

# Unlocked

# ANNUAL REPORT

**Leading change from the inside**  
**2021/22**

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Charity No: 1187552 | Company No: 11448853

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## Reference and administrative details

<b>Directors and Members</b>	Dame Sally A Coates James B H Darley Robert D Farquharson Rt Hon. David Laws Nicola C Marfleet Karan Rai (resigned 28 April 2022) Thomas P J Shinner (appointed 27 February 2022) Nathan A White (appointed 14 March 2022) Emma J Wilson (appointed 7 December 2021) Christopher R Wright
<b>Company number</b>	11448853
<b>Charity registration number</b>	1187552
<b>Registered Office</b>	Evergreen House North Grafton Place London NW1 2DX
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse St Barbican London EC1M 6HR
<b>Bankers</b>	Barclays Bank Plc 1 Churchill Place London E14 5HP

## MESSAGE FROM THE CHAIR

Our first full-year Annual Report marks several important milestones for Unlocked Graduates. Our 600th prison officer was placed in September 2022 and, as our Ambassador network grows towards 300, we have demonstrated that, however unlikely it may have seemed, our model works. Top graduates will step up to take on one of the toughest jobs in public service if you offer genuine leadership opportunities.

This year has not been without its challenges. Our Summer Institute training went ahead in person but under strict social distancing conditions. Prisons started unlocking but, after two years of unprecedented challenge, the capacity for prison officers to focus on rehabilitation has been limited – though this is slowly changing.

The Board has provided exceptional leadership during this challenging time, supporting and challenging the executive team. I am especially pleased to have welcomed Emma Wilson and Tom Shinner. Emma brings with her practical legal expertise and a deep understanding of the criminal justice sector. Tom's experience in government and the start-up sector brings important new insights as we grow to scale.

Our first Ambassador Board member, Karan Rai, stepped down but, brilliantly, has joined the Unlocked Graduates executive team to found our Ambassador network. In his place, our second Ambassador Board member, Nathan White, who completed the programme in 2020, working in HMYOI Feltham, has joined the team and his perspective has been invaluable.

Once again, we are confident that, despite big challenges, Unlocked Graduates continues to grow in strength and deliver more impact each year. We have bold plans for the coming year and look forward to sharing this with all our partners.

This note would not be complete without a sincere thank you to all our partners.

Most important, of course, is His Majesty's Prison and Probation Service and the Ministry of Justice, whose vision to create a graduate scheme for prison officers makes everything we do possible. Their insight, that an external charity given the chance to work from the inside can drive bold change, is inspiring and more parts of government could benefit from this approach.

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

We hope we continue to reward the trust that all our partners put in us.



Rt. Hon David Laws

## MESSAGE FROM THE CEO

The quality of a prison system cannot outperform the quality of its frontline prison officers. These are the individuals who can set the culture and be the face of justice to every prisoner. This has never been truer than the last two years when, for most prisoners, their officer became the sole face of the outside world. One prisoner I met this year explained how he was now able to identify every officer just from their footsteps outside his cell door. He said that what he heard each morning would define whether it would be a bad day or a less bad day. This is the power of every prison officer, a workforce that society continues to under-value and under-appreciate.

We know we are helping to shift this perspective. Despite a challenging and unpredictable graduate recruitment market, we once again saw more than 20 applications for every place on our programme this year. The fact that we attracted this interest despite a far more limited presence on campuses is a testament not only to the herculean efforts of our team, but also to changes in these underlying attitudes that we are slowly affecting.

Including the recruits who will start on the landings in September 2022, we have now placed over 600 prison officers in 37 jails, expanding into Wales for the first time. This means that we now reached a third of the prisoner population. We know these officers are having an impact. They stay in the role, get promoted and take on new responsibilities. The Governors we work with want more of them.

I am incredibly proud of our work this year and want to acknowledge the people and organisations who make our work possible.

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

Prisons are, by their nature, a closed world, but often breaking cycles of reoffending comes from breaking down some of those barriers and bringing in new ideas. Certainly, a big part of our impact comes from being an independent organisation with a different perspective. This impact is compounded by the support of a much bigger network of partners. Funders, who allow us to experiment and try new ideas; corporate partners who offer pro bono support, mentoring and expertise; and a myriad of organisations from across the criminal justice sector who have embraced the opportunity to connect with frontline staff in new way by speaking at our events and hosting work placements.

