

Company No. 02827835 (England & Wales)  
Charity No. 1040962

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**TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**  
**(A company limited by guarantee)**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**For the Year Ended 31 August 2022**

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# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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## **Legal and Administrative Information**

**For the Year Ended 31 August 2022**

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### **TRUSTEES/DIRECTORS**

Mark Campbell	(Chair)	Clifford Chance
Richard Foley	(Resigned on 30 June 2022)	The Portal Trust
Gerry McDonald		New City College (Principal)
Sarah Barnes		Queen Mary University of London
Saiam Ahmed		UCL Institute of Clinical Trials & Methodology
Jennie Bird		Harry Gosling School
Jemima Reilly		Morpeth School
Iveren Yongo		Talbot Underwriting
Dr Tina Sode		London Borough of Tower Hamlets
Anita Bhardwaj		Morgan Stanley
Jayant Kumar		Barclays
Rachel Dodds		KPMG

### **SECRETARY**

Helen Sanson

### **REGISTERED OFFICE**

Norvin House, 45-55 Commercial Street, London, E1 6BD

### **COMPANY NUMBER**

02827835

### **CHARITY NUMBER**

1040962

### **BANKERS**

HSBC, 75 Whitechapel Road, London E1 1DU

Santander, 298 Deansgate, Manchester M3 4HH

Close Brothers, 10 Crown Place, London EC2A 4FT

### **SOLICITORS**

Russell-Cooke, 2 Putney Hill, Putney, London SW15 6AB

### **AUDITORS**

Goldwins Limited, 75 Maygrove Road, West Hampstead, London NW6 2EG

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# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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## **Trustees' Report**

**For the Year Ended 31 August 2022**

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### **TRUSTEES' REPORT**

The trustees (who are also the directors) present their report and the audited financial statements of the charitable company for the year ended 31 August 2022. The statutory information is shown on Page 1.

### **STRUCTURE, GOVERNANCE, MANAGEMENT & RISK**

This last year has been a transition year from operating under crisis management mode during the pandemic, to adjusting to the new normal. Schools have managed the entire year without any closures, businesses have seen staff return to the workplace and our charity has pressed ahead with implementing wider strategic aims. This year has seen many achievements despite the challenges, the most notable being the celebration of the charity's 30-year anniversary. As part of the broader development strategy, and to coincide with this significant birthday, a full rebrand and name change was implemented in November 2021. Tower Hamlets Education Business Partnership now trades as 'The Switch'. We will undergo the full legal change in the year ahead. This two-step approach was advised by our lawyers to mitigate risks against potential trademark or other claims on the new name. The name change process is underway and will be completed in 2023.

Tower Hamlets Education Business Partnership is a registered charity and company limited by guarantee. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. The governing document is the Articles of Association. The Articles of Association (Section 32) define who should be Trustees of Tower Hamlets Education Business Partnership. Trustees are recruited against the criteria laid out in Section 32.

New Trustees are briefed by the Chief Executive and the Chairman. One trustee resigned within the year 2021-22. Trustees take decisions affecting the strategy of the Education Business Partnership and issues affecting the statutory responsibilities of the organisation. The Chief Executive takes decisions affecting the day to day running of the organisation supported by a Deputy Director. This year we have created a new trustee charter to ensure the board members are clear about roles and responsibilities, to set terms of office and to enhance trustee engagement with the charity.

The global pandemic had significant knock-on effects to the business. Our operating model was disrupted for two years leading to loss of income from traded services. We are still feeling the impact of the pandemic in the way we work and are adjusting to the new norm. Employers are still operating hybrid models of home and office working and look unlikely to return to pre pandemic practices.

As part of our governance process, we regularly review our progress on meeting our strategic objectives via:

- Strategy review sessions with the whole staff in designated team meetings
- Our annual staff strategy day held every summer
- Annual and 6-months appraisals where objectives are set which directly feed into our strategic priorities
- Regular one-to-one manager and employee monthly meetings to discuss progress on very detailed aspects of the work
- Reports to the Board of Trustees on a termly basis
- Regular communication between the Chair and the Director
- Termly Finance Committee Meetings
- Termly Board Meetings and an Annual General Meeting
- Board strategy away days

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# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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## **Trustees' Report**

**For the Year Ended 31 August 2022**

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### **OBJECTS AND ACTIVITIES**

Tower Hamlets Education Business Partnership (trading as The Switch) is a leading education charity situated in the East End of London empowering children and young people to discover their best future. Through our modern and highly effective programmes, we facilitate positive engagement between education and employers, helping young people to fulfil their potential by aspiring to life-changing careers. All our programmes benefit from direct involvement of volunteers from our employer partners. Their inputs give young people first-hand experience and knowledge of the world of work. Working principally in Tower Hamlets with primary, secondary and sixth form schools and colleges we provide an enriching employability and careers education that enhances statutory requirements and sets young people off on positive pathways.

