

A photograph of two women smiling. The woman in the foreground has long brown hair and is wearing a dark blue top with large white polka dots and a red skirt. The woman in the background has long dark hair, wears glasses, and a bright pink t-shirt. They are standing in front of a brick wall and a blue sign that partially reads 'SMART WORKS'.

SMART  
WORKS

**SMART  
WORKS  
CHARITY**

Annual Report 2020/2021



# CONTENTS

Introduction from our Founder  
& Honorary President  
**03**

Annual Report of the Board of Trustees  
for the Year Ending 31 March 2021  
**05**

Independent Auditor's Report to the  
Members and Trustees of Smart  
Works Charity  
**22**

Consolidated statement of  
financial activities  
**26**

Consolidated charity and group  
balance sheets  
**27**

Statement of cash flows  
**28**

Notes to the financial statements  
**29**

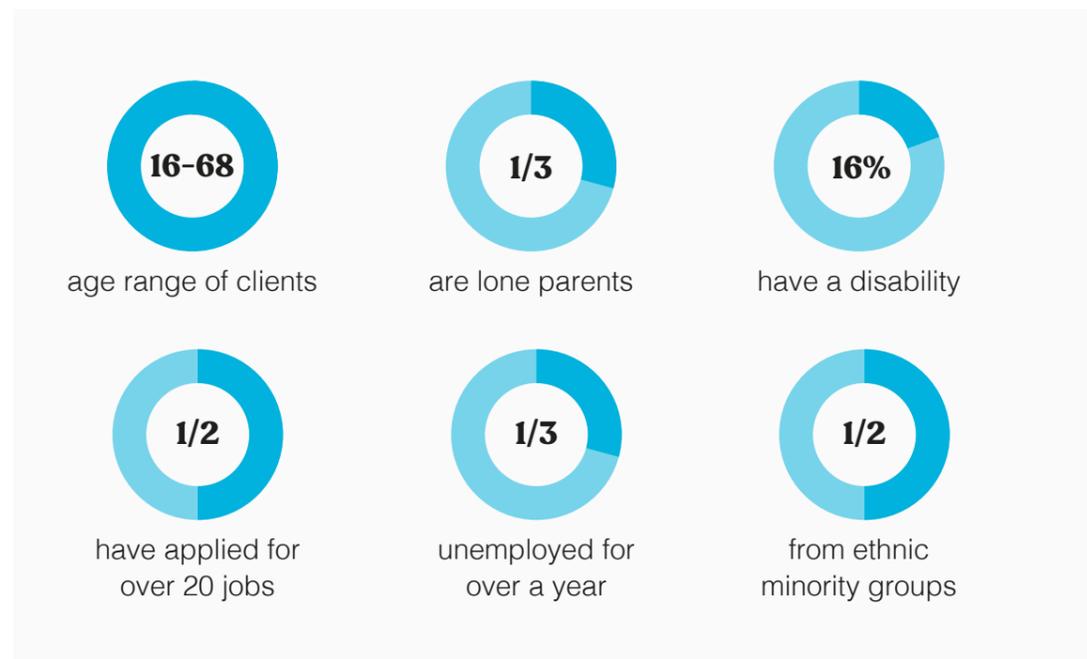
Reference and administrative  
details of the charity  
**42**

# WELCOME TO SMART WORKS

Smart Works is a UK charity that exists to give women the confidence they need to reach their full potential, secure employment and change the trajectory of their lives. Our mission is that any woman who needs our help is able to find her way to a Smart Works centre. We are aiming to help 5,000 women this year across the UK.

**At the heart of Smart Works sits a dressing and coaching service:**

<b>01</b> Each client has a personalised styling session and one-to-one interview preparation.	<b>02</b> Once a client is successful at interview, they are welcomed back for a Second Dressing.	<b>03</b> When our clients re-enter the workplace, they can join the Smart Works Network.
---	--	--



**In 8 years, we've opened 8 centres, and helped 18,000 women**

**62% of our clients go on to get the job within one month of their appointment**

**95% of our clients left feeling more confident that they would succeed at their next interview**



## OUR RESPONSE TO THE COVID-19 PANDEMIC

**Virtual service introduced.** Accessible to every woman in need across the UK

**New Career Coaching service launched.** Helping women to identify tangible next steps in their journey to employment.

**Over 400 skilled volunteers deliver our service, giving around 8,000 hours of their time**

## REFERRAL PARTNERS

Job Centres | Youth Charities | Domestic Abuse Charities | Refugee Charities | HM Prison Service | Care Leaver Charities | Homeless Charities | Addiction Charities

**Reach for the stars  
Smart Works –  
you are the best.**

Lady Juliet Hughes-Hallett

## INTRODUCTION FROM OUR FOUNDER & HONORARY PRESIDENT

It gives me great pleasure to present the Smart Works Annual Report for the year ended 31 March 2021.

Smart Works came into being eight years ago. Our aim was to be accessible to any woman across the UK who needed our help to get them into employment. A two-hour session of dressing and interview coaching (delivered by our trained volunteers) would give them the confidence to transform their lives.

We temporarily closed our doors to clients in March 2020, with our clients, volunteers and staff facing uncertainty.

However, I can report with great pride that out of the closure of Smart Works centres UK wide, innovation was born in the form of virtual dressing and online coaching. Each client would receive a carefully curated outfit, neatly packed in a box, having had an online consultation with a dressing volunteer to decide what would be suitable. This client would also receive online interview advice from one of our professional career coaches and be given the confidence to succeed. Our staff and volunteers had a busy lockdown delivering hope and support to the women who needed our service as never before.

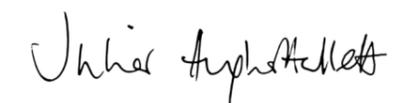
This innovation, taking place against a nationwide background of fear and uncertainty, gave women belief in their futures and enabled them to secure employment. Powered by passion, Smart Works went on delivering right through lockdown.

As I write, our centres are open for client appointments and life feels a bit more normal. To have survived and thrived through Covid has been possible only with the help of our generous funders, who have backed us to succeed. A huge thank you to everyone who has made this possible.

I am so proud of our wonderful charity, founded eight years ago by an inspirational, hardworking and imaginative board. During that time, over 18,000 women have been helped by Smart Works.

Now for the exciting news. The baton of Chair of Smart Works is going to Julietta Dexter. Julietta, as founder of The Communication Store and ScienceMagic.Inc, will take Smart Works to new and exciting levels and - always the bottom line - ensure that more women than ever get the job. I am proud to take on the new role of Honorary President, and excited to see what the future holds for our extraordinary charity.

Reach for the stars Smart Works – you are the best.



Lady Juliet Hughes-Hallett  
Founder and Honorary President

The Trustees, who are also the directors of the charity for the purposes of the Companies Act, present their annual report together with the accounts of Smart Works for the year ended 31 March 2021. The accounts have been prepared in accordance with the accounting practice set out on page 29 and comply with the charity's governing document, applicable laws and the requirements of Statement of recommended Practice on 'Accounting and Reporting by Charities' issued in 2019.

