



SMART  
WORKS

**SMART  
WORKS  
CHARITY**

Annual Report 2021/2022



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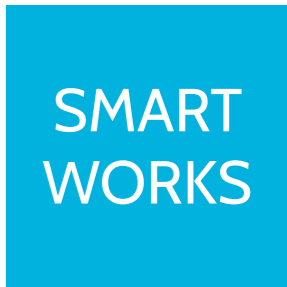
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# WELCOME TO SMART WORKS

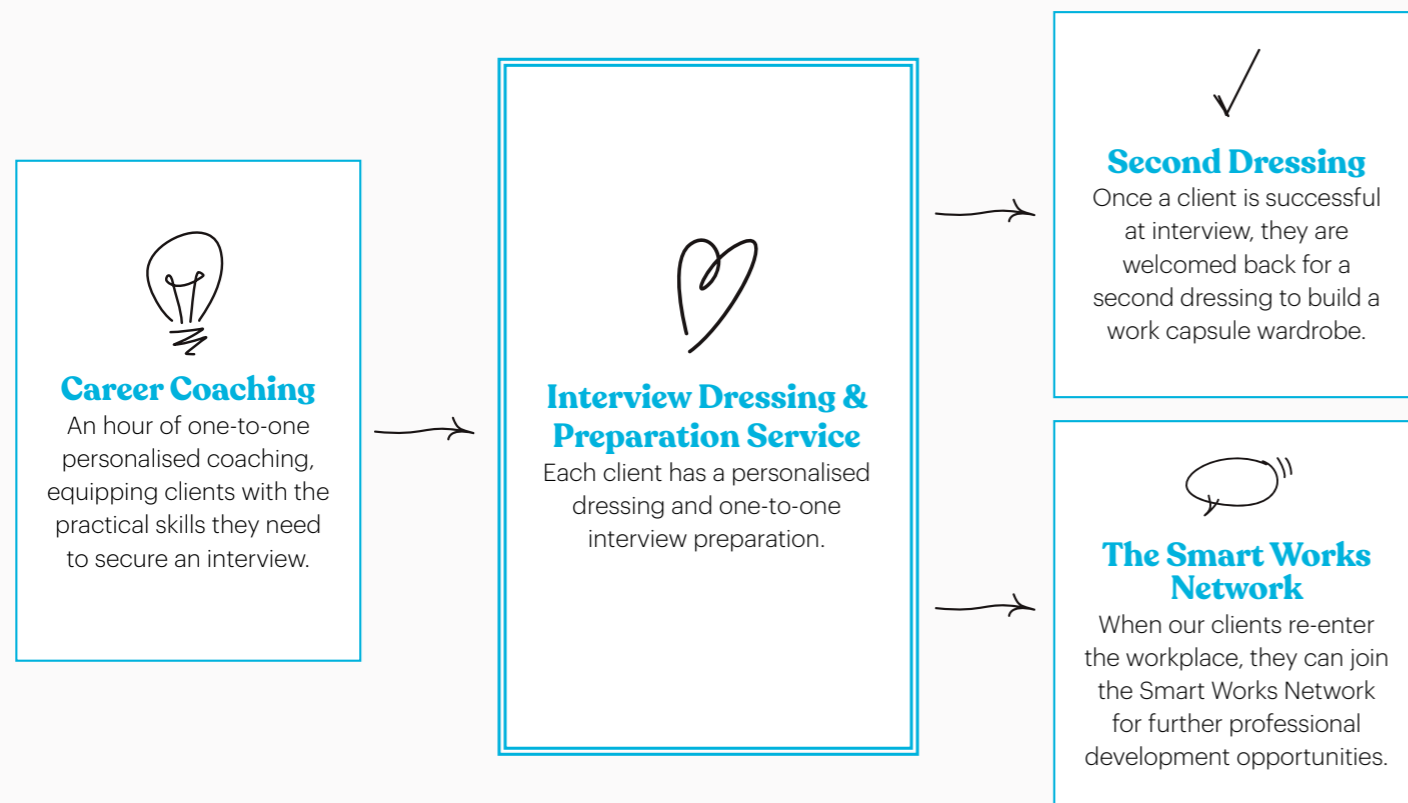


We are a community dedicated to supporting and empowering women in their professional pursuits. We listen to our clients and use the power of high-quality clothing and one-to-one coaching to help them see their true potential, succeed at interview and transform their lives.

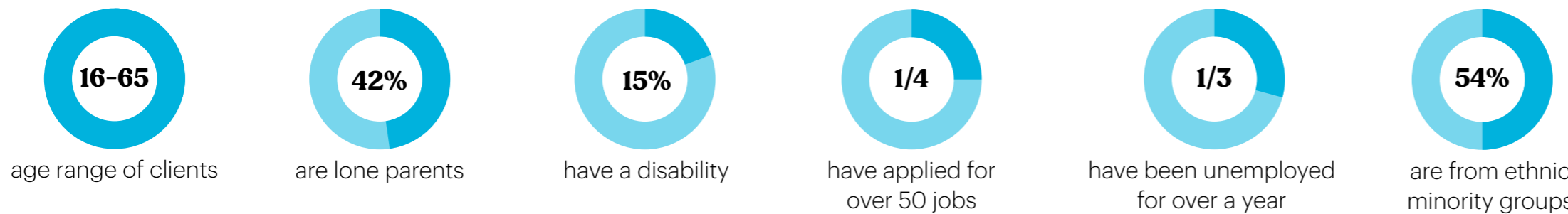
We are proud that **72% of women go on to get the job within one month of their appointment.** We want to double the number of women we help and by 2025 reach 10,000 women across the UK.