### **BACKGROUND INFORMATION:**

Tower Hamlets remains one of the most deprived communities in the country and one of the most deprived of all London's Boroughs. There is entrenched inter-generational unemployment coupled with poverty of experience and aspirations for Tower Hamlets' school children. Our programmes are the catalyst in changing this damaging cycle of deprivation.

According to the latest report from the End Child Poverty Coalition (July 2022) Tower Hamlets Local Authority still has the highest rates of child poverty at 51.4%, the only area in the Country over 50%. With low levels of female labour force participation, only 3 in 10 (31.4%) children live in a household where every adult works, the lowest proportion of any London borough. It has higher than average 19 year olds with no qualifications (27%) and anecdotally we are told there is still an issue with graduate under-employment in the borough.

Students did not sit formal exams in 2020 or 2021 due to the pandemic. Grades were given from teacher assessments. This year was the first year since 2019 that authentic comparisons can be made following the return of exams. School attainment continues to be strong in Tower Hamlets with 74.4% of 16 year olds achieving a grade 4 or above in English and Maths compared to the National figure of 72%. At A level our schools rank behind London and National peers in terms of top grade achievements, although there was an improvement on 2019 outcomes.

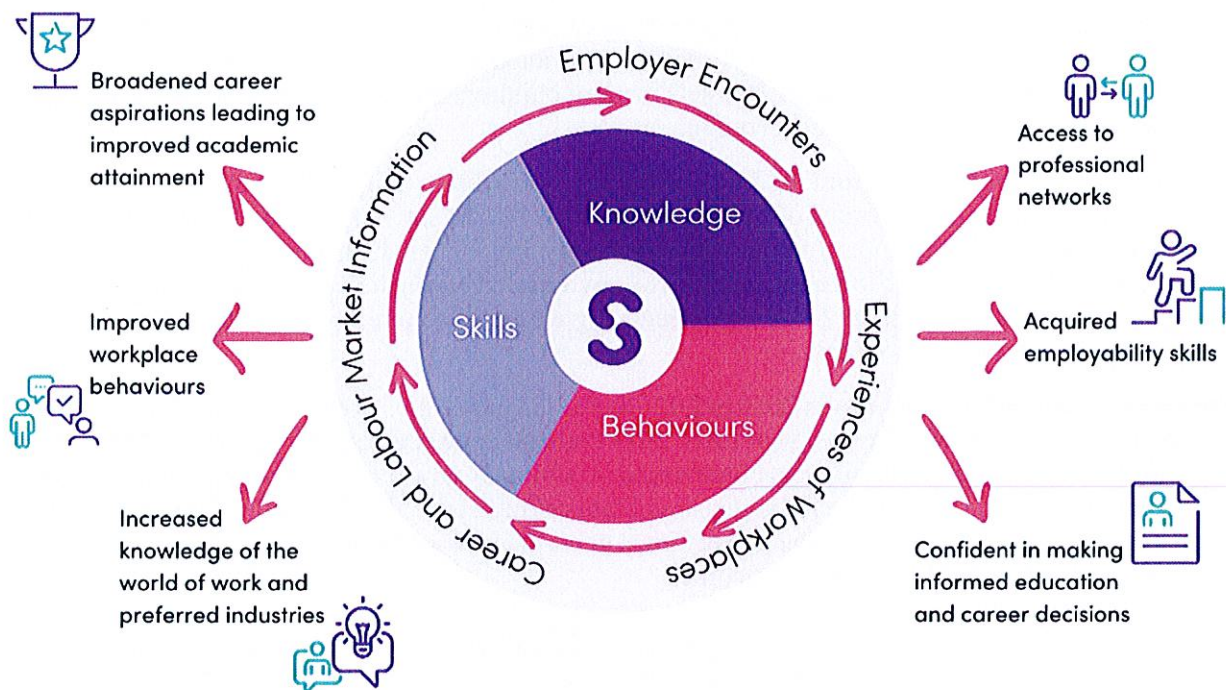
Our work equips young people with the directional resilience needed to improve educational attainment. By showcasing the vast array of exciting pathways beyond school, we inspire young people to want to do more and learn more. Our new name reflects our direction of travel: We want to 'switch' the narrative about Tower Hamlets from a borough burdened by poverty to one rich with opportunity, outstanding schools and a diverse and talented future workforce.