## OBJECTIVES & ACTIVITIES

**Smart Works is a UK charity that dresses and coaches unemployed women for their job interview.**

The charity's objects are the relief of financial hardship and the relief of unemployment for the public benefit through the promotion of economic independence among women.

To deliver this, Smart Works was created in September 2013 to help some of the most vulnerable women in society with the clothes and the confidence they need to succeed at their job interview and start a new chapter of their life. Women are referred to our service from the Job Centre, the prison service, the care service and other charities supporting women back into employment. Each woman is gifted an outfit of clothing, chosen by her and hers to keep, followed by bespoke interview coaching. When she gets the job, she is welcomed back for our second dressing service to give her a capsule wardrobe to see her through to her first pay cheque and invited to join our Network.

In response to the challenges of lockdown, the main services of the charity moved virtual, and a new coaching programme was introduced, but the objectives of the charity remained unaltered: to reconnect a woman in need to her full potential at a crucial moment in her life.

Smart Works has an efficient, volunteer-led model. Our dressing session and interview coaching is delivered nationwide by a team of 400+ skilled and trained volunteers. Our wardrobe is stocked with high quality clothes donated by individuals and retailers.

Our strategic focus is to deliver our core dressing and interview coaching service to the best possible standard across the UK and take it to more locations so that any woman who needs our support can come to Smart Works. Our key performance indicators are the number of women that we help, and the proportion of those women who then go on to secure employment after their visit to a Smart Works centre.

# ACHIEVEMENTS & PERFORMANCE

The past twelve months have been an extraordinary time of challenge, innovation and change for Smart Works and the community we serve.

Despite the challenges posed by the pandemic, the charity has:

- **Helped over 2,200 women** and delivered over 2,800 appointments.
- Successfully launched a virtual service, with **only 10% of appointments run in-person**.
- Achieved a success rate of **62% of women getting a job** within a month of their appointment.
- Introduced a new service, Career Coaching, and helped **745 women in their search for interviews**. Career Coaching was inspired by feedback from our referrers and clients in April 2020, who asked us to support women to help them secure an interview. It has been a successful and impactful addition to our work.

Overall, the numbers of women helped by the charity are in line with the revised plan put in place in April 2020 in response to the Coronavirus pandemic. The Smart Works service has remained available to any woman in need, despite the challenges and uncertainties of repeat lockdowns, and through our virtual service delivery we have found a way to expand our reach across the UK.

The Smart Works Covid response has been underpinned by an outstanding performance, driven from our new London headquarters. Over the year, 80% of dressing parcels were dispatched from London on behalf of our centres across the UK, and the response to the circumstances has fostered a strong bond between London, HQ and our regional centres. Each of our centres worked hard to keep the Smart Works service open to clients wherever possible, and to dispatch parcels and coaching whenever local restrictions allowed access to centres for staff and volunteers. Virtually, the strong sense of community across the charity was kept alive with online events for our volunteers, referral partners, staff, trustees and supporters at both a regional and a national level.





None of this would have been possible without the support of our funders. Trust and foundations continue to provide our corner stone funding, and we are grateful to the backing of the Garfield Weston Foundation, the Julia and Hans Rausing Trust, the Smallwood Trust, the National Lottery Coronavirus Community Support Fund, the National Lottery Community Fund Scotland, the Oak Foundation, the Segelman Trust, and Bank of America, amongst others. The certainty that this funding provides gives us the confidence to grow our service and help more women.

New, ambitious and innovative means of fundraising have been successfully developed, notably an online auction run in partnership with Stella magazine and Christie's, which helped raise funds when in-person events and sales were not possible. We also invested resource in our annual cycle challenge, Cycle for Smart Works, in March 2021 which brought in £258k across the Group, an extraordinary achievement against a difficult fundraising background. A vibrant calendar of virtual fundraising events has taken place across our centres, and we are grateful to our supporters for their continued engagement.

The Bobbi Brown partnership with Elizabeth Scarlett continued throughout the year, and the promotion has already raised the highest ever total for the charity. We are proud to be able to continue our Pretty Powerful partnership with the team at Bobbi Brown Cosmetics, and their long-term support for our charity has never been more important. We were also grateful to The Fold for donating 50% of proceeds from mask sales throughout the year.

**Despite the challenges of the past year, the quality and quantity of clothing donations from supporters has been excellent. We are grateful to the retail partners, particularly John Lewis & Partners, Marks & Spencer, Hobbs and Burberry.**

Our communication platforms continue to inspire hope, confidence and purpose of our community, and important investments have been made to reflect this in the development of a new website, which has since launched in June 2021.



We were proud to announce a new Ambassador, Alexandra Burke, to join our existing Patrons and Ambassadors, who help shine a light on the Smart Works service and allow us to reach more women. Over the last year, this has featured coaching, talks and messages to our clients including from The Duchess of Sussex, providing inspiration and hope during particularly difficult times.

At the beginning of 2021, the charity announced that our Founder Chair, Juliet Hughes-Hallett, would be stepping aside and taking on the role of Honorary President. Following an open recruitment process, Julietta Dexter, founder of The Communication Store and ScienceMagic.Inc was announced as our second Chair in April 2021. Julietta brings considerable business expertise combined with a passion for empowering women and will further develop and grow the charity at a time of vital need.



## THE SMART WORKS SERVICE IN ACTION

Ellie came to Smart Works in 2020. After suffering from anxiety that led to burnout, she had left her job but was struggling to find something new that would meet her needs.

Finding herself getting interviews but not securing the roles, her support worker at the NHS suggested that she come to Smart Works. Since coming to Smart Works Ellie has gone on to be made permanent in her new role and recently interviewed for a promotion.



## ELLIE'S STORY

I was in a role that was causing me intense anxiety. I would wake up every morning feeling sick with fear about what the day would hold. After a long time feeling like this it became too much and I decided to leave the role without another job to go to.

I began looking for a new job but then Covid broke out and everything changed.

To help with my anxiety and get some support in navigating things I was referred to the NHS. My support worker said I should come to Smart Works and that they would help me with interviews and make me feel confident and fabulous.

There were two moments that really stood out to me from my experience at Smart Works. The first was during my coaching. I had one particular coach who helped me understand that I need to look after my being as well as my doing for interview preparation. She encouraged me to not only prepare for the interview but to look after myself emotionally. I learnt to build in self-care as part of my interview preparation and it just made me view things completely differently.

The second moment that changed things for me was after I came back for my second dressing when I got the job. The lady dressing me picked out a beautiful blazer. I'd never felt so special, and I keep it hanging on the outside of my wardrobe at home to help remind me that I am worthy of good things.

Smart Works has helped shift my view on interviews, and how you intellectually and emotionally prepare yourself. The main thing it has changed though is my confidence.

