



Power2 Limited

Formerly Teens and Toddlers trading as Power2 Ltd

FINANCIAL STATEMENTS

YEAR ENDED 28 February 2022

REGISTERED CHARITY NUMBER: 1099782 (England and Wales)

COMPANY NUMBER: 4001308



Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited)

The year 2021-22 was my second year as CEO of Power2, and the impact of COVID on the organisation and on the country dominated this year too. Our programme delivery was affected by mitigations and lockdown, particularly our group work where delivery was delayed because of lockdowns or school/pupil isolation and sickness. Most of our staff had COVID at some point during the year, although thankfully no-one was severely ill. We continue to be extremely concerned about the effects of the pandemic on the vulnerable young people we work with, and particularly its impact on their mental health and wellbeing. However, we were able to return to full programme delivery from September and this contributed to the year being one of consolidation and innovation for us, both of which we did very successfully.

Our revenue – whilst appearing flat on the previous year – in fact increased substantially because of our replacement of government funding through the Coronavirus Job Retention Scheme with voluntary and statutory income. We remain hugely grateful for that Scheme, which enabled us to retain all our highly-skilled delivery staff through the pandemic, and they were delighted to be able to return to working with young people.

The voices of our young people remain at the heart of what we do. Our second youth-led in-conversation event, Power2 Be Me At Work, ran in November 2021. Our young people supported our work in other ways too; our Young Leaders interviewed our prospective candidates for Chair, and also supported us in our programme development, with our new Power2 Thrive programme being co-developed with them.

We recommenced delivery of our flagship Teens and Toddlers programme in September 2021; it's even more important that our brilliant teenagers are able to support nursery-aged children with their speech and language, which has been badly affected by the pandemic and successive lockdowns. And we were delighted to be funded to pilot our adaptation of Teens and Toddlers, Power2 Thrive, which was co-developed with young people and has an additional focus on wellbeing and mental health. Our primary-to-secondary school transition programme, Power2 Progress, was piloted successfully in the North West.

An external evaluation of our pandemic crisis response programme, Power2 Rediscover, showed its very positive impact in terms of improving participants' wellbeing, self-confidence, and engagement with school and learning, and is now a core part of our programme offering. This programme offers 1:1 support to young people and is an excellent addition to our roster of group support programmes.

Many of the young people we worked with were in the care system, and we have increased our focus on supporting this very vulnerable group; this, and our new experience of working with young people on a 1:1 basis led us to enter the Local Authority commission space, and we were extremely pleased to be awarded the first tender we responded to, to work with care-experienced young people aged 18-25 in Trafford. The results from the first six months of this programme shows working very intensively with a small number of young people really pays dividends. Toward the end of the financial year we were delighted to be appointed by Cheshire West and Cheshire Council and Social Finance as Delivery Partner for the RootED model, seeking to transform outcomes for children



and young people at risk of exclusion. We will be increasing our efforts to secure local authority commissions in the future.

This diversification of programmes and approach is key to our future financial success and impact on young people. The work we do at Power2 changes lives, and we want to reach as many young people as possible. Delivering more programmes using our strengths-based approach and responding to commissions to embed our work in local authorities, helps us to do that whilst still holding true to our charitable aims and objectives

A number of our Trustees reached the end of their term of service in the year and we'd like to thank them all, and in particular our Chair Marc St John, for their many years of service. We took the opportunity to increase the size of our Board in order to ensure that we have the right mix of skills to guide us through the next phase of our growth, and were particularly pleased to be able to recruit three Young Trustees, two of who are previous beneficiaries of our programme. We now have a very diverse Board as well as staff team, with significant lived experience in each of the issues we seek to address so we truly do reflect the young people that we work with.

We continued to develop our infrastructure, with all staff now using laptops to enable them to work remotely and from the field. We were able to recruit 4 additional staff and make a number of internal promotions. We also moved our Head Office to our base in Ashton under Lyne in Greater Manchester, to mirror the increasing importance of the work we do in the North West.

The work we do at Power2 changes lives. We're able to do that work because of the skill and determination of all our staff I'm very lucky to lead such a brilliant team and am very proud of everything they do to make a difference to the young people we work with.

