

Registered number: 00825036
Charity number: 313164

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

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THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2021

Trustees	Astrid Wissenburg, Chair David Bogle David Oswell William Duncan (term of office ended 1 March 2021) Jan Juillerat Roger Eccleston Susan Fleet Gabriel Silberman
Company registered number	00825036
Charity registered number	313164
Registered office	22 Signet Court Swann Road Cambridge CB5 8LA
Chief executive officer	Clare Viney
Independent auditors	Haysmacintyre LLP Chartered Accountants 10 Queen Street Place London EC4R 1AG
Bankers	HSBC Bank Plc St Johns Innovation Park Cambridge CB4 0DS
Solicitors	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Investment Managers	Westminster Wealth Management 3rd Floor Reception Chronicle House 72-78 Fleet Street London EC4Y 1HY
Pension Scheme Actuary	First Actuarial 182 High Street Tonbridge Kent TN9 1BE

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2020 to 31 March 2021. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (second edition of the Charities SORP October 2019).

Since the Charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

OBJECTIVES AND ACTIVITIES

a. Policies and objectives

CRAC provides research, intelligence and innovation services for all those who support the career development of people of all ages and in all sectors.

We work in partnership with government agencies, education providers and organisations, employers and professional bodies.

CRAC's aim is to encourage and support career learning and active career development at all ages, to help people make well-informed career decisions and manage their careers positively.

The Trustees confirm that they have complied with the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

The Charity Commission in its 'Charities and Public Benefit' Guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: first, there must be an identifiable benefit and, secondly, that the benefit must be to the public or a section of the public. The Trustees are satisfied that the aims and objectives of the charity, and the activities reported on to achieve those aims, meet these principles.

CRAC exists to support individuals in their career development and career-related learning. Our activities contribute to public benefit by helping individuals to achieve and realise their full potential, which impacts positively on their personal economic and social health and wellbeing which, in turn, contributes to wider societal and economic benefit. Our recent activities and achievements are summarised in the review of activities below. We also set out our plans for next year explaining how we aim to further develop our services and continue to deliver the public benefit we provide.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE

a. Review of activities

CRAC has delivered a range of activities to support its high-level objectives providing research, intelligence and innovation for all those who support career development for people of all ages and in all sectors. The COVID-19 situation brought lots of uncertainty, but CRAC reassured clients and the community by focusing on keeping colleagues safe and maintaining service levels. The CRAC/Vitae offices were kept physically only open to staff for essential purposes, all staff worked entirely from home throughout the whole year with seamless access to our secure and confidential remote working infrastructure. Trustees and Senior Leadership Team monitored the situation via regular meetings and communication to staff, and engagement with clients, stakeholders and the wider community.

This year we worked in partnership with government agencies, education organisations and providers, and employers, academies and professional bodies. We continue to develop and deliver activities and programmes for researchers (who are in higher education and public research institutes) under the Vitae name in addition to certain activities under the CRAC brand itself.

Vitae is the global leader in supporting the professional development of researchers, experienced in working with higher education institutions as they strive for research excellence, innovation and impact. Vitae membership enables over 200 organisations with a stake in realising the potential of researchers to build capacity in developing excellent researchers, bringing benefits to research outputs, innovation, society and the economy. Researcher development is at the heart of improving research culture; bringing together wellbeing, ethics and integrity, leadership, and equality, diversity and inclusion to create an environment conducive to successful research.

Work to engage and retain Vitae UK members has been successful and membership subscription renewals remain ~95% despite the significant impact to the higher education sector of the COVID-19 pandemic. All physical events, training and offering has been moved online, while there has been increased communication and engagement with the community so Vitae is seen as relevant and supportive during the COVID-19 situation.

The 2020 Vitae Connections online event (replacing the annual Vitae Conference) was well supported and received. Amanda Solloway, Minister of Science, Research and Innovation, Department for Business, Energy & Industrial Strategy, shared a platform for the very first time with Professor Dame Ottoline Leyser, CEO, UK Research and Innovation (UKRI). One legacy of the event is that there are 27 sessions and associated materials archived on the Vitae website available 'on demand'. The plenary sessions generated more media coverage than ever before including Daily Telegraph, Times Higher Education and other HE sector and policy related specialist press.

Vitae has input into the Government's development of the People and Culture Strategy, part of the 'R&D Roadmap', and we are also inputting to the Bureaucracy Review. While the secretariat for the Concordat Strategy Group moved to UUK (along with other Concordats), Vitae is scoping the researcher development good practice sharing aspects. The pilot CEDARS (Culture, Employment and Development of Academic Researchers Survey) results received significant HE media coverage and institutional interest in the upcoming survey for 2021 has been high.

The accumulation of research and intelligence continues to underpin much of the work that informs Vitae's programme of activities, the advancement of which has often positioned Vitae at the forefront in realising and informing trends in the sector.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

We continue to build on our international reputation and work to develop and train researchers; providing expertise, research and consultancy in this area, across a growing international footprint. Outside the UK, we continued to work with partners in Australia, Ireland, Japan, Poland and Spain on a range of projects to develop and deliver high impact professional development interventions to support researcher careers and build research capacity. Through the CIRCLE programme we continue to work with 9 countries across Africa supporting 29 institutions to build institutional capacity and support researcher development. A number of partnerships with European institutions were developed in order to submit bids for funding from the European Commission, embedding researcher development in research training schemes or for discrete career- or development-related activity.