I feel much more confident to put myself out there and go for things now which is something I wouldn't have done before. And even if it doesn't work out, I'm okay because I know I am good, I'm very employable and that's something I didn't believe before.

I feel accomplished now and I feel like I'm doing well. Smart Works gave me a safe space where I could come to that realisation.

# FINANCIAL REVIEW

## RESULTS FOR THE YEAR

The Coronavirus pandemic began to take significant hold across the UK at the start of the financial year, but despite this, the financial results were resilient. Smart Works centres across the UK temporarily closed their doors to clients in March 2020 but management responded exceptionally well and became even more innovative with their fundraising and more prudent in their cost management.

Smart Works appointed Critchleys Audit LLP as their auditors for this financial year and we are grateful for the time, diligence and advice that they have provided throughout the process.

Management have carried out an assessment and concluded that there are no material uncertainties to disclose. Consequently, the accounts have been prepared on a going concern basis.

Total income for the year was £1.74m which was a decrease of 6% over the previous year. Of this, £42k represents the fair value of dressing stock donations (2020: £198k), making the total income less stock donations, £1.7m (2020: £1.66k) a 2% increase.

This year more than ever before, we have had to diversify sources of income. Grants and individual donations were £867k (2020: £741k), corporate giving income was £334k (2020: £373k) and virtual fundraising events generated £437k (2020: £544k). Additionally, £63k of income came from the Coronavirus Job Retention Scheme across the Smart Works Group.

Approximately 34% of the total income was generated by the centres outside London, an increase of 6% from last year.

Unrestricted income of £1.26m represents 72% of overall total income. Restricted income of £485k includes £42k of dressing stock and £63k from the Coronavirus Job Retention Scheme.

Expenditure for the year decreased by 10% to £1.4m, reflecting the impact of the Coronavirus pandemic, specifically the temporary closure of our centres for the majority of the year resulted in lower-than-expected office and client service costs. We have very much appreciated the support of our landlords and other suppliers during this period.

Costs have been analysed into two key categories in line with SORP disclosures: "Core service delivery" and "National delivery support and growth". Total costs for these categories were £945k (reduction of 14% and £273k (growth of 8% respectively, (2020: £1.1m and £253k).

Core Service Delivery expenditure decreased as a result of not being able to access our centres and deliver our service in person. There was also a reduction in the quantity of stock donated during this period.

National Delivery support and growth expenditure increased as a result of the change in our delivery model to a virtual service. The London Headquarters facilitated the delivery of approximately 80% of dressing parcels on behalf of centres across the UK.

Staff costs remain the most significant expense at £843k (2020: £736k). The average number of employees increased from 23 to 27 which represents growth in London and across the regions and ensures that we are well positioned to help even more women as we emerge from the pandemic.

Total group surplus for the year was £346k (2020: £303k) giving restricted funds of £296k and unrestricted funds of £1.4m (2020: £315k and £1.05m respectively).

The generosity and ongoing commitment of our existing and new supporters has continued to drive our success and growth. We are fortunate that our

income comes from a wide range of sources, and we are grateful to the many individuals and organisations who have stood by us during this difficult period.

## INVESTMENT POLICY

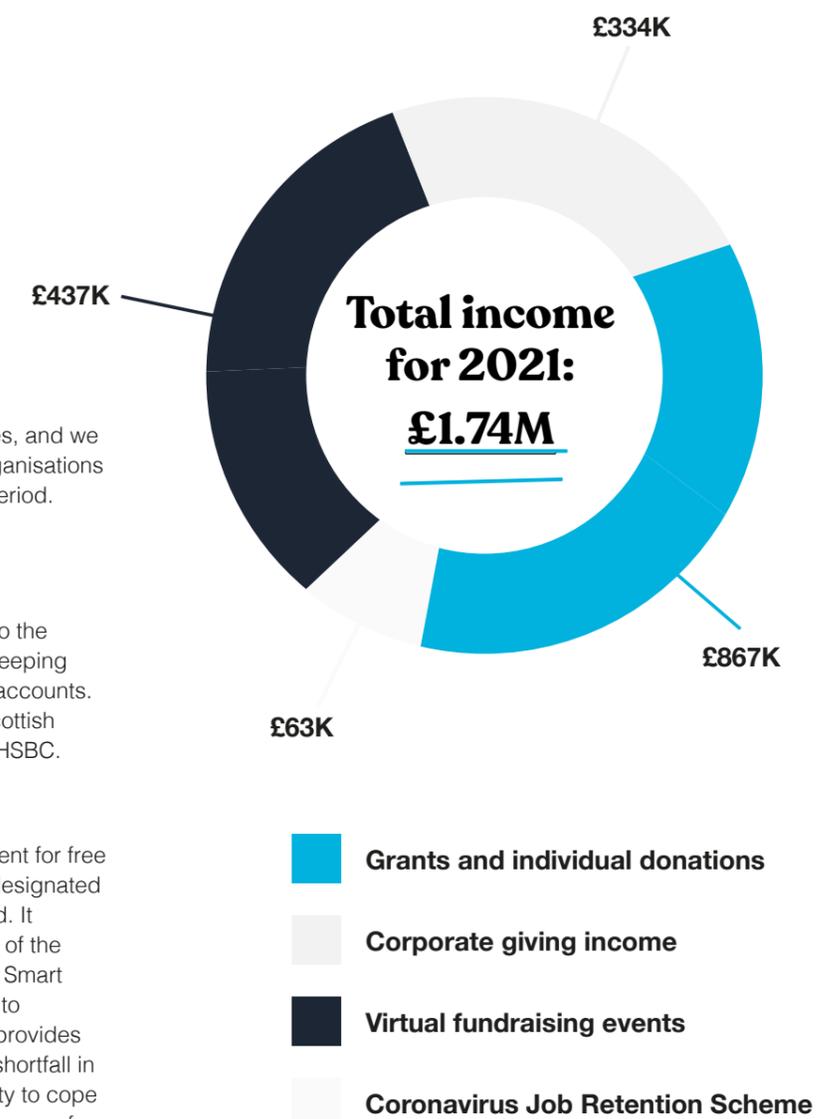
The trustees having regard to the liquidity requirements of operating the Charity and to the reserves policy have operated a policy of keeping available funds in interest-bearing deposit accounts. These are currently held with CAF Bank, Scottish Widows, Virgin, United Trust, Natwest and HSBC.

## RESERVES POLICY

The trustees have considered the requirement for free reserves, i.e. those unrestricted funds not designated for specific purpose or otherwise committed. It has been determined that, given the nature of the Charity's work, the level of free reserves for Smart Works Charity should be equivalent to nine to twelve months of annual expenditure. This provides sufficient flexibility to cover any temporary shortfall in incoming resources and will allow the charity to cope and respond immediately to a reasonable range of unforeseen adverse circumstances prior to specific remedial plans being implemented.