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



Natasha Porter

## TRUSTEES' REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with financial statements of Unlocked Graduates ("the charity") for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 28 of the attached financial statements and comply with the charity's governing document, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### Structure, governance and management

#### Constitution and background

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

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

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

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

#### Method of appointment and election of trustees

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

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

## **Organisation structure and decision making**

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

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

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

## **Risk management**

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

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

## **Volunteers and supporters**

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

Trustees are entitled to the reimbursement of any reasonable expenses incurred in carrying out the business of the charity, but are encouraged to keep their expense claims to a minimum. Trustees' expenses reimbursed during 2021/22 are detailed in Note 7.

## **Key management personnel**

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

## **Public benefit**

The trustees confirm that they have given due regard to the Charity Commission's guidance on public benefit when reviewing the charity's aims and planning its

objectives. The main activities undertaken to further the charity's aims are set out in this report.

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

## Activities and approach

### Main activities

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

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

### Our approach

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

This is based on strong evidence. The work of academic Alison Liebling showed that high performing prison officers led to better outcomes across the board – including reductions in violence and self-harm, improvements in wellbeing and family links while in prison and even reductions in reoffending after leaving prison.

As she puts it: "When officers use their authority well – that is, legitimately and carefully, every outcome is improved: suicide, disorder, violence, political charge, and even prisoners' futures."

We drew heavily on her work as well as conducting our own research into what constitutes a great prison officer, and this underpins the theory of change that drives our strategy with our focus on four key outcomes:

### **INSPIRE brilliant, diverse graduates to join the Unlocked Graduates programme.**

Attract, recruit and select brilliant, diverse and mission-aligned candidates to become prison officers.



**DEVELOP outstanding and influential individuals to lead and deliver change from the frontline to make prisons safer and more rehabilitative.**

Create and deliver exceptional training and support – underpinned by best practice curriculum, pedagogy and coaching, as well as providing access to funding and the latest research. Through these, equip and empower frontline prison officers with the understanding, skills and resources to proactively drive change in prisons, responding quickly to develop new ideas that support prison officers to break cycles of reoffending.

**GROW to a critical mass where we can have the most impact across the system and effectively share best practice.**

Continue to expand the work of Unlocked Graduates so it is responsive to what prisoners need. Find ways to mainstream parts of our work where there is evidence which could benefit the prison system more widely.

**AMPLIFY the impact of individuals and drive new and diverse activity that drives systemic change as well as interest in the prison sector in wider society.**

Create a powerful and engaged Ambassadors' network in prison and society committed to breaking cycles of reoffending and driving change as leaders.

All Unlocked Graduates activity relates to these outcomes, and achieving these aims is key to furthering our charitable objects. Inspiring and developing participants enables them to have a rehabilitative impact; growth enables that rehabilitation to happen on a larger scale; and amplification creates virtuous cycles where this is even more effective.

## **Achievements and performance**

During this reporting period, Unlocked Graduates has made significant progress against its goals.

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**INSPIRE brilliant, diverse graduates to join the Unlocked programme.**

In line with plans set out in our 2020/21 annual report, Unlocked Graduates continues to successfully influence perceptions of the role prison officers can play in rehabilitation, particularly in the target graduate audience.

### **What we did**

Our recruitment strategy is designed to reach and persuade high-calibre participants – particularly those who would not otherwise consider a job in the prison service – that this is the role for them. Our focus on graduates is, in part, because they are under-represented in the prison service, and we believe that their addition will diversify the problem-solving skills available in the workforce – critical given the magnitude of the challenge. We also focus on this audience because one way to raise the status of the role is to actively target this ambitious group of jobseekers that society views as our 'best and brightest'.

Our programme is highly competitive, with the number of applications to the programme increasing year on year; our approach is effectively attracting top graduates to the programme in high numbers, enabling us to select excellent participants while raising the profile of the prison officer job.

We drew extensively on the insights of the other public sector graduate schemes Teach First, Frontline, Police Now and Think Ahead who had all extensively tested what makes frontline, public sector roles appealing to this sought-after graduate workforce. It was their experience that led us to shaping a two-year programme – in line with the expectations of graduates, most of whom expect their first role to last around 18 months. Including a high-status qualification and building a cohort model have also been seen as critical by these successful graduate schemes.

### **Our impact**

When surveyed, only three percent of recent finalists say they would positively consider a career in the prison service – however, after reviewing the Unlocked Graduates programme and opportunities, over half (55%) changed their mind, saying they found the idea of working as a prison officer more appealing. We are changing graduate perceptions of working in the prison service.

Most Unlocked Graduates participants had not considered being a prison officer before discovering Unlocked Graduates. When asked, only two per cent of our latest cohort cited 'always wanting to be a prison officer' as the main reason for joining the programme.

The charity has continued to win industry awards for its recruitment campaigns, bringing the total to 12 awards. This year our website and Instagram account were particularly singled out by High Fliers and TikTok highlighted our content as an example of best practice in reaching their audience effectively.

