



Power2 Ltd

FINANCIAL STATEMENTS

17 MONTHS ENDED 31 JULY 2023

REGISTERED CHARITY NUMBER: 1099782 (England and Wales)

COMPANY NUMBER: 4001308



Power2 Ltd

The period 2022-23 was one of significant growth for Power2, with more programmes delivered, more partnership working and - most importantly - more children and young people reached through our life-changing interventions.

We worked with over 1,000 children and young people, 22% of whom were care-experienced or supported by a social worker. We know that this group is amongst the most vulnerable in society so everything we're able to do to support them makes a difference.

We're delighted that we've had such an impact, with 86% of our programme participants increasing their wellbeing through working with us and 73% becoming more engaged with school and learning.

Our new five-year strategy has ambitious growth plans to respond to the increase in need amongst children and young people and the increasing demand for our work. We want to be the service provider of choice for work with children and young people in the North West, a significant player in London, and to establish a foothold in other areas of the country. We're well on the way to achieving this, as the following summary of the year demonstrates.

Our flagship group programme, Teens and Toddlers, continues to be requested by schools across the North-West and London, alongside its wellbeing-focused adaptation, Power2 Thrive. This year we've seen an increasing number of new schools buy our services, which have found out about us through other schools or by reputation.

The COVID-19 pandemic and its repercussions are continuing to impact our work, particularly in the increased needs of our programme participants. However, our initial response to the pandemic – our Power2 Rediscover programme - is an increasingly important part of our programme portfolio. Its underpinning approach of trauma-informed individualised and intensive 1:1 work delivered by our highly-trained staff has spearheaded the continued diversification of our programmes. As a result our work has become more intensive - with children and young people experiencing even greater vulnerabilities and needs. We're now working with those at risk of child criminal exploitation, of involvement with gangs and violence, and those experiencing emotionally-based school avoidance, amongst others.

In our last Annual Report we said we'd be increasing our efforts to secure more local authority commissions, since we see this as one of the key pillars of achieving our strategic vision, and our Power2 Rediscover approach – intensive 1:1 trauma-informed and asset-based support delivered by highly-trained staff – has secured a number of new commissions. We have been commissioned to deliver the Home Office-funded SAFE (Support, Attend, Fulfil, Exceed) programme in Southwark and City of Manchester, providing early-intervention support to children and young people at risk of serious violence or gang exploitation, as well as the Youth Endowment Fund financed Another Chance programme in Manchester, supporting young people aged 14-25 involved in group-based serious violent offending to leave a life of crime behind them. We've also been appointed to several Local Authority Frameworks (meaning that statutory bodies in those areas can buy in our services without the need for further procurement procedures) and have been recommissioned to deliver every one of the commissions that have so far come to an end.



We were delighted to be funded by a charitable foundation to pilot our Power2 Advance programme in London, working with children and young people aged 16-18 in the care system to support them with their wellbeing and transition to independent living and employment or further training.

This commissioned work has led to an increase in the size of the staff team, from 31 people to 51 – all delivery staff. Power2 is nothing without its people, and we're emphasising staff wellbeing and development in our new strategy. We're proud that so many of the team has lived experience of the issues we seek to address, and we'll continue to centre this in our recruitment and communications – as well as ensuring we hear the voices of the experts-through-experience who are our programme participants.

We're pleased to have secured more external recognition for our work and, particularly, for receiving a Centre for Social Justice Award and Fair Education Alliance Scaling Award, both of which will help us to deliver our new strategy and raise our profile.

The work we do at Power2 changes lives. I'm incredibly proud of the staff team, their skill and determination in making a difference to all our programme participants and, above all, the children and young people we work with and everything they have achieved.

These Financial statements cover the 17 month period from 1 March 2022 to 31 July 2023. In future our reporting period will be the 12 months ending 31 July. We have made this change to match the school year which determines our annual work pattern. Our impact reporting is also based on the school year. This change will bring our financial and impact reporting together thus making it easier for us to present our work to funders and commissioners.

Julie Randles
Chief Executive
Power2 Ltd



Report of the Trustees for the 17 Months ending 31 July 2023

The Trustees are pleased to present their Trustees' Report together with the audited financial statements of the charity for the 17 months ending 31 July 2023, 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. Among our programmes are the award winning Teens and Toddlers programme and Power2 Rediscover, a programme developed during COVID when group work in schools was not possible. 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 period to July 2023, we worked in 29 local authorities and 127 secondary schools.