We are at the heart of a community of 40,000 researchers who access our expert resources including programmes for researchers and research leaders and have added to the extensive information and resources that are available online to those with Vitae membership.

In addition, CRAC continued to provide a range of expertise and activities in other career sectors, including contract research, evaluation and consultancy services to an expanding range of clients and organisations including the Department for Education, Research England/UKRI, the Office for Students, the Royal Society, Royal Academy of Engineering, Wellcome and the Bar Council. This portfolio of work has continued to build CRAC's reputation for research-based expertise and knowledge in relation to career decision-making, transitions into and from higher education, careers information provision, graduate employability, STEM (Science, Technology, Engineering and Mathematics) and graduate careers, and internationalisation of education. Evaluation work has become a major emphasis of the research work undertaken. Specific projects undertaken during 2020/21 included:

- Evaluations of a range of early-career fellowship schemes run by major academies in the UK, including Royal Academy of Engineering
- Working closely with BEIS on a cross-sector R&D workforce survey and UKRI on a COVID-19 follow up survey with researchers
- Continuation of evaluations of the Office for Students-funded programmes of activities by universities to improve the career outcomes of their local graduates and of new postgraduate conversion courses in Data Sciences and Artificial Intelligence
- Evaluation of the Arts and Humanities Research Council's Doctoral Training Partnership Scheme
- A study with disabled scientists to understand barriers to their progression in the academic science workforce, for the Royal Society
- An investigation of quality assessment of online careers information and development of a new toolkit to assure quality, review commissioned by Health Careers for Health Education England
- Work with the Bar Council on how best to support young barristers

Formed early in 2020 by CRAC and other organisations in the sector, the new Career Development Policy Group (CDPG) is beginning to develop policies and initiatives that support career development and help maintain employment in the UK post-COVID. The CDPG brings together a range of organisations which all believe it is essential that citizens have an opportunity to access support in their careers.

All staff continue to work from home, but it is hoped the Cambridge office will reopen on a COVID-secure basis later in 2021; the Senior Leadership Team are monitoring and reviewing this position closely. In April 2021 the organisation successfully achieved ISO 27001 Information Security Management certification.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Financial review

Full details of income and expenditure are set out in the statement of financial activities (SOFA) on page 15.

During the year, total incoming resources were £1,152,309 compared with £1,525,129 in the year ended 31 March 2020. The income profile has been changing in recent years due to the transition from much of CRAC's researcher development work being funded by a single Research Councils UK contract (tapering towards its end in March 2015) to more diversified income streams. These include a membership scheme for institutions, contract work in the UK for a variety of research funders and substantial growth of delivery of training, research and consultancy in Europe and the rest of the world. Vitae membership was launched in January 2015; by March 2021 187 organisations had committed to membership for a period of one to three years. The total resources expended were £1,191,022 (£1,536,901 in 2020).

The level of total reserves for the Charity on 31 March 2021 was £390,385 (2020: £455,220) and free reserves, being the total unrestricted funds less net book value of tangible fixed assets, were £377,739 (2020: £434,890). One additional payment of £25k has been made to CRAC's defined benefit Pension Scheme this year, as recorded in note 21. The current valuation for the Scheme is a deficit of £1,133,000 (2020: £874,000), despite the Scheme being fully funded following the triennial valuation in March 2019.

In April 2014 the Pension Scheme secured a 'buy-in' insurance policy which delivers income to the Scheme guaranteed to correspond to the level of benefit payments required for its pensioner members, which reduces the total level of liability in the Scheme.

The Charity and Pension Scheme Trustees will review the Scheme's funding position once the next triennial valuation is available in March 2022.

There were no charitable or political contributions made during the year.

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TRUSTEES' REPORT (CONTINUED)
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c. Risk management and principal risks

Major risks to which the charity is exposed have been reviewed and systems established to mitigate those risks. Responsibility for management of risk is overseen by the Trustees at their Board meetings. The Board regularly considers the risks (including financial and reputational risks) which may affect the activities of the organisation, assesses the impact of those risks and ensures that appropriate controls are in place, including:

- comprehensive strategic planning, budgeting and management accounting
- detailed review by the Board (or those delegated by the Board) of significant capital projects or new ventures before they are approved. Internal approval by senior management of all new projects irrespective of size
- clear authorisation approval levels and segregation of duties
- appropriate contractual arrangements for all work undertaken

The Board, like many charities, is concerned about the effects of COVID-19 and BREXIT, in terms of policy changes and the effect an economic downturn may have on CRAC's ability to obtain funding. It continues to monitor CRAC's finances and CRAC's contingent strategic plan closely. The risk register is continually updated and presented at each Board meeting.

