

The PSHE Association

Financial Statements
for the year ended 31 March 2021

Company number: 06551975

Charity number 1127056

The PSHE Association

Company Information

Company registration Number 06551975

Registered Charity Number 1127056

Board of Directors P Bagshaw
A Cooper
M Holness
S Rushton
T Thomas
P Williams
C Wilson (resigned 1 October 2020)
G Morris (resigned 1 October 2020)

Company Secretary J Baggaley

Chief Executive J Baggaley

Head Office & Registered Office Coram Campus
41 Brunswick Square
London
WC1N 1AZ

Bankers Unity Trust Bank
Nine Brindleyplace
Birmingham
B1 2HB

Auditors Haysmacintyre LLP,
10 Queen Street Place,
London, EC4R 1AG

Trustee's report

For the year ended 31 March 2021

1. FINANCIAL STATEMENTS

The Trustees present their report and financial statements for the year ended 31 March 2021.

2. OBJECTIVES AND ACTIVITIES

The object of the charity is to advance the education of the public in the subject of personal, social, health and economic (PSHE) education. This promotes the health and wellbeing of individuals and communities. In determining the activities of the charity the trustees have had due regard to public benefit and to guidance issued by the Charity Commission, in compliance with section 17 of the Charities Act 2011.

The PSHE Association's remit is to support teachers and other professionals in providing high quality personal, social, health, economic (PSHE) education. In addition, it helps inform national policy for PSHE education within the broader context of children and young people's wellbeing.

The Association aims to raise the status and quality of PSHE education provision by working with schools (state and independent), teachers and other professionals to ensure that all PSHE education teachers are confident and skilled in teaching children and young people the knowledge and skills to make informed decisions about their health, relationships, careers and finances.

This aim is for the public benefit in as much as:

The Association is concerned with the advancement of education: it actively seeks to enhance the quality of PSHE education provision for **all** children and young people in educational settings by:

- supporting and enhancing the skills of those delivering PSHE education;
- raising awareness of the value of PSHE to school leaders so that they ensure a basic entitlement for all children and young people; and
- working with policy makers to ensure they understand the importance of PSHE in the curriculum and in helping to realise broader national priorities such as tackling teenage pregnancy, child sexual exploitation, obesity and debt.

The Association's purpose is also concerned with the advancement of health and wellbeing

High quality PSHE education provides effective:

- sex and relationship education (which results in better sexual health in the population, fewer sexually transmitted infections; fewer unplanned pregnancies; safer, more equal relationships; less grooming, exploitation, harassment and abuse);
- social and emotional education (which leads to better mental and emotional health and less aggression, violence, self-harm);
- physical health education about diet, exercise and healthy lifestyles (which reduces the risk of obesity, heart disease, etc).
- education for media literacy and digital resilience (which results in safer use of the internet, including social media and more critically aware consumers of online news and marketing)

Trustees' report (continued)

For the year ended 31 March 2021

- drug and alcohol education (which results in a population better able to make safe decisions about the use of alcohol, tobacco, medicinal drugs and illicit drugs);
- education that promotes diversity and community cohesion, prevents and challenges bullying, extremism and radicalisation.
- education that promotes economic understanding and financial capability and supports young people's employability.

Given the link between poverty and poor health, the work of the Association in supporting better quality economic education as well as the more explicit aspects of 'health' education addresses the advancement of the health of the nation.

3. STRUCTURE, GOVERNANCE AND MANAGEMENT

The PSHE Association is a company limited by guarantee governed by its Memorandum and Articles of Association and by policies and procedures drawn up by senior management and approved by the Board. It is registered as a charity with the Charity Commission.

Recruitment, appointment and induction of new trustees

The PSHE Association aims to recruit and select trustees that both recognise the diverse society in which we live and are committed to the mission of the Association. Each trustee is asked to commit to a minimum of three-year membership of the Board, renewable for a further 3 years. The formal appointment of a trustee is made by the Board. Trustees have a full induction with the chair and senior staff in which they are briefed on the strategic direction and operational policies of the organisation. They are offered training as required.

Risk Management and disclosure of principal risks and uncertainties

The PSHE Association considers risk management to be a core and integral element of its general management. The trustees have considered the risks to which the Charity is exposed, principally staff capacity and funding, and have developed a risk management process for mitigating these risks. In the current climate the greatest risks are financial (in a period of cuts to school and wider public sector budgets, from which the majority of the Association's income is gained, reductions in resources remain a risk) and the ongoing impact of the Covid-19 pandemic. Covid-19 had a significant impact on the UK throughout 2020-2021 and the Association has closely monitored the implications for its operations and revenue streams and been responsive to the changing needs of schools and teachers in these challenging circumstances. Trustees monitor income and expenditure (in the context of the Board's reserves policy) through quarterly finance committee meetings.

Internal risks are minimised by implementing procedures for authorising transactions and cover arrangements for staff sickness.