Julie Randles
Chief Executive
Power2



Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited)

Report of the Trustees for the year ending 28 February 2022

The trustees are pleased to present their annual Trustees' report together with the audited financial statements of the charity for the year ending 28 February 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Our purposes and activities

The purpose of the charity is to foster and support the education, health, opportunity and development of children and young people. We believe there is no greater cost to society than unfulfilled potential. We support children and young people at key transition points to achieve their potential by developing crucial life skills, boosting confidence and improving self-esteem. Our main programmes are the award-winning Teens & Toddlers programme, the Young Leaders programme, and, currently, Power2 Rediscover, our COVID-19 crisis response programme. There have been no changes to the Charity's objectives during the year. The Charity is a public benefit entity. The Trustees have had regard to the Charity Commission's guidance on public benefit.

Strategic Report - Achievements and performance

In the year to February 2022, we worked in 23 local authorities, 39 secondary schools and 43 primary schools. Our reach was badly affected by school closures due to COVID-19 so we were limited to 465 starters on group programmes in 2022 (380 in 2021). A further 105 young people participated in our other programmes (Young Leaders and Power2 Advance).

COVID-19 related challenges and our programmes

We were badly hit by the COVID-19 pandemic; all delivery of our flagship programme, Teens and Toddlers, ceased in March 2020 as schools closed, and we lost revenue as a result. As schools re-opened we gradually resumed our activities.

As a frontline service provider we were determined to continue to support young people, whose existing challenges are exacerbated by the effects of the pandemic. To do so we worked with current funders to re-purpose funding and direct it to core funding for our new Power2 Rediscover programme as well as bidding successfully to new funding sources that emerged as funders launched emergency funds to support organisations and individuals affected by the pandemic. We also took reasonable and prudent steps to access the Government's furlough scheme and reviewed our cost structure. Furlough has allowed us to retain key staff and be in a position to resume our work when schools re-open. We took the decision in March 2020 to top up furloughed staff salaries to 100%.

Financial review and KPIs

Power2 had an income of £1,191,146 (2021: £1,215,100). Power2 had a surplus of £48,131 for the year to February 2022 (2021: surplus of £64,170).



Future Developments

We have been able to attract new and exciting partnerships and now have a healthy cash flow with 60% of income secured for our next financial year (YE Feb 2023).

We renegotiated our tenancy agreement with our landlord the Psychosynthesis Trust which involved a rent reduction and an exit from the premises on 31 March 2021 without penalties. We have taken space at lower cost on the Coram Foundation Campus in Bloomsbury from 1 May 2021. This has reduced our overhead costs significantly.

Investment powers and policy

The operating management, taking into account the liquidity requirements of operations, have kept available funds in an interest-bearing deposit account and seek to maximise the interest rate on deposits. Nonetheless the rate we can achieve remains very low due to external market conditions.

Reserves Policy

Power2 must ensure its long-term sustainability, viability, and success. In determining the reserves policy the trustees have considered the current economic conditions and the risks to key funding sources. The trustees have also considered the organisation's core financial responsibilities. The Trustees have agreed that the Charity's objective is to have free cash reserves of no less than 3 months and no more than 6 months normal operating expenditure in order to continue to operate programmes. Normal operating expenditure, for this purpose excludes expenditure which is covered by restricted reserves. Unrestricted reserves held at 28 February 2022 are £252,541 (2021: £204,410). The Trustees are satisfied that the level of reserves falls within these parameters. There were no restricted reserves at 28 February 2022.

The Trustees recognize the difficult conditions for the Charity, the level of free reserves and the challenging environment of the Charity sector. The Trustees have no material concerns relating to the ability of Power2 to continue to operate as a going concern.

In setting its budgets, level of charges for services and in negotiating the level of funding for grants, Power2 takes account of the need to maintain adequate reserves. The Board of Directors and the Finance Committee continually monitor whether the level of income is appropriate to establish and maintain reserves in line with this policy through the processes of annual budgeting, periodic management accounts and cash flow reporting. This policy will be reviewed at least annually.