A number of key current risks are below:

Risk	Impact	Mitigation
Effect of COVID-19 on retaining and securing business, resources, capability, speed or agility to capitalise on potential future business opportunities and at the required levels to cover staff costs and other overheads	CRAC is not able to secure a sustainable stream of business and is therefore not able to meet its charitable objectives and/or financial overheads	The Board and Executive Team focus continues to be on business development and staff responsiveness, working closely with stakeholders and clients. Forward planning sets clarity about direction to ensure we have appropriate resource and capacity to meet demand
Competitor organisations offer a more compelling package of services/products to universities, or European initiatives offer 'free at point of use' services to institutions	CRAC's Vitae Programme loses buy-in; reduction of demand for products and services	Monitor competitor products and emerging offers. Continue to innovate and review own products to ensure relevance and needs of offering. Adapt and pivot offering in light of COVID-19 and introduction of hybrid working and training. Increase technology capacity and capability
Government and other stakeholders shift priorities resulting in weakened support for careers work	CRAC struggles to maintain activity, or ceases it	Monitor funding and government priorities closely, especially in light of economic and societal impact of COVID-19. Review regularly CRAC's ability to deliver its charitable remit. Continue to expand funding base beyond government funding to other non-government funders and organisations globally. Keep in close touch with key stakeholders and clients to gauge any likely adverse impacts early

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TRUSTEES' REPORT (CONTINUED)
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d. Investment policy and performance

The investments of the Charity are the responsibility of the Board after taking appropriate advice, having due regard for charity law. In 2016 the Board agreed that the investments should be transitioned to a new investment manager, Westminster Wealth, which manages the funds in a range of asset classes, with the aim to minimise market volatility and to preserve capital. The overall objective is to achieve capital preservation while producing a tangible dividend yield. It also aims to achieve positive returns which are significantly greater than the return on cash. There are no specific restrictions as to the nature of the investments of the charity. In the year ended 31 March 2021, investments made a gain of £238,878 compared with losses of £89,547 in 2020.

e. Reserves policy

The Trustees have reviewed the reserves policy in the light of their consideration of any major risks to the organisation. The Trustees consider that free reserves are necessary to meet current commitments when income streams are unpredictable. These commitments could include committed direct programme expenditure, staff costs and other essential overheads such as premises. The Trustees also need to ensure that as a result of sudden loss of income or exceptional expenditure there are sufficient funds for an orderly winding up in the event that the charity ceases operations.

The total reserves for the charity at 31 March 2021 were £390,385 (2020: £455,220), including free reserves of £377,739 (2020: £434,890); this excludes assets tied up as fixed assets or designated funds but includes investments. The Trustees' policy is to have sufficient reserves to cover charitable expenditure for four months (which roughly equates to between £350,000 and £400,000). The current level of free reserves is within this range.

f. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objectives of the Charity and which have not been designated for other purposes.

Restricted funds are designated funds which are exclusively related to the grants received from the European Commission Horizon 2020 - Research and Innovation Framework Programme for a specific agreed programme of work. The project which finished March 2021 (namely the Responsible Research and Innovation Networked Globally (RRING)).

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

CRAC Limited (known as Careers Research and Advisory Centre) is a private company limited by guarantee incorporated on 29th October 1964. It is a registered charity. The company is governed by a Memorandum and Articles of Association. This was amended in April 2009 to remove the requirement to hold future Annual General Meetings. The Trustees took the view that as the main business of the AGM was to approve the accounts, the accounts could equally be placed before the Trustees at an appropriate Board meeting.

Trustees are Directors for the purpose of company law and Trustees for the purpose of charity law. In the event of the charity being wound up, Trustees as set out on page 1 are required to contribute an amount not exceeding £10.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

b. Methods of appointment or election of Trustees

During 2020/21, as the Chair has indicated her intent to step down in 2022, a Board skills audit was undertaken, and a role description devised for the role of Chair. The Trustees are considering options for a replacement.

An induction pack for new Trustees has been established for a number of years. On appointment each new member is given an induction pack containing a range of information such as the Memorandum and Articles of Association, statutory accounts and key meeting dates. A series of meetings is also arranged to introduce them into the organisation. The Trustees meet at least three times a year. Detailed financial and management matters and day to day management of the Charity are delegated to the Chief Executive and staff.

c. Remuneration policy for key management personnel

The principles and framework for the key management personnel disclosure of the Executive team were approved by the Board, which includes the base salary and benefits which form part of the remuneration package. The responsibility for determining pay for the Director and the CEO of the charity is delegated to the Remuneration Committee who set the pay by monitoring performance and assessing remuneration trends across the sector.

PLANS FOR FUTURE PERIODS

CRAC's strategic aims for 2021/22 and beyond continue to focus on supporting the career development of individuals, principally through provision of innovation, expertise and research to those with whom they interact in relation to career learning during their education and employment.

Vitae will play a continued global role in advocating for a world in which researchers are valued and supported to realise their potential. This matters because when researchers realise their potential, individuals grow, universities thrive, employers prosper and society benefits. There will be a specific focus on:

- Redefining what makes a successful researcher
- Championing a healthy research environment
- Promoting the value of researchers

Vitae, on behalf of the sector, has surveyed doctoral researchers and early career research staff in UK universities about the impact of the COVID-19 restrictions on their working lives. With UKRI, we have gathered evidence around the implications of the COVID-19 pandemic on the activities of researchers and research groups. This evidence has already informed BEIS's consideration and design of potential interventions to help protect researchers, research institutions and facilities.

Through the Vitae Programme we will continue to work collaboratively with higher education institutions, research funders and other key organisations, and in other formal or informal partnerships, working with institutions as they strive for research excellence, innovation and impact. Work in the UK will be complemented by our international reach, enabling all those working in research to benefit from improved career development and in turn building global research capacity.

