 March 2022 £	31 March 2022 £	31 March 2021 £	31 March 2021 £
Fixed assets					
Tangible fixed assets	8		61,981		30,741
Current assets					
Debtors	9	712,945		386,452	
Cash at bank and in hand		688,023		1,272,250	
		1,400,968		1,658,702	
Creditors: amounts falling due within one year	10	(648,748)		(1,029,042)	
Net current assets			752,220		629,660
Creditors: amounts falling due after one year			(1,250)		—
Total net assets			812,951		660,401
The funds of the charity:					
Restricted fund	12		98,367		61,745
Unrestricted funds:					
.General funds	13		404,584		598,656
.Designated funds	13		310,000		—
			812,951		660,401

The financial statements were approved by the trustees and signed on their behalf by:



Rt. Hon David Laws

Approved on: 31 October 2022

Unlocked Graduates: A company limited by guarantee, Company Registration No.11448853 (England and Wales)

Statement of cash flows Year ended 31 March 2022

	Notes	Year ended 31 March 2022 £	Eight months to 31 March 2021 £
Net cash flows from operating activities	A	(552,987)	1,298,046
Net cash flows from investing activities	B	(31,240)	(30,741)
Cash transferred from Catch22		—	4,945
Change in cash and cash equivalents		(584,227)	1,272,250
Cash and cash equivalents at 1 April 2021		1,272,250	—
Cash and cash equivalents at 31 March 2022		688,023	1,272,250

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

A Reconciliation of net movement in funds to net cash flows from operating activities

	Year to 31 March 2022 £	Eight months to 31 March 2021 £
Net income	152,550	660,401
Transfer of net assets from Catch22	—	(591,086)
(Increase) decrease in debtors	(326,493)	465,619
(Decrease) increase in creditors	(379,044)	763,112
Net cash (used in) provided by operating activities	(552,987)	1,298,046

B Cash flows from investing activities

	Year to 31 March 2022 £	Eight months to 31 March 2021 £
Investing activities		
Purchase of fixed assets	(31,240)	(30,741)
Net cash flows used in investing activities	(31,240)	(30,741)

C Cash and cash equivalents

	Year to 31 March 2022 £	Eight months to 31 March 2021 £
Cash at bank	688,023	1,272,250
Total	688,023	1,272,250

Cash and cash equivalents at the year-end consisted solely of Cash at bank and no other cash instruments.

Principal accounting policies – Year ended 31 March 2022

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

Basis of preparation of financial statements

These financial statements have been prepared for the year ended 31 March 2022. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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) ('Charities FRS 102 SORP') and the Charities Act 2011.

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.

Critical accounting estimates and areas of judgement

No significant judgments and/or estimates have been made by the trustees in preparing these financial statements.

Assessment of going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until at least 2026 (and in the event of termination of the contract, exit provisions cover most costs incurred). In addition, the charity has a healthy reserves position. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and therefore, the accounts and financial statements have been prepared on this basis.

Income

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.

Contract and grant income

Contract funding is recognised over the term of the contract term as services are delivered.

Grant funding subject to specific performance conditions is recognised as the related services or outcomes are delivered.

Principal accounting policies – Year ended 31 March 2022

Income (continued)

Donations

Income from donations is recognised in the period in which the charity becomes entitled to the donation and where receipt is probable and its amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation 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 costs are inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. The classification between activities in direct costs and support costs is as follows:

- ◆ Expenditure on raising funds includes any expenditure associated with raising funds for the charity and includes direct costs associated with fundraising events. An allocation of support costs is made against fundraising activities based on the amount of staff time involved.
- ◆ Expenditure on charitable activities comprises direct expenditure on the charity's two primary charitable activities and includes support costs.

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 a finance function and other overheads such as the maintenance of websites etc.

Governance costs comprise the costs related to the public accountability of the charity and costs in respect of its compliance with applicable regulations and good practice.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 10. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Principal accounting policies – Year ended 31 March 2022

Financial instruments (continued)

Financial liabilities – accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 1. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Debtors

Debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

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 measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

Fund accounting

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Restricted funds comprise monies received for, or their use is restricted to, a specific purpose or have donor imposed conditions.

1 Donations

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Donations from Trusts and Foundations	75,000	293,339	368,339
2022 Total funds	75,000	293,339	368,339

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2021 £</i>
<i>Donations from Trusts and Foundations</i>	<i>47,000</i>	<i>40,077</i>	<i>87,077</i>
<i>2021 Total funds</i>	<i>47,000</i>	<i>40,077</i>	<i>87,077</i>

2 Income from charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Graduate Prison Officers Programme	—	2,357,068	2,357,068
Participant Recruitment Activities	—	1,323,779	1,323,779
2022 Total funds	—	3,680,847	3,680,847

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2021 £</i>
<i>Graduate Prison Officers Programme</i>	<i>—</i>	<i>1,312,835</i>	<i>1,312,835</i>
<i>Participant Recruitment Activities</i>	<i>—</i>	<i>580,506</i>	<i>580,506</i>
<i>2021 Total funds</i>	<i>—</i>	<i>1,893,341</i>	<i>1,893,341</i>

3 Expenditure on raising funds

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Support costs (see note 5)	—	84,159	84,159
2022 Total expenditure	—	84,159	84,159

	<i>Restricted funds £</i>	<i>Unrestricted General funds £</i>	<i>Total funds 2021 £</i>
<i>Support costs (see note 5)</i>	<i>—</i>	<i>11,331</i>	<i>11,331</i>
2021 Total expenditure	—	11,331	11,331

4 Expenditure on charitable activities

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Activities undertaken directly			
Graduate Prison Officers Programme	38,378	2,162,571	2,200,949
Participant Recruitment Activities	—	1,116,717	1,116,717
	38,378	3,279,288	3,317,666
Support costs (see note 5)			
Graduate Prison Officers Programme	—	320,171	320,171
Participant Recruitment Activities	—	174,640	174,640
	—	494,811	494,811
2022 total expenditure	38,378	3,774,099	3,812,477

4 Expenditure on charitable activities (continued)

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2021 £</i>
<i>Activities undertaken directly</i>			
<i>Graduate Prison Officers Programme</i>	11,658	1,168,741	1,180,399
<i>Participant Recruitment Activities</i>	—	546,419	546,419
	<u>11,658</u>	<u>1,715,160</u>	<u>1,726,818</u>
<i>Support costs (see note 5)</i>			
<i>Graduate Prison Officers Programme</i>	—	115,165	115,165
<i>Participant Recruitment Activities</i>	—	57,789	57,789
	<u>—</u>	<u>172,954</u>	<u>172,954</u>
<i>2021 total expenditure</i>	<u>11,658</u>	<u>1,888,114</u>	<u>1,899,772</u>