Free reserves of £1.3m represents approximately 11 months of forecast annual expenditure (excluding restricted fund expenditure) and is therefore comfortably in line with our policy.

The trustees are reviewing the policy for the next financial period to ensure that it supports the Charity's strategic goals which will be a combination of specific investments opportunities and designated funding initiatives to ensure that we continue to help as many women as possible. This will result in a deliberate reduction in free reserves and is a result of using funds as they were intended.



# PLANS FOR THE FUTURE

When planning for the future, we are aware that our charity is likely to be more needed than ever before. We also want to see women back in our centres, where the Smart Works service is at its best. We have taken this as our central narrative and set ambitious targets for growth for our centres, particularly those in major urban conurbations. We are in a sustainable and robust financial position, and well placed to make the most of this potential. In total, we will aim to help around 5,000 women with our services this financial year, whilst improving our client success rate to 65%, taking us back to pre-COVID levels of service delivery.

To underpin this, we identified three key themes from 1 April 2021 onwards:

## FOCUS ON OUR STRENGTHS

When safe to do so, we want to return to the in person delivery of our core service. This will always be at the heart of Smart Works, and inspires the passion and purpose throughout the charity. We will keep focused on our KPIs of helping more women and ensuring they succeed at interview, and we will support, learn and celebrate together across the Smart Works group.

## COME BACK STRONGER

Smart Works is at crucial time in its growth and there will be a strong focus on codifying common operating procedures across the Group. It should also be a strong period of growth for our major centres. Finally there is a strong commitment to deliver the Diversity and Inclusion Action Plan to bring about meaningful, tangible change.

## REMAIN A BEACON OF HOPE

Underpinning all of this, Smart Works will remain a beacon of hope for our clients, and our community. This will be brought to life across our channels, including a new website, and through the energy and engagement of our volunteer community, ensuring a client-centred approach to everything we do.

This financial year represents the final year of our Three Year Strategic Plan. Planning has already begun to inform our future strategy and new three-year plan, from April 2022 onwards. As the UK faces a medium to long-term trajectory of growing female unemployment, the charity's services are likely to be more needed than ever before, and it is our aim to build awareness nationwide for Smart Works, whilst keeping the simplicity and high-quality of the service delivery. We will seek to use technology to innovate and build strong foundations across our Group so that we can grow together, and ultimately, help more women than ever before reconnect to their potential and return to employment.

Overall, we will remain focused on delivering a quality service that has a proven impact to reach the highest possible number of women who need our support across the UK.



# STRUCTURE, GOVERNANCE, MANAGEMENT

## GOVERNANCE

Smart Works and its Trustees are bound by the Memorandum and Articles of Association. The names of the trustees who served during the year are set out in the reference and administrative information on page 42.

Each Smart Works centre outside of London is its own charity, operating under licence from Smart Works Charity. In addition, Smart Works Charity is the sole member of each English Smart Works centre and a majority member of Smart Works Edinburgh. All Smart Works Charities are also companies limited by guarantee. Financial statements from each Smart Works charity are consolidated in this report. Smart Works Trading is a wholly owned trading subsidiary of Smart Works Charity.

## RECRUITMENT & APPOINTMENT OF NEW TRUSTEES

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

## INDUCTION & TRAINING OF NEW TRUSTEES

New trustees are provided with an induction to familiarise themselves with the charity and the not-for-profit sector. They are briefed on their responsibilities by the existing trustees, and they are also given a Smart Works Trustee Welcome Pack (reviewed annually), which sets out the legal responsibilities and the specifics of the Smart Works Group structure. New trustees are also referred to the Charity Commission's guide 'The Essential Trustee'. Day to day operational responsibility for operating the charity is delegated to the CEO.

## MANAGEMENT

The Chief Executive, Kate Stephens, runs the charity. As of 31 March 2021, the rest of the

senior management team comprised of a Director of Service Delivery and Group Operations, a Director of Partnerships and a Head of Finance.

## ORGANISATIONAL STRUCTURE AND DECISION MAKING

The trustees review and approve all policies and follow a three-year strategic plan set from 1 April 2019. The trustees meet quarterly throughout the year and have an annual session to update and revise the strategy.

## DIVERSITY AND INCLUSION

The Charity is committed to nurturing an inclusive culture where everyone is accepted, listened to and able to thrive. Our approach over the past twelve months has been considered and consultative, with the women we help at the centre of our decision making.

Following a diversity review in June 2020, a ten-point Diversity Action Plan was approved by the Board of Trustees. A highlight of the past year was successfully launching our first paid Diversity Internship scheme.

## FUNDRAISING

The Charity understands its duty to protect the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate but does not currently fundraise from the public or use any internal fundraisers or external fundraising agencies for either telephone or face to face campaigns and received no fundraising complaints during the year.

## PAY POLICY

All trustees give their time freely and no trustee received remuneration in the year.

As a small but fast growing and dynamic charity, Smart Works believes that its staff are key to delivering its objectives. To this end it believes that its pay policies should be fair, transparent, competitive and sustainable. Smart Works believes that it is important to reward its staff competitively and at the same time ensure that it remains prudent and can guarantee that salary

costs are sustainable both at the current time and in the future. The Chief Executive is responsible for proposing the remuneration and terms and conditions of employment for all staff of the charity which is then approved by the Board. The pay and terms and conditions of the Chief Executive is approved by the full Board of Trustees.

The charity aspires to pay its staff around the median market pay level for comparable jobs in similar sized charities in London. Smart Works pays staff related to their particular skills, experience, qualifications, performance and contribution to the charity, which is the typical approach to setting pay for small to medium sized charities. Smart Works reviews salary levels annually, coming into effect on 1 April of each year.

## RISK MANAGEMENT

The Board of Trustees continues to review and assess risks faced by the charity every six months. The Chief Executive fully updates the Board of Trustees at these meetings and highlights current risks facing the charity. This covers governance, financial, operational, physical, external and reputational, legal and compliance risks. The main risks identified on the risk register and how they are managed are:

1. A shortfall of income against costs. This is mitigated by a balanced approach to fundraising, seeking to secure income from three main sources: grant funding, corporate income and our own activities.
2. Unsustainable growth and relationships between Smart Works centres. This is mitigated by setting a strategy of opening a maximum of one Smart Works centre a year, ensuring a balanced income portfolio and dedicated strategy, plans and resourcing to build a strong Smart Works community. The charity also aims to achieve a balance between utilising reserves to help more women; and ensuring financial stability.
3. Losing key staff and trustees. This is mitigated by a strong appraisal and development programme, alongside six months' notice for senior staff and trustees.

The Chief Executive ensures that robust policies, procedures, systems and training are in place to deal with risk and these are designed to mitigate or manage any potential impact on the charity should those risks materialise.