Our plans include:

- Following exploratory work during 2021, development work on a possible evolution of the membership model, potentially for offer for the renewals cycle in Spring 2022
- Continuing our focus on professional development support through the 'refresh' of the Researcher Development Framework (RDF) and provision of resources, training and events including Vitae

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

PLANS FOR FUTURE PERIODS (CONTINUED)

Connections

- Playing an active role in the UK's progress in implementation of the Researcher Development Concordat and schemes to recognise institutions' success in doing so.
- Increasing the deployment of our expertise through partnership projects and work with research funders and partners, consolidating and increasing our work building research capacity within developing economies across the rest of world

In other career sectors, CRAC will continue to provide research, evaluation, intelligence and innovation services on themes of strategic interest and continue an active role in the Career Development Policy Group.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' 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 . 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 Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, Haysmacintyre LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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TRUSTEES' REPORT (CONTINUED)
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Approved by order of the members of the board of Trustees and signed on their behalf by:



Astrid Wissenburg
Chair

Date: 19 October 2021

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAREERS RESEARCH AND
ADVISORY CENTRE (CRAC) LIMITED**

Opinion

We have audited the financial statements of The Careers Research and Advisory Centre (CRAC) Limited (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 charitable company's affairs as at 31 March 2021 and of its 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 the charitable company's ability to continue as a going concern for a period of at least twelve 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAREERS RESEARCH AND
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Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 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 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAREERS RESEARCH AND
ADVISORY CENTRE (CRAC) LIMITED (CONTINUED)**

Responsibilities of trustees

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

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

Auditors' 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 Auditors' 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:

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with employment law, VAT and other tax legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the recognition of contract income. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;
- Agreeing income from contracts and testing management's methodology for recognition;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions;
- Reviewing valuations of investments; and
- Challenging assumptions and judgements made by management in their critical accounting estimates. These related to the value of the defined benefit pension liability and valuation of contract income including amounts deferred.

A further description of our responsibilities for the audit of the financial statements is located on the Financial

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CAREERS RESEARCH AND
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Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Weaver (Senior Statutory Auditor)

for and on behalf of

Haysmacintyre LLP

Chartered Accountants

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

Date: 1 November 2021

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	As restated Total funds 2020 £
INCOME FROM:					
Donations and legacies	4	10,591	-	10,591	-
Charitable activities	5	-	1,128,106	1,128,106	1,507,376
Investments	6	-	13,612	13,612	17,753
		<u>10,591</u>	<u>1,141,718</u>	<u>1,152,309</u>	<u>1,525,129</u>
EXPENDITURE ON:					
Raising funds	7	-	15,609	15,609	15,273
Charitable activities	8	50,098	1,125,315	1,175,413	1,521,628
		<u>50,098</u>	<u>1,140,924</u>	<u>1,191,022</u>	<u>1,536,901</u>
NET (EXPENDITURE)/INCOME BEFORE NET GAINS/(LOSSES) ON INVESTMENTS					
		(39,507)	794	(38,713)	(11,772)
Net gains/(losses) on investments		-	238,878	238,878	(89,547)
		<u>(39,507)</u>	<u>239,672</u>	<u>200,165</u>	<u>(101,319)</u>
NET (EXPENDITURE)/INCOME					
Transfers between funds	16	(25,225)	25,225	-	-
		<u>(64,732)</u>	<u>264,897</u>	<u>200,165</u>	<u>(101,319)</u>
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)					
OTHER RECOGNISED GAINS/(LOSSES):					
Actuarial losses on defined benefit pension schemes	21	-	(265,000)	(265,000)	(64,000)
		<u>(64,732)</u>	<u>(103)</u>	<u>(64,835)</u>	<u>(165,319)</u>
NET MOVEMENT IN FUNDS					
RECONCILIATION OF FUNDS:					
Total funds brought forward		64,732	390,488	455,220	620,539
Net movement in funds		(64,732)	(103)	(64,835)	(165,319)
		<u>-</u>	<u>390,385</u>	<u>390,385</u>	<u>455,220</u>
TOTAL FUNDS CARRIED FORWARD					

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 18 to 39 form part of these financial statements.

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00825036

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	12,646	20,330
Investments	13	1,384,963	1,248,201
		<u>1,397,609</u>	<u>1,268,531</u>
CURRENT ASSETS			
Debtors	14	236,440	412,558
Cash at bank and in hand		313,693	222,121
		<u>550,133</u>	<u>634,679</u>
Creditors: amounts falling due within one year	15	(424,357)	(573,990)
		<u>125,776</u>	<u>60,689</u>
NET CURRENT ASSETS			60,689
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,523,385</u>	<u>1,329,220</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>1,523,385</u>	<u>1,329,220</u>
Defined benefit pension scheme liability	21	(1,133,000)	(874,000)
TOTAL NET ASSETS		<u><u>390,385</u></u>	<u><u>455,220</u></u>
CHARITY FUNDS			
Restricted funds	16	-	64,732
Unrestricted funds:			
Designated funds	16	12,646	20,330
General funds	16	1,510,739	1,244,158
		<u>1,523,385</u>	<u>1,264,488</u>
Unrestricted funds excluding pension liability	16	1,523,385	1,264,488
Pension reserve	16	(1,133,000)	(874,000)
		<u>390,385</u>	<u>390,488</u>
Total unrestricted funds	16	390,385	390,488
TOTAL FUNDS		<u><u>390,385</u></u>	<u><u>455,220</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00825036

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Astrid Wissenburg
Chair

Date: 19 October 2021

The notes on pages 19 to 40 form part of these financial statements.