5 Analysis of support costs

		Unrestricted Charitable activities		
	Raising funds £	Graduate Prison Officers Programme £	Participant Recruitment Activities £	2022 Total £
Human resources:				
- Shared staff costs allocations	64,647	41,736	22,765	129,148
- Other HR related shared costs	2,161	30,835	16,819	49,815
Finance	153	2,185	1,193	3,531
Information Technology	1,723	24,589	13,412	39,724
Premises and office running costs	14,511	207,062	112,944	334,517
Governance costs:				
- Auditor's remuneration	390	5,571	3,039	9,000
- Legal, professional and accountancy	263	3,757	2,049	6,069
- Bank charges	72	1,031	562	1,665
- Other governance costs	239	3,405	1,857	5,501
Totals	<u>84,159</u>	<u>320,171</u>	<u>174,640</u>	<u>578,970</u>

5 Analysis of support costs (continued)

	Unrestricted Charitable activities			
	<i>Raising Funds</i>	<i>Graduate Prison Officers Programme</i>	<i>Participant Recruitment</i>	<i>2021 Total (Restated)</i>
	£	£	£	£
<i>Human resources:</i>				
- Shared staff costs allocations	7,141	26,911	13,662	41,401
- Other HR related shared costs	1,488			
<i>Finance</i>	122	3,970	1,985	6,077
<i>Information Technology</i>	647	21,126	10,563	32,336
<i>Premises and office running costs</i>	1,562	51,047	25,524	78,133
<i>Governance costs:</i>				
- Auditor's remuneration	175	5,717	2,858	8,750
- Legal, professional and accountancy	172	5,613	2,806	8,591
- Bank charges	24	781	391	1,196
Totals	11,331	115,165	57,789	184,285

The prior period support costs have been re-analysed to be consistent with the current year treatment in allocating staff costs directly to expenditure on charitable activities where appropriate.

Support costs are allocated on the following bases, which reflect an estimate of staff time, spent on fundraising activities and the direct staff time on the primary charitable activities of running the programme and recruitment activities:

	2022 %	2021 %
Fundraising	4%	2%
Charitable activities:		
(i) Graduate Prison Officers Programme	62%	65%
(ii) Participant Recruitment Activities	34%	33%
Total allocations	100%	100%

6 Net income

This is stated after charging the following against unrestricted funds:

	2022 Total £	2021 Total £
Staff costs (see note 7)	1,490,363	857,477
Auditor's remuneration	9,000	8,750
Depreciation	18,732	1,964
Operating lease rentals	247,962	63,755

7 Staff costs and Trustees' remuneration

	2022 £	2021 £
Staff costs during the period were as follows:		
. Wages and salaries	1,243,430	703,153
. Social security costs	117,970	62,642
. Termination payments	6,177	19,754
. Pension costs	122,786	71,929
	1,490,363	857,477

The average number of employees during the period was:

	2022 Number	2021 Number (Restated)
Management and Leadership	5	5
Programme	12	10
Recruitment	16	31
Operations	4	3
External Relations	4	3
	41	52

The prior period comparatives have been restated to include part time staff which is consistent with the current year treatment. The reason for the increase in staff costs despite lower staff numbers this year is due to a larger influx of part time staff in the prior period that had inflated the average number of employees.

During the current accounting period, there were five (2021 - none) employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions).

	2022 Number	2021 Number
£60,001 – £70,000	2	—
£70,001 – £80,000	1	—
£80,001 – £90,000	1	—
£90,001 – £100,000	1	—

7 Staff costs and Trustees' remuneration (continued)

No Trustee received any remuneration in respect of their services during the year (2021 - £nil) and £337 of expenses were reimbursed to the Trustees during the year (2021 - £nil).

The key management personnel of the charity in charge of directing and controlling, running and operating the organisation on a day-to-day basis comprise the Trustees together with five employees: the Chief Executive Officer, the Chief Operating Officer, the External Relations Director, Recruitment Director and Programme Director. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the year is set out below.

	2022 £	2021 £
Key Management Personnel – Gross pay	414,148	207,954
Key Management Personnel – Employer pensions	40,816	21,171
Key Management Personnel – Employer NI	47,579	25,162
	502,543	254,287

8 Tangible fixed assets

	Computer equipment £	Furniture, fixtures equipment £	Leasehold improvements £	2022 Total £
Cost				
At 1 April 2021	32,705	—	—	32,705
Additions	11,575	29,876	8,520	49,971
At 31 March 2022	44,280	29,876	8,520	82,676
Depreciation				
At April 2021	1,964	—	—	1,964
Charge for period	12,235	4,366	2,130	18,732
At 31 March 2022	14,199	4,366	2,130	20,696
Net book values				
At 31 March 2022	30,081	25,510	6,390	61,981
At 1 April 2021	30,741	—	—	30,741

9 Debtors

	2022 £	2021 £
Trade debtors	377,741	90,150
Prepayments	276,761	198,774
Accrued income	58,443	97,528
	712,945	386,452

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	61,047	424,486
Other creditors	56,305	31,364
Tax and social security	143,666	153,886
Accruals and deferred income	387,730	419,306
	648,748	1,029,042

11 Creditors: amounts falling due after one year

	2022 £	2021 £
Lease liability	1,250	—
	1,250	—

12 Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
Restricted funds				
Treebeard Trust	41,350	25,000	(21,559)	44,791
Hadley Trust	20,395	—	(16,819)	3,576
Drapers Charitable Trust	—	15,000	—	15,000
Dulverton Trust	—	35,000	—	35,000
Total	61,745	75,000	(38,378)	98,367

Restricted funds

Treebeard Trust: to support the policy paperwork.

Hadley Trust: to support the technology innovation project.

Drapers Charitable Trust: to support the prison technology innovation project.

Dulverton Trust: to support new growth outside of London and Northern Ireland.

13 Analysis of net assets between funds

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Fund balances at 31 March 2022 are represented by:			
Tangible fixed assets	—	61,981	61,981
Current assets	98,367	1,302,602	1,400,969
Current liabilities	—	(648,748)	(648,748)
Non-current liabilities	—	(1,250)	(1,250)
Total net assets	98,367	714,584	812,951

Unrestricted funds at 31 March 2022 include designated funds as follows:

- New ventures fund of £170,000, to be spent over the next two years on mobilisation costs of new initiatives started by the charity.
- Ambassadors fund of £140,000, to be spent over the next three years on mobilisation costs of our new ambassador programme

	Restricted funds £	Unrestricted general funds £	Total funds 2021 £
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	—	30,741	30,741
Current assets	61,745	1,596,958	1,658,703
Current liabilities	—	(1,029,043)	(1,029,043)
Total net assets	61,745	598,656	660,401

13 Operating lease commitments

At 31 March 2022, the balance sheet date, the Charity had operating lease commitments as follows:

	2022 £	2021 £
On office space		
Due within one year	226,656	23,155
Due between one and two years	75,552	—
	302,208	23,155

14 Taxation

Unlocked Graduates 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.

