

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

THE SWITCH CHARITY LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 August 2023

THE SWITCH CHARITY LIMITED

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THE SWITCH CHARITY LIMITED

Legal and Administrative Information

For the Year Ended 31 August 2023

TRUSTEES/DIRECTORS

Mark Campbell	(Chair)	Clifford Chance
Gerry McDonald		New City College
Sarah Barnes		Queen Mary University of London
Saiam Ahmed		UCL Institute of Clinical Trials & Methodology
Jennie Bird	(resigned on 12 th June 2023)	Harry Gosling School
Jemima Reilly		Morpeth School
Iveren Yonge	(resigned on 1 st June 2023)	Travelers
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, 1-3 Bishopsgate London EC2N 3AQ

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

TRUSTEE REPORT

THE SWITCH CHARITY LIMITED

Trustees' Report

For the Year Ended 31 August 2023

OBJECTS AND ACTIVITIES

The Switch Charity Ltd 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 is one of the most important financial centres in the world. But it's also a place of great poverty. A stone's throw from the commanding commercial buildings, you will find significant unemployment and great hardship - a pattern entrenched through the generations. Tower Hamlets remains one of the most deprived communities in the country and one of the most deprived of all London's Boroughs.

- Entrenched worklessness remains stubbornly high in Tower Hamlets, with the 2nd highest proportion of workless people that have never worked, just behind Newham.
- Nearly half of children in Tower Hamlets are living in poverty - more than in any other London borough.
- Over one third (39.19%) of children were eligible for free school meals as of January 2023, significantly more than the London average of 25.8% and 23.8% of pupils nationally.

In Tower Hamlets, where our support is mainly focussed, our students perform well academically, with attainment higher than national averages at GCSE level. However, the overall performance of disadvantaged pupils continues to remain lower than that of other pupils (Average Attainment 8 score of 47.6% compared to 52.1% for non-disadvantaged pupils). Sadly, childhood poverty continues to remain a barrier to success.

Achievement and progression beyond Further Education also remains below national averages, with smaller than proportions of young people than seen nationally progressing to education, employment and training. Although we have seen an increase in the number of young people progressing to university over the years (56% in 2021), smaller proportions progressed to a Top Third or Russell Group institution compared to national figures. Apprenticeship take-up is also lower (2.3% compared to 4.1% nationally). Furthermore, the proportion of students who did not sustain their place at their chosen destination was also higher than the national average (13.4% compared to 10.5%)

For our young people that do successfully graduate from Higher Education, when faced with the entering the job market, they under-perform in relation to their peers who come from middle-class backgrounds, as they do not have the same "polished" CVs or confidence in rigorous recruitment processes. This locks them out of some of the most prestigious graduate roles and fuels the phenomenon where we see our local young people working in roles that are not commensurate with their higher-level skills - one in three graduates are working in roles that do not require a degree-level qualification. Our bright young people not reaching their potential was one of the main drivers in developing our Alumni programme, which sees us now working with young people up to the age of 25.

THE SWITCH CHARITY LIMITED

Trustees' Report

For the Year Ended 31 August 2023

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. 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.

THE SWITCH PROGRAMME PORTFOLIO:

This year we implemented our upgraded and innovated programme portfolio. All programmes have been built on a framework focused on knowledge, skills and behaviours for the workplace. Our programmes continue to be a mix of in-person and online 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.**

A new addition this year was the online Alumni Portal launched in January 2023. This will act as a resource repository, a jobs board and a signposting tool for opportunities for young people aged 16-25. We have already signed up over 600 young people in the first 6 months with the expectation this will increase to more than 2,000 in the coming months.

Current Primary School Programmes:

- Reading, Writing and Number Partners
- BEE Financial literacy
- Abacus Family Financial literacy

Current Secondary School Programmes:

- Money Matters
- Skills for Success
- Options and Careers
- Assessment Centres
- Interview Practice
- CV Clinic
- Alumni Programme
- Mentoring
- Youth Voice
- Future Skills
- Work Experience

SCHOOLS WE WORKED WITH:

This year we worked with 13 secondary schools and 28 primaries in Tower Hamlets, serving over 15,000 unique students.