COVID-19 related challenges and our programmes

As reported in our last accounts we were badly hit by the COVID-19 pandemic and delivery of our flagship programme, Teens and Toddlers, ceased in March 2020 as schools closed. This has been resumed but we are still dealing with the effects of COVID on the vulnerable children we work with. This is more fully described in the Chief Executive's report.

Despite COVID, 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. We took reasonable and prudent steps to access the Government's furlough scheme and reviewed our cost structure. Furlough allowed us to retain key staff and be in a position to resume our work when schools re-opened. We topped up furloughed staff salaries to 100% to ensure we could retain staff.

Financial review

Power2 had a surplus of £67,009 for the 17 months to July 2023. For the 12 months to February 2022 our audited surplus was £48,131. At the request of the auditors we have changed our revenue recognition policy (see note 13 to the accounts). This has the effect of increasing our surplus in the 12 months to 28 February 2022 to £60,135.

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 achieve a rate on deposit which



matches or exceeds inflation as measured by the retail prices index. Due to wider economic circumstances deposit rates have been depressed and so this aim was not achieved in the year.

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. Reserves held at 31 July 2023 are £366,554 (2022 as restated: £299,545). The Trustees are satisfied with the level of unrestricted reserves. There were unrestricted reserves of £247,154 at 31 July 2023.

The Trustees recognise 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 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. The reserves policy is regularly reviewed by the Board.

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	Nicci Russell
Trustees	Aisha'lee Aminu (resigned 16 September 2022)
	Amira Shariif Ali
	Alex Reppold
	Gemma Carroll
	Georgia Hart (resigned 31 December 2022)
	James Potter
	Kim Rihal (resigned 31 December 2022)
	Lauren Livingston (appointed 13 June 2023)
	Mohamed Abdallah (resigned 13 December 2023)
	Nina Ma
	Reena Gogna



Company Secretary	Julie Randles
Chief Executive	Julie Randles
Auditors	MHA 910 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ
Bankers	Barclays Bank plc, Borough High Street, London, SE1 1LY
Senior Management Team	Paul Hopkins - Finance Director Abigail Moss - Director of Income and Engagement Samantha Marcus - Director of Services

Fundraising

The Charity does not use any professional fundraisers other than those individuals employed by the Charity. During the financial period 2022-23 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 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

New trustees receive an induction pack and undergo orientation 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 they meet key employees and other trustees. The intention is also that they visit one of our programmes in action.

Organisation

The board of trustees administers the charity. The Board normally meets five times per year and during the period covered by these accounts there were sub-committees for finance and risk, (Finance and Risk 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). The delegated authority scheme is agreed by the Board and reviewed every 3 years.

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 Trustee Board and increased in accordance with average earnings, where relevant, and benchmarked against other similar charities.

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.
- A regular 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 Committee comprising 3 trustees which meets separately from the main Board to review financial forecast in detail as well as other financial risks..

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

By order of the Board of Trustees
Nicci Russell

Date 26 April 2024



Independent Auditor's Report to the Members of Power2 Ltd

Opinion

We have audited the financial statements of Power2 Ltd (the 'charitable company') for the 17 months ended 31 July 2023 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 31 July 2023, and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MHA, Statutory Auditor

Colchester, United Kingdom
Date: 29 April 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Power2 Limited					
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT					
For the 17 Months Ending 31 July 2023					
		17 Months Ending July 2023			As restated 12 Months to Feb 2022
		Unrestricted	Restricted		
		Funds	Funds	Total	Total
	Notes	£	£	£	£
<u>Income and endowments from:</u>					
Grants	1	58,344	1,145,915	1,204,259	829,269
Sale of services	1	-	1,022,435	1,022,435	235,137
Interest	1	740	-	740	24
Donations, events and CJRS	1	86,443	-	86,443	138,720
Total Income and endowments		145,527	2,168,349	2,313,877	1,203,150
RESOURCES EXPENDED					
Raising Funds	5	145,527	209,470	354,997	244,216
Charitable activities	3	-	1,891,871	1,891,871	898,799
Total expenditure		145,527	2,101,341	2,246,868	1,143,015
Surplus		0	67,009	67,009	60,135
Transfers between funds	11	(5,387)	5,387	-	-
NET INCOMING/(OUTGOINGS) RESOURCES FOR THE YEAR		(5,387)	72,396	67,009	60,135
Reconciliation of funds					
Total funds brought forward (restated)		252,541	47,004	299,545	239,410
Balances carried forward at the end of the period		247,154	119,400	366,554	299,545
All income and expenditure derive from continuing activities					