15 Related parties

At the period end 31 March 2022, Unlocked Graduates had £nil (2021 - £50,000) due from Catch22 Charity Limited, formerly the sole guaranteed member of Unlocked Graduates until 1 September 2020 when membership was transferred to the trustees.

16 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

17 Post balance sheet events

There were no post balance sheet events.

UNLOCKED GRADUATES

England & Wales - Charity number 1187552

Accounts

Unlocked Graduates

Annual report and financial statements

31 March 2021

Company Limited by Guarantee
Registration Number
11448853 (England and Wales)

Charity Registration Number 1187552
(England and Wales)

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Reference and administrative details

Directors and Members	Dame Sally A Coates James B H Darley Robert D Farquharson Rt Hon. David Laws Nicola C Marfleet Karan Rai Christopher R Wright
Company number	11448853
Charity registration number	1187552
Registered Office	Evergreen House North Grafton Place London NW1 2DX
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitors	Bates Wells & Braithwaite 10 Queen Street Place London EC4R 1BE Greenberg Traurig LLP 8, The Shard 32 London Bridge St London SE1 9SG Stone King LLP Boundary House 91 Charterhouse St Barbican London EC1M 6HR
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

Message from the Chair

I am delighted to be publishing this Annual Report – the first for Unlocked Graduates as an independent charity. This move to independence is a critical milestone in our development. After five years incubated by charity and social business Catch22 we were well-positioned to take this step.

Like the other public sector graduate schemes, becoming an independent organisation will put us in the best position to respond quickly to future challenges and opportunities as we sustain and grow our award-winning graduate leadership programme.

This important moment fell against the backdrop of an incredibly challenging year, so we are very grateful to Chris Wright and the whole team at Catch22 who not only incubated us during the first years of our existence but ensured a smooth transition. Their support has made our fast growth possible.

The Board has provided exceptional leadership this year, providing energetic support to the executive team at Unlocked Graduates. I am particularly pleased that we have broadened and diversified the experience represented on the Board. Our first ambassador member, Karan Rai, joined alongside Nicola Marfleet who is Governor of HMP Woodhill, one of our partner prisons. Together they provide critical expertise and insights.

Despite the challenges of transition against a global pandemic, Unlocked has gone from strength to strength. Our report and the letter from the CEO detail these achievements in full. The Board is incredibly proud of the impact the team has delivered in this period.

With ambitious growth planned over the next five years and a growing pool of ambassadors, I look forward to another exciting year.



Rt. Hon David Laws

Message from the CEO

Our theory of change has always been that the way to break cycles of reoffending is to identify brilliant people and support them to work as frontline prison officers. This is because it is the prison officer, and only the prison officer, who works with and has access to every prisoner, no matter how vulnerable or challenging.

Never has this been clearer than in the last 18 months. Lockdown in prisons saw prisoners spending unprecedented time behind their cell door with access to family visits, education and other purposeful activity all suspended or severely curtailed. Under these circumstances, interactions with prison officers were often the only connection prisoners had to the outside world.

It is therefore particularly positive news that in the last eight months we have seen more graduates apply to our programme than ever before. For each of the 115 places on our 2021 cohort, we received 24 applications. This shows a genuine shift in the way graduates perceive the prison officer role.

We have expanded into the West Midlands and now reach 30 prisons. Governors continue to tell us that our participants are making an immediate difference on the frontline, and our early impact insights that we share below back this up.

I am incredibly proud of the team for delivering such extraordinary impact in this exceptional time.

I want to acknowledge two critical partners.

First, to our partners and supporters who have made our spin-out to become an independent organisation possible, and who continue to support our work and innovation, thank you. Prisons remain a controversial and challenging sector to fund, but without your support we would simply not be here.

And secondly, this is also true of our colleagues within Her Majesty's Prison and Probation Service and the Ministry of Justice. We seek to bring prison officers into the system who will offer challenge and positive disruption, so our work depends on working within the system. Their ongoing support for our work – from the Ministers and CEO through to the myriad of frontline governors and officers who support our work – has always been incredible and we could not exist without it. As ever you have my heartfelt thanks.



Natasha Porter

Trustees' report

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with financial statements of Unlocked Graduates ("the charity") for the eight-month period ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 25 of the attached financial statements and comply with the charity's governing document, applicable laws 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).

Unlocked Graduates – first period of undertaking charitable activities

Unlocked Graduates was originally founded by Catch22 Charity Limited ("Catch22") which was the sole member. In 2016, Catch22 established a new project to promote prison education which was run as a separate division within Catch22 until 1st September 2020 when the project was transferred from Catch22 to Unlocked Graduates.

As of 1st September 2020 Catch22 transferred its membership to the trustees of Unlocked Graduates. On the same date, Catch22 and Unlocked Graduates entered into a "transfer of undertaking agreement" whereby all assets, liabilities, contracts and undertakings relating to the Catch22 project were novated to Unlocked Graduates for no consideration. From 1st September 2020, Unlocked Graduates commenced running the project and the financial statements for the eight month period reflect the first period of undertaking charitable activities.

Structure, governance and management

Constitution and background

Unlocked Graduates is a company limited by guarantee and a registered charity established on 4th July 2018 and governed by its Memorandum and Articles of Association.

The directors of the charity are the trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The number of trustees consists of seven persons. The Articles of Association require a minimum of three trustees.

The charity's objects are to promote the rehabilitation and education of prisoners and ex-prisoners, and the reduction of reoffending by:

- i. The provision of a specialised programme of education and training for graduate prison officers;
- ii. The education and training of those engaged in the prison and probation services and the criminal justice system in the rehabilitation and education of prisoners and ex-prisoners.

Structure, governance and management (continued)

Method of appointment and election of trustees

The trustees are elected in accordance with the provisions of the Articles of Association. Normally, trustees are elected for a three-year term, with the possibility of reappointment for two consecutive terms, or three terms for founder trustees.

Upon appointment, trustees complete a variety of incorporation documents and their details are submitted to Companies House and the Charity Commission. Trustees must declare any conflicts of interest throughout their term of office. Training needs are monitored on an ongoing basis. Trustees attend an annual away day which forms a training opportunity for new and existing members. New trustees also meet with existing Board members and the senior leadership team, and are introduced to Unlocked's mission and strategy.