This year, despite unusual trends continuing as Covid continued to keep much of the university experience online, we still received over 20 applications for every place and over half of participants on the programme were from the highly selective Russell Group universities. The team was also successful in once again increasing the proportion of Black, Asian and other ethnic minority applicants to 24 percent up from 18 percent in the previous year. This is in contrast the just 12 percent for those joining through the standard HMPPS route. The programme appeared in the Times Top 100 Graduate Employers for the fourth year, although there was a drop in placement along with other big frontline public sector recruitment programmes.

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### **DEVELOP outstanding and influential individuals to lead and deliver change from the frontline to make prisons safer and more rehabilitative.**

Last year we said that we planned to strengthen the quality of the programme, particularly by reviewing and enhancing the Mentoring Prison Officer support model

with an increased focus on data-driven insights enabling us to focus improvements on the most impactful areas. This has been achieved.

### **What we did**

We believe that the right training and support can radically accelerate the time it takes for a frontline workforce to make a difference. Drawing on the latest thinking in pedagogy, we have developed a model that other, more established programmes in this country and internationally are already copying.

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

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

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

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

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

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

## Our impact

Our 2021 Summer Institute was once again heavily impacted by lockdown restrictions. However, lessons learned in 2020 meant we were able to implement multiple improvements and deliver an extremely successful programme to over 100 new prison officers.

Unlocked Graduates' training is an important part of our strategy to professionalise the prison officer role, and thereby create systemic change in the prison service to address cycles of reoffending. We continue to pioneer new training and development approaches to improve all elements of our ongoing support and training.

We know that these officers are having an immediate impact. Over half (53%) of officers currently on the programme have been promoted or taken on additional responsibilities already. These responsibilities include hostage negotiation, mental health training, offender management and equality officers.

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

- **Pilot projects:** Our participants are in a unique position to identify solutions to problems they face on the frontline. The Innovation Acceleration Programme (IAP) is designed to support and amplify the impact participants can have by offering funding for small-scale, evidence driven innovation projects in their prisons. To receive funding, participants must demonstrate how they work closely with other non-Unlocked Graduates prison officers in their prison to develop an idea that will achieve senior buy-in and has the potential to be sustainable long-term. To date, we have supported 47 small and 32 large projects. Through this we have invested over £65,000 in frontline prison innovation and reached almost 15,000 prisoners.
- **Ideas to share:** We believe an evidence-based approach will be an important part of driving rehabilitation in the prison service. As part of their Master's degree, participants undertake a research project based on a problem, question or initiative that they co-identify with the prison governor as an area of interest. These are focused on making targeted, tangible recommendations, whether to policy-makers or practitioners of the prison. Over 300 papers and dissertations have now been written by Unlocked Graduates participants. A selection of specialist 'policy papers' have been shared with HMPPS and MOJ policy-makers over the years and from 2023 we hope to release a selection of these papers publicly to better share ideas.

Critically, officers recruited and supported by Unlocked Graduates stay committed to the mission. After the end of the programme, the majority of recruits that Unlocked Graduates brings into the system are staying in prisons or the wider criminal justice sector.

**GROW to a critical mass where we can have the most impact across the system and effectively share best practice.**

Our objective in 2021/22 was to increase both depth and breadth, going into more prisons in our existing regions, as well as expanding the scope of the North region to include the Leeds area. We have succeeded in this objective, in particular expanding out of England into Wales for the first time.

**What we did**

Although numbers of new recruits have remained steady, we have grown our reach year on year, expanding to allow for the formation of clusters critical for our mentoring model – Greater London, South Central, East of England, Kent & Sussex, North West, Yorkshire & Humber, Wales and the Midlands.

We place our participants in prisons that need us the most with some of the most demanding working environments. We focus on some of the most challenging prisons and institutions where we know the prison officer can make a difference. They have worked in establishments across the men's estate – including high security and foreign national prisons, the female estate and the youth estate.

**Our impact**

We placed over 120 new officers in 2021 in 29 prisons. New prisons this year include HMP Berwyn in North Wales.

This means we have placed over 600 prison officers in 37 establishments in England and Wales. This is more than one in three public prisons in England and covers a third (33%) of the prisoner population.

We continue to share our training approaches with other training organisations and the wider prison service. Elements of it have already been adopted by the mainstream prison officer training scheme as well as other organisations.

Our mentors – experienced, mission-aligned prison officers who are seconded from the prison service – continue to be a critical part of this work. We have now recruited over 30 of these officers and application numbers to these roles have risen sharply.