Every piece donated from retailers or individuals



It is our mission that any woman in need can find her way to Smart Works. We will do this by deepening our reach in existing centres and opening new centres in South London, Glasgow, Cardiff, Liverpool and Sheffield.



**10,000** volunteer hours to dress and coach our clients



**I hope you enjoy reading the report and join us in our mission to inspire and empower all women who need help getting into work. Together, we can make this happen.**

Julietta Dexter

## INTRODUCTION FROM THE CHAIR OF TRUSTEES

I am proud to be able to present the Smart Works Annual Report for the year ended 31 March 2022.

It has been a great privilege to step into the role of Chair of Smart Works, taking on the baton from our Founder and now Honorary President, Juliet Hughes-Hallett in April 2021. I am so grateful for the trust and support shown to me by Jules, by our exceptional Honorary Treasurer Ewa Kerin, and by the entire trustee, staff and volunteer teams across the UK, in allowing me to look after this most wonderful charity.

I was fortunate to join at an important moment in Smart Works' development. In spring 2021, we were just beginning to emerge from a long and difficult lockdown, with a particularly devastating impact on female unemployment. There was clearly much to do. At the same time, the charity was starting to think about the next stage of its growth for the three years from April 2022.

The resulting Three Year Plan has been remarkable in how quickly and easily it has fallen into place. This is because everyone at Smart Works is passionate about our service and witnesses every day the direct impact it has on the women who come to see us. This is the golden thread that goes through everything we do and fires our ambition. And we are ambitious. Over the next three years we want to double the number of women we help, so that by 2025, Smart Works will be helping over 10,000 women a year from at least ten flourishing centres across the UK.

We will do this carefully and thoughtfully, building on our strong foundations, and remaining focused on the volunteer-powered dressing and coaching services that have

a tangible impact on the lives of our clients. In my regular volunteer sessions, I have been constantly reminded of the incredible impact that looking and feeling great has on a woman's confidence. Truly, fashion as a force for good.

We will also seek to build awareness of the work our charity does. Over the last year, Kate and I have visited each of our Smart Works centres, and the consistent message we have heard is that often the women we are seeking to help do not know that our service exists. If we can build a national brand that raises awareness of our service, we can help more women transform their lives.

Thank you to all our supporters and funders for making the last year possible, and for helping us build such a robust platform for growth. We have helped more women than ever before, and our success rate of 72% is the highest it has ever been. I hope you enjoy reading the report and join us in our mission to inspire and empower all women who need help getting into work. Together, we can make this happen.

Julietta Dexter  
Chair

**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 2022. 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 female employment charity that dresses and coaches unemployed women for interview and job success. 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. It is our purpose to inspire and empower all women who need help getting into work.

To deliver this, Smart Works was created in September 2013 to help some of the most vulnerable women in society with the clothes, coaching and confidence they need to succeed at their job interview and start a new chapter of their life. Women are referred to our service from Job Centres, mental health charities, the prison service, youth organisations and other charities and organisations supporting women into employment. Each woman is gifted a complete outfit of high-quality 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 receive a capsule working wardrobe that will see her through to her first pay cheque and where possible, she is invited to join our Network, a professional networking group to help women advance in the workplace.

In response to the challenges of the pandemic, the main services of the charity moved virtual, and a new coaching programme was introduced. As restrictions eased, we have encouraged and welcomed our clients back into our centres, whilst at the same time retaining and integrating both of these programme innovations into our core service delivery.

Smart Works retains an efficient, volunteer-powered model. Our dressing and interview coaching service is delivered nationwide by a team of 450+ 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 to 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 secure employment after their visit to a Smart Works centre.

# ACHIEVEMENTS & PERFORMANCE

The past twelve months have been a time of recovery, innovation and growth for the charity, in response to the growing needs of the clients we serve.

Throughout the year there has been a significant uplift in the number of women we have helped, and a return to more in-person appointments following the lifting of government Covid restrictions.

Overall, the charity has:

- **Helped 4,682 unique beneficiaries** on their journey to employment; and delivered 5,897 appointments across our eight UK centres.
- **72% of the women** we helped before a job interview secured employment within a month of their visit, our highest ever job success rate.
- **Embedded a new programme, Career Coaching, to sit alongside our core dressing and coaching service.** Career Coaching helps women to secure an interview, and is now offered in all Smart Works centres.
- Seen more of our clients return to centres for an in-person appointment, where we can deliver a richer experience in the dressing room. In Q4, **75% of all dressing appointments were delivered in-person, compared to 51% in Q1.** For those who cannot travel to our centres, the virtual service continues to provide an important alternative.
- Continued to reach women who face significant barriers to securing employment. **15% of clients considered themselves to have a disability, 54% were from an ethnic minority, 42% were lone parents, 35% had been unemployed for over a year (with 17% unemployed for over 5 years) and 43% had unsuccessfully applied for over 20 jobs.**

Each Smart Works centre has increased the number of women helped compared to the previous year, with a particularly strong performance in London, Manchester and Birmingham. The central team has provided a backbone of operational, fundraising and communications support; with individual centres working on the ground to establish the service in their communities.

At the same time, the response to rising levels of female unemployment and the cost of living crises has inspired everyone in the Smart Works community to be ambitious for what can be done in future years. The result is the formation of a Three Year Plan to double the number of women we can help and guide the charity through its next stage of growth (see Section D).