Organisation structure and decision making

The day to day running of the charity is delegated by the trustees to Chief Executive Officer (CEO) and key management personnel which consists of the CEO and four heads of department:

Chief Executive Officer – Natasha Porter

Chief Operating Officer – Bodil Isaksen (appointed 3rd January 2021)

Finance and Operations Director – Kate Collis (resigned 28th October 2020)

External Relations Director – Sarah Pearson

Recruitment Director – Maria Donovan

Programme Director – Libby Gray

The trustees meet quarterly at Board meetings (and more if required on an ad-hoc basis) to review the progress relative to the business plan and to monitor compliance with policies, and to review and approve plans for the year ahead. The Finance, Audit and Risk committee (FARC) was established in December 2020. It meets quarterly to discuss and review the charity's financial position and principal risks, and reports to the Board.

Salary banding and remuneration policy is reviewed and approved by the Board annually. The Board also approves the CEO's salary. The CEO approves all salaries within the organisation. This is based on a benchmarking exercise against similar charities to ensure competitiveness and fairness, and ultimately, is focussed on maximising effective use of resource towards the Unlocked mission.

Risk management

Unlocked Graduates is committed to managing risk effectively to safeguard the future of the charity and achieve its charitable aims. Risk management is a key focus of the Board of trustees. In particular, the Finance, Audit and Risk Committee (FARC) monitors risk, and the actions taken by the Senior Leadership Team in response to risk, at each of its quarterly meeting.

The Senior Leadership Team leads on identifying and managing risks and implementing appropriate contingency planning. This is reviewed and monitored by FARC and the Board.

Structure, governance and management (continued)

Volunteers and supporters

We are grateful to the trustees who are all volunteers and provide their time and expertise without payment. We have also benefited from some voluntary pro-bono contributions from supporters. Besides this, the operations and activities of Unlocked Graduates are run by paid staff and we are not reliant on volunteers.

Trustees are entitled to the reimbursement of any reasonable expenses incurred in carrying out the business of the charity, but are encouraged to keep their expense claims to a minimum. No trustees' expenses were reimbursed during 2020/21.

Key management personnel

The key management personnel of the charity in charge of controlling, running and operating the charity on a day-to-day basis comprise the trustees and personnel comprising the Chief Executive Officer, Chief Operating Officer and the three Directors.

Public benefit

The trustees confirm that they have given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and planning its objectives. The main activities undertaken to further the charity's aims are set out in this report.

The charity meets its obligations to provide a public benefit by working with anyone in need regardless of race, creed, gender, sexual orientation or colour.

Activities, specific objectives and relevant policies

Main activities

The main activities relevant to these accounts, by which the charity seeks to fulfil its charitable objects, are:

1. Recruitment of a diverse group of graduates who are motivated to break cycles of reoffending
2. Provision of a two-year leadership programme for graduates, working on the frontline of prisons, to break cycles of reoffending.

In relation to the charity's first main activity of recruitment:

- **Attraction:** Unlocked uses a range of marketing and attraction techniques to attract mission-aligned graduates who have the skills to rehabilitate prisoners and break cycles of reoffending. Unlocked seeks to attract a diverse cohort including those who might otherwise not have considered prison work
- **Selection:** Unlocked's multi-stage recruitment process selects those who display the attributes of a participant able to break cycles of reoffending

Activities, specific objectives and relevant policies (continued)

Main activities (continued)

- Onboarding and matriculation: after selection, ongoing support and frequent contact ensures participants remain motivated and engaged with the mission in the lead up to the programme commencing.

In relation to the charity's second main activity of provision of the graduate programme:

- Initial training: Unlocked designs and delivers tailored prison officer training to develop participants' leadership and skills in breaking cycles of reoffending; this is quality assured by the Ministry of Justice
- Ongoing training and development: once participants are placed in prisons, Unlocked continues to offer a range of development opportunities including ongoing professional development
- Placement and prison relationships: Unlocked works closely with leadership teams to locate placements which will challenge and support participants' work towards the mission across two years
- Support through mentoring and coaching: seconded prison staff provide one-to-one and group supervision to maximise participants' impact
- Enabling and amplifying new initiatives: coaching and funding through the Innovation Acceleration Programme, and more recently the Covid Relief Fund
- The foundations of a life-long network for those who complete the programme: Unlocked maintains contact with the ambassadors of Unlocked (those who have completed the programme) and aim for them to continue to engage with the mission of reducing reoffending

Unlocked's foundational theory of change drives our strategy with our focus on four key aims:

1. **INSPIRE:** Raise the status of the prison officer role by inspiring a movement throughout society, where people care about prisons and believe they can be part of the solution to fixing them by recruiting high-calibre, diverse candidates for the programme.
2. **DEVELOP** outstanding individuals to lead change from the frontline to make prisons safer and more rehabilitative.
3. **GROW** depth by increasing impact in the prisons we are in; grow breadth by working with more prisoners in more prisons. Directly drive improvements in prison by supporting participants to take actions to improve systems and processes and go above and beyond in their performance.
4. **AMPLIFY** our ambassadors' work to drive systemic changes as well as interest in the prison sector through wider society

Activities, specific objectives and relevant policies (continued)

Main activities (continued)

All Unlocked activity relates to these aims, and achieving these aims is key to furthering our charitable objects. Inspiring and developing participants enables them to have a rehabilitative impact; growth enables that rehabilitation to happen on a larger scale; and amplification creates virtuous cycles where this is even more effective.

Achievements and performance

Throughout the eight months of the period of the accounts, Unlocked Graduates has made significant progress against its goals.

INSPIRE: Raise the status of the prison officer role by inspiring a movement throughout society, where people care about prisons and believe they can be part of the solution to fixing them by recruiting high-calibre, diverse candidates for the programme.

There are indications that Unlocked is successfully influencing perceptions of the role prison officers can play in rehabilitation, particularly in the target graduate audience. When surveyed, only 13 per cent of recent finalists would consider a career in the prison service – however, after reviewing the Unlocked programme and opportunities, 55 per cent found the idea of working as a prison officer more appealing. Most of the Unlocked participants had not considered being a prison officer before discovering Unlocked. When asked, only two per cent of our latest cohort cited 'always wanting to be a prison officer' as the main reason for joining Unlocked.

During this time period, the charity has continued to win industry awards for its recruitment campaigns, bringing the total to nine awards.

Demand for places is high and growing. In January 2021, the charity closed applications early owing to the high demand, with over 20 applicants per place. Over half of participants on the programme were from the highly selective Russell Group universities.

In September 2020, Unlocked was ranked number 36 in the Times Top 100 Graduate Employers. This was a jump from Unlocked's entry at number 49 the previous year (making Unlocked the highest new entrant).