## POLICIES

Policies for all relevant areas are maintained, including Safeguarding Adults at Risk, Safeguarding Children, Data Protection, Health and Safety, Bribery, Conflict of Interest, Complaints Handling and Privacy Policy for Clients, Donors and Diversity. The Staff Handbook is made available to all staff and includes a summary of all policies, and this is also shared with new Trustees of Smart Works Charity and of regional Smart Works centres.

## VOLUNTEERS

The trustees are grateful for the invaluable contribution of those who give their time voluntarily to deliver the dressing and interview preparation for our clients. The number of active volunteers across the UK on 31 March 2021 was over 400; we have a remarkably high retention rate. Arguably, one of the greatest assets Smart Works has is the enormous role played by its dedicated volunteers.

## PUBLIC BENEFIT

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefits when reviewing our aims and objectives and in planning our future activities.

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies' subject to the small company's regime.

# TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

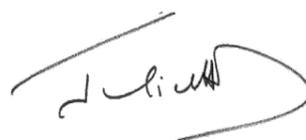
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved by the Board on Thursday 22 July and signed on its behalf by:



Julietta Dexter  
Chair



Ewa Kerin  
Trustee

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF SMART WORKS CHARITY

## OPINION

We have audited the financial statements of Smart Works Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise of the Consolidated statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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 group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Smart Works Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## OTHER INFORMATION

The 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 includes the directors' report prepared 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 directors' report included within the trustees' report has [have] been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 directors' 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 21, 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 group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statement

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:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with directors/trustees and other management, and from our commercial knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including legislation such as the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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;
- assessed whether judgements and assumptions made in determining the accounting estimates [set out in [Note 1]] were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and

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

- agreeing financial statement disclosures to underlying supporting documentation;

- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditors-responsibilities](http://www.frc.org.uk/auditors-responsibilities).

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.



Katherine Wilkes FCA (Senior Statutory Auditor)  
09/08/21

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

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021 (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
<b>Income from:</b>					
Donations:	2				
Donations and grants		821,627	379,784	1,201,411	1,113,117
Donations of dressing stock		-	41,562	41,562	198,108
		<u>821,627</u>	<u>421,346</u>	<u>1,242,973</u>	<u>1,311,225</u>
Other trading activities	3	437,043	-	437,043	544,687
Investments		1,338	-	1,338	3,432
Other income	4	-	63,434	63,434	-
<b>Total Income</b>		<u>1,260,008</u>	<u>484,780</u>	<u>1,744,788</u>	<u>1,859,344</u>
<b>Expenditure on:</b>					
Raising funds	6	(181,069)	(377)	(181,446)	(207,371)
Charitable activities	5	(838,932)	(378,601)	(1,217,533)	(1,349,010)
<b>Total expenditure</b>		<u>(1,020,001)</u>	<u>(378,978)</u>	<u>(1,398,979)</u>	<u>(1,556,381)</u>
<b>Net Income</b>		240,007	105,802	345,809	302,963
<b>Transfers between funds</b>		124,607	(124,607)	-	-
<b>Net movement in funds</b>		364,614	(18,805)	345,809	302,963
<b>Reconciliation of funds</b>					
Total funds brought forward		1,054,750	315,066	1,369,816	1,066,853
<b>Total funds carried forward</b>		<u>1,419,364</u>	<u>296,261</u>	<u>1,715,625</u>	<u>1,369,816</u>

Total income for the group includes £41,562 (2020: £198,108) of income which is received in the form of donations of clothing and accessories. The income represents a fair value estimate of these stock donations, the clothes are given to the beneficiaries of the charity. There are no recognised gains and losses other than those in the statement of financial activities. Therefore no statement of total recognised gains and losses has been prepared. All the above amounts relate to continuing activities

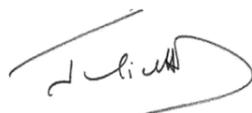
Smart Works Charity | Company No: 03870671

## CONSOLIDATED CHARITY AND GROUP BALANCE SHEETS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021		2020	
		Group	Charity	Group	Charity
<b>Fixed assets</b>					
Tangible assets	11	42,222	26,682	44,062	33,352
Investments	12	-	2	-	2
		<u>42,222</u>	<u>26,684</u>	<u>44,062</u>	<u>33,354</u>
<b>Current assets</b>					
Stock	13	144,828	44,225	165,513	64,410
Debtors	14	454,409	314,670	110,306	88,042
Cash at bank and in hand		1,741,353	1,243,763	1,599,385	1,222,123
		<u>2,340,590</u>	<u>1,602,658</u>	<u>1,875,204</u>	<u>1,374,575</u>
<b>Creditors</b>	15	(667,187)	(637,227)	(549,450)	(542,321)
<b>Net current assets</b>		1,673,403	965,431	1,325,754	832,254
<b>Total net assets</b>		<u>1,715,625</u>	<u>992,115</u>	<u>1,369,816</u>	<u>865,608</u>
<b>Funds</b>					
Designated funds	17	51,933	26,682	44,062	33,352
General funds		1,367,431	797,020	1,010,688	649,092
Total unrestricted funds		<u>1,419,364</u>	<u>823,702</u>	<u>1,054,750</u>	<u>682,444</u>
Restricted funds	16	296,261	168,413	315,066	183,163
<b>Total funds</b>		<u>1,715,625</u>	<u>992,115</u>	<u>1,369,816</u>	<u>865,607</u>

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts. The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The accounts were approved by the Board of Trustees on 22 July 2021 and signed on their behalf by:



Julietta Dexter  
Chair



Ewa Kerin  
Trustee

The notes on pages 29 to 41 form part of these accounts

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

Group	2021 £	2020 £
<b>Cash flows from operating activities:</b>		
Surplus for the financial year	345,809	302,962
<b>Adjustments for:</b>		
Depreciation of tangible assets	7,465	1,699
Investment income	(1,339)	(3,432)
(Increase)/decrease in debtors	(344,103)	39,796
Increase/(decrease) in stock	20,685	(2,224)
Increase/(decrease) in creditors	117,737	(14,862)
<b>Net cash generated from operating activities</b>	<u>146,254</u>	<u>323,939</u>
<b>Cash flows from investing activities</b>		
Income from investments	1,339	3,432
Purchase of tangible assets	(5,625)	
<b>Net cash from investing activities</b>	<u>(4,286)</u>	<u>3,432</u>
Net increase in cash and cash equivalents	141,968	282,206
Cash and cash equivalents at the beginning of the year	1,599,385	1,317,179
<b>Cash equivalents at the end of the year</b>	<u>1,741,353</u>	<u>1,599,385</u>
<b>Cash and cash equivalents at the end of the year comprise:</b>		
<b>Cash at bank and in hand</b>	<u>1,741,353</u>	<u>1,599,385</u>

# NOTES TO THE FINANCIAL ACCOUNTS

## 1. ACCOUNTING POLICIES

### a) Basis of preparation and consolidation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The Presentation currency used is British Pounds Sterling. The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

### b) Income

Income is recognised where there is entitlement, where the receipt of income is probable and the amount can be measured with sufficient reliability. Grants and donations are recognised once entitlement and value have been confirmed in writing. Investment Income is included in the accounts when receivable. This is received in the form of interest income from standard bank accounts. Donated gifts in kind of stock for dressing clients are included at fair value and recognised as income when they are distributed to clients. Gifts donated for resale are included as income when they are sold.

