

# SMART WORKS CHARITY

ANNUAL  
REPORT  
2022/23

SMART  
WORKS





# CONTENTS

Introduction from our Chair of Trustees and CEO  
**01**

Annual Report of the Board of Trustees  
for the Year Ending 31 March 2023  
**02-11**

Independent Auditor's Report to the Members  
and Trustees of Smart Works Charity  
**12-15**

Consolidated statement of financial activities  
**16**

Consolidated charity and group balance sheets  
**17**

Statement of cash flows  
**18**

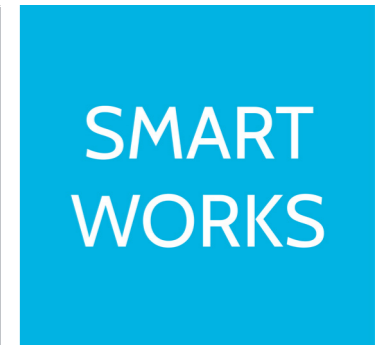
Notes to the financial statements  
**19-33**

Reference and administrative details of the charity  
**34**

# WELCOME TO SMART WORKS

We are a UK charity that exists to empower all women who need help getting into work. We use the power of high quality clothing and one-to-one coaching to help unemployed women fulfil their potential, get the job and transform their lives.

**We are driven by the need. We will double in size by 2025 to help 10,000 women a year succeed across the UK.**



Every piece donated from retailers or individuals

**10** centres across the UK

- X Target City
- Smart Works Centre



**69%**  
Get the job within a month of their appointment

**6,500**  
Helped in the last 12 months, a 39% YOY growth

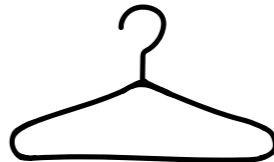
**32,000**  
Helped since 2013. We will help 10,000 a year by 2025

**33,000**  
Items of clothes and accessories gifted to our clients each year



**Career Coaching**

An hour of one-to-one personalised coaching, equipping clients with the practical skills they need to secure an interview.



**Interview Dressing & Preparation Service**

Each client has a personalised dressing and one-to-one interview preparation appointment.

**Second Dressing**

Once a client is successful at interview, they are welcomed back for a second dressing to build a capsule work wardrobe.

**The Smart Works Network**

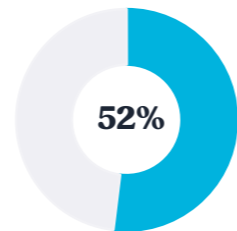
When our clients get the job, they can join The Smart Works Network for further professional development opportunities.



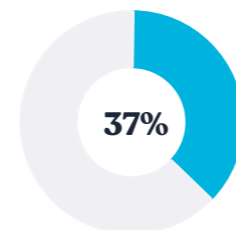
**15,000**  
volunteer hours to dress and coach our clients



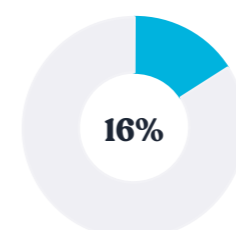
age range of our clients



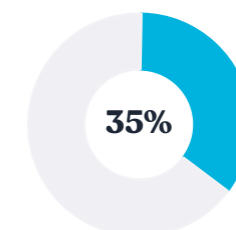
are from ethnic minority groups



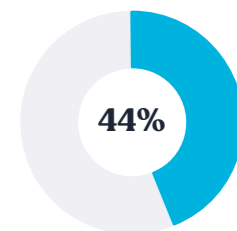
are lone parents



have a disability



have applied to over 20 jobs



have been unemployed for over a year

# INTRODUCTION FROM OUR CHAIR OF TRUSTEES AND CEO

We are proud to present the Smart Works Annual Report for the year ended 31 March 2023.

It has been an important 12 months for the charity. On 1st April 2022, Smart Works began the first year of an ambitious Three Year Plan to double in size by March 2025. In committing to this, we have been driven by responding to the considerable need in the client community we serve, in the face of the combined impact of the pandemic and the cost-of-living crisis. Our Three Year Plan could not be more timely or important.

As you will see in the pages of this report, Smart Works has had a strong year, and is well on track to help 10,000 women a year by 2025. Driven by the data, we have significantly increased the number of women we reach by almost 40% and opened two entirely new centres. We have also made important progress in establishing a greater understanding of Smart Works so that our clients know that we are here to help them. The launch of the Smart Works Female Unemployment Index was a crucial moment in taking the voices and experiences of our clients and bringing them to the attention of the people with the means and authority to make a difference.

Running through all this is the magic of our dressing and interview preparation service. We both take the time to dress and coach our clients, and to see the service in action at our centres around the UK. It is impossible not to be inspired by the incredible impact that looking and feeling great has on a woman's confidence. It goes to the heart of

one of our key mantras of Fashion as a Force for Good.

We want to pay particular thanks to all our supporters and funders for making the last year possible, and for helping us build such a robust platform for growth. We also want to say thank you for the trust, support and advice given to us by our Honorary Treasurer Ewa Kerin, by the Chairs of each local centre outside of London and by the entire trustee, staff and volunteer teams across the UK.

Together we have been able to respond to the need in our community and show what we can achieve when we work together with a common purpose.