The notes on pages 16 to 23 form part of these financial statements



Power2 Limited					
BALANCE SHEET					
For the 17 Months Ending 31 July 2023					
		At 31 July 2023		As restated At 28 February 2022	
	Notes	£	£	£	£
FIXED ASSETS					
Computer equipment	7		23,192		
CURRENT ASSETS					
Debtors	8	179,749		44,152	
Cash at bank and in hand		429,372		420,771	
		609,121		464,924	
CREDITORS: Amounts falling due within one year					
	9	228,033		88,670	
NET CURRENT ASSETS					
			381,088		376,254
NET ASSETS					
			404,280		376,254
Loans falling due after more than one year					
	12		37,726		76,709
NET ASSETS					
			366,554		299,545
FUNDS					
Unrestricted General fund	11		247,154		252,541
Restricted	11		119,400		47,004
			366,554		299,545

The Financial Statements were approved and authorised for issue by the Board on 26 April 2024.

Signed on behalf of the Board of Trustees

Nicci Russell

Nicci Russell (Chair)

26 April 2024

The notes on pages 16 to 23 form part of these financial statements



Power2 Limited					
STATEMENT OF CASH FLOWS					
For the 17 Months Ending 31 July 2023					
			17 Months to July 2023		12 Months to Feb 2022
	Notes		£		£
Cash flow from operating activities	18		7,860		(113,534)
Net cash flow from operating activities			7,860		(113,534)
Cash flow from investing activities					
Interest received			740		24
Loan			-		-
Net cash flow from investing activities			740		24
Net increase / (decrease) in cash and cash equivalents			8,600		(113,511)
Cash and cash equivalents brought forward at 1 March			420,772		534,282
Cash and cash equivalents carried forward at 28 February			429,372		420,771

The notes on pages 16 to 23 form part of these financial statements



Power2 Ltd

Note 1 Summary of significant accounting policies

(a) General information and basis of preparation

Power2 is a charitable company limited by guarantee incorporated in England and Wales. 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.

The Trustees have changed the financial year end for the Company from 28 February to 31 July. These financial statements have therefore been prepared for the period from 1 March 2022 to 31 July 2023, this being 518 days. The previous financial statements were prepared for the period from 1 March 2021 to 28 February 2022, this being 365 days. The financial year end was changed in order to synchronise with the school year, which is the basis for the Company's work schedule and impact reporting.

(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 capitalises computer equipment with monetary value of greater than £500. 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 4.

(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 Limited					
NOTES TO THE FINANCIAL STATEMENTS					
For the 17 Months Ending 31 July 2023					
1	INCOMING RESOURCES	Unrestricted Funds £	Restricted Funds £	17 Months to 31 July 2023 £	12 Months to Feb 2022 £
	Grants	58,344	1,145,915	1,204,259	829,269
	Income from commissioned services		1,022,435	1,022,435	235,137
	Bank interest receivable	740	-	740	24
	Donations, events and CJRS	86,443	-	86,443	138,720
		145,527	2,168,349	2,313,877	1,203,150
£93,209 was received in the year ending February 2022 (2023 - nil) under the Government's Coronavirus Job Retention Scheme (CJRS) and is included in donations, events and CJRS.					
2	RESOURCES EXPENDED				
Costs directly attributable to activities					
	Salary costs			1,408,275	686,740
	Project materials			24,849	16,191
	Other delivery costs			149,173	51,107
	Postage and freight			580	707
	Travel			13,935	14,342
	Training Quality Assurance and Accreditation (inc salaries)			6,399	5,478
	Research and Evaluation (inc salaries)			100,747	32,892
				1,703,959	807,458
Support costs allocated to activities					
	Bank charges and loan interest			8,776	2,778
	Building, and utility costs			6,010	2,670
	Equipment hire and purchase			1,490	9,045
	Insurance			2,839	1,302
	Recruitment			16,191	500
	IT software and web development			55,480	36,527
	Legal and professional fees			14,120	7,504
	Other			4,020	2,464
	Postage, printing and stationery			7,364	1,796
	Rent and rates			49,171	31,383
	Telephone			24,815	12,479
	Audit			12,228	12,140
	Depreciation			6,100	
				208,605	120,588
Total Cost of Charitable Activities				1,912,564	928,046
Raising Funds					
	Salary costs			328,492	204,763
	Communications and PR			5,506	2,151
	Donor Costs			306	8,055
				334,304	214,969
TOTAL RESOURCES EXPENDED				2,246,868	1,143,015