Trustees' report (continued)

For the year ended 31 March 2021

Delegation to CEO/Senior management

The Chief Executive has delegated authority to implement the Board's strategy within agreed operating and budgetary parameters. The Chief Executive seeks authorisation from the Board to approve expenditure which is not within budget and on any matters relating to the overall strategy and reputation of the organisation.

CEO and senior management team salaries are determined by the Board in consultation with external experts. A salary benchmarking exercise took place in March 2021. The senior management team are

J. Baggaley, Chief Executive

J. Barksfield, Deputy Chief Executive

J. Dillon, Head of Marketing & Communications

S. Warren, Office Manager

4. REVIEW OF ACTIVITY 2020-2021

Our capacity to support schools and membership continued to grow despite this challenging year. This includes a successful move to more online training, events and services to meet demand. We also supported schools to implement statutory requirements to provide relationships, sex and health education and our partnership work has helped to maintain PSHE education's profile nationally. Our project work and quality assurance have added to the range of quality resources PSHE teachers can rely on and our increased training offer has added to workforce skills and confidence.

Supporting schools, teachers and their pupils through the pandemic

In 2020-2021 the Covid-19 pandemic caused significant disruption nationally and internationally. The country went into lockdown on three occasions, schools were closed to many pupils for weeks at a time and final year exams were cancelled. Many thousands tragically lost their lives and the health and wellbeing of many more were significantly affected.

The pandemic also exacerbated issues such as those relating to children and young people's mental health, relationships and staying safe online. All of this in turn affected children's ability to learn. PSHE education therefore needed to remain a priority for schools during this period despite the challenges of teaching remotely.

The PSHE Association had to react swiftly to support teachers and schools with a wide-ranging support package. We established needs and priorities by carrying out a member survey which received 1000+ responses from teachers. This gave vital intelligence on what topics to cover and resulted in a supported package that included:

- A 'Coronavirus Hub' with dedicated home learning teaching materials and resources on topics including mental health, physical health, maintaining safe and healthy relationships, and staying safe online.
- New guidance for teacher and parents on: how to teach PSHE remotely – including topics to cover and how to deliver safe lessons in this context; how to discuss Covid-19 with pupils; how to manage the return to face-to-face teaching with pupils; and advice for parents and carers on supporting PSHE education at home

Trustees' report (continued)

For the year ended 31 March 2021

- Free and reduced-cost training and events to enable more schools to access essential support. This included a free three-week FutureLearn course on 'Understanding PSHE'; free webinars on teaching PSHE education remotely and training on developing a 'recovery' curriculum.
- Joint guidance with NAHT and the Anna Freud Centre on how schools could support pupils' mental health and well-being during the pandemic.

We also prioritised the wellbeing of our own staff with more flexible working arrangements, a well-resourced transition to home working, increased peer support and new IT solutions across the organisation.

Helping schools to improve practice and introduce new statutory Relationships, Sex and Health Education (RSHE) requirements

Since inception, the PSHE Association has led efforts to secure better status on the curriculum for PSHE education. This included bringing together a coalition of children's charities, medical royal colleges, parliamentarians, parents, unions, police and others behind making the subject statutory (and therefore compulsory) in schools. These efforts achieved success when most of PSHE became statutory under the Children and Social Work Act 2017 – covering relationships, sex and health education (RSHE).

Statutory RSHE requirements came into force in September 2020 (though the Department for Education gave schools until the summer term to begin delivering the curriculum due to pandemic pressures). Our efforts therefore turned to successful implementation. The Association increased the amount of guidance and support for schools in preparation for these changes, including:

- working with ASCL, NAHT, NEU and the Sex Education Forum to increase the reach and impact of this work – jointly producing '3 Steps to RSHE success' guidance to support RSHE implementation and a podcast series with practical advice featuring sector experts.
- launching an audit tool and a series of free webinars to help schools assess their current provision and make improvements if necessary.

The Association has also remained a key stakeholder in government work on the implementation of these requirements, sitting on the Relationship, Sex and Health Education Implementation Group, and providing advice on training delivery and the production of guidance and case studies. In addition, we sat on the UK Council for Internet Safety Education and Digital Resilience Working Groups and continued to contribute to the National News Literacy Network.

We also continued to emphasise the importance of non-statutory PSHE content relating to economic wellbeing and careers. This included contributing to the Financial Foundations Challenge Group for the Money and Pensions Service, advising on key priorities for the national financial capability strategy.

We continued our partnership with the National Police Chiefs Council, funded by the Home Office's Police Transformation Fund, to provide guidance and support to police officers delivering aspects of the PSHE curriculum in schools. In 2020-2021 we published and launched the findings of an evaluation of our schools work undertaken by academics from the London School of Economics in a controlled study in over 200 schools. The evaluation identified

Trustees' report (continued)

For the year ended 31 March 2021

that the programme had a significant positive impact on young people's perceptions of the police and on their knowledge of drugs and the law.