At this time of unprecedented need, it is not just our mission, it is our duty to take this charity to every woman who needs us across the UK. We 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.

**Together we have been able to respond to the need in our community and show what we can achieve when we work together with a common purpose.**



Julietta Dexter  
Chair



Kate Stephens  
CEO

**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 2023.**

**The accounts have been prepared in accordance with the accounting practice set out on page 27 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. Where possible, she is also invited to join our Network, a professional networking group to help women advance in the workplace.

Smart Works retains an efficient, volunteer-powered model. Our dressing and interview coaching service is delivered nationwide by a team of 500+ skilled and trained volunteers. Our wardrobe is stocked with high-quality clothes donated by individuals and retailers.

Our strategic focus is to empower all women who need help getting into the workplace. To do this, we deliver our core dressing and interview coaching service to the best possible standard across the UK and are working to take it to more locations so that any woman who needs our support can come to Smart Works. We also listen to our clients and seek to understand the barriers to female unemployment. Our two 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

This Annual Report covers the first year of our ambitious Three Year Plan and has seen a successful period of growth, innovation and expansion across all of the charity's activities. The sense of purpose is palpable across our community, brought to life in the significant increase in the number of women we have been able to help and the two new centres we have opened.

### Overall the charity has:

Helped 6,489 unique beneficiaries on their journey to employment; and delivered 8,498 appointments across our eight UK centres. This represents a year-on-year growth of 39% and is 103% of our Year 1 target.

Delivered 4,558 Interview Dressing & Preparation appointments, where a client receives a high-quality outfit and interview preparation ahead of an upcoming interview.

69% of the women we helped before a job interview secured employment within a month of their visit, ahead of our target of 65%.

Further embedded our Career Coaching service that helps unemployed women to secure an interview. 1,841 Career Coaching appointments were delivered, 50% more than 21/22.

Delivered a mix of virtual and in-person appointments, with more of our clients visiting our centres for an in-person appointment than in the previous year. This year 74% of all appointments were delivered in-person, compared to 58% in 21/22. 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. 16% of clients considered themselves to have a disability, 52% were from an ethnic minority, 37% were lone parents, 44% had been unemployed for over a year (with 17% unemployed for over 5 years) and 35% had unsuccessfully applied for over 20 jobs.

Opened two entirely new centres in Croydon, South London and Glasgow, with a third centre planned for opening in Manchester in April 2023.



Overall, our centres have never been more active. Of particular note, our core dressing and interview preparation service grew by 89% in the West London centre, 88% in Newcastle, 73% in Edinburgh, 55% in Leeds, 42% in Manchester and London by 33%. Our new centres in Croydon and Glasgow, areas of particularly high female unemployment where the Smart Works service is most needed, are fully open and together poised to help over 2000 women in the next 12 months. The opening of the centre in Croydon in the Centrale Shopping Centre is a moment of strategic importance to the Group. We are directly in the community we seek to serve, in a space that is fit for purpose and at a minimal rent thanks to the generosity of Hammerson PLC in 2022.

We have amplified our client voices across all areas of our activity. The successful launch of the Smart Works Female Unemployment Index at the House of Lords in January 2023 for the first time saw the charity taking our client experiences and data to highlight the challenges faced by women seeking to return to work. We have also embedded a UK-wide Client Advisory Board that meets prior to every Board meeting, and will be launching a Client Champions programme and a new Equity, Diversity and Inclusion strategy in Spring 2023.

Alongside this, new and innovative means of generating our own income have continued to be developed. Pop-up shops were launched in central London and in Manchester, with clear opportunity to do more in future years. We were also able to run our most successful weekend fundraiser in partnership with The Telegraph and Somerset House, raising over £120,000 in two days. In March 2023, we continued to grow our annual cycling challenge, Cycle for Smart Works, bringing in £257,558 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, and in its ninth year is within touching distance of what will be an incredible £1 million, 10 year milestone. We are proud to be able to continue our long-term Pretty Powerful partnership with the team at Bobbi Brown Cosmetics.

We are also proud to have established important new partnerships with major corporate partners, which have allowed us to reach major fundraising moments. These include AJ Bell, Clearpay, Close Brothers, Findlay Park, Norton Rose Fulbright and Starling Bank.

International Women's Day was our most high-profile and compelling week of activities working with over 20 prestige brands. We have also shaped important plans for our 10th birthday in September 2023, with plans for a Capsule Collection, curated by our Ambassador Isabel Spearman and our 10th birthday party at the end of September, for everyone in our community.

Behind the scenes we have also invested in Group functions to provide the essential infrastructure needed for sustainable growth, including the creation of a People Team, and investment in a Group Financial Review to ensure we have the systems in place for the next stage of our growth.

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 Oak Foundation, The National Lottery Community Fund (England and Scotland), Clore Duffield and Bank of America, amongst others. The certainty that this funding provides gives us the confidence to grow our service and help more women.

The quality and quantity of clothing donations from supporters has been excellent. We are grateful to all our retail partners, particularly Boden, Burberry, Hobbs, Radley London, Russell & Bromley and The Fold, 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 2022 when we launched the Brand Bible, an articulation of our values, ethos and manifesto created by and for every member of our community.

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 their support in the last 12 months. We were also proud to welcome Baroness Gillian Merron as a new Ambassador for the Group, bringing her passion for our service learnt as a volunteer dresser to help amplify our message in Westminster and beyond.