Power2 Limited					
NOTES TO THE FINANCIAL STATEMENTS					
For the 17 Months Ending 31 July 2023					
3	Analysis of Expenditure on charitable activities				
		Costs directly attributable to activities	Support costs	17 Months to July 2023	12 Months to Feb 2022
	Costs directly attributable to activities				
	Delivery	1,793,647	98,225	1,891,871	898,799
		1,793,647	98,225	1,891,871	898,799
4	Allocation of Support costs				
		Raising Funds	Delivery	17 Months to July 2023	12 Months to Feb 2022
	Governance - audit	2,128	10,100	12,228	12,140
	Office costs inc Rent	10,267	48,733	59,000	39,839
	Information Technology	8,299	39,392	47,690	39,441
	Other	0	0	0	5,505
		20,693	98,225	118,918	96,925
Fees paid to the auditors for the audit of the Charity's annual accounts £12,228 (2022: £9,450).					
5	Raising Funds			17 Months to July 2023	12 Months to Feb 2022
				£	£
	Costs directly attributable			334,304	223,507
	Support costs			20,693	20,709
				354,997	244,216
6	Staff costs and employee benefits			17 Months to July 2023	12 Months to Feb 2022
				£	£
	Wages and Salaries			1,588,830	814,248
	Social Security Costs			142,824	75,101
	Defined contribution pension costs			105,762	35,047
	Total staff wages and salaries			1,837,415	924,396
In the period redundancy costs were incurred of £7,420 (2022: nil). These costs are included in salaries.					
The emoluments of the higher paid employees fell within the ranges indicated below. These emoluments include gross salary, and other benefits, plus employer's national insurance contributions, but exclude pension contributions.					
			17 Months to July 2023	12 Month equivalent	12 Months to Feb 2022
	£60,000 to £69,999		1		
	£70,000 to £79,999			1	1
	£80,000 to £89,999				
	£90,000 to £99,999		1	1	1
	£100,000 to £129,999				
	£130,000 to £139,999		1		
Retirement benefits are accruing under defined contribution pension schemes in respect of these employees. Contributions paid amounted to £26,078 (2022: £7,180)					
The average number of employees, calculated on a full-time equivalent basis, and headcount basis, analysed by function was:					
		Headcount basis	Calculated on a full-time equivalent basis		
		17 Months to July 2023	12 Months to Feb 2022	17 Months to July 2023	12 Months to Feb 2022
	Raising Funds	5.4	4.9	4.8	4.4
	Charitable activities	37.5	25.6	33.5	21.8
		42.9	30.5	38.4	26.2
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 combines salaries and pensions totalled £380,865 for the 17 month period . This equates for a twelve month period to annualised employee benefits of £268,846 (2022 £251,359).					