### c) Expenditure

Expenditure is included in the statement of financial activities on an accruals basis and includes attributable VAT which cannot be recovered. All expenditure is allocated to the particular activity where the cost relates directly to that activity. Premises costs are allocated to charitable activities, fundraising and support costs based on floorspace allocation. Support costs are allocated using an apportionment in proportion to staff time.

### d) Tax reclaims on donations and gifts

Income from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

### e) Volunteers and donated services

The value of services provided by volunteers is not incorporated in these financial statements. The trustees consider it impractical to measure the value of volunteer help and consequently, as permitted by the SORP, their value is not recognised in the financial statements but is described in the trustees' annual report. Smart Works had an average of 346 volunteers during the year

### f) Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2020. Smart Works trading limited had a nil surplus giving rise to zero corporation tax.

### g) Tangible fixed assets

Assets are capitalised if they can be used for more than one year and cost at least £1,000. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment 3 years

Office fixtures and fittings 5 years

### h) Investments

Smart Works investment in its subsidiaries is stated at cost.

### i) Stocks

Stocks are valued at the lower of cost and net realisable value. Donated dressing stock for distribution to clients is valued at fair value. Stocks of donated clothing held for resale are not valued until sold.

### j) Significant accounting estimates

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

### k) Debtors

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

### l) Creditors

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

### m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments with the exception of stocks which are shown as their value to the charity. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement value before any trade discounts due. Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts.

### n) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for specific purposes. Designated funds are unrestricted funds which have been set up by the trustees to hold funds for specific purposes. The aim and use of each designated fund is set out in the notes to the accounts. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the accounts.

### o) Cash at bank in hand

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

### p) Pension

Smart Works operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the Statement of Financial Activities.

### q) Operating lease agreements

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

### r) Going concern and Covid-19

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Following the World Health Organisation's declaration of COVID-19 as an international pandemic in March 2020 and the subsequent restrictions imposed by the UK government, Smart Works has been affected in a number of ways and the following measures have been taken to date:

- Office closures and use of the Government Furlough Scheme:
- A move to online offerings to beneficiaries
- A realignment of our target funding model to reflect the environment

The trustees believe that the forecast results and good level of cash flow of the charity together with the measures taken to date will enable the charity to continue as a going concern and, as a result, do not include any adjustments that would result if the charity was not able to continue as going concern.

**2. DONATIONS**

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Grants and individual donations	487,710	379,784	<b>867,494</b>
Corporate donations	333,917	-	<b>333,917</b>
	<u>821,627</u>	<u>379,784</u>	<u><b>1,201,411</b></u>
Donations of dressing stock	-	41,562	41,562
	<u>821,627</u>	<u>421,346</u>	<u><b>1,242,973</b></u>

**Prior year**

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
Grants and individual donations	496,797	243,760	<b>740,557</b>
Corporate donations	372,560	-	<b>372,560</b>
	<u>869,357</u>	<u>243,760</u>	<u><b>1,113,117</b></u>
Donations of dressing stock	-	198,108	198,108
	<u>869,357</u>	<u>441,868</u>	<u><b>1,311,225</b></u>

**3. OTHER TRADING ACTIVITIES****Current year**

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
Fundraising events	437,043	-	<b>437,043</b>
	<u>437,043</u>	<u>-</u>	<u><b>437,043</b></u>

**Prior year**

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
Fundraising events	544,687	-	<b>544,687</b>
	<u>544,687</u>	<u>-</u>	<u><b>544,687</b></u>

**4. OTHER INCOME**

	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Coronavirus Job Retention Scheme income	-	63,434	63,434	-

**5. CHARITABLE ACTIVITIES****Current year**

	Staff costs Costs £	Non staff Costs £	Support Costs £	2021 Total Funds £
<b>Unrestricted funds:</b>				
Core service delivery	215,918	207,361	148,238	<b>571,517</b>
National delivery support and growth	171,582	47,510	48,323	<b>267,415</b>
<b>Total unrestricted</b>	<u><b>387,500</b></u>	<u><b>254,871</b></u>	<u><b>196,561</b></u>	<u><b>838,932</b></u>
<b>Restricted funds:</b>				
Core service delivery	222,416	150,566	-	<b>372,982</b>
National delivery support and growth	5,619	-	-	<b>5,619</b>
<b>Total restricted</b>	<u><b>228,035</b></u>	<u><b>150,566</b></u>	<u><b>-</b></u>	<u><b>378,601</b></u>
	<u><b>615,535</b></u>	<u><b>405,437</b></u>	<u><b>196,561</b></u>	<u><b>1,217,533</b></u>

Prior year	Staff costs Costs £	Non staff Costs £	Support Costs £	2020 Total Funds £
<b>Unrestricted funds:</b>				
Core service delivery	291,334	266,602	228,507	<b>786,443</b>
National delivery support and growth	139,392	73,220	39,945	<b>252,557</b>
<b>Total unrestricted</b>	<b>430,726</b>	<b>339,822</b>	<b>268,452</b>	<b>1,039,000</b>
<b>Restricted funds:</b>				
Core service delivery	97,303	212,707	-	<b>310,010</b>
<b>Total restricted</b>	<b>97,303</b>	<b>212,707</b>	<b>-</b>	<b>310,010</b>
	<b>528,029</b>	<b>552,529</b>	<b>268,452</b>	<b>1,349,010</b>

## 6. ACTIVITIES FOR RAISING FUNDS

Current year	Staff costs Costs £	Non staff Costs £	Support Costs £	2021 Total Funds £
<b>Unrestricted funds:</b>				
Events and other costs	115,150	25,058	40,861	<b>181,069</b>
<b>Total unrestricted:</b>	<b>115,150</b>	<b>25,058</b>	<b>40,861</b>	<b>181,069</b>
<b>Restricted funds:</b>				
Events and other costs	-	377	-	<b>377</b>
<b>Total restricted:</b>	<b>-</b>	<b>377</b>	<b>-</b>	<b>377</b>
	<b>115,150</b>	<b>25,435</b>	<b>40,861</b>	<b>181,446</b>

Prior year	Staff costs Costs £	Non staff Costs £	Support Costs £	2020 Total Funds £
<b>Unrestricted funds:</b>				
Events and other costs	67,048	108,903	31,420	<b>207,371</b>
<b>Total unrestricted:</b>	<b>67,048</b>	<b>108,903</b>	<b>31,420</b>	<b>207,371</b>
<b>Restricted funds:</b>				
Events and other costs	-	0	-	<b>0</b>
<b>Total restricted:</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>
	<b>67,048</b>	<b>108,903</b>	<b>31,420</b>	<b>207,371</b>