We are particularly delighted to see the impact of the mentors as they complete their time with us and return to their home establishments.

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**AMPLIFY our Ambassadors' work to drive interest in the prison sector through wider society**

This area was set out as the major focus for expansion last year and has been a key focus this year.

### What we did

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

Our aim is to have a network of 500 ambassadors actively working towards the mission by 2024. We are well on our way to achieving this target. We now have almost 300 ambassadors working across the criminal justice sector – the majority remain within HMPPS and over 75 percent still work towards the mission in their primary role.

Community organising is at the core of our strategy for the network and we want to provide the infrastructure for Ambassadors to drive the change that the prison system needs. Our focus this year has been on formalising this network and creating spaces for Ambassadors to form networks organically – including communities that focus on specific issues within the justice system to come together to organise and collaborate with the network and the wider sector.

### Our impact

Over 90 percent of Ambassadors stay engaged with Unlocked Graduates and, more importantly, the majority remain within HMPPS with over 75 percent still working towards the mission in their primary role, taking on roles in organisations including probation, policing and criminal justice charities.

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## Financial review

The charity's total income during the period was £4,049,186 (2021 - £2,571,504). The main source of income has been our contract with the Ministry of Justice (MOJ) which has generated income of £3,680,847 (2021 - £1,893,341). In addition, Unlocked Graduates has raised income of £368,339 (2021 - £678,163) from trusts and other donations. Of these donations, £75,000 (2021 - £73,403) was restricted income and £293,339 (2021 - £604,760) was unrestricted income.

Expenditure has totalled £3,896,636 (2021 - £1,911,103) of which £1,291,356 (2021 - £603,960) was spent on recruitment activities and £2,521,120 (2021 - £1,295,812) on graduate programme delivery. Expenditure on raising funds came to £84,159 (2021 - £11,331).

The most notable event in this year was the impact of the Covid-19 pandemic. We were fortunate that our main funding source, the MOJ contract, was unaffected. We were also able to generate additional fundraised income despite the increasingly challenging landscape. Delivery, however, was more challenging: the limitations of face-to-face contact on campus in recruitment affected brand awareness, and significant additional planning was required to enable training and programme events to go ahead.

## Risks and uncertainties

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

The principal risks and uncertainties facing the charity are:

- Loss of the MOJ contract, or failure to secure a new contract. Mitigations include continual evidencing of impact and value for money; continuing strong performance against the contract KPIs; and close involvement of the CEO and Board in contract extension negotiations.
- Lack of stakeholder support from government, the civil service, or prison governors. Mitigations include relationship building with all relevant stakeholders, gaining cross-party support, and demonstrating the positive impact of the charity.
- Reputational risks relating to participants, such as negative media coverage or a high-profile departure of a participant. Mitigations include a rigorous recruitment process, strong training and mentoring for participants on the programme, internal evaluation and continual improvement, close monitoring and detailed reporting systems, involvement of MOJ press office and a formalised crisis communications strategy.
- Cyber security or data breach. Mitigations include Cyber Essentials Plus and ISO 27001 audit and compliance, use of data protection agreements with subcontractors, staff training and strict IT policies.
- Like most organisations, we continue to stay aware of the potential impact of a Covid-19 resurgence but have moved to risk management and no longer limit face-to-face activities. In particular, we plan to return to a proportion of our assessment centres being in person this year.

## Reserves policy

As of 31 March 2022, Unlocked Graduates had total reserves of £812,951 (2021 - £660,401) of which £98,367 (2021 - £61,745) were restricted, leaving unrestricted reserves of £714,584 (2021 - £598,656). Unrestricted reserves consist of two designated funds – new ventures fund of £170,000, and ambassadors fund of £140,000 – leaving free unrestricted reserves of £404,584. The new ventures fund is to be spent over the next two years on mobilisation costs of new ventures started by the charity, and the ambassadors fund is to be spent over the next three years on mobilisation costs of our new ambassador programme. As a newly independent charity, we are proud of the work over several years to fundraise unrestricted income to build our reserves.

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

## Trustees' report - Year to 31 March 2022

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

The level of reserves is set to cover a minimum of one busy month's expenditure and three months' expenditure outside of busy periods. Based on forecast expenditure for 2022-23, the trustees have approved a minimum level of free unrestricted reserves of £400,000.

A minimum level of £400,000 reserves is deemed to be necessary predominantly based on working capital requirements and to mitigate against the financial impact of risks. Given the strategic focus to date has been on income generation to enable stability as a newly independent charity, the trustees have not currently set a maximum level of reserves. As we move into the next phase of our strategy, we expect this to evolve.