Power2 Limited - Notes to the Financial Accounts 17 Months Ending 31 July 2023

7 FIXED ASSETS - COMPUTER EQUIPMENT					
			£		
Cost or Valuation					
Additions in the period			29,292		
Carried forward 31 July 2023			29,292		
Depreciation					
Charge for the period			6,100		
Carried forward 31 July 2023			6,100		
Net Book Value					
At 1 March 2022			-		
At 31 July 2023			23,192		
8 DEBTORS			At 31 July 2023		At 28 Feb 2022
			£		£
Trade debtors			27,499		10,195
Other debtors			2,430		3,600
Prepayments and accrued income			149,820		30,357
			179,749		44,152
9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			At 31 July 2023		As restated At 28 Feb 2022
			£		£
Trade creditors			8,629		6,689
Accruals and provisions			17,981		21,037
Other taxation and social security			39,373		25,470
Deferred income			134,159		10,195
Other loans			27,891		25,279
			228,033		88,670
The amount of £27,891 represents a Coronavirus Business Interruption Loan, secured by the government, repayable by instalments commencing in November 2021 and ending in October 2025 (2022: £25,279).					
10 Deferred Income					
			At 31 July 2023		As restated At 28 Feb 2022
At start of period (1 March)			10,195		146,322
Released to income during the year			(10,195)		(146,322)
Additions during the year			134,159		10,195
At end date 31 July 2023 and 28 February 2022			134,159		10,195
Deferred income comprises income received in advance of delivery.					
11 RESTRICTED & UNRESTRICTED FUNDS					
	As restated Opening Balance 1 March 2022	Net Incoming resources	Charitable Expenditure	Transfers Between Funds	Closing Balance 31 July 2023
Unrestricted Funds	252,541	145,527	(145,527)	(5,387)	247,154
Restricted Funds	47,004	2,168,349	(2,101,341)	5,387	119,400
Total Reserves - all unrestricted	299,545	2,313,877	(2,246,868)	-	366,554
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 17 Months to July 2023	As restated At 28 Feb 2022
Cash at bank and in hand		295,213	134,159	429,372	420,771
Deferred income		-	(134,159)	(134,159)	(10,195)
Other net current assets		71,340		71,340	(111,031)
Total		366,554	-	366,554	299,545
<u>Analysis of Net Debt</u>					
		At 28 Feb 2022	Operating cash flow plus bank interest	Coronavirus Business Interruption Loan	At 31 July 2023
Cash and Cash Equivalents		420,771	8,600	-	429,371
Total net debt		420,771	8,600	-	429,371

Power2 Limited					
NOTES TO THE FINANCIAL STATEMENTS (continued)					
For the 17 Months Ending 31 July 2023					
12	CREDITORS DUE AFTER MORE THAN ONE YEAR			At 31 July 2023	At 28 Feb 2022
				£	£
	Other loans			37,726	76,709
	The amount of £37,726 represents a Coronavirus Business Interruption Loan, secured by the government, repayable by instalments commencing in November 2021 and ending in October 2025 (2022: £76,709).				
13	LOANS			At 31 July 2023	At 28 Feb 2022
	Amounts falling due within one year				
	Other loans			27,891	25,279
	Amounts falling due 1-2 years				
	Other loans			29,915	27,108
	Amounts falling due 2-5 years				
	Other loans			7,811	49,600
				65,617	101,987
	Security over other loans are included in Note 12.				
14	PRIOR YEAR ADJUSTMENT				
	The results for the year ended 28 February 2022 have been restated to correctly reflect the nature of grant income which had originally been deferred but the correct treatment of this is to recognise in full upon receipt and recognised within income. As a result, opening reserves have been increased by £35,000, deferred income has been decreased by £47,004, and turnover increased by £12,004, with the funds note also being updated to show brought forward funds of				
15	RELATED PARTY TRANSACTIONS				
	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.				
16	COMMITMENTS				
	OPERATING LEASES				
	At 31 July 2023 the Charity had the following annual commitments under non-cancellable operating leases:				
				Rent & Equipment	Rent & Equipment
				At 31 July 2023	At 28 Feb 2022
				£	
	Operating leases which expire:				
	Within one year			7,082	20,000
	Within one to two years			16,068	-
	Within two to five years			43,826	-
				66,976	20,000
	Operating lease costs in the 17 months to 31 July 2023 were £22,119 (2022: £10,651)				
17	COMPANY LIMITED BY GUARANTEE				
	Each member of the Charity has guaranteed to contribute up to £1 in the event of a winding up.				
18	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.				



Power2 Limited						
NOTES TO THE FINANCIAL STATEMENTS (continued)						
For the 17 Months Ending 31 July 2023						
19	RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES					
					17 Months to 31 July 2023	As restated 12 Months to 28 Feb 2022
					£	£
	Net income/expenditure for the year				67,009	60,135
	Interest receivable				(740)	(24)
	Operating income				66,269	60,111
	Decrease in debtors				(135,597)	1,662
	Increase in creditors				100,380	(175,307)
	Capital spend				(23,192)	
	Net cash flow from operating activities				7,860	(113,534)
20	DIRECTORS' AND OFFICERS' REMUNERATION AND EXPENSES					
	No trustee received remuneration from the Charity for their services as a trustee (2022: nil).					