## 7. SUPPORT COSTS

	2021 Total Funds £	2020 Total Funds £
Staff costs and related expenditure	<b>148,997</b>	146,141
Property and related costs	<b>19,076</b>	54,657
Office expenses	<b>24,047</b>	47,002
Legal, professional and accountancy	<b>8,795</b>	10,637
IT costs	<b>20,744</b>	30,555
Governance costs	<b>15,764</b>	10,880
Governance costs consist of independent audit and examination fees	<b>237,423</b>	<b>299,872</b>

## 8. NET INCOME IS STATED AFTER CHARGING

	2021 £	2020 £
Depreciation of owned fixed assets	<b>7,465</b>	83
Operating lease payments	<b>189,441</b>	188,418
Auditor's remuneration	<b>11,500</b>	7,190
Independent Examiner's remuneration	<b>3,553</b>	2,095

**9. STAFF COSTS**

	2021 £	2020 £
Wages and salaries	<b>768,449</b>	675,058
Employer's National Insurance	<b>55,624</b>	47,496
Employer's pension contributions	<b>18,915</b>	13,787
	<b><u>842,988</u></b>	<u>736,341</u>
Numbers of employees with emoluments in the following bands £80,000-£89,999	<b>1</b>	1
The employer's pension contributions made in relation to the employee above was £2,270 (2020: £2,193)		
Average number of employees during the year	<b>27</b>	23
Average number of full time equivalent employees during the year	<b>28</b>	17

The key management personnel comprised of: CEO, Director of Service Delivery and Innovation, Director of Partnerships and Head of Finance. The total amount of employee benefits (including employer pension and National Insurance contributions) received by the key management personnel for their services to the charity group was £280,109 (2020: £247,961).

**10. TRUSTEE EXPENSES**

No trustees received any remuneration from the charity in relation to the performance of their duties as trustees. No trustee expenses (2020: nil) were paid to trustees during the year.

**11. TANGIBLE FIXED ASSETS**

<b>Furniture and fittings</b>	<b>Group</b>	<b>Charity</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
Brought forward	63,404	48,123
Additions	5,625	-
Carried forward	<b><u>69,029</u></b>	<b><u>48,123</u></b>
<b>Depreciation</b>		
Brought forward	19,343	14,771
Charge for the year	7,465	6,670
Carried forward	<b><u>26,808</u></b>	<b><u>21,441</u></b>
<b>Net book value</b>		
As at 31 March 2021	<b>42,222</b>	<b>26,682</b>
As at 31 March 2020	44,062	33,352

**12. INVESTMENTS**

	<b>Shares held Class</b>	<b>% of Voting Rights</b>	<b>Charity Number</b>	<b>Company Number</b>
Smart Works Birmingham	Company limited by guarantee	100%	1168264	10098116
Smart Works Leeds	Company limited by guarantee	100%	1184676	12059540
Smart Works (Greater Manchester)	Company limited by guarantee	100%	1163594	9425123
Smart Works Newcastle	Company limited by guarantee	100%	1176547	11115960
Smart Works Reading	Company limited by guarantee	100%	1164723	9626510
Smart Works Edinburgh	Scottish Charitable Incorporate Organisation	67%	SC044520	n/a
Smart Works Trading	Ordinary	100%	n/a	09061869

A summary of results for the year and prior year, along with a balance sheet summary, is shown below:

	<b>Smart Works Birmingham</b>	<b>Smart Works Edinburgh</b>	<b>Smart Works Leeds</b>	<b>Smart Works (Greater Manchester)</b>	<b>Smart Works Newcastle</b>	<b>Smart Works Reading</b>	<b>Smart Works Trading Limited</b>	<b>Total 31 March 2021</b>
<b>Current year</b>								
Gross income	85,400	87,908	90,291	171,735	118,824	155,842	177,413	887,413
Expenditure	(60,136)	(80,599)	(48,540)	(88,072)	(64,933)	(93,242)	(24,713)	(460,235)
<b>Surplus for year</b>	<b>25,264</b>	<b>7,309</b>	<b>41,751</b>	<b>83,663</b>	<b>53,891</b>	<b>62,600</b>	<b>152,700</b>	<b>427,178</b>
Fixed assets	-	-	15,541	-	-	-	-	15,541
Current assets	88,234	70,058	74,842	150,197	153,304	188,914	60,404	785,953
Creditors	(1,681)	-	(5,368)	(8,676)	(979)	(878)	(60,402)	(77,984)
<b>Net assets</b>	<b>86,553</b>	<b>70,058</b>	<b>85,015</b>	<b>141,521</b>	<b>152,325</b>	<b>188,036</b>	<b>2</b>	<b>723,510</b>
Unrestricted funds	69,813	56,296	56,836	127,562	126,256	156,226	2	592,991
Restricted funds	16,740	13,762	28,179	13,959	26,069	31,810	-	130,519
<b>Net funds</b>	<b>86,553</b>	<b>70,058</b>	<b>85,015</b>	<b>141,521</b>	<b>152,325</b>	<b>188,036</b>	<b>2</b>	<b>723,510</b>
<b>Prior year</b>								
Gross income	99,401	92,340	79,932	106,996	127,102	174,153	74,454	754,378
Expenditure	(93,242)	(96,881)	(36,669)	(92,026)	(73,920)	(122,916)	(18,695)	(534,349)
<b>Surplus/(deficit) for year</b>	<b>6,159</b>	<b>(4,541)</b>	<b>43,263</b>	<b>14,970</b>	<b>53,182</b>	<b>51,237</b>	<b>55,759</b>	<b>220,029</b>
Fixed assets	256	-	10,454	-	-	-	-	10,710
Current assets	63,327	62,311	32,862	59,498	99,928	127,084	55,761	500,771
Creditors	(2,294)	-	(53)	(1,640)	(1,494)	(1,648)	-	(7,129)
<b>Net assets</b>	<b>61,289</b>	<b>62,311</b>	<b>43,263</b>	<b>57,858</b>	<b>98,434</b>	<b>125,436</b>	55,761	<b>504,352</b>
Unrestricted funds	41,289	48,987	16,906	44,181	68,976	103,221	55,761	379,321
Restricted funds	20,000	13,324	26,358	13,677	29,458	22,215	-	125,032
<b>Net funds</b>	<b>61,289</b>	<b>62,311</b>	<b>43,263</b>	<b>57,858</b>	<b>98,434</b>	<b>125,436</b>	<b>55,761</b>	<b>504,352</b>

**13. STOCK**

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Dressing stock	<u>144,828</u>	<u>44,225</u>	<u>165,513</u>	<u>64,410</u>

As detailed in note 1, the group's donated stock for beneficiaries is valued at fair value and the stock held at 31 March 2021 was counted and valued.