Working capital and cash flow requirements include costs such as monthly salaries, VAT bills and office rents. The charity currently operates under seven-day payment terms with the Ministry of Justice (MOJ), which lowers risks relating to cash flow. However, we must mitigate against delays in payments of invoices to the MOJ: as the charity's main funding source, delays can have a significant impact.

Exit costs (including office lease commitments, staff redundancy costs and university exit costs) are included in the MOJ contract which significantly reduces financial risk relating to termination of the contract.

### Fundraising

Unlocked Graduates is registered with the Fundraising Regulator and adheres to their fundraising codes of practice. When donations from individuals are received, the charity aims to protect personal data, never sells data or swaps data with other organisations, and undertakes to promptly and thoroughly investigate any complaints regarding its fundraising activities. We aim to learn from complaints and improve operations accordingly. During 2021/22, Unlocked Graduates received no complaints about fundraising activities.

### Post balance sheet events, future plans and going concern

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



## Trustees' report - Year to 31 March 2022

There were no post balance sheet events to report.

Future plans for the charity continue to be focused on its aforementioned aims, building on this year's progress as follows:

**Inspire:** We will continue to raise brand awareness and appeal, with a particular focus on rebuilding our brand on campus after two years with limited in-person contact. Given the uncertain graduate recruitment market, we plan to invest significant resource to increase applications for this year and build awareness for future years.

**Develop:** We will continue to make improvements to the core programme year-on-year, constantly looking to improve the performance of our recruits from day one. We expect middle leadership and network building for officers and across the sector to be a particular focus.

**Grow:** We want to increase our depth within the prisons we currently work – increasing cohort size rather than the number of prisons. We also hope to increase our numbers if funding is available. We will also look to codify some of the best practices identified to ensure solutions we find are shared through the system.

**Amplify:** With the formal foundations of our Ambassador network in place and another generation about to join the network, we want to see further impact emerge from this network. We also want to better support Ambassadors to progress in operational roles in prison.

## Statement of trustees' responsibilities

The trustees (who are also directors of Unlocked Graduates for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that year.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

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

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



Rt. Hon David Laws

Approved on: 31 October 2022

## **Independent auditor's report to the members of Unlocked Graduates**

### **Opinion**

We have audited the financial statements of Unlocked Graduates (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

**Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

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

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

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

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

**Use of this report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Buzzacott LLP*

23 November 2022

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

**Statement of financial activities** Year to 31 March 2022  
(incorporating the income and expenditure account)

	Notes	Restricted funds £	Unrestricted general funds £	Year to 31 March 2022 £	Total Eight months to 31 March 2021 £
<b>Income from:</b>					
Donations	1	75,000	293,339	368,339	87,077
Charitable activities	2	—	3,680,847	3,680,847	1,893,341
Transfer from Catch22		—	—	—	591,086
<b>Total income</b>		<b>75,000</b>	<b>3,974,186</b>	<b>4,049,186</b>	<b>2,571,504</b>
<b>Expenditure on:</b>					
Raising funds	3	—	84,159	84,159	11,331
Charitable activities	4	38,378	3,774,099	3,812,477	1,899,772
<b>Total expenditure</b>		<b>38,378</b>	<b>3,858,258</b>	<b>3,896,636</b>	<b>1,911,103</b>
<b>Net income and movement in funds for the period</b>	6	<b>36,622</b>	<b>115,928</b>	<b>152,550</b>	<b>660,401</b>
<b>Reconciliation of funds:</b>					
Funds brought forward at 1 April 2021		61,745	598,656	660,401	—
<b>Funds carried forward at 31 March 2022</b>		<b>98,367</b>	<b>714,584</b>	<b>812,951</b>	<b>660,401</b>

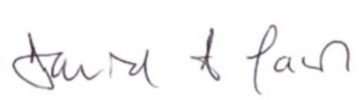
All activities derive from continuing operations.

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

## Balance sheet 31 March 2022

	Notes	31 March 2022 £	31 March 2022 £	31 March 2021 £	31 March 2021 £
<b>Fixed assets</b>					
Tangible fixed assets	8		61,981		30,741
<b>Current assets</b>					
Debtors	9	712,945		386,452	
Cash at bank and in hand		688,023		1,272,250	
		<b>1,400,968</b>		<b>1,658,702</b>	
<b>Creditors:</b> amounts falling due within one year	10	<b>(648,748)</b>		<b>(1,029,042)</b>	
<b>Net current assets</b>			<b>752,220</b>		629,660
<b>Creditors:</b> amounts falling due after one year			<b>(1,250)</b>		—
<b>Total net assets</b>			<b>812,951</b>		<b>660,401</b>
<b>The funds of the charity:</b>					
Restricted fund	12		98,367		61,745
Unrestricted funds:					
.General funds	13		404,584		598,656
.Designated funds	13		310,000		—
			<b>812,951</b>		<b>660,401</b>