In the past year, we have redoubled our commitment to diversity and inclusion on many fronts, including the recruitment process. The proportion of programme joiners from Black and ethnic minority backgrounds is around one in five, compared to just 12 per cent for those joining through the standard HMPPS entry route.

The 2020/21 recruitment campaign was the most successful ever with over 20 applicants for every place on the programme.

Achievements and performance (continued)

DEVELOP: Develop outstanding individuals to lead change from the frontline to make prisons safer and more rehabilitative

Despite the extensive challenges of face-to-face training and development during the Covid-19 pandemic, the charity successfully recruited over 130 officers who went through our rigorous initial training 'Summer Institute' before starting as frontline prison officers in September 2020.

Unlocked Graduates training is an important part of our strategy to professionalise the prison officer role, and thereby create systemic change in the prison service to address cycles of reoffending. We continue to pioneer new training and development approaches to improve all elements of our ongoing support and training. Our development model sits across multiple years in recognition of the time it takes to refine expert practice. We also require a high level of prior academic attainment so training incorporates theories behind the practice and can build in deep critical analysis.

The programme includes a significant independent research element. This empowers these frontline professionals to make an immediate contribution to rehabilitation in their prisons.

The initial training in Summer Institute is followed by intensive mentoring support which runs throughout the two years alongside the theoretical study enabled by the MSc in Applied Custodial Leadership, which is co-designed and delivered by Leeds Trinity University.

We continue to share our training approaches with other training organisations and the wider prison service. Elements of it have already been adopted by the mainstream prison officer training scheme as well as other organisations.

Our mentors – experienced, mission-aligned prison officers who we second from the prison service – continue to be a critical part of this work. We have now recruited over 30 of these officers and application numbers to these roles have risen sharply.

GROW: Grow depth by increasing impact in the prisons we are in; grow breadth by working with more prisoners in more prisons

There has been sustained growth in this period, both in terms of prison officer numbers and partner prisons. We placed our biggest ever cohort in 2020, with 130 participants starting the programme. We also expanded into the West Midlands for the first time. Working alongside the 2019 cohort, this means we are operating in over 25 prisons in total.

Our expansion is structured to allow for the formation of clusters critical for our mentoring model across London and the South East, the North West and West Midlands. We focus on some of the most challenging prisons and institutions where we know the prison officer can make a difference. They work in establishments across the men's estate – including high security and foreign national prisons. We also place participants in women's prisons and children's prisons.

Achievements and performance (continued)

Once in role these officers are supported and challenged by their mentors from day one to meaningfully contribute to making their prisons more rehabilitative. We know that these officers are having an immediate impact. During their two years on the programme nearly half of officers on the Unlocked programme (45%) took on additional responsibilities or were promoted. These responsibilities included championing the new 'keyworking' model in prisons, mental health training, offender management and equalities.

We also seek to offer our participants ways to use their unique position to identify solutions to problems they face on the frontline and to take action.

- **The Innovation Acceleration Programme (IAP)** is designed to support and amplify the impact participants can have by offering funding for small-scale, evidence-driven innovation projects in their prisons. To receive funding, participants must demonstrate how they work closely with other non-Unlocked prison officers in their prison to develop an idea that will achieve senior buy-in and has the potential to be sustainable long-term. Coached in change management techniques by our corporate partner PwC, Unlocked officers are encouraged to design and deliver impactful projects including (but not limited to) new programmes for prisoners, equipment for their prisons, training and work with external organisations, or funding for in-prison events. When the pandemic hit we supplemented this programme with the **Prison Relief Fund (PRF)** which was set-up to fund immediate relief projects that improve outcomes for prisoners during the Covid-19 pandemic. While the IAP focuses on longer term projects, the PRF projects are delivered quickly and are easier to implement in prisons. **We have supported 14 IAP and 22 PRF projects to date and successful ideas and projects are shared with all officers on the programme and beyond.**
- We believe an evidence-based approach will be an important part of driving rehabilitation in the prison service. Participants **undertake a research project based on a problem, question or initiative that they co-identify with the prison governor** as an area of interest as part of their MSc.
- Along with research related to their MSc in their second year on the programme, Unlocked officers have the chance to write a policy paper. Supported by Unlocked and an expert editor, participants form groups based on shared interests and work together to research their chosen policy area and propose solutions to the challenge. We see these papers as a critical way to start driving system-level change from the frontline and demonstrate the importance of the prison officer voice in such debates. 70 officers have contributed to papers that proposed policy ideas on topics including: the way self-harm and suicide is monitored in prison; how prison officers are managed and held to account; phones and technology in prisons; and homophobia and transphobia in prisons. These ideas have been shared with Ministers, Governors and policy-makers across the Ministry of Justice and HMPPS who have found these frontline insights invaluable.

Measuring the impact on prisoner outcomes is complex. The picture in prisons in recent years has been complicated so it is hard to make any definitive claims. However, we are committed to seeking ways to analyse our effect on prisoners and prisons.

Achievements and performance (continued)

With this in mind, we reviewed all prison-by-prison data comparing average annual performance scores. The prisons we work with have historically had lower performance scores than average because we actively choose to go into some of the most challenging institutions. Our research shows that the average annual performance score of the prisons in which we operate has increased at a faster rate than all other prisons. More tellingly, those prisons that have had the most participants for the longest period have seen the biggest increase in these scores.

AMPLIFY our ambassadors' work to drive interest in the prison sector through wider society

Ambassadors are key to our mission of developing outstanding leaders to break cycles of reoffending in prison and throughout society. Our aim is to create a network of ambassadors with exceptional leadership skills using their frontline experience to impact systemic changes in prisons, the wider criminal justice system, and beyond.

Around 70 per cent of participants stayed on the frontline beyond their two years, and the majority stayed in criminal justice, taking on roles in organisations including probation, policing and justice charities.

Developing our ambassador support programme will be a major focus in 2021/22.

Financial review

The charity's total income during the period was £2,571,504. The main source of income has been our contract with the Ministry of Justice which has generated income of £1,893,341. In addition, Unlocked Graduates has raised income from Trusts and other donations. Of the £678,163 reflected in the accounts, £591,086 was transferred from Catch22. Of this, £564,683 was unrestricted income and £26,403 was restricted income.

This amount was raised by and for the Unlocked Graduates project over several years while it was incubated and part of Catch22. Generating this level of income was an essential step in enabling us to build our reserves so that we could operate as an independent charity.

Since the novation from Catch22, the charity has received a further £87,077 in income from Trusts and other donations. Of these donations, £47,000 was restricted income.

Expenditure has totalled £1,911,103 of which £603,960 was spent on recruitment activities and £1,295,812 on graduate programme delivery. Expenditure on raising funds came to £11,331.