# THE SMART WORKS SERVICE IN ACTION



**After more than a decade caring for her family, in January 2023 Lorraine was ready to return to the workplace but didn't know how to take that first step.**

**Made redundant a decade ago in a corporate restructuring, the 53-year-old spent the intervening years putting everyone else's needs first. Working as a carer had totally consumed her life until a meeting with the Smart Works team set her upon a different path.**

**This is Lorraine's story.**

**“I am more confident and feel capable because I have met these wonderful people. I feel seen”**

“For the past 12 years I have been taking care of my family who have complex health conditions. It's not easy caring for someone, especially when you are caring for adults. It's exhausting. I lost myself in it. Which is why when I first came to Smart Works it was so amazing because they saw me. They saw me as a person rather than a carer, and that's a huge thing.

I've always told my kids that you have to find a purpose in life. You need to push yourself to reach for your goals, but I found myself at the end of the pandemic adrift and lost. I was in my 50's and didn't think that anyone would want my skills after such a long break. In January I had no heating, no running water, no electricity, no way to pay my bills and no hope.

I was walking down my local high street and I told myself that I had to make a change. I believe everything happens for a reason and the first leaflet I received when I walked through the door of the job centre was from Smart Works. With the encouragement of a work coach, I started studying and applying for jobs. One day I got a phone call and I didn't realise until the end that it was a telephone interview.

I panicked when the recruiter said they wanted to meet me. But my work coach at the job centre was able to get me an appointment with Smart Works the next day.

You have to understand, money's been tight for a while. All the office clothes I have in my wardrobe are 18 years old and size 8-10. I was never going to fit into those clothes and all my shoes have holes in the bottom. I seriously thought about cancelling the interview because I didn't have anything to wear.

The team was so friendly and welcoming. They picked out the perfect outfit for me which was bright and fun, and I am eternally grateful. They really calmed me down and helped me practise answering questions so that when I went to the interview the next day, I felt prepared for anything. It's hard to feel nervous when you are wearing a bright pink leopard print!

After I got the job they invited me back and I got to choose trousers, tops and a couple of jackets. I've been mixing and matching these outfits ever since. When I put on these clothes in the morning and look in the mirror, I hear the dressers telling me to be kinder to myself and to stand proud. I feel like a success story, and I want to keep going.

It is still a struggle, trying to juggle my caring commitments with this new role...but I am more confident and feel capable because I have met these wonderful people. I feel seen.”

# FINANCIAL REVIEW

## RESULTS FOR THE YEAR

The financial performance for Smart Works Charity for the year ended 31 March 2023 was strong and reflects sustainable investment decisions that have enabled the successful delivery of the first year of our Three Year Plan. 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 £3.1m which was an increase of 11% over the previous year. Of this, £267k represents the fair value of dressing stock donations (2022: £163k), making the total income less stock donations, £2.85m (2022: £2.64m) an 8% increase.

The increase in dressing stock is a direct result of the increase in the number of women supported through all of our centres.

Our strategy to diversify our sources of income has remained a key focus. Grants and individual donations were £1.05m (2022: £1.09m), corporate giving income was £856k (2022: £531k) and fundraising events generated £937k (2022: £1.02m).

During the financial year, two new centres in Glasgow and South London (Croydon) were opened. This strategic decision was taken after careful consideration and financial planning to continually ensure that all investment is sustainable, affordable and in line with our Three Year growth plan. Approximately 34% of the total income was generated by the centres outside London, which is an increase of 6% from last year.

Unrestricted income of £2.4m represents 78% of overall total income and allows us to continue our investment initiatives. Restricted income of £698k includes £267k of dressing stock.

Expenditure for the year increased by 70% to £3.02m, in line with the growth strategy. This comparison

includes a credit of £238k in 2021/22 due to the write back of a prior year rental provision, without which year on year growth would be 50%. Alongside the planned increase in expenditure, strong cost control discipline continues across the Smart Works Charity.

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 £2.18m (increase of 79%) and £414k (increase of 51%) respectively (2022: £1.22m and £275k).

Increases across both categories are mainly due to the investment in staff and the opening of two new centres in Glasgow and South London.

Staff costs remain the most significant expense at £1.69m (2022: £1.1m). The average number of employees increased from 40 to 57 which represents growth across Smart Works and ensures that we are well positioned to deliver our Three Year Plan. We remain committed to having a competitive and fair remuneration policy and have specifically reviewed this in light of the recent inflationary environment.

The total group surplus for the year was £99.7k (2022: £1.03m) resulting in total funds of £2.84m of which £274k is restricted and £2.57m is unrestricted funding (2022: £245k and £2.5m respectively).

The Board of Trustees has committed to the Three Year Plan to increase the number of women we help to 10,000 women per year by 2025 and has £560k of designated funds in direct support of this. The Board intends to designate further funding in support years 2 and 3 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. It has been our long-term strategy to ensure 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.