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



Rt. Hon David Laws

Approved on: 31 October 2022

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



## Statement of cash flows Year ended 31 March 2022

	Notes	Year ended 31 March 2022 £	Eight months to 31 March 2021 £
Net cash flows from operating activities	A	(552,987)	1,298,046
Net cash flows from investing activities	B	(31,240)	(30,741)
Cash transferred from Catch22		—	4,945
Change in cash and cash equivalents		(584,227)	1,272,250
Cash and cash equivalents at 1 April 2021		1,272,250	—
<b>Cash and cash equivalents at 31 March 2022</b>		<b>688,023</b>	<b>1,272,250</b>

### Notes to the statement of cash flows for the year ended 31 March 2022

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

	Year to 31 March 2022 £	Eight months to 31 March 2021 £
Net income	152,550	660,401
Transfer of net assets from Catch22	—	(591,086)
(Increase) decrease in debtors	(326,493)	465,619
(Decrease) increase in creditors	(379,044)	763,112
<b>Net cash (used in) provided by operating activities</b>	<b>(552,987)</b>	<b>1,298,046</b>

#### B Cash flows from investing activities

	Year to 31 March 2022 £	Eight months to 31 March 2021 £
<b>Investing activities</b>		
Purchase of fixed assets	(31,240)	(30,741)
<b>Net cash flows used in investing activities</b>	<b>(31,240)</b>	<b>(30,741)</b>

#### C Cash and cash equivalents

	Year to 31 March 2022 £	Eight months to 31 March 2021 £
Cash at bank	688,023	1,272,250
<b>Total</b>	<b>688,023</b>	<b>1,272,250</b>

Cash and cash equivalents at the year-end consisted solely of Cash at bank and no other cash instruments.

## Principal accounting policies – Year ended 31 March 2022

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

### **Basis of preparation of financial statements**

These financial statements have been prepared for the year ended 31 March 2022. The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('Charities FRS 102 SORP') and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

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

### **Assessment of going concern**

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

### **Income**

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

#### *Contract and grant income*

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

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

## Principal accounting policies – Year ended 31 March 2022

### **Income** (continued)

#### *Donations*

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

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All costs are inclusive of irrecoverable VAT.

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

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

### **Support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of a finance function and other overheads such as the maintenance of websites etc.

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

### **Financial assets and liabilities**

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

### **Financial instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 10. Prepayments are not financial instruments.

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

## Principal accounting policies – Year ended 31 March 2022

### **Financial instruments (continued)**

*Financial liabilities* – accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 1. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### **Debtors**

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

Prepayments are valued at the amount prepaid.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be measured or estimated reliably.

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

### **Fund accounting**

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

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

Notes to the financial statements – Year ended 31 March 2022

**1 Donations**

	<b>Restricted funds £</b>	<b>Unrestricted general funds £</b>	<b>Total funds 2022 £</b>
Donations from Trusts and Foundations	<b>75,000</b>	<b>293,339</b>	<b>368,339</b>
<b>2022 Total funds</b>	<b>75,000</b>	<b>293,339</b>	<b>368,339</b>
	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2021 £</i>
<i>Donations from Trusts and Foundations</i>	<i>47,000</i>	<i>40,077</i>	<i>87,077</i>
<b>2021 Total funds</b>	<b>47,000</b>	<b>40,077</b>	<b>87,077</b>

**2 Income from charitable activities**

	<b>Restricted funds £</b>	<b>Unrestricted general funds £</b>	<b>Total funds 2022 £</b>
Graduate Prison Officers Programme	–	<b>2,357,068</b>	<b>2,357,068</b>
Participant Recruitment Activities	–	<b>1,323,779</b>	<b>1,323,779</b>
<b>2022 Total funds</b>	<b>–</b>	<b>3,680,847</b>	<b>3,680,847</b>
	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2021 £</i>
<i>Graduate Prison Officers Programme</i>	<i>–</i>	<i>1,312,835</i>	<i>1,312,835</i>
<i>Participant Recruitment Activities</i>	<i>–</i>	<i>580,506</i>	<i>580,506</i>
<b>2021 Total funds</b>	<b>–</b>	<b>1,893,341</b>	<b>1,893,341</b>

### 3 Expenditure on raising funds

	Restricted funds £	Unrestricted general funds £	Total funds 2022 £
Support costs (see note 5)	–	84,159	84,159
<b>2022 Total expenditure</b>	<b>–</b>	<b>84,159</b>	<b>84,159</b>