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	18	(24,156)	110,191
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		13,612	17,753
Purchase of tangible fixed assets		-	(4,271)
Purchase of investments		(353)	(130,355)
Disposal of investments		102,469	104,275
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		115,728	(12,598)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
Cash and cash equivalents at the beginning of the year		222,121	124,528
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	19	313,693	222,121

The notes on pages 19 to 40 form part of these financial statements

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 825036) and a charity registered in England and Wales (charity number: 313164). The Charity's registered office address is: 22 Signet Court, Swanns Road, Cambridge, CB5 8LA.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) Second Edition (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Careers Research and Advisory Centre (CRAC) Limited meets the definition of a public benefit entity under FRS 102.

2.2 GOING CONCERN

The Trustees have considered the Charity's forecasts and projections and have taken account of pressures on income, particularly in the light of the impact of the COVID-19 pandemic which occurred before these financial statements were approved. After making enquiries the Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Therefore, these accounts have been prepared on the going concern basis.

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern.

2.3 INCOME

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The Charity's policy is to recognise contract funding for activities which fall within its charitable objects as unrestricted, even though in certain circumstances minor restrictions exist, due to the complexity of the conditions and the delivery of the projects. This income is treated as unrestricted and the balances received in advance for the following period are treated as deferred income as it is used to match the project costs.

Income received in advance of the provisions of a specified service or activity is deferred until the criteria for income recognition is met.

Subscriptions are accounted for on an accruals basis. Subscriptions relating to a later period are therefore carried forward to that period and treated as deferred income in the balance sheet.

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.3 INCOME (CONTINUED)

income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.4 EXPENDITURE

Expenditure is accounted for on an accruals basis where there is a legal and constructive obligation to make a payment to a third party and the amount of the obligation can be measured reliably. Expenditure is allocated to the appropriate headings relevant to the charitable activities. Direct charitable expenditure includes all expenditure related to the objects of the Charity. Support costs are separately identified under note 9 and are also costs incurred in achieving the Charity's objects. Direct costs are allocated to the programmes on an actual basis. Overhead and support costs such as premises and related staff costs are allocated on the basis of income received.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

2.5 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%	straight line
Office equipment	-	33%	straight line
Computer equipment	-	25%	straight line

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.8 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 CASH AT BANK AND IN HAND

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.

2.10 LIABILITIES

Liabilities 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 estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 FINANCIAL INSTRUMENTS

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.13 PENSIONS

The Company operates a group personal pension scheme (defined contribution) managed by Aviva. The costs are charged to the SOFA as they become payable. Details of the scheme are set out in note 21 to the accounts.

The Company also operates a defined benefit scheme which was closed to future accrual in September 2007 and staff in that scheme then transferred to the Aviva scheme. The scheme is currently fully paid on an actuarial basis where CRAC with agreement with the pension scheme Trustees made a payment in 2014 to eliminate the deficit. The level of future contributions will change based on the triennial actuarial valuations. CRAC contributed an additional £25,000 during the year ended 31 March 2021 (2020: £Nil). The scheme is a defined benefit scheme in accordance with section 28 of the FRS 102. Service costs, curtailments, settlement gains and losses, net financial returns and remeasurement gains and loss are included in the Statement of Financial Activities in the year to which they relate.

Changes in assets and liabilities of the scheme in the year are disclosed and allocated as follows:

Changes relating to current or past service costs and gains and losses on settlements and curtailments and pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme.

Pension finance charges arising from similar changes are recognised as outgoing resources.

Remeasurement gains and losses arising are recognised as other recognised gains and losses.

2.14 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 other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements. Designated funds have been established to represent the monies invested in tangible fixed assets net of depreciation.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. The Responsible Research and Innovation Networked Globally (RRING) fund is in relation to a grant received for a project which finished in 2021.

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The 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 are discussed below.

Critical areas of judgement:

Depreciation:

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively.

Pensions:

The principal assumptions used to calculate the liabilities in the defined benefit pension scheme are those as set out in note 21.

4. INCOME FROM DONATIONS AND LEGACIES

	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Grants	10,591	10,591	-

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2021 £	Total funds 2021 £
Informing policy	312,353	312,353
Enhancing provision	349,296	349,296
Enabling individuals	466,457	466,457
TOTAL 2021	<u>1,128,106</u>	<u>1,128,106</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Informing policy	437,028	437,028
Enhancing provision	494,985	494,985
Enabling individuals	575,363	575,363
TOTAL 2020	<u>1,507,376</u>	<u>1,507,376</u>

6. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £
Dividend income (from UK Listed investments)	13,493	13,493
Bank interest	119	119
TOTAL 2021	<u>13,612</u>	<u>13,612</u>

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. INVESTMENT INCOME (CONTINUED)