THE SWITCH CHARITY LIMITED

Trustees' Report

For the Year Ended 31 August 2023

ACHIEVEMENTS AND FUTURE PLANS:

This year, despite some disruption from train and teacher strikes we delivered a full programme to our schools.

- We supported 15,000+ individual young people
- We offered 2000+ volunteer opportunities
- 817 students had a 5 day in person work experience
- 1923 students had a 30-minute practice interview
- Over 700 students had a writing partner
- Launch of the Alumni portal
- Launch of the school events booking system
- 630 students participated in the 6 week BEE programme
- 287 pupils had weekly face to face reading or number partner sessions
- 100% of our Youth Voice members feel they are empowered to contribute to the future direction of The Switch.

An important strategic priority for the year was the return of the traditional one-week work experience for year 10 and year 12 students. Prior to COVID-19, we delivered over 2,000 work placements each year to Tower Hamlets' schools. We were just short of our planned 1,000 placements in this pilot programme. Overall, the project went well and was well received by schools. In the year ahead we have planned for 1300 placements. Being with adults in a real workplace doing real work tasks is still the most effective way to learn about the world of work.

This summer all staff and trustees participated in an organisational strategic review to create a new 12 month strategic plan for the Charity. It was agreed that a longer-term strategy could be created in 2024. For now, we want to ensure we have fully consolidated our position after the immense disruption of the pandemic.

Four key strategic areas were identified for 2023-24:

1. Cultivate Partnerships

- New and existing partnerships with schools, employers and the community
- Review Service Level Agreement model for schools, especially primary pricing
- Beyond the Borough – explore London and national opportunities

2. Innovate Programmes

- Review the Primary School offer and develop new one day and half day workshops
- SEND – explore new ways of reaching pupils with SEND
- Modernise work experience and pilot new models.
- Consider the future skills for work agenda eg How the AI revolution will impact jobs

THE SWITCH CHARITY LIMITED

Trustees' Report

For the Year Ended 31 August 2023

3. Increase Diversity

- Of employers we work with
- Of volunteers we recruit
- Of our staff and board members
- Offer more flexibility of programmes for employers

4. Optimise Operations

- Improve CRM use
- Improve recruitment strategies for volunteers, new businesses and new schools
- Improve communication tools, assets and resources
- Improve impact and storytelling

FINANCIAL REVIEW:

For this past financial year, we were working towards a break-even budget position. A strong performance in fundraising throughout the year enabled us to revise our original forecast and finish the year with a surplus. The total reserves of the Charity now equate to just over 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 2023/2024 Budget has been set at a break-even position.

TRUSTEES

Trustees who served during the year are shown below: -

Mark Campbell (Chair)
Sarah Barnes
Gerry McDonald (Vice Chair)
Dr Saiam Ahmed
Jennie Bird (resigned 12th June 2022)
Jemima Reilly
Iveren Yongo (resigned 1st June 2023)
Dr Tina Sode
Anita Bhardwaj
Jayant Kumar
Rachel Dodds

THE SWITCH CHARITY LIMITED

Trustees' Report

For the Year Ended 31 August 2023

The trustees have delegated responsibility for the day-to-day management of The Switch Charity Limited to the Chief Executive, 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.

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.

THE SWITCH CHARITY LIMITED

Trustees' Report

For the Year Ended 31 August 2023

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.....1 November..... 2023 and signed on their behalf.



.....
Mark Campbell
Director and Chairman

THE SWITCH CHARITY LIMITED

Independent Auditor's Report

To the members of The Switch Charity Limited

Opinion

We have audited the financial statements of The Switch Charity Limited (the 'charitable company') for the year ended 31 August 2023 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 2023 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.

THE SWITCH CHARITY LIMITED

Independent Auditor's Report

To the members of The Switch Charity Limited

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.

THE SWITCH CHARITY LIMITED

Independent Auditor's Report

To the members of The Switch Charity Limited

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.

THE SWITCH CHARITY LIMITED

Independent Auditor's Report

To the members of The Switch Charity Limited

A further description of our responsibilities is available on the Financial Reporting Council's website at 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.