	<i>Restricted funds £</i>	<i>Unrestricted General funds £</i>	<i>Total funds 2021 £</i>
<i>Support costs (see note 5)</i>	<i>–</i>	<i>11,331</i>	<i>11,331</i>
<b><i>2021 Total expenditure</i></b>	<b><i>–</i></b>	<b><i>11,331</i></b>	<b><i>11,331</i></b>

### 4 Expenditure on charitable activities

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

**4 Expenditure on charitable activities (continued)**

	<i>Restricted funds</i>	<i>Unrestricted general funds</i>	<i>Total funds 2021</i>
	£	£	£
<b><i>Activities undertaken directly</i></b>			
<i>Graduate Prison Officers Programme</i>	11,658	1,168,741	1,180,399
<i>Participant Recruitment Activities</i>	–	546,419	546,419
	<u>11,658</u>	<u>1,715,160</u>	<u>1,726,818</u>
<b><i>Support costs (see note 5)</i></b>			
<i>Graduate Prison Officers Programme</i>	–	115,165	115,165
<i>Participant Recruitment Activities</i>	–	57,789	57,789
	<u>–</u>	<u>172,954</u>	<u>172,954</u>
<b><i>2021 total expenditure</i></b>	<u>11,658</u>	<u>1,888,114</u>	<u>1,899,772</u>

**5 Analysis of support costs**

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

5 Analysis of support costs (continued)

	<i>Unrestricted Charitable activities</i>			<i>2021 Total (Restated) £</i>
	<i>Raising Funds £</i>	<i>Graduate Prison Officers Programme £</i>	<i>Participant Recruitment £</i>	
<i>Human resources:</i>				
- <i>Shared staff costs allocations</i>	<i>7,141</i>	<i>26,911</i>	<i>13,662</i>	<i>41,401</i>
- <i>Other HR related shared costs</i>	<i>1,488</i>			
<i>Finance</i>	<i>122</i>	<i>3,970</i>	<i>1,985</i>	<i>6,077</i>
<i>Information Technology</i>	<i>647</i>	<i>21,126</i>	<i>10,563</i>	<i>32,336</i>
<i>Premises and office running costs</i>	<i>1,562</i>	<i>51,047</i>	<i>25,524</i>	<i>78,133</i>
<i>Governance costs:</i>				
- <i>Auditor's remuneration</i>	<i>175</i>	<i>5,717</i>	<i>2,858</i>	<i>8,750</i>
- <i>Legal, professional and accountancy</i>	<i>172</i>	<i>5,613</i>	<i>2,806</i>	<i>8,591</i>
- <i>Bank charges</i>	<i>24</i>	<i>781</i>	<i>391</i>	<i>1,196</i>
<b><i>Totals</i></b>	<b><i>11,331</i></b>	<b><i>115,165</i></b>	<b><i>57,789</i></b>	<b><i>184,285</i></b>

The prior period support costs have been re-analysed to be consistent with the current year treatment in allocating staff costs directly to expenditure on charitable activities where appropriate.

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

	<b>2022 %</b>	<b>2021 %</b>
Fundraising	<b>4%</b>	<b>2%</b>
Charitable activities:		
(i) Graduate Prison Officers Programme	<b>62%</b>	<b>65%</b>
(ii) Participant Recruitment Activities	<b>34%</b>	<b>33%</b>
<b>Total allocations</b>	<b>100%</b>	<b>100%</b>



## 6 Net income

This is stated after charging the following against unrestricted funds:

	<b>2022 Total £</b>	2021 Total £
Staff costs (see note 7)	<b>1,490,363</b>	857,477
Auditor's remuneration	<b>9,000</b>	8,750
Depreciation	<b>18,732</b>	1,964
Operating lease rentals	<b>247,962</b>	63,755

## 7 Staff costs and Trustees' remuneration

	<b>2022 £</b>	2021 £
Staff costs during the period were as follows:		
. Wages and salaries	<b>1,243,430</b>	703,153
. Social security costs	<b>117,970</b>	62,642
. Termination payments	<b>6,177</b>	19,754
. Pension costs	<b>122,786</b>	71,929
	<b>1,490,363</b>	857,477

The average number of employees during the period was:

	<b>2022 Number</b>	2021 Number (Restated)
Management and Leadership	<b>5</b>	5
Programme	<b>12</b>	10
Recruitment	<b>16</b>	31
Operations	<b>4</b>	3
External Relations	<b>4</b>	3
	<b>41</b>	52

The prior period comparatives have been restated to include part time staff which is consistent with the current year treatment. The reason for the increase in staff costs despite lower staff numbers this year is due to a larger influx of part time staff in the prior period that had inflated the average number of employees.