The novation described above was the most notable event in this accounting period. Also notable was the impact of Covid-19. We were fortunate that our main funding source, the Ministry of Justice contract, was unaffected. We were also able to generate additional fundraised income despite the increasingly challenging landscape. Delivery, however, was more challenging: the limitations of face-to-face contact on campus in recruitment affected brand awareness, and significant additional planning was required to enable training and programme events to go ahead.

Risks and uncertainties

As part of the charity's commitment to effective risk management, the trustees review identified risks, as well as the plans and strategies for managing those risks.

The principal risks and uncertainties facing the charity are:

- The ongoing Covid-19 pandemic: we are unable to predict the progression of the virus as we move into another financial year, and this may make recruitment challenging and affect how the programme can be delivered in prisons. Mitigations include detailed risk analysis and safe systems of work for training (agreed with the Ministry of Justice). If face-to-face activities are limited, we have back-up plans and remote alternatives in place for both recruitment and programme activities which have been used and shown to be workable in 2020.
- Loss of the Ministry of Justice contract, or failure to secure a new contract. Mitigations include continual evidencing of impact and value for money; continuing strong performance against the contract KPIs; and close involvement of the CEO and Board in contract extension negotiations.
- Lack of stakeholder support from government, the civil service, or prison governors. Mitigations include relationship building with all relevant stakeholders, gaining cross-party support, and demonstrating the positive impact of the charity.
- Reputational risks relating to participants, such as negative media coverage or a high-profile departure of a participant. Mitigations include a rigorous recruitment process, strong training and mentoring for participants on the programme, internal evaluation and continual improvement, close monitoring and detailed reporting systems, involvement of Ministry of Justice press office and a formalised crisis communications strategy.
- Cyber security or data breach. Mitigations include Cyber Essentials Plus and ISO 27001 audit and compliance, use of data protection agreements with subcontractors, staff training and strict IT policies.

Reserves policy

As of 31 March 2021, Unlocked Graduates had total reserves of £660,401 of which £61,745 were restricted, leaving free unrestricted reserves of £598,656. As a newly independent charity, we are proud of the work over several years to fundraise unrestricted income to build our reserves. In this initial financial period, we have taken a prudent position in relation to reserves as we establish the most effective use of non-contractual funding. Now that Unlocked Graduates has established itself as an independent charity, we have ambitious plans to use this income to further our charitable objectives. The growth of our non-contractual activity, enabled by fundraised income, is key to the next phase of our strategy. The surplus against the minimum level of reserves represents funds that will be used over the next three years as we grow to enable delivery of our ambassadors' programme, innovation acceleration within prisons, and strategic expansion.

Reserves policy (continued)

The trustees have examined the requirements for reserves in light of the main risks to the charity. The trustees have established a reserves policy to protect the charity and its long-term charitable activities by providing time to adjust to changing financial circumstances.

The level of reserves is set to cover a minimum of one busy month's expenditure and three months' expenditure outside of busy periods. Based on forecast expenditure for 2021-22, the trustees have approved a minimum level of free unrestricted reserves of £400,000.

A minimum level of £400,000 reserves is deemed to be necessary predominantly based on working capital requirements and to mitigate against the financial impact of risks. Given the strategic focus to date has been on income generation to enable stability as a newly independent charity, the trustees have not currently set a maximum level of reserves. As we move into the next phase of our strategy, we expect this to evolve.

Working capital and cash flow requirements include costs such as monthly salaries, VAT bills and office rents. In the Ministry of Justice contract, the charity currently operates under seven-day payment terms which lowers risks relating to cash flow. However, we must mitigate against delays in payments of invoices to the Ministry of Justice: as the charity's main funding source, delays can have a significant impact.

Exit costs (including office lease commitments, staff redundancy costs and university exit costs) are included in the Ministry of Justice contract which significantly reduces financial risk relating to termination of the contract.

Fundraising

The charity does not actively solicit donations from the public and is therefore not registered with the Fundraising Regulator and does not subscribe to any fund-raising codes of practice. When donations from individuals are received, the charity aims to protect personal data, never sells data or swaps data with other organisations and undertakes to promptly and thoroughly investigate any complaints regarding its fundraising activities and to learn from them and improve its operations. During 2020/21, Unlocked Graduates received no complaints about its fundraising activities.

Post balance sheet events, future plans and going concern

The trustees have assessed the resources, activities and risks of the charity to assess whether the use of the going concern basis is appropriate. This assessment has been made for a period of at least one year from the date of approval of the financial statements. Our income from the graduate programme is contracted with the Ministry of Justice until at least 2023 (and in the event of termination of the contract, exit provisions cover most costs incurred). In addition, the charity has a healthy reserves position. The trustees have reviewed the expenditure plans and are assured these can be met from existing resources and expected future income. The trustees have therefore concluded the charity is a going concern and therefore, the accounts and financial statements have been prepared on this basis.

There were no post balance sheet events to report.

Post balance sheet events, future plans and going concern (continued)

Future plans for the charity continue to be focused on its aforementioned aims, building on this reporting period's progress as follows:

- **Inspire:** we plan to continue raising brand awareness and work to increase the status of the prison officer role among graduates, despite the challenges of this during the Covid-19 pandemic.
- **Develop:** we plan on strengthening the quality of the programme, particularly by reviewing and enhancing the Mentoring Prison Officer support model. An increased focus on data-driven insights will enable us to focus improvements on the most impactful areas.
- **Grow:** we plan to increase both depth and breadth, going into more prisons in our existing regions, as well as expanding the scope of the North region to include the Leeds area.
- **Amplify:** we plan to make this a major focus as the number of ambassadors of the programme grows. This will include increasing staffing focused on ambassadors and introducing a community organising philosophy for our engagement with past participants. We will deliver projects that enable prison officers to have a greater rehabilitative impact. In particular, we plan to deliver a technology project putting laptops into cells with prison officers as trained supporters. We intend to develop similar ways to amplify the impact of frontline prison staff on reducing reoffending. This includes pursuing initiatives which amplify the prison officer role, and develop expertise and leadership throughout the criminal justice system. This also has the potential to diversify our income streams and increase our financial stability.

Statement of trustees' responsibilities

The trustees (who are also directors of Unlocked Graduates for the purposes of company law) are responsible for preparing the trustees' report and 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 period which give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity 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 the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and 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; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the trustees and signed on their behalf by:



David Laws

Approved on: 24 November 2021

Independent auditor's report to the members of Unlocked Graduates

Opinion

We have audited the financial statements of Unlocked Graduates (the 'charitable company') for the eight month period ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure for the period 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.