A 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

1 December 2023

THE SWITCH CHARITY LIMITED

Statement of Financial Activities (Incorporating Income and Expenditure Account)

For the Year Ended 31 August 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
INCOME FROM:					
Donations	3	23,918	-	23,918	29,052
Charitable activities	4	691,002	355,121	1,046,123	993,832
Investment income		19,146	-	19,146	5,801
TOTAL INCOME		734,066	355,121	1,089,187	1,028,685
EXPENDITURE ON:					
Charitable activities	5	669,940	367,842	1,037,782	1,088,572
TOTAL EXPENDITURE		669,940	367,842	1,037,782	1,088,572
Net income / (expenditure) for the year		64,126	(12,721)	51,405	(59,887)
Transfers between funds		-	-	-	-
Net movement in funds		64,126	(12,721)	51,405	(59,887)
Total funds brought forward		568,197	416,713	984,910	1,044,797
Total funds carried forward	13	632,323	403,992	1,036,315	984,910

The attached notes form part of these financial statements.


THE SWITCH CHARITY LIMITED

Balance Sheet

As at 31 August 2023

	Notes	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	8		28,242		34,180
CURRENT ASSETS					
Debtors	9	368,270		217,130	
Cash at bank and in hand		1,316,995		1,042,271	
		<u>1,685,265</u>		<u>1,259,401</u>	
CREDITORS: Amounts falling due within one year	10	<u>(677,192)</u>		<u>(308,671)</u>	
NET CURRENT ASSETS			<u>1,008,073</u>		<u>950,730</u>
TOTAL NET ASSETS			<u>1,036,315</u>		<u>984,910</u>
FUNDS					
Restricted funds			403,992		416,713
Unrestricted funds:					
General funds		<u>632,323</u>		<u>568,197</u>	
Total unrestricted funds			632,323		568,197
TOTAL FUNDS	13		<u>1,036,315</u>		<u>984,910</u>

The accounts were approved by the board of directors on...1 November 2023



Mark Campbell
 Director and Chairman

Company Registration No. 02827835

The attached notes form part of these financial statements.

THE SWITCH CHARITY LIMITED

Statement of Cash Flows

For the Year Ended 31 August 2023

	Note	2023 £	2023 £	2022 £	2022 £
Net cash provided by / (used in) operating activities	16		258,397		(388,654)
Cash flows from investing activities:					
Interest/ rent/ dividends from investments		19,146		5,801	
Sale/ (purchase) of fixed assets		(2,819)		(10,919)	
Cash provided by / (used in) investing activities			16,327		(5,118)
Change in cash and cash equivalents in the year			274,724		(393,772)
Cash and cash equivalents at the beginning of the year			1,042,271		1,436,043
Cash and cash equivalents at the end of the year	17		<u>1,316,995</u>		<u>1,042,271</u>

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

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.

1. ACCOUNTING POLICIES - (CONTINUED)

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

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.

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements**For the Year Ended 31 August 2023**

2. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022 (COMPARATIVES)

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

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

3. INCOME FROM DONATIONS

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total 2023 £	Total 2022 £
Aldgate Community Fund	2,620	-	2,620	-
Bluespark Foundation	-	-	-	1,499
Edge Brokers Ltd	-	-	-	2,900
National Lottery	3,662	-	3,662	3,661
Other donations	6,165	-	6,165	17,992
Silicon Valley Bank	10,070	-	10,070	-
Tesco Community Grants	1,401	-	1,401	-
Wogen Anniversary Trust	-	-	-	3,000
TOTAL	23,918	-	23,918	29,052