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

Alongside this, new and innovative means of generating our own income have continued to be developed. Notably, we started the year in April 2021 with our first standalone store in partnership with The Bicester Village Shopping Collection, which opened just as restrictions lifted, and established a new, scalable fundraising format. We were also able to run our most successful weekend fundraiser in partnership with Stella (part of The Telegraph) and Somerset House, raising over £120,000 in two days. In March 2022, we continued to grow our annual cycling challenge, Cycle for Smart Works, bringing in £216,000 across the Group. More widely, a return to in-person events has seen a vibrant calendar of fundraising events and celebrations across the Smart Works community, and we are grateful to all our supporters for their continued engagement.

The Smart Works and Bobbi Brown partnership continued to flourish. In the eighth year of this flagship partnership, including a collaboration with Needle and Thread, the promotion raised the highest ever total for the charity. We are proud to be able to continue our long-term Pretty Powerful partnership with the team at Bobbi Brown Cosmetics. Additional important new corporate partners included: AJ Bell, Castlelake, Close Brothers, Findlay Park, McKinsey and Company, Norton Rose Fulbright and QVC.

In July 2021, we were proud to be the charity partner of the Magnolia Cup on Ladies' Day of Glorious Goodwood. Our ambassador, Isabel Spearman, took part in the race on behalf of Smart Works, and the event raised £230,000. We are grateful to The Duke and Duchess of Richmond for supporting our charity at such a vital time in our growth.

The quality and quantity of clothing donations from supporters has been excellent. We are grateful to all our retail partners, particularly Boden, Borgo do Nor, Burberry, COS, Hobbs, Pink City Prints, Russell & Bromley and Shoeaholics, for helping us to ensure that every woman who comes to Smart Works has a choice of high-quality and well-designed clothes and accessories.



Our communication platforms continue to inspire hope, confidence and purpose for our community, with an important moment in June 2021 when we launched our new website.

Finally, our Ambassadors and Patrons continue to help shine a light on the Smart Works service and allow us to reach more women, and we are particularly grateful for all of their support in the last 12 months.



The Smart Works Staff Conference, November 2021 - our first time back together in person since the pandemic





## THE SMART WORKS SERVICE IN ACTION



**In March 2022, Tina packed a bag and, with her two children, fled her home in Kyiv, Ukraine. She left behind her husband, friends, family, and job for a safer life in the UK.**

**After spending time making sure her family were settled, Tina began looking for work but was struggling to get a response from her job applications. She heard about Smart Works from several other Ukrainian women who had used the service. After coming to Smart Works, Tina successfully secured a job working as an administrator and is now training to be a court reporter.**

**This is Tina's story.**

"I used to work as a personal assistant and interpreter in Kyiv, but our lives were turned upside down when the war started.

We spent a week in the basement of our house hiding from heavy shelling before we fled to the UK. It was the worst experience of my life. I'm so happy that the UK opened its gates and we could come here.

When my children and I left, we had one big backpack between the three of us. I took my best handbag because I thought I would need to look presentable when applying for jobs, but at the time, it was the basic things on my mind. It was a harsh winter, so I brought warm clothes. We didn't even think about summer.

After arriving in the UK and getting the children settled with school, I began to look for work. I had applied for a few jobs but hadn't gotten further than the application stage.

I heard about Smart Works from a few other Ukrainian women who had used the service. I was ready to work, but I needed help with my confidence and to know that someone was interested in me and my story. When you change everything in your life, that is so important.

In the first dressing, they gave me this dress – it was beautiful. It was silk and blue with a touch of violet, quite loose and knee length. I love it. The women who helped me were so patient in helping me find the right choice; I felt relaxed and confident. When I tried on the dress I felt exceptional, and I knew in that moment I'd found the one.

I was a bit nervous about the interview coaching, but after the dressing I felt more relaxed and confident. It was a challenging session. We did a mock interview, but it was so helpful and afterwards I realised how important it was.

My husband had to stay in Ukraine, and I remember calling him when I got home after my first appointment. He was amazed that a service like this exists, and that there's people here who are so willing to help open the door to a better life.

After I came to Smart Works, a switch turned on in my head, and I realised I've got this and I deserve it. Getting a job is not just a matter of luck, I know I made it happen, and it's a great start to a new life for my family and me.

I had an interview the week after my appointment and got the job. It was like being on cloud nine."

# FINANCIAL REVIEW

## RESULTS FOR THE YEAR

The financial performance for Smart Works Charity for the year ended 31 March 2022 was strong, despite some disruption from the Coronavirus pandemic at the beginning of the financial year.

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 £2.8m which was an increase of 61% over the previous year. Of this, £163k represents the fair value of dressing stock donations (2021: £42k), making the total income less stock donations, £2.6m (2021: £1.7m) a 53% increase.

Our strategy to diversify our sources of income has remained a key focus. Grants and individual donations were £1.09m (2021: £867k), corporate giving income was £531k (2021: £334k) and fundraising events generated £1.02m (2021: £437k).

Approximately 28% of the total income was generated by the centres outside London, a decrease of 6% from last year reflecting a slower emergence from the Coronavirus pandemic.

Unrestricted income of £2.18m represents 78% of overall total income and allows us to embark on our investment initiatives to deliver the new three year strategic plan. Restricted income of £623k includes £163k of dressing stock.

Expenditure for the year increased by 28% to £1.8m and included a credit of £238k as a result of a write back of prior year rental provision for the West London Centre. Excluding the credit, total expenditure increased by 44% as offices opened again, post pandemic.

We very much appreciate the support of our West London landlord in finalising this long outstanding rental situation.

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 £1,216k (increase of 29%) and £275k (increase of 1%) respectively (2021: £945k and £273k).

Core Service Delivery expenditure increased mainly due to the reopening of our centres and delivering our service in-person after extensive periods of lockdowns and also due to the investment in staff to support our three year growth strategy to increase the number of women helped.