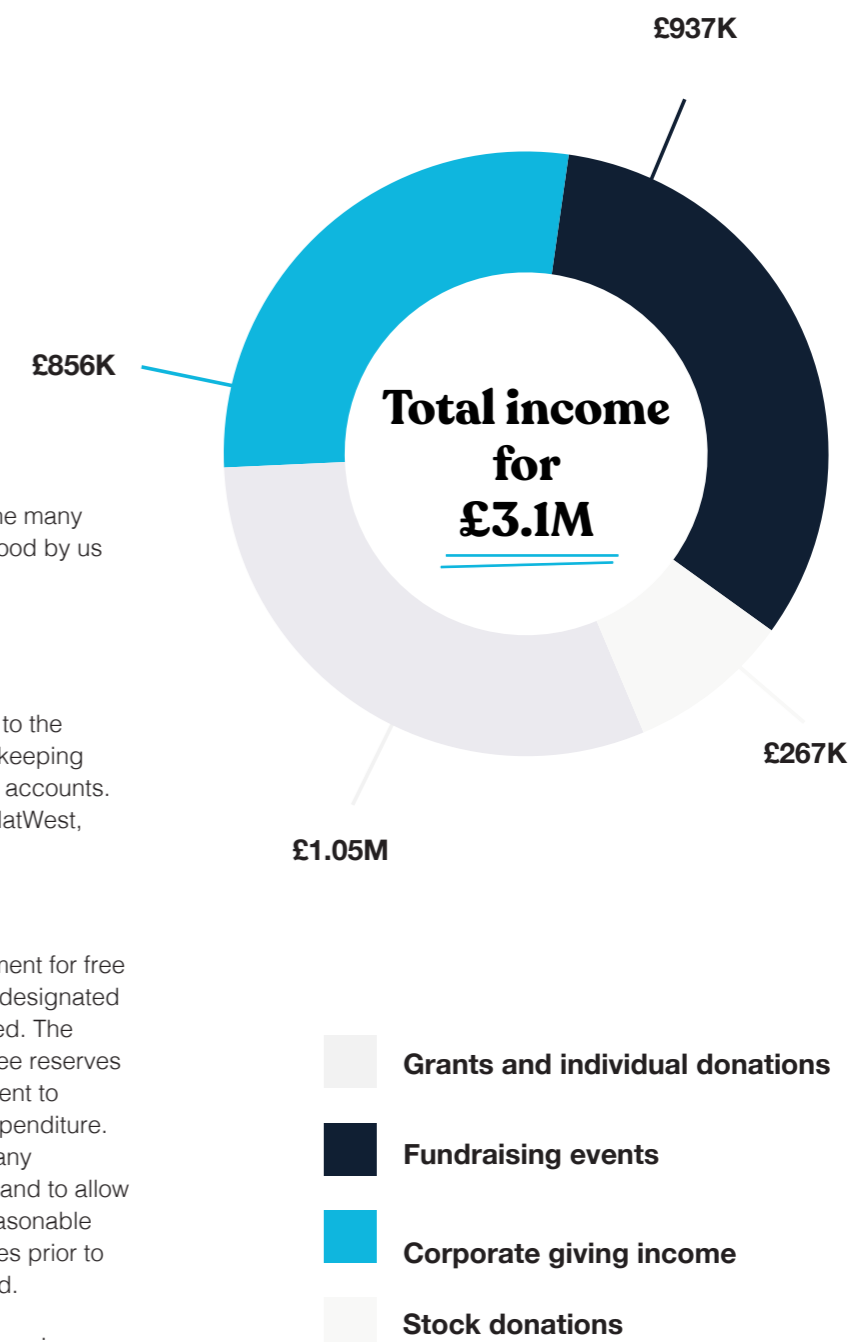
## INVESTMENT POLICY

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, NatWest, HSBC, Scottish Widows and United Trust.

## RESERVES POLICY

The trustees have considered the requirement for free reserves, i.e. those unrestricted funds not designated for specific purpose or otherwise committed. The reserves policy requires that 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.

Forecast annual expenditure for the next year is expected to continue to grow as we invest in the delivery of the remainder of the Three Year Plan and free reserves of £1.96m, which represent approximately 6 months of forecast annual expenditure, remain in-line with this policy.



# PLANS FOR THE FUTURE

On 1st April 2022, Smart Works began the first year of its Three Year Plan in response to the significant impact of the pandemic on female unemployment. Driven by this need, 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. Year 1 has been completed successfully and the charity is well-placed to deliver Year 2 of the Three Year Plan. 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 and where the financial situation allows us to do so. The data indicates that the target cities should be Liverpool and Sheffield. Existing centres in major urban hubs will aim to help 1,000 women a 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 of London will continue to be run by a local 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 explore 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 prudent financial planning, maintaining a broadly equal split across our three income streams, building on the innovation, expertise and growth of previous years.

**Above all, it remains our mission that any woman 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 41.

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 Scotland (formerly 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 for the Group Board and for Local Boards 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 2023, the rest of the senior management team comprised of a Director of Service Delivery and Group Operations, a Director of Partnerships and a Director of Finance.

## ORGANISATIONAL STRUCTURE AND DECISION MAKING

The trustees review and approve all policies and follow a Three Year Plan. The trustees meet quarterly throughout the year and have an annual session to update and revise the strategy. The current 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. Over the past 12 months, we have launched Smart Works values, integrated the voices of our clients into decision-making through our UK-wide Client Advisory Group, and evolved our recruitment practices. To further our commitment, the charity has consulted with our community of staff, trustees, volunteers and clients to build a new Equity, Diversity and Inclusion Strategy. Smart Works will publicly launch this Group-wide strategy in Spring 2023 and will report on progress over two years with clear success criteria. The strategy will commit to delivering sustainable and substantial change where our clients remain at the heart of our decision-making. We will launch a Client Champions programme with our clients as our spokespeople, diversify our volunteering opportunities, establish data capture on key demographics and commit to always recruiting openly and fairly for all roles. Smart Works continues to use external consultants to conduct EDI training, which is mandatory for all staff and trustees and embedded into all Smart Works inductions.