**14. DEBTORS**

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade debtors	196,481	36,820	29,804	17,027
Accrued income	207,394	179,723	22,054	22,052
Other debtors	50,534	50,106	58,448	48,963
Amounts owed to group undertaking	-	48,021	-	-
	<u>454,409</u>	<u>314,670</u>	<u>110,306</u>	<u>88,042</u>

**15. CREDITORS**

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Trade creditors	12,040	11,988	17,757	14,469
Other taxation and social security	28,048	16,893	18,502	17,882
Other creditors	8,026	2,509	2,429	2,429
Accruals	531,829	518,592	363,296	360,076
Deferred income	87,244	87,244	147,466	147,465
Amount due to group undertakings	-	-	-	-
	<u>667,187</u>	<u>637,226</u>	<u>549,450</u>	<u>542,321</u>

The accruals are predominantly a provision of £358k for property costs at the West London Centre for a period of several years. Discussions with the landlord are nearing completion.

**Deferred income compromises restricted grants received in advance:**

Balance bought forward	147,466	147,466	224,420	206,452
Amounts utilised in the year	(147,466)	(147,466)	(112,420)	(89,452)
Current year income deferred	87,244	87,244	35,466	30,466
	<u>87,244</u>	<u>87,244</u>	<u>147,466</u>	<u>147,466</u>

**16. RESTRICTED FUNDS**

Current year	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Staff related expenditure	16,348	285,489	(284,034)	-	17,803
Develop and broaden Smart Work Reach	125,000	112,000	-	(120,000)	117,000
Dressing stock	165,513	41,562	(62,190)	-	144,885
Other	8,205	45,729	(32,754)	(4,607)	16,573
	<u>315,066</u>	<u>484,780</u>	<u>(378,978)</u>	<u>(124,607)</u>	<u>296,261</u>

The transfer from restricted fund to unrestricted funds relates to payments made to Smart Works subsidiary regional centres as noted in the Related Party Transactions note 22.

Prior year	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Staff related expenditure	4,113	67,880	(55,645)	-	16,348
Develop and broaden Smart Work Reach	-	125,000	-	-	125,000
Dressing stock	163,291	198,108	(195,886)	-	165,513
Other	15,804	50,890	(58,489)	-	8,205
	<u>183,208</u>	<u>441,878</u>	<u>(310,020)</u>	<u>-</u>	<u>315,066</u>

## 17. DESIGNATED FUNDS - GROUP

Current year	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Designated capital fund	44,062	-	-	7,871	51,933
	<u>44,062</u>	<u>-</u>	<u>-</u>	<u>7,871</u>	<u>51,933</u>

Designated Funds relate to leasehold improvements and other office equipment purchased as part of an office move

Prior year	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Designated capital fund	595	-	(595)	44,062	44,062
	<u>595</u>	<u>-</u>	<u>(595)</u>	<u>44,062</u>	<u>44,062</u>

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

Current year	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £
Tangible fixed assets	-	42,222	42,222
Current assets	420,868	1,919,722	2,340,590
Creditors due within one year	-	(667,187)	(667,187)
	<u>420,868</u>	<u>1,294,757</u>	<u>1,715,625</u>

Prior year	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £
Tangible fixed assets	-	44,062	44,062
Current assets	315,066	1,560,138	1,875,204
Creditors due within one year	-	(549,450)	(549,450)
	<u>315,066</u>	<u>1,054,750</u>	<u>1,369,816</u>

## 19. PENSION COMMITMENTS

The company and its subsidiaries operate separate defined contributions pension schemes. The assets of the schemes are held separately from those of each company in independently administered funds. The pension costs charge represents contributions payable by the companies to the funds and amounted to £18,915 (2020: £13,787). Contributions totalling £3,086 (2020: £2,428) were payable to the fund at the balance sheet date and are included in creditors.

## 20. OTHER FINANCIAL COMMITMENTS - GROUP

	Land and buildings	
	2021 £	2020 £
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases:		
within one year	174,850	111,725
within two to five years	333,754	73,204
	<u>508,604</u>	<u>184,929</u>

## 21. MEMBERS LIABILITIES

The company is limited by guarantee. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up while he or she is a member, or within one year after he or she ceases to be a member, for payment of the debts and liabilities of the company contracted before he or she ceases to be a member, and of the costs, charges and expenses of winding up such amount as may be required not exceeding £1. At the balance sheet date there were 10 members (2020: 10 members).

## 22. RELATED PARTY TRANSACTIONS

During the year the charity made the following donations to its subsidiary charities:

	2021 £	2020 £
Smart Works Birmingham	20,000	25,656
Smart Works Edinburgh	20,000	20,006
Smart Works Leeds	20,000	34,267
Smart Works (Greater Manchester)	20,000	20,000
Smart Works Newcastle	20,000	20,000
Smart Works Reading	20,000	22,605
	<u>120,000</u>	<u>142,534</u>

The following amounts were due to be paid to the subsidiaries at the year end.

Smart Works Birmingham	-	-
Smart Works Edinburgh	-	-
Smart Works Leeds	-	706
Smart Works (Greater Manchester)	-	125
Smart Works Newcastle	-	-
Smart Works Reading	-	-
Smart Works Trading Ltd	-	-
	<u>-</u>	<u>831</u>

Smart Works received a gift aid payment from Smart Works Trading subsidiary company totalling £208,459 in the year (2020: £nil).

There were no other related party transactions in the year (2020: £nil).

## REFERENCE AND ADMINISTRATIVE INFORMATION

<b>Registered name</b>	Smart Works Charity
<b>Charity registration number</b>	1080609
<b>Company registration number</b>	03870671
<b>Corporate status</b>	The Company is limited by guarantee
<b>Registered office</b>	Unit 1, Canonbury Yard, 202-208 New North Road, London N1 7BJ
<b>Telephone</b>	020 7288 1770
<b>Website</b>	www.smartworks.org.uk
<b>Current Trustees</b>	Juliet Hughes-Hallett (Chair, resigned 29 April 2021) Julietta Dexter (Chair, appointed 29 April 2021) Ewa Kerin (Honorary Treasurer) Natalie Abou-Alwan (appointed 2 June 2020) Philippa Charles Tiffanie Darke Margaret Darling (resigned 30 January 2021) Fiona Holmes Amelia Mendoza Claire Spencer-Churchill Jane Shepherdson
<b>Company Secretary</b>	Kate Stephens (resigned 2 June 2020) Natalie Abou-Alwan (appointed 2 June 2020)
<b>Patrons</b>	The Duchess of Sussex Emma Barnett Betty Jackson CBE Jennifer Saunders Jane Shepherdson CBE
<b>Honorary President</b>	Lady Juliet Hughes-Hallett
<b>Statutory Auditors</b>	Critchleys Audit LLP
<b>Bankers</b>	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Mailing Kent, ME19 4JQ



**SMARTWORKS.ORG.UK**

**@SMARTWORKSCHARITY**

**CHARITY NUMBER: 1080609**