Staff costs remain the most significant expense at £1.096m (2021: £843k). The average number of employees increased from 27 to 40 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 and support our growth strategy.

The total group surplus for the year was £1.03m (2021: £346k) resulting in total funds of £2.74m of which £245k is restricted and £2.5m is unrestricted funding (2021: £296k and £1.4m respectively).

The Board of Trustees has committed to a three year growth plan to increase the number of women we help to 10,000 women per year and has designated £549k of unrestricted funds in direct support of this. Following the statutory audit for the FY ended 31 March 2022, the Board intends to designate further funding in support of this plan subject to affordability criteria.

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 throughout this year.

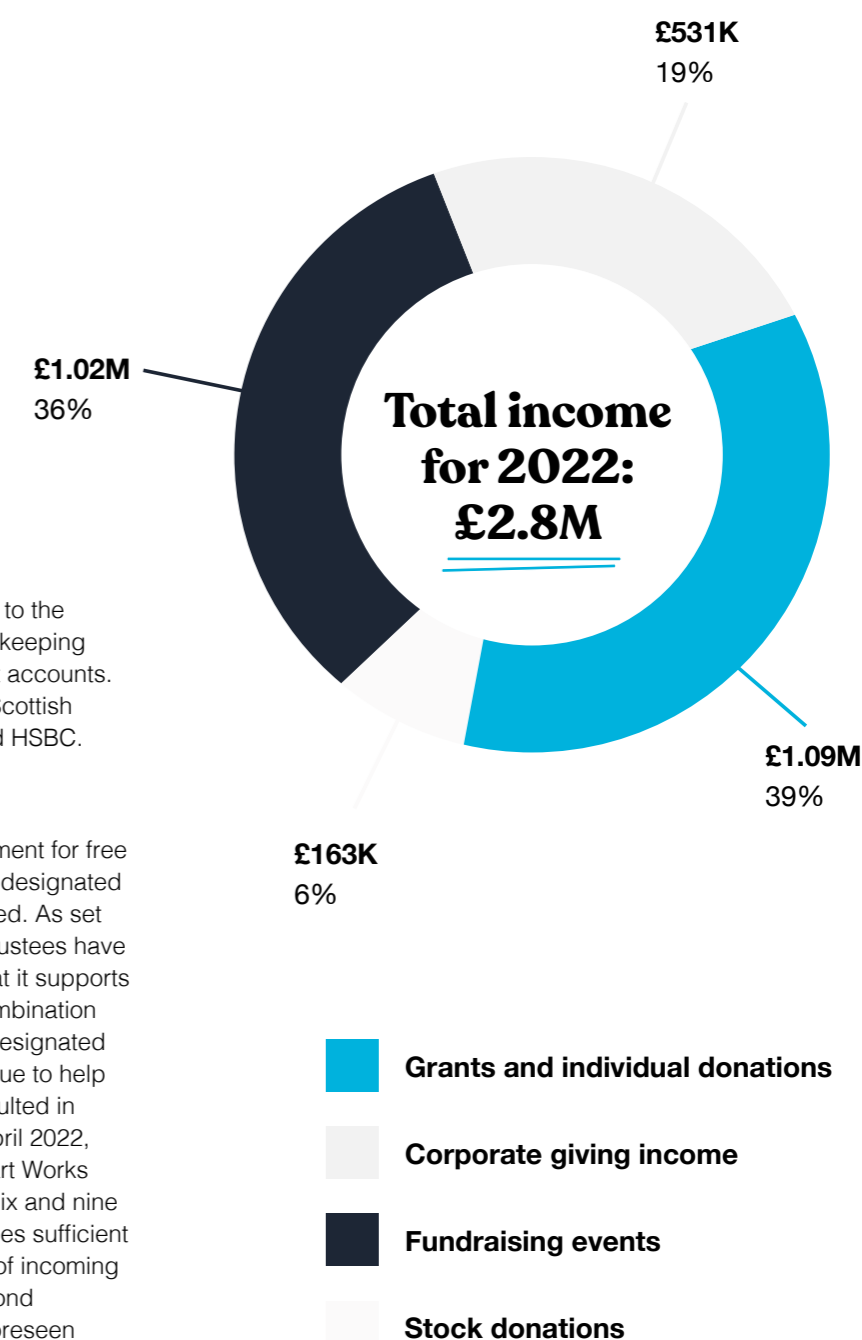
## INVESTMENT POLICY

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. As set out in the 2020/2021 Annual Report, the trustees have reviewed the reserves policy to ensure that it supports the Charity's strategic goals through a combination of specific investment opportunities and designated funding initiatives to ensure that we continue to help as many women as possible. This has resulted in an updated reserves policy, effective 1 April 2022, whereby the level of free reserves for Smart Works Charity should be equivalent to between six and nine months of annual expenditure. This provides sufficient flexibility to cover any temporary shortfall of incoming resources and to allow the charity to respond immediately to a reasonable range of unforeseen adverse circumstances prior to specific remedial plans being implemented.

Free reserves of £1.8m represents approximately 7 months of forecast annual expenditure and is therefore comfortably in line with this policy.



# PLANS FOR THE FUTURE

In January 2022, we announced a new Three Year Plan for Smart Works in response to the devastating consequences of the pandemic on female unemployment. The Three Year Plan is ambitious in scope and sets out the collective vision and strategy for the charity from April 2022 to March 2025. It is the result of many conversations and reflections across the Smart Works community in 2021. The key elements of the plan are:

## EXPANSION

The need for the expansion of our service is clear. We are ambitious and our goal is to double the number of women helped from 5,000 a year to 10,000 a year by 2025.