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 accounts 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 accounts 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102 and the Charities Act 2011.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of trustee meetings and papers provided to the trustees.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance 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:

Independent auditor's report Eight month period ended to 31 March 2021

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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;
- ◆ reviewing the minutes of trustees' meetings;
- ◆ enquiring of management and those charged with governance as to actual and potential litigation and claims; and
- ◆ reviewing any available correspondence with HMRC.

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. International Standards on Auditing 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.

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

Use of this 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP 7.12.2021

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

Statement of financial activities Eight month period ended 31 March 2021
(incorporating the income and expenditure account)

	Notes	Restricted funds £	Unrestricted General Funds £	Total Eight months to 31 March 2021 £	Total Year ended 31 July 2020 £
Income from:					
Donations	1	47,000	40,077	87,077	—
Charitable activities	2	—	1,893,341	1,893,341	—
Transfer from Catch22	3	26,403	564,683	591,086	—
Total income		73,403	2,498,101	2,571,504	—
Expenditure on:					
Raising funds	4	—	11,331	11,331	—
Charitable activities	5	11,658	1,888,114	1,899,772	—
Total expenditure		11,658	1,899,445	1,911,103	—
Net income and movement in funds for the period	7	61,745	598,656	660,401	—
Reconciliation of funds:					
Funds brought forward at 1 August 2020		—	—	—	—
Funds carried forward at 31 March 2021		61,745	598,656	660,401	—

The charitable company commenced its charitable activities on 1 September 2020.

All activities derive from continuing operations.

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

Balance sheet 31 March 2021

	Notes	31 March 2021 £	31 March 2021 £	31 July 2020 £	31 July 2020 £
Fixed assets					
Tangible fixed assets	10		30,741		—
Current assets					
Debtors	11	386,452		—	
Cash at bank and in hand		<u>1,272,250</u>		<u>—</u>	
		1,658,702			
Creditors: amounts falling due within one year	12	<u>(1,029,042)</u>		<u>—</u>	
Net current assets			629,660		—
Total net assets			<u>660,401</u>		<u>—</u>
The funds of the charity:					
Restricted fund	13		61,745		—
Unrestricted general fund	13/14		598,656		—
			<u>660,401</u>		<u>—</u>

The financial statements were approved by the trustees and signed on their behalf by:



David Laws

Approved on: 24 November 2021

Unlocked Graduates: A company limited by guarantee, Company Registration No.11448853 (England and Wales)

Statement of cash flows Eight month period ended 31 March 2021

	Notes	Eight months to 31 March 2021 £	Year ended 31 July 2020 £
Net cash provided by operating activities	A	1,298,046	—
Net cash used in investing activities	B	(30,741)	—
Cash transferred from Catch22 (see note 3)		4,945	—
Change in cash and cash equivalents		1,272,250	—
Cash and cash equivalents at 1 August 2020		—	—
Cash and cash equivalents at 31 March 2021		1,272,250	—

Notes to the statement of cash flows for the eight month period to 31 March 2021

A Reconciliation of net movement in funds to net cash flows from operating activities

	Eight months to 31 March 2021 £	Year ended 31 July 2020 £
Net income	660,401	—
Transfer of net assets from Catch22 (see note 3)	(591,086)	—
Decrease in debtors (after transfer)	465,619	—
Increase in creditors (after transfer)	763,112	—
Net cash provided by operating activities	1,298,046	—

B Cash flows from investing activities

	Eight months to 31 March 2021 £	Year ended 31 July 2020 £
Investing activities		
Purchase of fixed assets	(30,741)	—
Net cash flows used in investing activities	(30,741)	—

C Cash and cash equivalents

	31 March 2021 £	31 July 2020 £
Cash at bank	1,272,250	—
Total	1,272,250	—

Principal accounting policies – Eight month period ended 31 March 2021

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

Basis of preparation of financial statements

These financial statements have been prepared for the eight month period ended 31 March 2021. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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) ('Charities FRS 102 SORP') and the Charities Act 2011.

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.

Critical accounting estimates and areas of judgement

No significant judgments and/or estimates have been made by the trustees in preparing these financial statements.

Assessment of going concern

The trustees consider that whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements. The basis for the assessment is provided on page 11 of the Trustees Report where the trustees have considered the continuing impact of the Covid-19 pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Income

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.

Contract and grant income

Contract funding is recognised over the term of the contract term as services are delivered.

Grant funding subject to specific performance conditions is recognised as the related services or outcomes are delivered.

Principal accounting policies – Eight month period ended 31 March 2021

Donations

Income from donations is recognised in the period in which the charity becomes entitled to the donation and where receipt is probable and its amount can be measured reliably.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation 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 costs are inclusive of irrecoverable VAT.

Expenditure comprises direct costs and support costs. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes any expenditure associated with raising funds for the charity and includes direct costs associated with fundraising events. An allocation of support costs is made against fundraising activities based on the amount of staff time involved.
- ◆ Expenditure on charitable activities comprises direct expenditure on the charity's two primary charitable activities and includes support costs.

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 a finance function and other overheads such as the maintenance of websites etc.

Governance costs comprise the costs related to the public accountability of the charity and costs in respect of its compliance with applicable regulations and good practice.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 9. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 10. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Principal accounting policies – Eight month period ended 31 March 2021

Debtors

Debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

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 measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

Fund accounting

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Restricted funds comprise monies received for, or their use is restricted to, a specific purpose or have donor imposed conditions.

Notes to the financial statements – Eight months ended 31 March 2021

1 Donations

	Restricted funds £	Unrestricted General funds £	Total funds 2021 £
Donations from Trusts and Foundations	47,000	40,077	87,077
2021 Total funds	47,000	40,077	87,077

2 Income from charitable activities

	Restricted funds £	Unrestricted General funds £	Total funds 2021 £
Graduate Prison Officers Programme	—	1,312,835	1,312,835
Participant Recruitment Activities	—	580,506	580,506
2021 Total funds	—	1,893,341	1,893,341

3 Transfer from Catch22

On 1 September 2020 the charity entered into an agreement with Catch22 whereby the undertaking of the Unlocked project was transferred from Catch22 to Unlocked Graduates. All assets of the undertaking and corresponding liabilities were assumed by Unlocked Graduates, excepting those that more appropriately related to the Catch22 undertaking.

	Restricted funds £	Unrestricted General funds £	Total funds 2021 £
Donations from Trusts and Foundations	26,403	307,000	333,403
Major donor	—	250,000	250,000
Other	—	7,683	7,683
2021 Total funds	26,403	564,683	591,086

The transfer has been accounted for as a combination that is substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as income in the Statement of Financial Activities.