**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 32,000 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. Smart Works 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. The charity is committed to having a competitive remuneration policy designed to attract and retain the best people, and in the interests of equity and fairness, the charity is committed to taking action to ensure that it provides equal pay for equivalent work.

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, using an external salary benchmarking service to monitor this. Looking ahead, the charity will launch a national Pay Policy that is fair and transparent, providing sustainable pay bands for all staff roles as well as clear processes for pay reviews and pay progression. The charity's pay bands will be reviewed annually, using an external salary benchmarking service, and they will be approved by the Board.

Smart Works reviews salary levels annually, coming into effect on 1 April 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. It is also mitigated through strong ongoing cost control discipline and governance.

**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, Anti-Bribery, Anti-Harassment & Bullying, Compassionate Leave, Complaints, Conflict of Interest, Data Protection, Disciplinary, Equality, Flexible Working, Grievance, Maternity, Privacy and Whistleblowing. The Staff Handbook is made available to all staff and includes a summary of all policies, and a Trustee Welcome Pack does the same for trustees. These packs are shared with new Staff and Trustees of Smart Works Charity and of local 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 2023 was 550. 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:

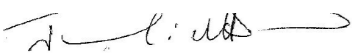
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material 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.

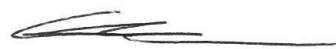
In so far as the trustees are aware:

- 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 1st November 2023 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 2023 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 2023, 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 19 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
- ensured 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)

DATE 6/11/23

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

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023 (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
<b>Income from:</b>					
Donations:	2				
Donations and grants		1,473,862	430,989	1,904,851	1,623,693
Donations of dressing stock		-	267,143	267,143	162,626
		<u>1,473,862</u>	<u>698,132</u>	<u>2,171,994</u>	<u>1,786,319</u>
Other trading activities	3	937,176	-	937,176	1,016,449
Investments		9,621	-	9,621	2,166
		<u>2,420,659</u>	<u>698,132</u>	<u>3,118,791</u>	<u>2,804,934</u>
<b>Total Income</b>					
<b>Expenditure on:</b>					
Raising funds	5	(418,840)	(2,202)	(421,042)	(285,701)
Charitable activities	4	(1,910,559)	(687,461)	(2,598,020)	(1,491,508)
		<u>(2,329,399)</u>	<u>(689,663)</u>	<u>(3,019,062)</u>	<u>(1,777,209)</u>
<b>Total expenditure</b>					
<b>Net Income</b>		91,260	8,469	99,729	1,027,725
<b>Transfers between funds</b>		(20,470)	20,470	-	-
<b>Net movement in funds</b>		70,790	28,940	99,729	1,027,725
<b>Reconciliation of funds</b>					
Total funds brought forward		2,498,544	244,806	2,743,350	1,715,625
<b>Total funds carried forward</b>		<u>2,569,334</u>	<u>273,745</u>	<u>2,843,079</u>	<u>2,743,350</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

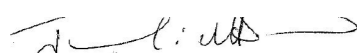
Smart Works Charity | Company No: 03870671

## CONSOLIDATED CHARITY AND GROUP BALANCE SHEETS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023		2022	
		Group	Charity	Group	Charity
<b>Fixed assets</b>					
Tangible assets	10	77,954	48,771	59,493	20,012
Investments	11	-	2	-	2
		<u>77,954</u>	<u>48,773</u>	<u>59,493</u>	<u>20,014</u>
<b>Current assets</b>					
Stock	12	187,794	59,178	154,085	48,871
Debtors	13	544,128	463,624	242,628	162,969
Cash at bank and in hand		2,505,240	1,586,745	2,457,012	1,762,744
		<u>3,237,162</u>	<u>2,109,547</u>	<u>2,853,725</u>	<u>1,974,584</u>
<b>Creditors</b>					
	14	(472,037)	(301,924)	(169,868)	(150,620)
<b>Net current assets</b>					
		2,765,125	1,807,623	2,683,857	1,823,964
<b>Total net assets</b>					
		<u>2,843,079</u>	<u>1,856,396</u>	<u>2,743,350</u>	<u>1,843,978</u>
<b>Funds</b>					
Designated funds	17,18	604,686	378,342	600,656	417,512
General funds		1,964,648	1,432,070	1,897,888	1,246,646
Total unrestricted funds		<u>2,569,334</u>	<u>1,810,412</u>	<u>2,498,544</u>	<u>1,664,158</u>
Restricted funds	15,16	273,745	45,984	244,806	179,820
<b>Total funds</b>					
		<u>2,843,079</u>	<u>1,856,396</u>	<u>2,743,350</u>	<u>1,843,978</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 1 November 2023 and signed on their behalf by:



Julietta Dexter  
Chair



Ewa Kerin  
Trustee

The notes on pages 27 to 40 form part of these accounts

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Group	2023 £	2022 £
<b>Cash flows from operating activities:</b>		
Surplus for the financial year	99,728	1,027,725
<b>Adjustments for:</b>		
Depreciation of tangible assets	18,513	13,651
Investment income	(9,621)	(2,166)
(Increase)/decrease in debtors	(301,500)	211,782
Increase/(decrease) in stock	(33,709)	(9,257)
Increase/(decrease) in creditors	302,169	(497,319)
Interest paid	(482)	-
<b>Net cash generated from operating activities</b>	<u>75,098</u>	<u>744,416</u>
<b>Cash flows from investing activities</b>		
Income from investments	9,261	2,166
Purchase of tangible assets	(36,974)	(30,923)
<b>Net cash from investing activities</b>	<u>(27,713)</u>	<u>(28,757)</u>
Net increase in cash and cash equivalents	48,349	715,659
Cash and cash equivalents at the beginning of the year	2,457,012	1,741,353
<b>Cash equivalents at the end of the year</b>	<u>2,505,240</u>	<u>2,457,012</u>
<b>Cash and cash equivalents at the end of the year comprise:</b>		
<b>Cash at bank and in hand</b>	<u>2,505,240</u>	<u>2,457,012</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 565 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 as 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 £	2023 Total Funds £
Grants and individual donations	618,247	430,989	<b>1,049,236</b>
Corporate donations	855,616	-	<b>855,616</b>
	<u>1,473,862</u>	<u>430,989</u>	<u><b>1,904,851</b></u>
Donations of dressing stock	-	267,143	267,143
	<u>1,473,862</u>	<u>698,132</u>	<u><b>2,171,994</b></u>
<b>Prior year</b>			
	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>

Total income for the group includes £267,143 (2022: £162,626) 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 £	2023 Total Funds £
Fundraising events	937,176	-	<b>937,176</b>
	<u>937,176</u>	<u>-</u>	<u><b>937,176</b></u>

Prior 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>

## 4. CHARITABLE ACTIVITIES

Current year	Staff costs Costs £	Non staff Costs £	Support Costs £	2023 Total Funds £
<b>Unrestricted funds:</b>				
Core service delivery	644,450	539,831	363,987	<b>1,548,268</b>
National delivery support and growth	220,254	57,688	84,350	<b>362,291</b>
<b>Total unrestricted</b>	<u><b>864,704</b></u>	<u><b>597,519</b></u>	<u><b>448,336</b></u>	<u><b>1,910,559</b></u>
<b>Restricted funds:</b>				
Core service delivery	283,119	352,144	-	635,263
National delivery	52,198	-	-	52,198
<b>Total restricted</b>	<u><b>335,317</b></u>	<u><b>352,144</b></u>	<u>-</u>	<u><b>687,461</b></u>
	<u><b>1,200,021</b></u>	<u><b>949,663</b></u>	<u><b>448,336</b></u>	<u><b>2,598,020</b></u>

Prior 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>	<b>550,395</b>	<b>191,088</b>	<b>283,701</b>	<b>1,025,184</b>
<b>Restricted funds:</b>				
Core service delivery	208,904	244,297	-	453,201
National delivery	13,123	-	-	13,123
<b>Total restricted</b>	<b>222,027</b>	<b>244,297</b>	<b>-</b>	<b>466,324</b>
	<b>772,422</b>	<b>435,385</b>	<b>283,701</b>	<b>1,491,508</b>

## 5. ACTIVITIES FOR RAISING FUNDS

Current year	Staff costs Costs £	Non staff Costs £	Support Costs £	2023 Total Funds £
<b>Unrestricted funds:</b>				
Events and other costs	177,016	180,464	61,359	<b>418,840</b>
<b>Total unrestricted:</b>	<b>177,016</b>	<b>180,464</b>	<b>61,359</b>	<b>418,840</b>
<b>Restricted funds:</b>				
Events and other costs	-	2,202	-	2,202
<b>Total restricted:</b>	<b>177,016</b>	<b>182,666</b>	<b>61,359</b>	<b>421,042</b>

Prior 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	-	<b>695</b>
<b>Total restricted:</b>	<b>124,029</b>	<b>119,505</b>	<b>42,167</b>	<b>285,701</b>

## 6. SUPPORT COSTS

	2023 Total Funds £	2022 Total Funds £
Staff costs and related expenditure	351,660	221,390
Property and related costs	20,840	215,283
Office expenses	50,384	54,605
Legal, professional and accountancy	18,677	7,961
IT costs	30,991	48,221
Governance costs	27,319	16,208
Exceptional credit	-	(237,800)
	<b>499,871</b>	<b>325,868</b>

Governance costs consist of audit, independent examination fees and temporary bookkeeping and reporting charges for all local centres. In the period there was an exceptional credit as a result of a write back of the rental provision amounting to £238k.