	Unrestricted funds 2020 £	Total funds 2020 £
Dividend income (from UK Listed investments)	17,353	17,353
Bank interest	400	400
TOTAL 2020	<u>17,753</u>	<u>17,753</u>

7. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2021 £	Total funds 2021 £
Investment management fees	15,609	15,609
TOTAL 2021	<u>15,609</u>	<u>15,609</u>

	Unrestricted funds 2020 £	Total funds 2020 £
Investment management fees	15,273	15,273
TOTAL 2020	<u>15,273</u>	<u>15,273</u>

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Informing policy	-	293,954	293,954
Enhancing provision	50,098	357,477	407,575
Enabling individuals	-	473,884	473,884
	<u>50,098</u>	<u>1,125,315</u>	<u>1,175,413</u>

	As restated Restricted funds 2020 £	As restated Unrestricted funds 2020 £	As restated Total funds 2020 £
Informing policy	-	422,518	422,518
Enhancing provision	8,616	625,435	634,051
Enabling individuals	-	465,059	465,059
	<u>8,616</u>	<u>1,513,012</u>	<u>1,521,628</u>

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support and governance costs 2021 £	Total funds 2021 £
Informing policy	210,868	83,086	293,954
Enhancing provision	315,587	91,988	407,575
Enabling individuals	352,222	121,662	473,884
TOTAL 2021	<u>878,677</u>	<u>296,736</u>	<u>1,175,413</u>

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

	As restated Activities undertaken directly 2020 £	Support and governance costs 2020 £	As restated Total funds 2020 £
Informing policy	320,004	102,514	422,518
Enhancing provision	517,795	116,256	634,051
Enabling individuals	329,924	135,135	465,059
TOTAL 2020 AS RESTATED	1,167,723	353,905	1,521,628

Analysis of direct costs

	Informing policy 2021 £	Enhancing provision 2021 £	Enabling individuals 2021 £	Total funds 2021 £
Direct staff costs	165,159	248,531	164,381	578,071
Direct costs	45,709	67,056	187,841	300,606
TOTAL 2021	210,868	315,587	352,222	878,677

	As restated Informing policy 2020 £	As restated Enhancing provision 2020 £	As restated Enabling individuals 2020 £	As restated Total funds 2020 £
Direct staff costs	160,014	222,151	146,317	528,482
Direct costs	159,990	295,644	183,607	639,241
TOTAL 2020 AS RESTATED	320,004	517,795	329,924	1,167,723

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Informing policy 2021 £	Enhancing provision 2021 £	Enabling individuals 2021 £	Total funds 2021 £
Pension finance costs	5,320	5,890	7,790	19,000
Staff costs	36,861	40,810	53,974	131,645
Premises and other costs	38,375	42,486	56,192	137,053
Governance costs	2,530	2,802	3,706	9,038
	<u>83,086</u>	<u>91,988</u>	<u>121,662</u>	<u>296,736</u>
	As restated Informing policy 2020 £	As restated Enhancing provision 2020 £	As restated Enabling individuals 2020 £	As restated Total funds 2020 £
Pension finance costs	5,214	6,873	5,913	18,000
Staff costs	45,251	61,863	42,338	149,452
Premises and other costs	47,137	41,948	80,407	169,492
Governance costs	4,912	5,572	6,477	16,961
	<u>102,514</u>	<u>116,256</u>	<u>135,135</u>	<u>353,905</u>

10. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	11,500	9,950
Fees payable to the Charity's auditor in respect of: All non-audit services not included above	<u>2,175</u>	<u>2,700</u>

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. STAFF COSTS, KEY MANAGEMENT PERSONNEL AND TRUSTEES' REMUNERATION AND EXPENSES

	2021	As restated 2020
	£	£
Wages and salaries	574,920	568,226
Social security costs	63,660	58,630
Pension costs	71,136	51,078
	<u>709,716</u>	<u>677,934</u>

The average number of persons employed by the Charity during the year was as follows:

	2021	2020
	No.	No.
Direct charitable activities	11	10
Support	3	3
	<u>14</u>	<u>13</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
	No.	No.
In the band £80,001 - £90,000	1	1
In the band £100,001 - £110,000	1	1

Employer pension costs paid to defined contribution schemes in respect of the above 2 staff were £18,100 (2020: 2 staff paid £17,449). The number of staff above that are deferred members and accruing benefits under the defined benefit scheme are Nil (2020: £nil).

The key management personnel of CRAC comprises of the members of the senior team in Director level posts. The total remuneration of the senior team, which includes benefits in kind was £226,980 (2020: £221,091).

During the year, no Trustees received any remuneration or benefit in kind (2020: £nil).

During the year, no Trustees received reimbursement of expenses or had expenses paid directly to a third party on their behalf (2020: 6 Trustees reimbursed £2,470).

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 April 2020	41,929	4,242	208,376	254,547
At 31 March 2021	41,929	4,242	208,376	254,547
DEPRECIATION				
At 1 April 2020	39,911	3,652	190,654	234,217
Charge for the year	1,098	590	5,996	7,684
At 31 March 2021	41,009	4,242	196,650	241,901
NET BOOK VALUE				
At 31 March 2021	920	-	11,726	12,646
At 31 March 2020	2,018	590	17,722	20,330

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. FIXED ASSET INVESTMENTS

	Listed investments £
COST OR VALUATION	
At 1 April 2020	1,248,201
Additions	353
Disposals (proceeds £97,732; realised gains £10,299)	(87,433)
Revaluations	228,579
Movement in cash deposit	(4,737)
AT 31 MARCH 2021	1,384,963
NET BOOK VALUE	
AT 31 MARCH 2021	1,384,963
AT 31 MARCH 2020	1,248,201

All the fixed investments are held in the UK.