## DATA DRIVEN

We will open new centres in areas where there is clear need. The data indicates that the target cities should be Glasgow, South London, Liverpool and Sheffield. Existing centres in major urban hubs will aim to help 1,000 women each year by 2025.

## NATIONAL BRAND

To support growth, we will establish a national brand that is better known and understood, especially by potential clients. As part of this, we will have a more distinct voice that demonstrates our understanding of female unemployment.

## CLIENT-CENTRIC

The voices of the women Smart Works serves will inform decision-making and we will take proactive steps to ensure that Smart Works continues to be an organisation where everyone is welcome and can thrive.

## HUB MODEL

We will take an evolutionary approach, continuing to be volunteer-powered and building on our hub model to fuel growth. Each centre outside London will continue to be run by a regional board, with a defined area of operation. A central team will be responsible for virtual service delivery beyond that area.

## INVEST IN GROWTH

We will develop the Group function to support governance, growth and consolidation of centres, particularly in HR, finance and legal, to enable centres to focus on helping more women. We will also look at how to digitise aspects of our service.

## KEY METRICS

Our key metrics will remain to be the number of women helped, our success rate and the cost of delivering our service.

## FUNDING

The anticipated growth in expenditure will be met by maintaining a broadly equal split between our main income streams, building on the innovation, expertise and growth of previous years.

Above all, it remains our ultimate ambition that any women in need of our support should be able to find her way to a Smart Works centre, and this sits at the heart of our ambitions for the future.



# STRUCTURE, GOVERNANCE AND MANAGEMENT

## GOVERNANCE

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

The relationship between Smart Works Charity and each local Smart Works is one of a parent and subsidiary. In legal terms, Smart Works Charity is the sole member of each English Smart Works centre and a majority member of Smart Works Edinburgh. This structure ensures that the governance, objectives and legal structure of each local Smart Works is aligned with those of Smart Works Charity. Financial statements from each local Smart Works charity are consolidated in this report. All Smart Works charities are also companies limited by guarantee.

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. For Smart Works Charity, new trustees are appointed by the existing trustees and their appointment is approved by the members. For Smart Works centres outside of London, who are their own charity, new trustees are appointed by the existing centre trustees and their appointment is approved by Smart Works Charity.

## INDUCTION & TRAINING OF NEW TRUSTEES

All 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 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 2022, 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 to 31 March 2022. The trustees meet quarterly throughout the year and have an annual session to update and revise the strategy. The new strategic plan for 1 April 2022 to 31 March 2025 was launched in January 2022.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

There are two central activities within our ESG strategy:

**1. 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. In line with our Diversity & Inclusion Action Plan, in September we launched a Client Advisory Group consisting of ten former clients, to formally give our beneficiaries a voice in the direction of the charity. The Advisory Group are consulted on a number of central projects, meeting with the Chief Executive and senior staff members on a quarterly basis ahead of Board meetings. We also commissioned external consultants to conduct a series of DE&I training events for all staff, trustees and volunteers.

**2. Environment:** The Charity delivers significant environmental benefits as part of its primary purpose activities. All items in the wardrobe are donated from individuals or from retailers, and then carefully categorised so that they can be gifted to clients or (where appropriate) sold to raise funds. This provides an important circular and positive environmental impact by directly reducing potential landfill and waste. As an example, for the period of this report, the charity gave out over 25,000 donated pieces of clothes and accessories to clients. A full environmental impact report is planned for the future.

## 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 are 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 organisations and with similar operating models. Smart Works pays staff related to their particular skills, experience, qualifications, performance and contribution to the charity. Smart Works reviews salary levels annually, coming into effect on 1 April of each year.

## RISK MANAGEMENT

The Board of Trustees continue 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 only opening a maximum of one Smart Works centre in a new city each year, ensuring a balanced income portfolio and, crucially, having dedicated strategies, plans and resources that 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 service and interview preparation for our clients. The number of active volunteers across the UK on 31 March 2022 was 454. Arguably, one of the greatest assets that Smart Works has is the significant 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:

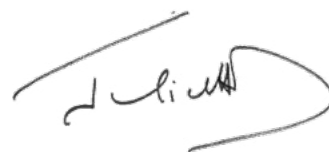
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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


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 27th October 2022 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 2022 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 2022, 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/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

This description forms part of our auditor's report.

## USE OF OUR REPORTS

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)  
2 November 2022

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

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022 (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
<b>Income from:</b>					
Donations:	2				
Donations and grants		1,163,755	459,938	1,623,693	1,201,411
Donations of dressing stock		-	162,626	162,626	41,562
		<u>1,163,755</u>	<u>622,564</u>	<u>1,786,319</u>	<u>1,242,973</u>
Other trading activities	3	1,016,449	-	1,016,449	437,043
Investments		2,166	-	2,166	1,338
Other income	4	-	-	-	63,434
<b>Total income</b>		<u>2,182,370</u>	<u>622,564</u>	<u>2,804,934</u>	<u>1,744,788</u>
<b>Expenditure on:</b>					
Raising funds	6	(285,006)	(695)	(285,701)	(181,446)
Charitable activities	5	(1,025,184)	(466,324)	(1,491,508)	(1,217,533)
<b>Total expenditure</b>		<u>(1,310,190)</u>	<u>(467,019)</u>	<u>(1,777,209)</u>	<u>(1,398,979)</u>
<b>Net income</b>		872,180	155,545	1,027,725	345,809
<b>Transfers between funds</b>		207,000	(207,000)	-	-
<b>Net movement in funds</b>		1,079,180	(51,455)	1,027,725	345,809
<b>Reconciliation of funds</b>					
Total funds brought forward		1,419,364	296,261	1,715,625	1,369,816
<b>Total funds carried forward</b>		<u>2,498,544</u>	<u>244,806</u>	<u>2,743,350</u>	<u>1,715,625</u>

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.