## 7. NET INCOME IS STATED AFTER CHARGING

	2023 £	2022 £
Depreciation of owned fixed assets	18,513	13,651
Operating lease payments	281,107	156,494
Auditor's remuneration	13,925	12,650
Independent Examiner's remuneration	3,630	3,300

## 8. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	1,550,936	998,468
Employer's National Insurance	105,159	68,693
Employer's pension contributions	35,062	28,520
	<b>1,691,157</b>	<b>1,095,681</b>
Numbers of employees with emoluments in the following bands		
£100,000 -£109,000	1	1
£70,000 -£79,000	2	2
£60,000-£69,000	1	1

The employer's pension contributions made in relation to the employees above were £6,164 (2022: £4,762)

Average number of employees during the year	<b>57</b>	40
Average number of full-time equivalent employees during the year	<b>49</b>	36

The key management personnel comprised of: CEO, Director of Service Delivery and Group Operations, Director of Partnerships and Director 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 £323,126 (2022: £268,660).

## 9. TRUSTEE EXPENSES

No trustees received any remuneration from the charity in relation to the performance of their duties as trustees. No trustee expenses (2022: nil) were paid to trustees during the year.

## 10. TANGIBLE FIXED ASSETS

Furniture and fittings	Group	Charity
	£	£
<b>Cost</b>		
Brought forward	99,952	48,123
Additions	36,974	36,974
Carried forward	<b>136,926</b>	<b>85,097</b>
<b>Depreciation</b>		
Brought forward	40,459	28,111
Charge for the year	18,513	8,215
Carried forward	<b>58,972</b>	<b>36,326</b>
<b>Net book value</b>		
As at 31 March 2023	<b>77,954</b>	<b>48,771</b>
As at 31 March 2022	59,493	20,012

## 11. 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:

Current year	Smart Works Birmingham	Smart Works Scotland*	Smart Works Leeds	Smart Works (Greater Manchester)	Smart Works Newcastle	Smart Works Reading	Smart Works Trading Limited	Smart Works 31 March 2022	Total
Gross income	142,939	281,658	168,072	270,106	154,652	124,404	148,257	1,290,088	
Expenditure	(123,223)	(222,987)	(153,202)	(201,814)	(175,051)	(174,596)	(29,169)	(1,080,042)	
<b>Surplus/(Deficit) for year</b>	<b>19,716</b>	<b>58,671</b>	<b>14,870</b>	<b>68,292</b>	<b>(20,399)</b>	<b>(50,192)</b>	<b>119,088</b>	<b>210,046</b>	
Fixed assets	-	-	8,704	-	-	20,480	-	29,184	
Current assets	110,610	270,269	151,732	285,478	153,744	125,599	61,429	1,158,861	
Creditors	(7,369)	(89,936)	(55,546)	(7,827)	(1,453)	(597)	(39,006)	(201,734)	
<b>Net assets</b>	<b>103,241</b>	<b>180,333</b>	<b>104,890</b>	<b>277,651</b>	<b>152,291</b>	<b>145,482</b>	<b>22,423</b>	<b>986,311</b>	
Unrestricted funds	79,769	131,082	83,874	188,973	136,971	128,653	22,423	771,745	
Restricted funds	23,472	49,251	21,016	88,678	15,320	16,829	-	214,566	
<b>Net funds</b>	<b>103,241</b>	<b>180,333</b>	<b>104,890</b>	<b>277,651</b>	<b>152,291</b>	<b>145,482</b>	<b>22,423</b>	<b>986,311</b>	
<b>Prior year</b>									
Gross income	79,967	157,853	128,025	196,047	132,556	165,596	210,892	1,072,495	
Expenditure	(82,995)	(106,249)	(123,020)	(128,209)	(112,191)	(157,958)	(26,834)	(737,861)	
<b>Surplus for year</b>	<b>(3,028)</b>	<b>51,604</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	121,829	96,544	216,050	174,773	173,161	63,121	937,050	
Creditors	(7,060)	(167)	(19,382)	(6,691)	(2,083)	(4,111)	(39,334)	(78,661)	
<b>Net assets</b>	<b>83,525</b>	<b>121,662</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	89,984	68,636	186,929	154,854	140,533	23,787	709,905	
Restricted funds	16,691	31,678	21,384	22,430	17,836	55,141	-	187,966	
<b>Net funds</b>	<b>83,525</b>	<b>121,662</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>	

\*Smart Works Scotland for current year includes income and expenditure and net assets from Edinburgh and Glasgow Centres, whereas the prior year comparison includes income and expenditure and net assets from Edinburgh only.

**12. STOCK**

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Dressing stock	<u>187,794</u>	<u>59,178</u>	<u>154,085</u>	<u>48,871</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 2023 was counted and valued.

**13. DEBTORS**

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Trade debtors	325,112	262,275	107,952	31,487
Accrued income	133,805	132,188	80,075	59,324
Other debtors	85,211	37,541	54,601	42,071
Amounts owed to group undertaking	-	31,620	-	30,087
	<u>544,128</u>	<u>463,624</u>	<u>242,628</u>	<u>162,969</u>

**14. CREDITORS**

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Trade creditors	61,618	61,007	16,017	16,019
Other taxation and social security	70,804	52,292	18,030	3,548
Other creditors	6,672	1,084	5,293	19
Accruals	118,779	103,476	40,355	54,861
Deferred income	214,163	84,063	90,173	76,173
	<u>472,037</u>	<u>301,924</u>	<u>169,868</u>	<u>150,620</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 compromises restricted grants received in advance:**