The investments of the Charity are the responsibility of the Board after taking appropriate advice, having due regard for charity law. In 2016 the Board agreed that the investments should be transitioned to a new investment manager, Westminster Wealth, who manages the funds in a range of asset classes, with the aim to minimise market volatility and to preserve capital. The overall objective is to achieve capital preservation and produce a dividend yield. It also aims to achieve positive returns which are significantly greater than the return on cash. There are no specific restrictions as to the nature of the investments of the Charity.

The total net gain on investments as per the Statement of Financial Activities comprises realised gains of £10,299 and unrealised gains of £228,579.

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. DEBTORS

	2021 £	2020 £
DUE WITHIN ONE YEAR		
Trade debtors	211,145	228,293
Other debtors	4,250	7,382
Prepayments and accrued income	21,045	176,883
	236,440	412,558
	236,440	412,558

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	68,888	162,004
Other taxation and social security	84,048	43,132
Other creditors	28,611	22,931
Accruals and deferred income	242,810	345,923
	424,357	573,990
	424,357	573,990
	2021 £	2020 £
Deferred income at 1 April 2020	255,757	277,529
Resources deferred during the year	196,287	255,757
Amounts released from previous periods	(255,757)	(277,529)
	196,287	255,757
	196,287	255,757

THE CAREERS RESEARCH AND ADVISORY CENTRE (CRAC) LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	20,330	-	-	(7,684)	-	12,646
GENERAL FUNDS						
General funds	1,244,158	1,141,718	(1,121,924)	7,909	238,878	1,510,739
Pension reserve	(874,000)	-	(19,000)	25,000	(265,000)	(1,133,000)
	<u>370,158</u>	<u>1,141,718</u>	<u>(1,140,924)</u>	<u>32,909</u>	<u>(26,122)</u>	<u>377,739</u>
TOTAL UNRESTRICTED FUNDS	<u>390,488</u>	<u>1,141,718</u>	<u>(1,140,924)</u>	<u>25,225</u>	<u>(26,122)</u>	<u>390,385</u>
RESTRICTED FUNDS						
RRING project	64,732	10,591	(50,098)	(25,225)	-	-
TOTAL OF FUNDS	<u><u>455,220</u></u>	<u><u>1,152,309</u></u>	<u><u>(1,191,022)</u></u>	<u><u>-</u></u>	<u><u>(26,122)</u></u>	<u><u>390,385</u></u>

Designated funds have been established to represent the monies invested in tangible fixed assets net of depreciation.

The Responsible Research and Innovation Networked Globally (RRING) fund is in relation to a grant received for a project which finished in 2021.

Following a review, it was found that RRING project costs had been charged to general funds in previous years. These costs have been reallocated to restricted funds via transfer.

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16. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2020 £
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Designated Funds	25,674	-	-	(5,344)	-	20,330
GENERAL FUNDS						
General funds	1,313,517	1,525,129	(1,510,285)	5,344	(89,547)	1,244,158
Pension reserve	(792,000)	-	(18,000)	-	(64,000)	(874,000)
	<u>521,517</u>	<u>1,525,129</u>	<u>(1,528,285)</u>	<u>5,344</u>	<u>(153,547)</u>	<u>370,158</u>
TOTAL UNRESTRICTED FUNDS	<u>547,191</u>	<u>1,525,129</u>	<u>(1,528,285)</u>	<u>-</u>	<u>(153,547)</u>	<u>390,488</u>
RESTRICTED FUNDS						
RRING project	73,348	-	(8,616)	-	-	64,732
TOTAL OF FUNDS	<u><u>620,539</u></u>	<u><u>1,525,129</u></u>	<u><u>(1,536,901)</u></u>	<u><u>-</u></u>	<u><u>(153,547)</u></u>	<u><u>455,220</u></u>

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	12,646	12,646
Fixed asset investments	1,384,963	1,384,963
Current assets	550,133	550,133
Creditors due within one year	(424,357)	(424,357)
Pension provision	(1,133,000)	(1,133,000)
TOTAL	390,385	390,385

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	20,330	20,330
Fixed asset investments	-	1,248,201	1,248,201
Current assets	64,732	569,947	634,679
Creditors due within one year	-	(573,990)	(573,990)
Pension provision	-	(874,000)	(874,000)
TOTAL	64,732	390,488	455,220

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**NOTES TO THE FINANCIAL STATEMENTS
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18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	200,165	(101,319)
ADJUSTMENTS FOR:		
Depreciation charges	7,684	9,615
Dividends, interests and rents from investments	(13,612)	(17,753)
Decrease in debtors	176,118	39,286
Increase/(decrease) in creditors	(149,633)	73,094
Losses/(gains) on investments	(238,878)	89,268
Net finance cost (DB pension scheme)	19,000	18,000
Pension deficit contributions	(25,000)	-
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	(24,156)	110,191

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash in hand	313,693	222,121
TOTAL CASH AND CASH EQUIVALENTS	313,693	222,121

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	222,121	91,572	313,693
	222,121	91,572	313,693

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21. PENSION COMMITMENTS

The Charity operates a defined contribution pension scheme that staff members are entitled to join once they have passed their probationary period. The scheme is managed by Aviva and contributions are paid over as they become due. CRAC contributes 10% to the scheme and staff contribute a minimum of 5%. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £48,065 (2020 - £51,078). At the year-end, £6,142 (2020 - £6,332) was payable to the fund.