Reference and administrative details

Charity number: 1099782
Company number: 4001308
Principal & Registered Office: 26A Warrington Street, Ashton-under-Lyne, Tameside, OL6 6AS

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

Chair Marc St John (resigned 3 February 2022)



	Nicci Russell (appointed as Chair 3 February 2022)
Trustees	Anthony Clinch (resigned 30 July 2021) Edward Scully (resigned 30 July 2021) Gemma Carroll Georgia Hart Jane Hinchliffe (resigned 29 October 2021) Reena Gogna James Potter Alex Reppold (appointed 2 July 2021) Kim Rihal (appointed 2 July 2021) Mohamed Abdallah (appointed 2 July 2021) Nicci Russell (appointed 2 July 2021) Aisha'lee Aminu (appointed 24 September 2021) Amira Shariif Ali (appointed 24 September 2021) Nina Ma (appointed 24 September 2021) Chris Mulrooney (resigned 30 April 2021)
Company Secretary	Julie Randles
Chief Executive	Julie Randles
Auditors	MHA MacIntyre Hudson 6 th Floor, 2 London Wall Place, London, EC2Y 5AU
Bankers	Barclays Bank plc, Borough High Street, London, SE1 1LY
Senior Management Team	Paul Hopkins – Director of Operations & Finance Abigail Moss – Director of Income and Engagement Samantha Marcus – Director of Services
Registered Office	26A Warrington Street Ashton-under-Lyne Tameside OL6 6AS

Fundraising

The Charity does not use any professional fundraisers other than those individuals employed by the Charity. During the financial year 2021/22 the charity paid due regard to its fundraising practices in line with the guidelines set out by the Fundraising Regulator's Fundraising Code of Practice. There were no complaints made against the charity regarding fundraising practices. Fundraising is monitored by the Trustees.



Structure, Governance and Management

Governing Document

Power2 Ltd is a company limited by guarantee governed by its Memorandum and Articles of Association dated May 2000. It is registered as a charity with the Charity Commission.

Trustee induction and training

Normally new trustees receive an induction pack and undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other trustees. They also visit one of our programmes in action.

Successive lockdowns in the financial year meant we were unable to run trustee induction days; instead, our new trustees had a number of briefing sessions with our Chair and key employees, and attended a virtual session where several of our young people spoke about themselves .

Organisation

The board of trustees administers the charity. The board normally meets five times per year and there are sub-committees for finance and audit (Finance Committee), programmes and impact measurement (Programmes and Impact Committee), and safeguarding (Safeguarding Committee). A Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity and to delegate through the Senior Management Team (SMT).

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work with the charity.

Indemnity Insurance

Professional indemnity insurance is paid on behalf of the Trustees to protect them from claims arising from negligent acts, errors, or omissions while on charity business.

Pay policy for senior staff

The directors consider that the board of directors, who are the Charity's trustees, the Chief Executive and the senior management team, comprise the key management personnel of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All directors give of their time freely and no director received remuneration in the year. The pay of the Chief Executive is reviewed annually by the Remuneration Committee (2 trustees) with approval by the Finance Committee and increased in accordance with average earnings, where relevant, and benchmarked against other similar charities. The pay of other key management is reviewed by the Finance Committee.

Risk management

The trustees have a risk management strategy which comprises:

- a risk register which is reviewed by the full Board at each meeting along with a list of changes since the previous Board meeting.
- an annual review of the principal risks and uncertainties that the charity is subject to by the main Trustee Board.



- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.
- a Finance and Risk Committee comprising at least 3 trustees which meets separately from the main Board to review financial forecast and risks in detail.

The principal risks of the Charity identified by the Trustees include the availability of funding for projects and the safeguarding risks arising in relation to the teenagers and young children involved in the projects. These risks are mitigated by active financial management and by robust policies and procedures in respect of selection and training of staff working with young people.

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence 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.

**Disclosure of information to the auditors**

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the board

Nicci Russell

By order of the board of trustees
Nicci Russell

Date 12 July 2022



Independent Auditor's Report to the Members of Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited)

Opinion

We have audited the financial statements of Power2 Ltd (the 'charitable company') for the year ended 28 February 2022 which comprise the Statement of financial Activities (incorporating the income and Expenditure account), the Balance Sheet, the Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 28 February 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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. Our evaluation of the Trustees' assessment of the Charity's ability to continue to adopt the going concern basis of accounting included the review of charity forecasts and financial performance post year end.

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 Charity'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 trustees' 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.

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 strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.



We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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.