Balance bought forward	<u>90,173</u>	<u>90,173</u>	<u>87,244</u>	<u>87,244</u>
Amounts utilised in the year	<u>(90,173)</u>	<u>(90,173)</u>	<u>(87,244)</u>	<u>(87,244)</u>
Current year income deferred	<u>214,163</u>	<u>84,063</u>	<u>90,173</u>	<u>76,173</u>
Balance carried forward	<u>214,163</u>	<u>84,063</u>	<u>90,173</u>	<u>76,173</u>

**15. RESTRICTED FUNDS - GROUP**

Current year	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Staff related expenditure	2,636	277,340	(318,942)	(10,096)	(49,062)
Develop and broaden Smart Work Reach	154,086	267,143	(232,385)	(1,050)	187,794
Dressing stock	88,084	153,649	(138,336)	31,616	135,013
	<u>244,806</u>	<u>698,132</u>	<u>(689,663)</u>	<u>20,470</u>	<u>273,745</u>

The transfer from unrestricted funds to restricted funds mainly relates to the fund allocation for new centres opened in Scotland and South London.

Prior 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 Works Reach	117,000	90,000	-	(207,000)	-
Dressing stock	144,885	162,626	(153,425)	-	154,086
Other	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>

**16. RESTRICTED FUNDS - CHARITY**

Current year	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Staff related expenditure	-	132,894	(132,894)	-	-
Develop and broaden Smart Works Reach	-	-	-	-	-
Dressing stock	48,871	134,747	(137,634)	-	45,984
Other smaller donations	130,949	11,342	(193,536)	51,245	-
	<u>179,820</u>	<u>278,983</u>	<u>(464,064)</u>	<u>(51,245)</u>	<u>45,984</u>

Prior year	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Staff related expenditure	-	95,787	(95,787)	-	-
Develop and broaden Smart Works Reach	117,000	90,000	-	(207,000)	-
Dressing stock	44,225	95,726	(91,080)	-	48,871
Other smaller donations	7,188	126,209	(2,448)	-	130,949
	<u>168,413</u>	<u>407,722</u>	<u>(189,315)</u>	<u>(207,000)</u>	<u>179,820</u>

## 17. DESIGNATED FUNDS - GROUP

Current year	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Designated capital fund	600,656	-	-	4,030	604,686
	<u>600,656</u>	<u>-</u>	<u>-</u>	<u>4,030</u>	<u>604,686</u>

Designated Funds mainly relates to the Three Year Plan and some funds were designated to leasehold improvements and other office equipment purchased as part of an office move.

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

## 18. DESIGNATED FUNDS - CHARITY

Current year	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2023 £
Designated capital fund	417,152	-	-	(38,810)	378,342
	<u>417,152</u>	<u>-</u>	<u>-</u>	<u>(38,810)</u>	<u>378,342</u>

Prior year	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Designated fund	26,682	-	-	390,470	417,152
	<u>26,682</u>	<u>-</u>	<u>-</u>	<u>390,470</u>	<u>417,152</u>

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

Current year	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £
Tangible fixed assets	-	77,954	77,954
Current assets	273,745	2,963,417	3,237,162
Creditors due within one year	-	(472,037)	(472,037)
	<u>273,745</u>	<u>2,569,334</u>	<u>2,843,079</u>
Prior 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>

## 20. 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 £21,887 (2022: £15,276). Contributions totalling £4,899 (2022: £3,256) were payable to the fund at the balance sheet date and are included in creditors.

## 21. OTHER FINANCIAL COMMITMENTS - GROUP

	<b>Land and buildings</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases:		
within one year	265,062	232,144
within two to five years	316,582	479,122
	<b><u>581,644</u></b>	<b><u>711,266</u></b>

## 22. 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 (2022: 10 members).

## 23. RELATED PARTY TRANSACTIONS

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Smart Works Birmingham	11,706	19,925
Smart Works Scotland	28,411	14,012
Smart Works Leeds	12,843	17,101
Smart Works (Greater Manchester)	22,843	17,816
Smart Works Newcastle	12,274	16,609
Smart Works Reading	11,706	4,067
	<b><u>99,783</u></b>	<b><u>89,530</u></b>

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

Smart Works Birmingham	-	4,746
Smart Works Scotland	-	-
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	-	-

**28,487**

Smart Works received a gift aid payment from Smart Works Trading subsidiary company totalling £120,452 in the year (2022: £160,023).

There were no other related party transactions in the year (2022: £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>	<a href="http://www.smartworks.org.uk">www.smartworks.org.uk</a>
<b>Trustees</b>	<p>Julietta Dexter                      Ewa Kerin (Honorary Treasurer)                      Natalie Abou-Alwan                      Rachel Atkins                      Philippa Charles OBE                      Tiffanie Darke                      Simongnette Scavazza (appointed 28 April 2022)                      Jane Shepherdson CBE                      Claire Spencer-Churchill</p>
<b>Company Secretary</b>	Natalie Abou-Alwan
<b>Patrons</b>	<p>The Duchess of Sussex                      Emma Barnett                      Betty Jackson CBE                      Jennifer Saunders                      Jane Shepherdson CBE</p>
<b>Honorary President</b>	Lady Juliet Hughes-Hallett OBE
<b>Statutory Auditors</b>	Critchleys Audit LLP
<b>Bankers</b>	<p>CAF Bank Ltd                      25 Kings Hill Avenue                      Kings Hill                      West Mailing                      Kent, ME19 4JQ</p>





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