The Charity operates a defined benefit pension scheme.

The pension scheme is a UK registered trust based pension scheme that provides defined benefits. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees are responsible for running the scheme in accordance with the scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the scheme are required to act in the best interests of the beneficiaries of the scheme.

There are two categories of pension scheme members:

- Deferred members: former active members of the scheme and not yet in receipt of a pension.
- Pensioner members: in receipt of a pension.

The Trustees are required to carry out an actuarial valuation every 3 years.

The last finalised actuarial valuation of the scheme was performed by the scheme actuary for the Trustees as at 31 March 2019. This valuation revealed a funding shortfall of £299,000. The Charity has agreed to pay annual shortfall contributions of £25,000 to remove the shortfall by 31 October 2029.

The Charity paid contributions of £25,000 to the scheme during the year ended 31 March 2021 and expects to pay £25,000 to the scheme during the financial year ended 31 March 2022.

The results of the most recent formal actuarial valuation as at 31 March 2019 have been updated to 31 March 2021 by a qualified independent actuary.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	At 31 March 2021	At 31 March 2020
	%	%
Discount rate	2	2.3
Pension increases	2.7	1.9
Revaluation of deferred pensions in excess of GMP	2.7	2
RPI inflation	3.2	2.5
CPI inflation	2.7	2

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21. PENSION COMMITMENTS (CONTINUED)

	At 31 March 2021 Years	At 31 March 2020 Years
MORTALITY RATES (IN YEARS)		
- For a male aged 60 in 2021	27.2	27.3
- At age 60 for a male aged 40 in 2021	28.7	28.8
- For a female aged 60 in 2021	29.2	29.1
- At age 60 for a female aged 40 in 2021	30.6	30.6

The Charity's share of the assets in the scheme was:

	At 31 March 2021 £	At 31 March 2020 £
Equities and other growth assets	2,269,000	1,838,000
Cash and Trustee bank account	29,000	3,000
Insurance policy	3,517,000	3,381,000
TOTAL FAIR VALUE OF ASSETS	5,815,000	5,222,000

The actual return on scheme assets was £812,000 (2020 - £(238,000)).

The amounts recognised in the Statement of Financial Activities are as follows:

	2021 £	2020 £
Interest income	118,000	130,000
Interest cost	(137,000)	(148,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	(19,000)	(18,000)

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21. PENSION COMMITMENTS (CONTINUED)

Movements in the present value of the defined benefit obligation were as follows:

	2021 £	2020 £
Opening defined benefit obligation	6,096,000	6,613,000
Interest cost	137,000	148,000
Actuarial gains/(losses)	959,000	(304,000)
Pensions paid	(244,000)	(361,000)
CLOSING DEFINED BENEFIT OBLIGATION	6,948,000	6,096,000

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	5,222,000	5,821,000
Return on assets	118,000	130,000
Actuarial gains/(losses)	694,000	(368,000)
Contributions by employer	25,000	-
Pensions paid	(244,000)	(361,000)
CLOSING FAIR VALUE OF SCHEME ASSETS	5,815,000	5,222,000

Reconciliation to the statement of financial position

	2021 £	2020 £
Closing fair value of scheme assets	5,815,000	5,222,000
Closing defined benefit obligation	(6,948,000)	(6,096,000)
PENSION SCHEME (DEFICIT)/ASSET	(1,133,000)	(874,000)

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NOTES TO THE FINANCIAL STATEMENTS
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22. OPERATING LEASE COMMITMENTS

At 31 March 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	17,000	-
Later than 1 year and not later than 5 years	14,671	-
	<u>31,671</u>	<u>-</u>

23. LIMITED LIABILITY STATEMENT

The company is limited by guarantee. In the event of liquidation, the Trustees of the company have a limited liability of up to £10 each.

24. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

25. COMPARATIVE FIGURES REALLOCATIONS

Investment management costs

In the previous financial year, investment management costs were disclosed as direct expenditure on charitable activities rather than expenditure on raising funds. The costs, which amounted to £15,273, have been reclassified to expenditure on raising funds in the Statement of Financial Activities. The adjustment increases investment management costs (see note 7) by £15,273 and decreases Informing Policy direct costs (see note 9) by £15,273.

Classification of restricted expenditure on charitable activities

In the previous financial year, RRING restricted expenditure totalling £8,616 was allocated to the Enabling Individuals activity rather than the Enhancing Provision activity. This has been reclassified (see note 8).

Defined benefit pension scheme disclosure

In the previous financial year, the net pension finance cost was included in the staff costs line of notes 9 and 11. This cost has been reclassified from staff costs to pension finance costs in note 9 and excluded from staff costs in note 11.