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
ADM Investor Services Ltd	64	8,750	8,814	6,892
Allen & Overy	14,062	8,000	22,062	9,379
Bank of England	1,024	10,500	11,524	8,677
Barclays	122,750	-	122,750	72,810
BBC Children in Need	-	-	-	19,902
Bishop Challoner School	10,000	-	10,000	-
Blackrock Investment	352	15,229	15,581	9,766
Bloomberg	768	5,000	5,768	1,550
BNP Paribas Asset Management	5,000	-	5,000	-
Canary Wharf Group	-	5,000	5,000	-
Clifford Chance	7,000	8,000	15,000	15,000
Clyde & Co LLP	1,380	8,000	9,380	-
Credit Suisse	2,814	-	2,814	8,170
Company of Actuaries Charitable Trust Fund	5,500	-	5,500	-
Foundation for Future London	60,500	-	60,500	5,500
Fitch Ratings Ltd	64	5,110	5,174	-
Herbert Smith Freehills	-	6,700	6,700	6,956
ING	-	5,000	5,000	4,357
ION Trading UK Ltd	-	5,000	5,000	-
J P Morgan	8,816	42,984	51,800	295,768
Jack Petchey	10,680	-	10,680	-
KPMG	608	15,000	15,608	15,532
Lloyds	103,041	123,011	226,052	180,644
London Borough of Tower Hamlets	-	25,000	25,000	25,000
London Enterprise Academy	6,600	-	6,600	-
Man Group	30,408	-	30,408	28,800
Mulberry Stepney Green Maths, Computing and Science College	13,400	-	13,400	6,000
Paul Hastings (Europe) LLP	32	5,000	5,032	-
SEIC	-	6,700	6,700	6,700
St Paul's Way trust School	20,500	-	20,500	7,500
Total carried forward	425,363	307,984	733,347	734,903

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

4. INCOME FROM CHARITABLE ACTIVITIES continued

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Brought forward	425,363	307,984	733,347	734,903
Talbot Underwriting Ltd	-	10,000	10,000	-
The Buzzacott Stuart Defries Memorial Fund	448	5,000	5,448	-
The Edge Foundation	-	-	-	7,250
Travers Smith	3,582	5,000	8,582	7,420
Trowers & Hamlins	-	-	-	5,000
UBS	13,224	-	13,224	5,233
Others	45,785	27,137	72,922	86,426
<i>Service Level Agreements:</i>				
SLA – Primary	24,600	-	24,600	17,600
SLA – Secondary	178,000	-	178,000	130,000
TOTAL	691,002	355,121	1,046,123	993,832

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

5. ANALYSIS OF EXPENDITURE

	Basis of allocation	Charitable activities	Support costs	Governance costs	Total 2023	Total 2022
		£	£	£	£	£
Audit fees	Direct	-	-	5,000	5,000	5,000
Bad Debts	Direct	-	-	-	-	208
Bank charges	Direct	-	-	649	649	441
Bursaries paid	Direct	20,500	-	-	20,500	18,700
Cleaning services	Direct	-	4,204	-	4,204	3,783
Consultancy	Direct	-	-	-	-	(3,500)
Depreciation	Direct	-	8,757	-	8,757	10,764
Direct projects expenditure	Direct	76,289	-	-	76,289	222,347
Insurance / health & safety	Direct	-	5,331	-	5,331	4,921
IT & Telephone costs	Direct	-	67,125	-	67,125	72,697
Marketing and website development	Direct	-	-	-	-	21,475
Other sundry expenses	Direct	4,462	10,807	-	15,269	11,612
Other governance costs	Direct	-	-	4,040	4,040	2,414
Printing, postage & stationery	Direct	-	4,434	-	4,434	2,726
Rent and rates	Direct	-	78,661	-	78,661	73,872
Staff costs	Direct	679,007	2,202	-	681,209	580,061
Subcontractors	Staff time	18,050	27,522	-	45,572	44,743
Training & recruitment	Direct	-	20,742	-	20,742	16,308
		798,308	229,785	9,689	1,037,782	1,088,572
Support costs	Staff time	229,785	(229,785)	-	-	
Governance costs	Staff time	9,689	-	(9,689)	-	
Total expenditure 2023		1,037,782	-	-	1,037,782	
Total expenditure 2022		1,088,572	-	-	1,088,572	

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 £367,842 was restricted (2022: £536,368) and £669,940 was unrestricted (2022: £552,204).

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

6. NET INCOME / (EXPENDITURE)

	2023	2022
This is stated after charging:	£	£
Operating lease rentals on property	71,705	66,832
Depreciation of tangible fixed assets	8,757	10,764
Auditors' remuneration - audit services	4,167	4,167

During the year, no trustees received any remuneration or any benefits in kind (2022 – Nil), and no trustee was reimbursed for expenses (2022 – Nil).