Company number: 03870671

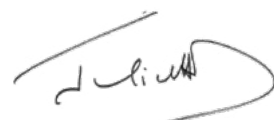
Smart Works Charity | Company No: 03870671

## CONSOLIDATED CHARITY AND GROUP BALANCE SHEETS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		Group	Charity	Group	Charity
<b>Fixed assets</b>					
Tangible assets	11	59,493	20,012	42,222	26,682
Investments	12	-	2	-	2
		<u>59,493</u>	<u>20,014</u>	<u>42,222</u>	<u>26,684</u>
<b>Current assets</b>					
Stock	13	154,085	48,871	144,828	44,225
Debtors	14	242,628	162,969	454,409	314,670
Cash at bank and in hand		2,457,012	1,762,744	1,741,353	1,243,763
		<u>2,853,725</u>	<u>1,974,584</u>	<u>2,340,590</u>	<u>1,602,658</u>
<b>Creditors</b>	15	(169,868)	(150,620)	(667,187)	(637,227)
<b>Net current assets</b>		2,683,857	1,823,964	1,673,403	965,431
<b>Total net assets</b>		<u>2,743,350</u>	<u>1,843,978</u>	<u>1,715,625</u>	<u>992,115</u>
<b>Funds</b>					
Designated funds	17	600,656	417,512	51,933	26,682
General funds		1,897,888	1,246,646	1,367,431	797,020
Total unrestricted funds		<u>2,498,544</u>	<u>1,664,158</u>	<u>1,419,364</u>	<u>823,702</u>
Restricted funds	16	244,806	179,820	296,261	168,413
<b>Total funds</b>		<u>2,743,350</u>	<u>1,843,978</u>	<u>1,715,625</u>	<u>992,115</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 27 October 2022 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 2022

Group	2022 £	2021 £
<b>Cash flows from operating activities:</b>		
Surplus for the financial year	1,027,725	345,809
<b>Adjustments for:</b>		
Depreciation of tangible assets	13,651	7,465
Investment income	(2,166)	(1,339)
(Increase)/decrease in debtors	211,782	(344,103)
Increase/(decrease) in stock	(9,257)	20,685
Increase/(decrease) in creditors	(497,319)	117,737
<b>Net cash generated from operating activities</b>	<u>744,416</u>	<u>146,254</u>
<b>Cash flows from investing activities</b>		
Income from investments	2,166	1,339
Purchase of tangible assets	(30,923)	(5,625)
<b>Net cash from investing activities</b>	<u>(28,757)</u>	<u>(4,286)</u>
Net increase in cash and cash equivalents	715,659	141,968
Cash and cash equivalents at the beginning of the year	1,741,353	1,599,385
<b>Cash equivalents at the end of the year</b>	<u>2,457,012</u>	<u>1,741,353</u>
<b>Cash and cash equivalents at the end of the year comprise:</b>		
<b>Cash at bank and in hand</b>	<u>2,457,012</u>	<u>1,741,353</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 notes. 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 454 volunteers during the year.

### f) Taxation

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2022. Smart Works Trading Limited had a nil surplus after gift aid donation to the parent company 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 straight line.

Office fixtures and fittings 5 years straight line.

### 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. Significant estimates include depreciation, estimated on the assets estimated useful life, amounts to accrue for payments relating to the period and fair valuation of stock. 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

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

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 a going concern.

**2. DONATIONS**

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Grants and individual donations	632,504	459,938	<b>1,092,442</b>
Corporate donations	531,251	-	<b>531,251</b>
	<u>1,163,755</u>	<u>459,938</u>	<u><b>1,623,693</b></u>
Donations of dressing stock	-	162,626	162,626
	<u>1,163,755</u>	<u>622,564</u>	<u><b>1,786,319</b></u>
<b>Prior year</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2021 Total Funds £</b>
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>

Total income for the group includes £162,626 (2021: £41,562) 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.

**3. OTHER TRADING ACTIVITIES**

Current year	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
Fundraising events	1,016,449	-	<b>1,016,449</b>
	<u>1,016,449</u>	<u>-</u>	<u><b>1,016,449</b></u>

Prior 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>

**4. OTHER INCOME**

	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds £
Coronavirus Job Retention Scheme income	-	-	-	63,434

**5. CHARITABLE ACTIVITIES**

Current year	Staff costs Costs £	Non staff Costs £	Support Costs £	2022 Total Funds £
<b>Unrestricted funds:</b>				
Core service delivery	373,552	149,527	239,832	<b>762,911</b>
National delivery support and growth	176,843	41,561	43,869	<b>262,273</b>
<b>Total unrestricted</b>	<u><b>550,395</b></u>	<u><b>191,088</b></u>	<u><b>283,701</b></u>	<u><b>1,025,184</b></u>
<b>Restricted funds:</b>				
Core service delivery	208,904	244,297	-	453,201
National delivery	13,123	-	-	13,123
<b>Total restricted</b>	<u><b>222,027</b></u>	<u><b>244,297</b></u>	<u><b>-</b></u>	<u><b>466,324</b></u>
	<u><b>772,422</b></u>	<u><b>435,385</b></u>	<u><b>283,701</b></u>	<u><b>1,491,508</b></u>

Prior year	Staff costs Costs £	Non staff Costs £	Support Costs £	2022 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>	<b>387,500</b>	<b>254,871</b>	<b>196,561</b>	<b>838,932</b>
<b>Restricted funds:</b>				
Core service delivery	222,416	150,566	-	<b>372,982</b>
National delivery	5,619	-	-	<b>5,619</b>
<b>Total restricted</b>	<b>228,035</b>	<b>150,566</b>	<b>-</b>	<b>378,601</b>
	<b>615,535</b>	<b>405,437</b>	<b>196,561</b>	<b>1,217,533</b>