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

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

Brendan Sharkey FCA
Senior Statutory Auditor
For and on behalf of MHA MacIntyre Hudson
Statutory Auditors

6th Floor
2 London Wall Place
London EC2Y 5AU

12.07.2022

Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited).					
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT					
FOR THE YEAR ENDED 28 February 2022					
		2022	2022	2022	2021
		Unrestricted	Restricted		
		Funds	Funds	Total	Total
	Notes	£	£	£	£
<u>Income and endowments from:</u>					
Grants	1	61,705	755,561	817,265	757,446
Sale of services	1	-	235,137	235,137	64,494
Interest	1	24	-	24	181
Donations, events and CJRS	1	45,510	93,209	138,720	392,979
Total Income and endowments		107,239	1,083,907	1,191,146	1,215,100
RESOURCES EXPENDED					
Raising Funds	5	107,239	136,977	244,216	271,861
Charitable activities	3	-	898,799	898,799	879,069
Total expenditure		107,239	1,035,776	1,143,015	1,150,930
Surplus		0	48,131	48,131	64,170
Transfers between funds	11	48,131	(48,131)	-	-
NET INCOMING/(OUTGOINGS) RESOURCES FOR THE YEAR		48,131	-	48,131	64,170
Reconciliation of funds					
Total funds brought forward		204,410	-	204,410	140,240
Balances carried forward at the end of the period		252,541	-	252,541	204,410
All income and expenditure derive from continuing activities					

The notes on pages 17 to 24 form part of these financial statements



Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited).						
BALANCE SHEET						
YEAR ENDED 28 February 2022						
		2022			2021	
	Notes	£	£		£	£
CURRENT ASSETS						
Debtors	8	44,152			45,814	
Cash at bank and in hand		420,771			534,282	
		464,924			580,096	
Grants						
CREDITORS: Amounts falling due						
within one year	9	135,674			273,697	
NET CURRENT ASSETS			329,250			306,399
Loans falling due after more than one year	12		76,709			101,988
NET ASSETS			252,541			204,411
FUNDS						
Unrestricted General fund	11		252,541			204,410
			252,541			204,410

The Financial Statements were approved and authorised for issue by the Board on xxx 2022.

Signed on behalf of the Board of Trustees

Nicci Russell

Nicci Russell (Chair)

12 July 2022

The notes on pages 17 to 24 form part of these financial statements



Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited).				
STATEMENT OF CASH FLOWS				
YEAR ENDED 28 February 2022				
			2022	2021
	Notes		£	£
Cash flow from operating activities	17		(113,534)	164,060
Net cash flow from operating activities			(113,534)	164,060
Cash flow from investing activities				
Interest received			24	181
Loan			-	101,988
Net cash flow from investing activities			24	102,169
Net increase / (decrease) in cash and cash equivalents			(113,511)	266,229
Cash and cash equivalents brought forward at 1 March			534,282	268,052
Cash and cash equivalents carried forward at 28 February			420,771	534,281

The notes on pages 17 to 24 form part of these financial statements



Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited)

Note 1 Summary of significant accounting policies

(a) General information and basis preparation

Power2 is a charitable company limited by guarantee incorporated in England and Wales. On 9 May 2018 the Charity changed its name to Teens and Toddlers Trading as Power2 Ltd. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 5 of these financial statements. The nature of the charity's operations and principal activities are to foster and support the education, health, opportunity and development of children and young people. We run programmes where teenagers mentor young children, and build the life skills and self-belief they need to succeed at school, in work and in the community. There have been no changes to the Charity's objectives during this year.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.



(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donations and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities, assets and professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity, for example the amount the charity would be willing to pay in the open market for such facilities, assets and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Grants are accounted for under the accruals model as permitted by FRS102. The deferred element of the grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Investment income is earned through holding assets for investment purposes. It includes interest and interest income is recognised using the effective interest method and included when receivable.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it



is probable that the settlement will be required and that amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes fundraisers' salaries and costs associated with applying for funds
- Power2 does not capitalise assets with monetary value of less than £1,000. As such, capital purchases of less than this amount are recognised through the Statement of Financial Activities and Income and Expenditure Account
- Expenditure on charitable activities includes delivery costs.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings they have allocated to cost of raising funds and expenditures on charitable activities on a basis consistent with use of the resources. Overheads have been allocated as detailed in note 3.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 5.

(f) Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(g) Financial Instruments

The charity has only financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at settlement value.

(h) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(i) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.



(j) Employee pensions and benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. Where employees are informed of redundancies by balance sheet date, provisions are included in the financial statements.

The charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed as they become payable in accordance with the rules of the scheme.

(k) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

(l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

(m) Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

The key assumptions concerning the future and other key 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 financial year include the valuation of deferred income in creditors. The trustees have reviewed the deferred income and are satisfied that this is valued in accordance with the accounting policies.



Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited).					
NOTES TO THE FINANCIAL STATEMENTS					
YEAR ENDED 28 February 2022					
1	INCOMING RESOURCES	2022	Restricted Funds	Total 2022	2021
		£	£	£	£
	Grants	61,705	755,561	817,265	757,446
	Income from commissioned services		235,137	235,137	64,494
	Bank interest receivable	24	-	24	181
	Donations, events and CJRS	45,510	93,209	138,720	392,979
		107,239	1,083,907	1,191,146	1,215,100
£93,209 was received in the year under the Government's Coronavirus Job Retention Scheme (CJRS) and is included in donations, events and CJRS.					
2	RESOURCES EXPENDED			2022	2021
				£	£
Costs directly attributable to activities					
	Salary Costs			599,837	645,771
	Project materials			16,191	2,349
	Other delivery costs			51,107	21,164
	Postage and Freight			707	68
	Travel			14,342	2,243
	Training Quality Assurance and Accreditation (inc salaries)			5,478	1,471
	Research and Evaluation (inc salaries)			32,892	31,707
	Youth Events (inc salaries)			86,903	94,403
				807,458	799,177
Support costs allocated to activities					
	Bank charges and loan interest			2,778	447
	Building, and utility costs			2,670	2,424
	Equipment hire and purchase			9,045	1,275
	Insurance			1,302	1,735
	Recruitment			500	2,750
	IT software and web development			36,527	32,526
	Legal and professional fees			7,504	6,328
	Other			2,464	2,688
	Postage, printing and stationery			1,796	1,097
	Rent and rates			31,383	55,570
	Telephone			12,479	13,472
	Audit			12,140	10,960
				120,588	131,273
Raising Funds					
				204,763	217,452
	Communications and PR			2,151	2,606
	Donor Costs			8,055	423
	Event Costs			-	-
				214,969	220,480
TOTAL RESOURCES EXPENDED				1,143,015	1,150,930



Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited).						
NOTES TO THE FINANCIAL STATEMENTS						
YEAR ENDED 28 February 2022						
3	Analysis of Expenditure on charitable activities					
		Activities undertaken directly	Grant funded Activities	Costs directly attributable to activities	Support costs	Total 2022
	Costs directly attributable to activities					
	Delivery	258,178	564,405	822,583	76,216	898,799
	Training and evaluation	-	-	-	-	-
		258,178	564,405	822,583	76,216	898,799
4	Allocation of Support costs					
				Raising Funds	Delivery	Total 2022
	Governance - audit			2,594	9,546	12,140
	Office costs			8,512	31,327	39,839
	Information Technology			8,427	31,014	39,441
	Other			1,176	4,328	5,505
				20,709	76,216	96,925
	Fees paid to the auditors for the audit of the Charity's annual accounts £9,450 (2021: £10,960).					
5	Raising Funds					2022
						£
	Costs directly attributable					223,507
	Support costs					20,709
						244,216
6	Staff costs and employee benefits					2022
						£
	Wages and Salaries					814,248
	Social Security Costs					75,101
	Defined contribution pension costs					35,047
	Total staff wages and salaries					924,395
	In the period no redundancy costs were incurred (2021: £29,401). In 2021 these costs were included in salaries.					
	The emoluments of the higher paid employees fell within the ranges indicated below. These emoluments include salary, and other benefits but exclude pension contributions.					
						2022
	£60,000 to £69,999					1
	£70,000 to £79,999					
	£80,000 to £89,999					1
	Retirement benefits are accruing under defined contribution pension schemes in respect of these employees. Contributions paid amounted to £7,180 (2021: £9,378)					
	The average number of employees, calculated on a full-time equivalent basis, analysed by function was:					
						2022
	Raising Funds					4.4
	Charitable activities					21.8
						26.2
	The key management personnel of the charity comprised the trustees of the charity, who received no remuneration, and the Chief Executive and senior management team. Their combined salaries and pensions totalled £293,024 (2021: £222,941)					



Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited).					
NOTES TO THE FINANCIAL STATEMENTS (continued)					
YEAR ENDED 298 February 2022					
7 DIRECTORS' AND OFFICERS' REMUNERATION AND EXPENSES					
No trustee received remuneration or expenses from the Charity for their services as a trustee (2021: none)					
8 DEBTORS					
		2022		2021	
		£		£	
Trade debtors		10,195		5,785	
Other debtors		3,600		3,410	
Prepayments and accrued income		30,357		36,619	
		44,152		45,814	
9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
		2022		2021	
		£		£	
Trade creditors		6,689		18,573	
Accruals and provisions		21,037		33,121	
Other taxation and social security		25,470		32,670	
Deferred income		57,199		181,322	
Other loans		25,279		8,012	
		135,674		273,697	
The amount of £25,279 represents a Coronavirus Business Interruption Loan, secured by the government, repayable by instalments which commenced in November 2021.					
10 Deferred Income					
		2022		2021	
At start of period (1 March)		181,322		82,722	
Released to income during the year		(181,322)		(82,722)	
Additions during the year		57,199		181,322	
At end date 28 February		57,199		181,322	
Deferred income comprises grant income received in advance of delivery.					
11 RESTRICTED & UNRESTRICTED FUNDS					
	Opening Balance 1 March 2021	Net Incoming resources	Charitable Expenditure	Transfers Between Funds	Closing Balance 28 February 2022
Unrestricted Funds	204,410	107,239	(107,239)	48,131	252,541
Restricted Funds	-	1,083,907	(1,035,776)	(48,131) -	0
Total Reserves - all unrestricted	204,410	1,191,146	(1,143,015)	-	252,541
All of the restricted funds represent monies received that have been given specifically towards the advancement of Power2 programmes.					
<u>Transfers between funds</u>					
All surpluses on grants relating to projects in specific areas that have come to an end and where all conditions in respect of the grant have been met have been transferred to unrestricted funds. Grants where there are no longer any conditions for their specific use have been transferred to unrestricted funds accordingly. Deficits on completed projects are funded by transfers from unrestricted funds.					
<u>Analysis of net assets between funds</u>					
		Unrestricted	Restricted	Total 2022	2021
Cash at bank and in hand		363,573	57,199	420,771	534,281
Deferred income		-	(57,199)	(57,199)	(181,322)
Other net current assets		(111,032)		(111,032)	(148,550)
Total		252,541	-	252,541	204,410
<u>Analysis of changes in Net Debt</u>					
		At 1 March 2021	Operating cash flow plus bank interest	Coronavirus Business Interruption Loan	At 28 Feb 2022
Cash and Cash Equivalents		534,281	(113,510)	-	420,771
Total net debt		534,281	(113,510)	-	420,771



Power2 Ltd (formerly Teens and Toddlers trading as Power2 Limited).				
NOTES TO THE FINANCIAL STATEMENTS (continued)				
YEAR ENDED 28 February 2022				
12	CREDITORS DUE AFTER MORE THAN ONE YEAR		2022 £	2021 £
	Other loans		76,709	101,988
	The amount of £76,709 represents a Coronavirus Business Interruption Loan, secured by the government, repayable by instalments which commenced in November 2021 and ending in October 2025.			
13	RELATED PARTY TRANSACTIONS			
	Until 31 March 2021 Power2 rented its registered office from Psychosynthesis Trust under an arms length contract and shares some services on a commercial basis.			
	A number of the trustees of the charity are also involved as supporters and trustees of other charities and not for profit organisations which may provide grants to Power2. These trustees do not participate in any decisions in relation to these transactions.			
14	COMMITMENTS			
	OPERATING LEASES			
	At 28 February 2022 the Charity had the following annual commitments under non-cancellable operating leases:			
			Land & Buildings	Equipment, Land & Buildings
			2022	2021
			£	£
	Operating leases which expire:			
	Within one year		20,000	10,012
	Within one to two years			25,279
	Within two to five years			76,709
			20,000	112,000
	Operating lease costs in the year to 28 February were £10,651 (2021: £10,502)			
15	COMPANY LIMITED BY GUARANTEE			
	Each member of the Charity has guaranteed to contribute up to £1 in the event of a winding up.			
16	FUTURE INCOME AND THE CURRENT ECONOMIC CLIMATE			
	The Trustees consider that the income stream of the Charity will continue as forecast and unplanned expenditure would be minimal. The going concern basis is therefore considered to be appropriate as a basis of accounting.			
17	RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		2022 £	2021 £
	Net income/expenditure for the year		48,131	64,170
	Interest receivable		(24)	(181)
	Operating income		48,107	63,990
	Decrease in debtors		1,662	4,277
	Decrease in creditors		(163,303)	95,793
	Net cash flow from operating activities		(113,534)	164,060