7. STAFF COSTS

	2023	2022
Employee costs during the year amounted to:	£	£
Salaries	595,692	506,723
Social security costs	55,711	48,018
Pension costs	27,382	23,236
Health care costs	2,424	2,084
	681,209	580,061

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:

	2022 No.	2021 No.
£60,000 - £69,999	1	1

The average monthly number of employees during the year was 18 (2022: 14).

The total employee benefits including pension contributions of the key management personnel for the year were £131,918 (2022: £173,086).

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

8. TANGIBLE FIXED ASSETS

	Computer Equipment £	Fixtures Fittings & Equipment £	Total £
COST			
At the beginning of the year	75,070	42,112	117,182
Additions	521	2,298	2,819
At the end of the year	75,591	44,410	120,001
DEPRECIATION			
At the beginning of the year	48,452	34,550	83,002
Charge for the year	6,785	1,972	8,757
At the end of the year	55,237	36,522	91,759
NET BOOK VALUE			
At the end of the year	20,354	7,888	28,242
At the beginning of the year	26,618	7,562	34,180

9. DEBTORS

	2023 £	2022 £
Grants and contract debtors	341,619	190,157
Prepayments	10,189	10,511
Other debtors	16,462	16,462
	368,270	217,130

10. CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	14,755	19,226
Accruals	5,851	5,000
Taxation and social security	19,992	12,250
Deferred income	617,915	263,794
Other creditors	18,679	8,401
	677,192	308,671

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
Funds Balances at 31 August 2023 are represented by:			
Tangible fixed assets	28,242	-	28,242
Net current assets	604,081	403,992	1,008,073
Total Net Assets	632,323	403,992	1,036,315

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 AUGUST 2022

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

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

13. MOVEMENT IN FUNDS FOR THE YEAR ENDED 31 AUGUST 2023

	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
Restricted funds:					
Become More - Aspirations (Aim 2 Attain)	91,484	16,536	(20,464)	-	87,556
Business mentoring	295,470	338,585	(347,378)	-	286,677
NNP-Curriculum	29,759	-	-	-	29,759
Total restricted funds	416,713	355,121	(367,842)	-	403,992
Unrestricted funds:					
General funds	568,197	734,066	(669,940)	-	632,323
Total unrestricted funds	568,197	734,066	(669,940)	-	632,323
Total funds	984,910	1,089,187	(1,037,782)	-	1,036,315

14. 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 £
Restricted funds:					
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)	-	-
Total restricted funds	418,870	522,164	(536,368)	12,047	416,713
Unrestricted funds:					
General funds	625,927	506,521	(522,204)	(12,047)	568,197
Total unrestricted funds	625,927	506,521	(522,204)	(12,047)	568,197
Total funds	1,044,797	1,028,685	(1,088,572)	-	984,910

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

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.

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

	2023 £	2022 £
Net movement in funds for the reporting period (as per the statement of financial activities)	51,405	(59,887)
Depreciation	8,757	10,764
Interest, rent and dividends from investments	(19,146)	(5,801)
(Increase)/ decrease in debtors	(151,140)	(140,471)
Increase/ (decrease) in creditors	368,521	(193,259)
Net cash provided by / (used in) operating activities	<u>258,397</u>	<u>(388,654)</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS FOR THE YEAR ENDED 31 AUGUST 2023

	At the start of the year £	Cash flows £	At the end of the year £
Cash at bank and in hand	1,042,271	274,724	1,316,995
Total cash and cash equivalents	<u>1,042,271</u>	<u>274,724</u>	<u>1,316,995</u>

18. 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
Total cash and cash equivalents	<u>1,436,043</u>	<u>(393,772)</u>	<u>1,042,271</u>

THE SWITCH CHARITY LIMITED

Notes to the Financial Statements

For the Year Ended 31 August 2023

19. LEASE COMMITMENT

The charitable company signed a 3-year lease on office premises in East London in August 2021.

The minimum annual rentals payable under the leases are as follows:

	2023	2022
	£	£
Within 1 year	76,463	71,463
Within 2-5 years	-	76,463
	<u>76,463</u>	<u>147,926</u>

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.