## Trustees' Report

For the Year Ended 31 August 2022

### THEBP PROGRAMME PORTFOLIO:

This year we undertook a major review of our programmes. Led by the Head of Innovations, stakeholders participated in a wide-ranging consultation. We now have a revamped programme offer built on a change model focused on knowledge, skills and behaviours for the workplace (see diagram below). This was ratified by the board of trustees at a strategy away day in March. Ordinarily, prior to Covid 19, our programme portfolio was dependent on face-to-face interactions between volunteers and school pupils. Over the last two years we pivoted our programmes to online versions only. Our new programme offer is now a hybrid of in-person and online volunteering which suits the needs of both schools and employers. The new framework ensures every pupil key stage has age-appropriate programmes, and in the secondary schools, each year group will take part in at least one Switch intervention every year they are at school,



meeting the Gatsby Benchmarks, Career Development Institute and Skills Builder Universal Frameworks, giving the pupils an exceptional careers and employability education.

To add impact to our activities we now have 4 stages to each intervention including pre learning and post event enhancement to embed the learning. We have kept many of the most popular programmes such as Aim2Attain, Reading Partners and the Head to Head practice interviews, but they have had a face lift and additional resources put in place to increase their impact. New programmes developed this year include an opportunity to explore work skills for the future themed around sustainability and another, the 'Youth Voice' project, provides an opportunity to involve young people in our future direction and ensure co-creation is at the heart of programme developments.

# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

## **Trustees' Report**

**For the Year Ended 31 August 2022**

Another new programme launched this year is the Alumni Programme, targeting students 18-25 year olds who went to school in Tower Hamlets. We have long been aware of the high levels of youth unemployment in the borough, and the high levels of graduate under-employment amongst Tower Hamlets residents. This new programme will provide support, signposting, skills development and other opportunities to young people as they navigate the world beyond school. It will also act as a tracking mechanism for The Switch enhancing our impact measurement by recording young people's destinations. Working with employers, we will support them in developing their talent pipelines via our Alumni members, helping to build a more inclusive and diverse workforce. As part of this project we have secured funding to build an online Alumni Portal for launch in 2022-23 which will act as a resource repository, a jobs board and a signposting tool for opportunities for young people.

### **SCHOOLS WE WORKED WITH:**

This year we worked with 13 secondary schools and 28 primaries in Tower Hamlets. In addition, we worked with a couple of secondary schools in Royal Greenwich. It is a previous strategic aim of the charity to grow our work beyond the borough to reach more students who are growing up in disadvantaged communities. Now that the pandemic is over this is something we will revisit in the future.

### **ACHIEVEMENTS AND FUTURE PLANS:**

This year, despite some continued disruption from the pandemic and the need to deliver virtual events:

- We supported 5000+ individual young people
- We offered 2000 volunteer opportunities
- We developed 4 new virtual programmes
- 700 children had a writing partner
- 600 young people completed virtual work experience
- We launched a new mentoring scheme for BAME young people in partnership with the Local Authority
- We had a series of events and fundraising activities to celebrate and commemorate our 30<sup>th</sup> year
- We completed a successful rebrand to The Switch

An important strategic priority for the 2022-23 financial year is the return of the traditional one-week work experience for year 10 students (age 14-15). Prior to COVID-19, we delivered over 2,000 work placements each year to Tower Hamlets' schools. The pandemic forced us to develop a 'virtual work experience' programme, which although popular with schools and businesses, is no substitute for the real thing. In the stakeholder consultation work experience was the leading programme sought by school career leads, pupils, and Headteachers, but only 9% of businesses said they would offer it. We plan to deliver 1,000 placements next academic year and it will be a huge challenge for our organisation. We need to re-engage previous hosting employers and secure new ones. We need to find a way around employees' hybrid work patterns and find solutions that can enable young people to learn about work by being with adults in a workplace doing real work tasks.

### **DIGITAL:**

Another key priority for the charity is digital transformation. We invested in a dedicated staff member to assist in this process and this year he has created an automated event booking system for schools, cutting down on staff admin and making it easier for teachers. In the year ahead he will oversee the build of the new Alumni Portal, improved reporting for partners and our CRM migration. The pandemic forced us to address IT and digital ways of working before we had a chance to review and plan in a measured way.

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# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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## **Trustees' Report**

**For the Year Ended 31 August 2022**

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Now we are in a better position to plan strategically and consider the steps we want to take as an organisation that will enhance our work and our reach through digital capability.

### **FINANCIAL REVIEW:**

For this past financial year, the trustees supported a deficit budget to ensure schools could be served in the best way possible. There was still a high degree of uncertainty during the latter part of 2021 over future possible Covid variants and further disruption. We took the decision not to bring back in-person Work Experience in 21-22 amongst this uncertainty with the result of losing around 10% of usual income.

A strong performance in fundraising throughout the year enabled us to revise our original forecast and finish the year in a much-improved position income wise. This, coupled with strong controls around expenditure, means that our budgeted deficit is significantly reduced.