During the current accounting period, there were five (2021 - none) employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions).

	<b>2022 Number</b>	2021 Number
£60,001 – £70,000	<b>2</b>	—
£70,001 – £80,000	<b>1</b>	—
£80,001 – £90,000	<b>1</b>	—
£90,001 – £100,000	<b>1</b>	—

## 7 Staff costs and Trustees' remuneration (continued)

No Trustee received any remuneration in respect of their services during the year (2021 - £nil) and £337 of expenses were reimbursed to the Trustees during the year (2021 - £nil).

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

	2022 £	2021 £
Key Management Personnel – Gross pay	414,148	207,954
Key Management Personnel – Employer pensions	40,816	21,171
Key Management Personnel – Employer NI	47,579	25,162
	<b>502,543</b>	<b>254,287</b>

## 8 Tangible fixed assets

	Computer equipment £	Furniture, fixtures equipment £	Leasehold improvements £	2022 Total £
<b>Cost</b>				
At 1 April 2021	32,705	—	—	32,705
Additions	11,575	29,876	8,520	49,971
At 31 March 2022	<b>44,280</b>	<b>29,876</b>	<b>8,520</b>	<b>82,676</b>
<b>Depreciation</b>				
At April 2021	1,964	—	—	1,964
Charge for period	12,235	4,366	2,130	18,732
At 31 March 2022	<b>14,199</b>	<b>4,366</b>	<b>2,130</b>	<b>20,696</b>
<b>Net book values</b>				
At 31 March 2022	<b>30,081</b>	<b>25,510</b>	<b>6,390</b>	<b>61,981</b>
At 1 April 2021	<b>30,741</b>	—	—	<b>30,741</b>

## 9 Debtors

	2022 £	2021 £
Trade debtors	377,741	90,150
Prepayments	276,761	198,774
Accrued income	58,443	97,528
	<b>712,945</b>	<b>386,452</b>

### 10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	61,047	424,486
Other creditors	56,305	31,364
Tax and social security	143,666	153,886
Accruals and deferred income	387,730	419,306
	<b>648,748</b>	<b>1,029,042</b>

### 11 Creditors: amounts falling due after one year

	2022 £	2021 £
Lease liability	1,250	—
	<b>1,250</b>	<b>—</b>

### 12 Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	At 31 March 2022 £
<b>Restricted funds</b>				
Treebeard Trust	41,350	25,000	(21,559)	44,791
Hadley Trust	20,395	—	(16,819)	3,576
Drapers Charitable Trust	—	15,000	—	15,000
Dulverton Trust	—	35,000	—	35,000
<b>Total</b>	<b>61,745</b>	<b>75,000</b>	<b>(38,378)</b>	<b>98,367</b>

#### *Restricted funds*

Treebeard Trust: to support the policy paperwork.

Hadley Trust: to support the technology innovation project.

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

Dulverton Trust: to support new growth outside of London and Northern Ireland.

### 13 Analysis of net assets between funds

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

Unrestricted funds at 31 March 2022 include designated funds as follows:

- New ventures fund of £170,000, to be spent over the next two years on mobilisation costs of new initiatives started by the charity.
- Ambassadors fund of £140,000, to be spent over the next three years on mobilisation costs of our new ambassador programme

	<i>Restricted funds £</i>	<i>Unrestricted general funds £</i>	<i>Total funds 2021 £</i>
<b><i>Fund balances at 31 March 2021 are represented by:</i></b>			
<i>Tangible fixed assets</i>	—	30,741	30,741
<i>Current assets</i>	61,745	1,596,958	1,658,703
<i>Current liabilities</i>	—	(1,029,043)	(1,029,043)
<b><i>Total net assets</i></b>	<b><i>61,745</i></b>	<b><i>598,656</i></b>	<b><i>660,401</i></b>

### 13 Operating lease commitments

At 31 March 2022, the balance sheet date, the Charity had operating lease commitments as follows:

	2022 £	2021 £
On office space		
Due within one year	226,656	23,155
Due between one and two years	75,552	—
	<b>302,208</b>	<b>23,155</b>

**14 Taxation**

Unlocked Graduates is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**15 Related parties**

At the period end 31 March 2022, Unlocked Graduates had £nil (2021 - £50,000) due from Catch22 Charity Limited, formerly the sole guaranteed member of Unlocked Graduates until 1 September 2020 when membership was transferred to the trustees.

**16 Members' liability**

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

**17 Post balance sheet events**

There were no post balance sheet events.