## 6. ACTIVITIES FOR RAISING FUNDS

Current year	Staff costs Costs £	Non staff Costs £	Support Costs £	2022 Total Funds £
<b>Unrestricted funds:</b>				
Events and other costs	124,029	118,810	42,167	<b>285,006</b>
<b>Total unrestricted:</b>	<b>124,029</b>	<b>118,810</b>	<b>42,167</b>	<b>285,006</b>
<b>Restricted funds:</b>				
Events and other costs	-	695	-	695
<b>Total restricted:</b>	<b>-</b>	<b>695</b>	<b>-</b>	<b>695</b>
	<b>124,029</b>	<b>119,505</b>	<b>42,167</b>	<b>285,701</b>

Prior 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>

## 7. SUPPORT COSTS

	2022 Total Funds £	2021 Total Funds £
Support staff costs and related expenditure	<b>221,390</b>	148,997
Property and related costs	<b>215,283</b>	19,076
Office expenses	<b>54,605</b>	24,047
Legal, professional and accountancy	<b>7,961</b>	8,795
IT costs	<b>48,221</b>	20,744
Governance costs	<b>16,208</b>	15,764
Exceptional credit	<b>(237,800)</b>	
	<b>325,868</b>	<u>237,423</u>

Governance costs consist of audit and independent examination fees. In the period there was an exceptional credit as a result of a write back of the rental provision amounting to £238k.

## 8. NET INCOME IS STATED AFTER CHARGING

	2022 £	2021 £
Depreciation of owned fixed assets	<b>13,651</b>	7,465
Operating lease payments	<b>156,494</b>	189,441
Auditor's remuneration	<b>12,650</b>	11,500
Independent Examiner's remuneration	<b>3,300</b>	3,553

**9. STAFF COSTS**

	2022 £	2021 £
Wages and salaries	<b>998,468</b>	768,449
Employer's National Insurance	<b>68,693</b>	55,624
Employer's pension contributions	<b>28,520</b>	18,915
	<b><u>1,095,681</u></b>	<u>842,98</u>
Numbers of employees with emoluments in the following bands		
£90,000-£99,999	<b>1</b>	1
£60,000-£69,000	<b>2</b>	2
The employer's pension contributions made in relation to the employee above was £2,201 (2021: £2,270)	<b>40</b>	27
Average number of employees during the year	<b>36</b>	28
Average number of full-time equivalent employees during the year		

The key management personnel comprised of: CEO, Director of Service Delivery and Group Operations, 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 £268,660 (2021: £280,109).

**10. TRUSTEE EXPENSES**

No trustees received any remuneration from the charity in relation to the performance of their duties as trustees. No trustee expenses (2021: nil) were paid to trustees during the year.

**11. TANGIBLE FIXED ASSETS**

	Group £	Charity £
<b>Furniture and fittings</b>		
<b>Cost</b>		
Brought forward	69,029	48,123
Additions	30,923	-
Carried forward	<b><u>99,952</u></b>	<b><u>48,123</u></b>
<b>Depreciation</b>		
Brought forward	26,808	21,441
Charge for the year	13,651	6,670
Carried forward	<b><u>40,459</u></b>	<b><u>28,111</u></b>
<b>Net book value</b>		
As at 31 March 2022	<b>59,493</b>	<b>20,012</b>
As at 31 March 2021	42,222	26,682

**12. INVESTMENTS**

	Shares held Class	% of Voting Rights	Charity Number	Company Number
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:

	Smart Works Birmingham	Smart Works Edinburgh	Smart Works Leeds	Smart Works (Greater Manchester)	Smart Works Newcastle	Smart Works Reading	Smart Works Trading Limited	Total 31 March 2022
<b>Current year</b>								
Gross income	79,967	159,412	128,025	196,047	132,556	165,596	210,892	1,072,495
Expenditure	(82,995)	(106,654)	(123,020)	(128,209)	(112,191)	(157,958)	(26,834)	(737,861)
<b>Surplus/(Deficit) for year</b>	<b>(3,028)</b>	<b>52,758</b>	<b>5,005</b>	<b>67,838</b>	<b>20,365</b>	<b>7,638</b>	<b>184,058</b>	<b>334,634</b>
Fixed assets	-	-	12,858	-	-	26,624	-	39,482
Current assets	90,585	122,816	96,544	216,050	174,773	173,161	63,121	937,050
Creditors	(7,060)	-	(19,382)	(6,691)	(2,083)	(4,111)	(39,334)	(78,661)
<b>Net assets</b>	<b>83,525</b>	<b>122,816</b>	<b>90,020</b>	<b>209,359</b>	<b>172,690</b>	<b>195,674</b>	<b>23,787</b>	<b>897,871</b>
Unrestricted funds	66,834	68,332	68,636	186,929	154,854	140,533	23,787	709,905
Restricted funds	16,691	54,484	21,384	22,430	17,836	55,141	-	187,966
<b>Net funds</b>	<b>83,525</b>	<b>122,816</b>	<b>90,020</b>	<b>209,359</b>	<b>172,690</b>	<b>195,674</b>	<b>23,787</b>	<b>897,871</b>
<b>Prior 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>

**13. STOCK**

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Dressing stock	<u>154,085</u>	<u>48,871</u>	<u>144,828</u>	<u>44,225</u>

As detailed in note 1, the group's donated stock for beneficiaries is valued at fair value of £40 per outfit and the stock held at 31 March 2022 was counted and valued.