The total reserves of the Education Business Partnership now equate to just under 12 months expenditure. This level of reserve was agreed by the Trustees to provide an essential buffer as the charity needs to be able to deliver its programmes for the length of an academic year. Reserves are held in notice interest bearing accounts with Santander, Close Bros and HSBC. The balance of unrestricted reserves to restricted is slightly more than half the total balance.

Funding sources for the charity are a combination of private sector and charitable trust grants, plus income from Schools. The 2022/2023 Budget sees a return to a break even position, in part due to a price increase across all of our services, but also due to the return of work experience.

### **TRUSTEES**

Trustees who served during the year are shown below: -

Mark Campbell (Chair)  
Richard Foley (resigned 30<sup>th</sup> June 2022)  
Sarah Barnes  
Gerry McDonald (Vice Chair)  
Dr Saiam Ahmed  
Jennie Bird  
Jemima Reilly  
Iveren Yongo  
Dr Tina Sode  
Anita Bhardwaj  
Jayant Kumar  
Rachel Dodds

The trustees have delegated responsibility for the day-to-day management of The Tower Hamlets Education Business Partnership Limited (trading as The Switch) to the Director, Helen Sanson.

### **Statement of responsibilities of the trustees**

The trustees confirm that the financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.



# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

## **Trustees' Report**

**For the Year Ended 31 August 2022**

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 operation

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Statement as to disclosure to our auditors**

Insofar as the trustees are aware:

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

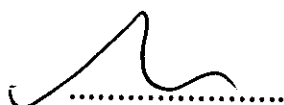
### **RELATED PARTIES**

Related parties are shown in note 20 to the financial statements.

### **AUDITORS**

The auditors, Goldwins Chartered Accountants, offer themselves for appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24<sup>th</sup> November 2022 and signed on their behalf.



**Mark Campbell**  
**Director and Chairman**



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# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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## **Independent Auditor's Report**

### **To the members of Tower Hamlets Education Business Partnership Limited**

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#### **Opinion**

We have audited the financial statements of Tower Hamlets Education Business Partnership Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- 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 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.

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

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# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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## **Independent Auditor's Report**

### **To the members of Tower Hamlets Education Business Partnership Limited**

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In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) has been prepared in accordance with applicable legal requirements.

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

In 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' Annual 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.
- The directors 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' annual report and from the requirement to prepare a strategic report.

### **Responsibilities of the 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 they 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.

**Independent Auditor's Report****To the members of Tower Hamlets Education Business Partnership Limited**

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**Our 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 are set out below.

**Capability of the audit in detecting irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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## **Independent Auditor's Report**

**To the members of Tower Hamlets Education Business Partnership Limited**

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

### **Use of our 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Anthony Epton*

**Anthony Epton (Senior Statutory Auditor)  
for and on behalf of  
Goldwins Limited  
Statutory Auditor  
Chartered Accountants  
75 Maygrove Road  
West Hampstead  
London NW6 2EG**

Date: 24 November 2022

# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

## **Statement of Financial Activities (Incorporating Income and Expenditure Account)**

**For the Year Ended 31 August 2022**

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>INCOME FROM:</b>					
Donations	3	29,052	-	29,052	32,716
Charitable activities	4	471,668	522,164	993,832	870,883
Investment income		5,801	-	5,801	4,657
<b>TOTAL INCOME</b>		<b>506,521</b>	<b>522,164</b>	<b>1,028,685</b>	<b>908,256</b>
<b>EXPENDITURE ON:</b>					
Charitable activities	5	552,204	536,368	1,088,572	1,040,939
<b>TOTAL EXPENDITURE</b>		<b>552,204</b>	<b>536,368</b>	<b>1,088,572</b>	<b>1,040,939</b>
Net (expenditure) for the year		<b>(45,683)</b>	<b>(14,204)</b>	<b>(59,887)</b>	<b>(132,683)</b>
Transfers between funds		(12,047)	12,047	-	-
Net movement in funds		<b>(57,730)</b>	<b>(2,157)</b>	<b>(59,887)</b>	<b>(132,683)</b>
Total funds brought forward		625,927	418,870	1,044,797	1,177,480
<b>Total funds carried forward</b>	<b>13</b>	<b>568,197</b>	<b>416,713</b>	<b>984,910</b>	<b>1,044,797</b>

The attached notes form part of these financial statements.

# TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED

## Balance Sheet

As at 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>FIXED ASSETS</b>					
Tangible assets	8		34,180		34,025
<b>CURRENT ASSETS</b>					
Debtors	9	217,130		76,659	
Cash at bank and in hand		1,042,271		1,436,043	
		1,259,401		1,512,702	
<b>CREDITORS: Amounts falling due within one year</b>	10	(308,671)		(501,930)	
<b>NET CURRENT ASSETS</b>			950,730		1,010,772
<b>TOTAL NET ASSETS</b>			984,910		1,044,797
<b>FUNDS</b>	13				
Restricted funds			416,713		418,870
Unrestricted funds:					
General funds		568,197		625,927	
Total unrestricted funds			568,197		625,927
<b>TOTAL FUNDS</b>			984,910		1,044,797

The accounts were approved by the board of directors on 24th November 2022

  
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**Mark Campbell**  
 Director and Chairman

**Company Registration No. 02827835**

The attached notes form part of these financial statements.

# TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED

## Statement of Cash Flows

**For the Year Ended 31 August 2022**

	Note	2022 £	2022 £	2021 £	2021 £
<b>Net cash provided by / (used in) operating activities</b>	<b>16</b>		<b>(388,654)</b>		<b>176,166</b>
<b>Cash flows from investing activities:</b>					
Interest/ rent/ dividends from investments		5,801		4,657	
(Purchase) of fixed assets		(10,919)		(4,400)	
<b>Cash provided by / (used in) investing activities</b>			<b>(5,118)</b>		<b>257</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(393,772)</b>		<b>176,423</b>
Cash and cash equivalents at the beginning of the year			1,436,043		1,259,620
<b>Cash and cash equivalents at the end of the year</b>	<b>17</b>		<b><u>1,042,271</u></b>		<b><u>1,436,043</u></b>



# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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## **Notes to the Financial Statements**

### **For the Year Ended 31 August 2022**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The charity is considered as a public benefit entity. The principal accounting policies adopted in the preparation of the financial statements are as follows:

##### **1.2 Taxation**

The charitable company is exempt from taxation under section 466 to 493 of the Corporation Tax Act 2010.

##### **1.3 Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Grants are credited to incoming resources when they are receivable as the charity's own money, unless they are for activities that relate to a specific future period, in which case they are deferred to that period.

Income received under contracts for services which cross over the year end are recognised in the financial statements in line with the percentage of completion of the contract at the year end.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

##### **1.4 Expenditure**

Partner costs are recognised in the year in which they are incurred all other resources expended are recognised on an accruals basis.

Resources expended are allocated to a particular activity where the cost relates directly to that activity. They include irrecoverable VAT. The administration and management costs of each activity are apportioned, based on an estimate of the staff time attributable, to each of the organisation's projects and activities.

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# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

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## **Notes to the Financial Statements**

**For the Year Ended 31 August 2022**

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### **1. ACCOUNTING POLICIES - (CONTINUED)**

#### **1.5 Fund accounting**

Unrestricted funds comprise income received, without a specified purpose, and expenditure for the objects of the charity.

Restricted funds comprise income received for specified purpose as laid down by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of management and support costs.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

#### **1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	-	25% reducing balance
Fixtures and fittings	-	20% reducing balance

#### **1.7 Pensions costs**

The company makes pension contributions equivalent to a minimum of 5% of gross salaries on behalf of its employees. Employees are entitled to join the scheme after being in post for three months. The contributions are charged to the Statement of Financial Activities on an accrual basis.

#### **1.8 Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

# TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED

## Notes to the Financial Statements

### For the Year Ended 31 August 2022

#### 2. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021 (COMPARATIVES)

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
<b>INCOME FROM:</b>			
Donations	24,041	8,675	32,716
Charitable activities	385,833	485,050	870,883
Investment income	4,657	-	4,657
<b>TOTAL INCOME</b>	<b>414,531</b>	<b>493,725</b>	<b>908,256</b>
<b>EXPENDITURE ON:</b>			
Charitable activities	373,086	667,853	1,040,939
<b>TOTAL EXPENDITURE</b>	<b>373,086</b>	<b>667,853</b>	<b>1,040,939</b>
Net income / (expenditure) for the year	41,445	(174,128)	(132,683)
Transfers between funds	-	-	-
Net movement in funds	41,445	(174,128)	(132,683)
Total funds brought forward	584,482	592,998	1,177,480
<b>Total funds carried forward</b>	<b>625,927</b>	<b>418,870</b>	<b>1,044,797</b>

# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

## **Notes to the Financial Statements**

### **For the Year Ended 31 August 2022**

#### **3. INCOME FROM DONATIONS**

	<b>Unrestricted Funds 2022 £</b>	<b>Restricted Funds 2022 £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Bluespark Foundation	1,499	-	1,499	-
Co-op local community fund	-	-	-	652
Coronavirus Job retention scheme grant	-	-	-	17,584
East End Community Foundation	-	-	-	2,323
Edge Brokers Ltd	2,900	-	2,900	5,700
National Lottery	3,661	-	3,661	-
Wogen Anniversary Trust	3,000	-	3,000	3,000
Other donations	17,992	-	17,992	3,457
<b>TOTAL</b>	<b>29,052</b>	<b>-</b>	<b>29,052</b>	<b>32,716</b>

# TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED

## Notes to the Financial Statements

**For the Year Ended 31 August 2022**

### 4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Acuris	-	2,212	2,212	2,947
ADM Investor Services Ltd	192	6,700	6,892	23,010
Allen & Overy	2,679	6,700	9,379	6,828
Bank of England	32	8,645	8,677	8,869
Barclays	72,810	-	72,810	55,669
BBC Children in Need	19,902	-	19,902	-
Beazley Management Ltd	-	-	-	8,208
Blackrock Investment	64	9,702	9,766	-
Bloomberg	-	1,550	1,550	1,582
British and Foreign Schools Society	-	-	-	8,895
Buzzacott	-	-	-	2,320
Clifford Chance	8,300	6,700	15,000	15,000
Clyde and (Co) Ltd	-	-	-	6,700
Credit Suisse	3,845	4,325	8,170	2,295
Foundation for Future London	5,500	-	5,500	-
Herbert Smith Freehills	256	6,700	6,956	6,700
ING	32	4,325	4,357	4,325
J P Morgan	13,054	282,714	295,768	190,698
KPMG	32	15,500	15,532	15,500
Lloyds	78,727	101,917	180,644	277,861
London Borough of Tower Hamlets	-	25,000	25,000	-
London Enterprise Academy	-	-	-	1,500
Man Group	28,800	-	28,800	19,345
Morgan Stanley & Co International Plc	500	3,375	3,875	12,787
Mulberry Stepney Green Maths, Computing and Science College	6,000	-	6,000	-
Partners Group (UK) Ltd	-	-	-	6,725
Rothschild	1,667	-	1,667	9,600
SEIC	-	6,700	6,700	6,700
St Paul's Way trust School	7,500	-	7,500	2,500
<b>Total carried forward</b>	<b>249,892</b>	<b>492,765</b>	<b>742,657</b>	<b>696,564</b>

# TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED

## Notes to the Financial Statements

For the Year Ended 31 August 2022

### 4. INCOME FROM CHARITABLE ACTIVITIES continued

	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>Brought forward</b>	<b>249,892</b>	<b>492,765</b>	<b>742,657</b>	<b>696,564</b>
Talbot Underwriting Ltd	-	-	-	5,000
The Edge Foundation	7,250	-	7,250	17,000
Travers Smith	3,095	4,325	7,420	4,325
Trowers & Hamlins	5,000	-	5,000	9,750
UBS	5,233	-	5,233	5,690
WorldPay	-	-	-	4,325
 Others	 53,598	 25,074	 78,672	 52,929
<i>Service Level Agreements:</i>				
SLA – Primary	17,600	-	17,600	8,800
SLA – Secondary	130,000	-	130,000	66,500
 <b>TOTAL</b>	 <b>471,668</b>	 <b>522,164</b>	 <b>993,832</b>	 <b>870,883</b>

# TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED

## Notes to the Financial Statements

### For the Year Ended 31 August 2022

#### 5. ANALYSIS OF EXPENDITURE

	Basis of allocation	Charitable activities	Support costs	Governance costs	Total 2022	Total 2021
		£	£	£	£	£
Audit fees	Direct	-	-	5,000	5,000	5,000
Bad Debts	Direct	208	-	-	208	-
Bank charges	Direct	-	-	441	441	204
Bursaries paid	Direct	18,700	-	-	18,700	34,170
Cleaning services	Direct	-	3,783	-	3,783	9,129
Consultancy	Direct	-	-	(3,500)	(3,500)	4,657
Depreciation	Direct	-	10,764	-	10,764	10,554
Direct projects expenditure	Direct	222,347	-	-	222,347	196,262
Insurance / health & safety	Direct	-	4,921	-	4,921	3,870
IT & Telephone costs	Direct	-	72,697	-	72,697	56,422
Marketing and website development	Direct	-	21,475	-	21,475	19,724
Other sundry expenses	Direct	2,637	8,962	13	11,612	12,891
Other governance costs	Direct	-	-	2,414	2,414	-
Printing, postage & stationery	Direct	-	2,726	-	2,726	1,199
Rent and rates	Direct	-	73,872	-	73,872	57,217
Staff costs	Direct	578,183	1,878	-	580,061	574,339
Subcontractors	Staff time	15,934	28,809	-	44,743	45,677
Training & recruitment	Direct	-	16,308	-	16,308	9,624
		838,009	246,195	4,368	1,088,572	1,040,939
Support costs	Staff time	246,195	(246,195)	-	-	-
Governance costs	Staff time	4,368	-	(4,368)	-	-
<b>Total expenditure 2022</b>		<b>1,088,572</b>	<b>-</b>	<b>-</b>	<b>1,088,572</b>	
<b>Total expenditure 2021</b>		<b>1,040,939</b>	<b>-</b>	<b>-</b>	<b>1,040,939</b>	

Support and governance costs refer to the costs involved in operational activity which support the delivery of the charitable aims. They are allocated on the basis of projected time spent by staff on each activity.