The charity received the following assets and liabilities for no consideration:

	Fair Value at 1 September 2020 £
Assets:	
Debtors - Receivables	426,585
Debtors – prepayments and deposits	425,486
Cash at bank and in hand	4,945
	857,016
Liabilities:	
Payables	(109,557)
Accruals and deferred income	(156,373)
Total net asset value at the transfer date/net assets received	591,086

In addition, Catch22 assigned the benefit of all contracts to the charity.

In consideration of the transfer, the charity gave an indemnity to the charitable trust against any claims, costs, actions and proceedings relating to the assets and undertakings transferred and in respect of all liabilities and commitments including any costs or expenses arising from the transfer. No amounts arose under the indemnity in the period to 31 March 2021.

4 Expenditure on raising funds

	Restricted funds £	Unrestricted General funds £	Total funds 2021 £
Support costs (see note 7)	—	10,960	10,960
Governance costs (see note 6)	—	371	371
2021 Total expenditure	—	11,331	11,331

5 Expenditure on charitable activities

	Restricted funds £	Unrestricted General funds £	Total funds 2021 £
Activities undertaken directly			
Graduate Prison Officers Programme	11,658	630,769	642,427
Participant Recruitment Activities	—	201,715	201,715
	11,658	832,484	844,142
Governance costs (see note 6)			
Graduate Prison Officers Programme	—	12,111	12,111
Participant Recruitment Activities	—	6,055	6,055
	—	18,166	18,166
Support costs (see note 7)			
Graduate Prison Officers Programme	—	641,274	641,274
Participant Recruitment Activities	—	396,190	396,190
	—	1,037,464	1,037,464
2021 total expenditure	11,658	1,888,114	1,899,772

6 Governance

An analysis of governance costs is given below:

	Raising funds £	Unrestricted Charitable activities Graduate Prison Officers Programme	Participant Recruitment activities	2021 Total £
Auditor's remuneration:				
- Audit of the financial statements	175	5,717	2,858	8,750
Legal, professional and accountancy	172	5,613	2,806	8,591
Bank charges	24	781	391	1,196
Totals	371	12,111	6,055	18,537

7 Analysis of support costs

	Raising funds £	Unrestricted Charitable activities		2021 Total £
		Graduate Prison Officers Programme £	Participant Recruitment activities £	
Human resources:				
- Direct Staff costs allocations to charitable activity departments	—	283,250	217,178	500,428
- Shared staff costs allocations	7,141	233,272	116,636	357,049
- Other HR related shared costs	1,488	48,609	24,304	74,401
Finance	122	3,970	1,985	6,077
Information Technology	647	21,126	10,563	32,336
Premises and office running costs	1,562	51,047	25,524	78,133
Totals	10,960	641,274	396,190	1,048,424

Support costs are allocated on the following bases, which reflect an estimate of staff time, spent on fundraising activities and the direct staff time on the primary charitable activities of running the programme and recruitment activities:

	2021 %
Fundraising	2%
Charitable activities:	
(i) Graduate Prison Officers Programme	65%
(ii) Participant Recruitment Activities	33%
Total allocations	100%

8 Net income

This is stated after charging the following against unrestricted funds:

	2021 Total £	2020 Total £
Staff costs (see note 9)	857,477	—
Auditor's remuneration	8,750	—
Depreciation	1,964	—
Operating lease rentals	63,755	—

9 Staff costs and Trustees' remuneration

	2021 £	2020 £
Staff costs during the period were as follows:		
. Wages and salaries	703,153	—
. Social security costs	62,642	—
. Termination payments	19,754	—
. Pension costs	71,929	—
	857,477	—

The average number of employees during the period was:

	2021 Number	2020 Number
Management and Leadership	5	—
Programme	9	—
Recruitment	7	—
Operations	3	—
External Relations	3	—
	27	—

During the current and previous accounting periods, there were no employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions).

No Trustee received any remuneration in respect of their services during the period (2020 - £nil) and no expenses were reimbursed to the Trustees during the period (2020 - £nil).

The key management personnel of the charity in charge of directing and controlling, running and operating the organisation on a day to day basis comprise the Trustees together with five employees: the Chief Executive Officer, the Chief Operating Office, the External Relations Director, Recruitment Director and Programme Director. The total remuneration (including taxable benefits and employer's national insurance contributions) payable to key management personnel during the period is set out below.

	2021 £	2020 £
Key Management Personnel – gross pay	207,954	—
Key Management Personnel – Employer pensions	21,171	—
Key Management Personnel – Employer NI	25,162	—
	254,287	—

10 Tangible fixed assets

	Computer equipment £	2021 Total £
Cost		
At 1 August 2020	—	—
Additions	32,705	32,705
At 31 March 2021	32,705	32,705
Depreciation		
At August 2020	—	—
Charge for period	1,964	1,964
At 31 March 2021	1,964	1,964
Net book values		
At 31 March 2021	30,741	30,741
At 1 August 2020	—	—

11 Debtors

	2021 £	2020 £
Trade debtors	90,150	—
Prepayments	198,774	—
Accrued income	97,528	—
	386,452	—

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	424,486	—
Other creditors	31,364	—
Tax and social security	153,886	—
Accruals and deferred income	419,306	—
	1,029,042	—

13 Restricted funds

	At 1 August 2020 £	Income £	Expenditure £	At 31 March 2021 £
Restricted funds				
Treebeard Trust	—	50,000	(8,650)	41,350
Hadley Trust	—	23,403	(3,008)	20,395
Total	—	73,403	(11,658)	61,745

Restricted funds

Treebeard Trust: to support the policy paper work.

Hadley Trust: to support the technology innovation project.

14 Analysis of net assets between funds

	Restricted funds £	Unrestricted General Funds £	Total funds 2021 £
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	—	30,741	30,741
Current assets	61,745	1,596,958	1,658,703
Current liabilities	—	(1,029,043)	(1,029,043)
Total net assets	61,745	598,656	660,401

15 Operating lease commitments

At 31 March 2021, the balance sheet date, the Charity had operating lease commitments as follows:

	2021 £	2020 £
On office space	23,155	—

16 Taxation

Unlocked Graduates 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.

17 Related parties

At the period end 31 March 2021, Unlocked Graduates had £50,000 due from Catch22 Charity Limited, formerly the sole guaranteed member of Unlocked Graduates until 1 September 2020 when membership was transferred to the trustees. As detailed in note 3, activities were transferred from Catch22 Charity Limited during the accounting period.

18 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

19 Ultimate parent undertaking and controlling party

As of 1 September 2020 the ultimate controlling party transferred from the former sole member, Catch22 Charity Limited to the Board of Trustees of Unlocked Graduates.

20 Post balance sheet events

There were no post balance sheet events.