**14. DEBTORS**

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Trade debtors	107,952	31,487	196,481	36,820
Accrued income	80,075	59,324	207,394	179,723
Other debtors	54,601	42,071	50,534	50,106
Amounts owed to group undertaking	-	30,087	-	48,021
	<u>242,628</u>	<u>162,969</u>	<u>454,409</u>	<u>314,670</u>

**15. CREDITORS**

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Trade creditors	16,017	16,019	12,040	11,988
Other taxation and social security	18,030	3,548	28,048	16,893
Other creditors	5,293	19	8,026	2,509
Accruals	40,355	54,861	531,829	518,592
Deferred income	90,173	76,173	87,244	87,244
	<u>169,868</u>	<u>150,620</u>	<u>667,187</u>	<u>637,226</u>

The accruals are predominantly a provision of £358k for property costs at the West London Centre for a period of several years. This has been resolved in the current period and the accrual has been reversed.

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

Balance brought forward	87,244	87,244	147,466	147,466
Amounts utilised in the year	(87,244)	(87,244)	(147,466)	(147,466)
Current year income deferred	90,173	90,173	87,244	87,244
	<u>90,173</u>	<u>90,173</u>	<u>87,244</u>	<u>87,244</u>

**16. RESTRICTED FUNDS**

Current year	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Staff related expenditure	17,803	37,463	(52,630)	-	2,636
Develop and broaden Smart Work Reach	117,000	90,000	-	(207,000)	-
Dressing stock	144,885	162,626	(153,425)	-	154,086
Other smaller donations	16,573	332,475	(260,964)	-	88,084
	<u>296,261</u>	<u>622,564</u>	<u>(467,019)</u>	<u>(207,000)</u>	<u>244,806</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 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 smaller donations	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>

## 17. DESIGNATED FUNDS - GROUP

Current year	Balance at	Income	Expenditure	Transfers	Balance at
	1 April 2021				31 March 2022
	£	£	£	£	£
Designated capital fund	51,933	-	-	548,723	600,656
	<u>51,933</u>	<u>-</u>	<u>-</u>	<u>548,723</u>	<u>600,656</u>
Prior year	Balance at	Income	Expenditure	Transfers	Balance at
	1 April 2020				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

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

Current year	Restricted Funds 2022	Unrestricted Funds 2022	Total Funds 2022
	£	£	£
Tangible fixed assets	-	59,493	59,493
Current assets	244,806	2,608,919	2,853,725
Creditors due within one year	-	(169,868)	(169,868)
	<u>244,806</u>	<u>2,498,544</u>	<u>2,743,350</u>
Prior 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>

## 19. PENSION COMMITMENTS

The company and its subsidiaries operate separate defined contribution 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 £15,276 (2021: £18,915). Contributions totalling £3,256 (2021: £3,086) were payable to the fund at the balance sheet date and are included in creditors.

## 20. OTHER FINANCIAL COMMITMENTS - GROUP

	Land and buildings	
	2022 £	2021 £
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases:		
within one year	232,144	174,850
within two to five years	479,122	333,754
	<u>711,266</u>	<u>508,604</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 (2021: 10 members).

## 22. RELATED PARTY TRANSACTIONS

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

	2022 £	2021 £
Smart Works Birmingham	19,925	20,000
Smart Works Edinburgh	14,012	20,000
Smart Works Leeds	17,101	20,000
Smart Works (Greater Manchester)	17,816	20,000
Smart Works Newcastle	16,609	20,000
Smart Works Reading	4,067	20,000
	<u>89,530</u>	<u>120,000</u>

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

Smart Works Birmingham	4,746	-
Smart Works Edinburgh	-	-
Smart Works Leeds	3,848	-
Smart Works (Greater Manchester)	5,785	-
Smart Works Newcastle	1,398	-
Smart Works Reading	12,710	-
Smart Works Trading Ltd	-	-
	<u>28,487</u>	<u>-</u>

Smart Works received a gift aid payment from Smart Works Trading subsidiary company totalling £160,023 in the year (2021: £208,459).

There were no other related party transactions in the year (2021: £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>	<ul style="list-style-type: none"> <li>Julietta Dexter (Chair, appointed 29 April 2021)</li> <li>Juliet Hughes-Hallett (resigned 29 April 2021)</li> <li>Ewa Kerin (Honorary Treasurer)</li> <li>Natalie Abou-Alwan</li> <li>Rachel Atkins (appointed 28 October 2021)</li> <li>Philippa Charles OBE</li> <li>Tiffanie Darke</li> <li>Fiona Holmes (resigned 27 January 2022)</li> <li>Amelia Mendoza (resigned 22 July 2021)</li> <li>Simongnette Scavazza (appointed 28 April 2022)</li> <li>Jane Shepherdson CBE</li> <li>Claire Spencer-Churchill</li> </ul>
<b>Company Secretary</b>	Natalie Abou-Alwan
<b>Patrons</b>	<ul style="list-style-type: none"> <li>The Duchess of Sussex</li> <li>Emma Barnett</li> <li>Betty Jackson CBE</li> <li>Jennifer Saunders</li> <li>Jane Shepherdson CBE</li> </ul>
<b>Honorary President</b>	Lady Juliet Hughes-Hallett
<b>Statutory Auditors</b>	Critchleys Audit LLP
<b>Bankers</b>	<ul style="list-style-type: none"> <li>CAF Bank Ltd</li> <li>25 Kings Hill Avenue</li> <li>Kings Hill</li> <li>West Malling</li> <li>Kent, ME19 4JQ</li> </ul>







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**CHARITY NUMBER: 1080609**