Of the total expenditure £536,368 was restricted (2021: £667,853) and £552,204 was unrestricted (2021: £373,086).

# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

## **Notes to the Financial Statements**

### **For the Year Ended 31 August 2022**

#### **6. NET INCOME / (EXPENDITURE)**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Operating lease rentals on property	66,832	50,824
Depreciation of tangible fixed assets	10,764	10,554
Auditors' remuneration - audit services	4,167	4,167

During the year, no trustees received any remuneration or any benefits in kind (2021 – Nil), and no trustee was reimbursed for expenses (2021 – Nil).

#### **7. STAFF COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Employee costs during the year amounted to:		
Salaries	506,723	504,843
Social security costs	48,018	45,575
Pension costs	23,236	21,618
Health care costs	2,084	2,303
	<b>580,061</b>	<b>574,339</b>

The number of employees whose total employee benefits (excluding employer's pension costs) for the reporting period amounted to over £60,000 was as follows:

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £69,999	1	1

The average monthly numbers of employees during the year were 14 (2021: 15).

The total employee benefits including pension contributions of the key management personnel for the year were £173,086 (2021: £163,931).



# TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED

## Notes to the Financial Statements

For the Year Ended 31 August 2022

### 8. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures Fittings & Equipment £	Total £
<b>COST</b>			
At the beginning of the year	64,151	42,112	106,263
Additions	10,919	-	10,919
At the end of the year	75,070	42,112	117,182
<b>DEPRECIATION</b>			
At the beginning of the year	39,579	32,659	72,238
Charge for the year	8,873	1,891	10,764
At the end of the year	48,452	34,550	83,002
<b>NET BOOK VALUE</b>			
At the end of the year	<b>26,618</b>	<b>7,562</b>	<b>34,180</b>
At the beginning of the year	24,572	9,453	34,025

### 9. DEBTORS

	2022 £	2021 £
Grants and contract debtors	190,157	45,057
Prepayments	10,511	14,932
Other debtors	16,462	16,670
	<b>217,130</b>	<b>76,659</b>

### 10. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	19,226	5,070
Accruals	5,000	27,868
Taxation and social security	12,250	13,077
Deferred income	263,794	449,737
Other creditors	8,401	6,178
	<b>308,671</b>	<b>501,930</b>

# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

## **Notes to the Financial Statements**

### **For the Year Ended 31 August 2022**

#### **11. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 AUGUST 2022**

	<b>Unrestricted Funds 2022 £</b>	<b>Restricted Funds 2022 £</b>	<b>Total Funds 2022 £</b>
<b>Funds Balances at 31 August 2022 are represented by:</b>			
Tangible fixed assets	34,180	-	34,180
Net current assets	534,017	416,713	950,730
<b>Total Net Assets</b>	<b>568,197</b>	<b>416,713</b>	<b>984,910</b>

#### **12. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 AUGUST 2021**

	<b>Unrestricted Funds 2021 £</b>	<b>Restricted Funds 2021 £</b>	<b>Total Funds 2021 £</b>
<b>Funds Balances at 31 August 2021 are represented by:</b>			
Tangible fixed assets	34,025	-	34,025
Net current assets	591,902	418,870	1,010,772
<b>Total Net Assets</b>	<b>625,927</b>	<b>418,870</b>	<b>1,044,797</b>

# TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED

## Notes to the Financial Statements

### For the Year Ended 31 August 2022

#### 13. MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 AUGUST 2022

	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Become More - Aspirations (Aim 2 Attain)	99,294	26,810	(34,620)	-	91,484
Business mentoring	295,576	238,745	(238,851)	-	295,470
NNP-Curriculum	29,759	-	-	-	29,759
Transitions project	(12,047)	-	-	12,047	-
J P Morgan Project	6,288	256,609	(262,897)	-	-
<b>Total restricted funds</b>	<b>418,870</b>	<b>522,164</b>	<b>(536,368)</b>	<b>12,047</b>	<b>416,713</b>
<b>Unrestricted funds:</b>					
<b>General funds</b>	625,927	506,521	(522,204)	(12,047)	568,197
<b>Total unrestricted funds</b>	<b>625,927</b>	<b>506,521</b>	<b>(522,204)</b>	<b>(12,047)</b>	<b>568,197</b>
<b>Total funds</b>	<b>1,044,797</b>	<b>1,028,685</b>	<b>(1,088,572)</b>	<b>-</b>	<b>984,910</b>

# TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED

## Notes to the Financial Statements

**For the Year Ended 31 August 2022**

### 14. MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 AUGUST 2021

	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Become More - Aspirations (Aim 2 Attain)	104,350	79,109	(84,165)	-	99,294
Business mentoring	353,721	226,249	(284,394)	-	295,576
NNP-Curriculum	29,759	-		-	29,759
Transitions project	(12,047)	-		-	(12,047)
J P Morgan Project	117,215	180,344	(291,271)	-	6,288
Miscellaneous restricted donations	-	8,023	(8,023)	-	-
<b>Total restricted funds</b>	<b>592,998</b>	<b>493,725</b>	<b>(667,853)</b>	<b>-</b>	<b>418,870</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Aim 2 Attain	100,000	-	-	-	100,000
Total designated funds	100,000	-	-	-	100,000
<b>General funds</b>	484,482	414,531	(373,086)	-	525,927
<b>Total unrestricted funds</b>	<b>584,482</b>	<b>414,531</b>	<b>(373,086)</b>	<b>-</b>	<b>625,927</b>
<b>Total funds</b>	<b>1,177,480</b>	<b>908,256</b>	<b>(1,040,939)</b>	<b>-</b>	<b>1,044,797</b>

# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

## **Notes to the Financial Statements**

**For the Year Ended 31 August 2022**

### **15. PURPOSE OF RESTRICTED FUNDS**

#### **Aim 2 Attain**

To provide a portfolio of aspiration and educational activities for pre and post-16 students in Tower Hamlets, designed to encourage our young people to consider the choice and opportunities open to them to further their education and training.

#### **Business Mentoring**

The Business Mentoring scheme aims to equip pupils with better understanding of career opportunities, develop their employability skills and widen their view of the opportunities available to them.

#### **East Potential**

East Potential is a 3 year tri-borough project funded by J.P. Morgan. Tower Hamlets EBP is the lead partner working with fellow EBPs in Hackney and Newham to target young people who are at risk of being excluded from mainstream school and becoming NEET. The programme addresses employability skills alongside a range of issues affecting young people across East London, such as gang culture, conflict resolution and making good life choices. Through workshops, coaching and external activities, the aim is to ensure young people go on to meaningful post 16 pathways.

### **TRANSFERS BETWEEN FUNDS**

Transfers from unrestricted to restricted funds represent incomplete recharge from restricted funds in the previous years.

### **16. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASHFLOW FROM OPERATING ACTIVITIES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Net movement in funds for the reporting period (as per the statement of financial activities)</b>	<b>(59,887)</b>	<b>(132,683)</b>
Depreciation	10,764	10,554
Interest, rent and dividends from investments	(5,801)	(4,657)
(Increase)/ decrease in debtors	(140,471)	4,279
Increase/ (decrease) in creditors	(193,259)	298,673
<b>Net cash provided by / (used in) operating activities</b>	<b><u>(388,654)</u></b>	<b><u>176,166</u></b>

# **TOWER HAMLETS EDUCATION BUSINESS PARTNERSHIP LIMITED**

## **Notes to the Financial Statements**

### **For the Year Ended 31 August 2022**

#### **17. ANALYSIS OF CASH AND CASH EQUIVALENTS FOR THE YEAR ENDED 31 AUGUST 2022**

	At the start of the year £	Cash flows £	At the end of the year £
Cash at bank and in hand	1,436,043	(393,772)	1,042,271
<b>Total cash and cash equivalents</b>	<b>1,436,043</b>	<b>(393,772)</b>	<b>1,042,271</b>

#### **18. ANALYSIS OF CASH AND CASH EQUIVALENTS FOR THE YEAR ENDED 31 AUGUST 2021**

	At the start of the year £	Cash flows £	At the end of the year £
Cash at bank and in hand	1,259,620	176,423	1,436,043
<b>Total cash and cash equivalents</b>	<b>1,259,620</b>	<b>176,423</b>	<b>1,436,043</b>

#### **19. LEASE COMMITMENT**

The charitable company signed a 3-year lease on office premises in East London in August 2018. The minimum annual rentals payable under the leases are as follows:

	2022 £	2021 £
Within 1 year	71,463	66,463
Within 2-5 years	76,463	147,926
	<b>147,926</b>	<b>214,389</b>

#### **20. RELATED PARTY TRANSACTIONS**

The charity does not engage in related party transactions directly with its trustees. Some trustees are employed by organisations which give financial support to the charity. The organisations for which the trustees work are shown on page 1. The funding provided is shown in Notes 3 and 4.