Membership support, growth and reach

Our membership continued to grow throughout the year. This validated our increased emphasis on member support, services and resources.

We place members at the heart of the organisation – they act as advocates and champions for the subject and its impact. All of our activity – including developing resources of our own and with others, training and our policy and public affairs work – supports growing our ability to support this membership. Highlights during this period include:

Resources and guidance

- We regularly published new teaching resources including a suite of drugs and alcohol education lessons for Public Health England, lesson on healthy sleep behaviour and materials to support dental health
- In 2020-2021 we quality assured many teaching materials published by others, including resources from the Home Office, the National Crime Agency, Winston's Wish, the Bank of England, NHS Blood and Transplant and Dove.
- We published research and guidance including guidance on teaching about pornography and implementation of statutory changes (including podcast series)
- We created a series of 'Ask the expert' explainer videos covering common member queries

Training, CPD and conferences:

- We delivered an expanded schedule of calendar CPD courses for our members covering various aspects of planning and sequencing PSHE education, leading PSHE education and assessing progress. Courses also focussed on individual topic areas such as mental health and relationships.
- Due to the pandemic, we redeveloped our CPD to be delivered online and from the autumn term we offered a full calendar of online training delivering 30 courses across the year
- We offered a range of bespoke training in individual schools or on behalf of local authorities or school networks.
- We ran two very successful conferences online, significantly reducing the cost and opening it up to non-members to enabling more schools to benefit. We had over 1000 delegates between both conferences.
- We ran a free 'Twilight Sessions' webinar series to support teachers in the run up to the statutory changes coming into force in the summer term
- We partnered with Nasen to deliver a series of training courses on behalf of the Department for Education on PSHE education and children and young people with special educational needs and disabilities.

Digital development:

We started a significant process of digital development. This involved an exploratory period to establish members' needs and consideration of various options before designing a procurement process that acquired a suitable agency to build our new website and CRM. The aim of this development is to enable us to provide a better service for members; better understand – and meet – their ongoing needs; and, provide a platform on which to grow our member support offer (including services and resources) significantly in the years to come.

Trustees' report (continued)

For the year ended 31 March 2021

Profile:

We maintain a high public profile via press and media coverage – including national and trade – alongside public affairs work and partnerships

Planning for the future

The Association's last business plan ran until March 2020 and the production of a new business plan was taking place as the depth of uncertainty caused by Covid-19 became apparent. As a result, trustees agreed to pause the development of a three-year business plan whilst the impact of Covid-19 could be assessed. A one-year plan running from September 2020 to September 2021 was put in place which has since been extended to March 2022. A plan from April 2022 is in development.

Significant planned work continues on digital development and planned expenditure of £250,000 has been approved for the development of a new website and digital services ready for launch in November 2021. This will be capitalised over five years.

5. FINANCIAL REVIEW

The Board is pleased with the organisation's financial performance in 2020-21. The Association has continued to maximise available resources and during the pandemic maintain steady income streams in almost all areas.

During the year ending 31 March 2020, the total income of the Charity was £1,285,982 (2020: £1,356,545). The small dip in income was as a result of reduced income from face to face training and school support, however, income from membership increased through the year. All income areas support our key objective of supporting and enhancing the skills of those delivering PSHE education.

Expenditure in the period stayed level at £1,060,092 (2019: £1,097,118) with increased staffing costs offset by some savings in rent, services, travel and subsistence. The Charity made a surplus in the year of £225,889 (2020: surplus of £259,427).

Reserves Policy

General reserves at the end of the year stood at £913,713 a £667,713 (unrestricted and designated).

It is the trustees' policy that available general funds should be maintained such that the charity can continue its core business activities for at least a year and that at no time should reserves drop below the level at which a core activity could be maintained for 12 months. Core activity is defined as maintaining our website and administrative function for our members. With this in mind, we aim to keep between 3 and 6 months of operating costs (equating to between £265,000 and £530,000 based on our 20-21 expenditure) in reserve at all times but this policy is kept under continual review. The reserves at 31 March 2021 are within a target level of 3-6 months' costs based on the 2021-2022 forecast expenditure. The level of free reserves is equal to the net current assets £667,713 (2019: £687,824).

Trustees' report (continued)

For the year ended 31 March 2021

Fundraising note

Since the Charity's income is derived from services provided, it does not undertake fundraising activities; it is nevertheless mindful of the Code issued by the Fundraising Regulator.

Going Concern

The Board of Trustees is of the opinion that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties regarding the charity's ability to do so.

6. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its income and expenditure during that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable 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 company will continue its activities

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

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and each trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information. The Trustees' Report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Trustees' report (continued)

For the year ended 31 March 2021

Patricia Bagshaw

Chair of the Board of Trustees

Independent Auditor's report

To the members of The PSHE Association

Independent auditor's report to the members of The PSHE Association

Opinion

We have audited the financial statements of The PSHE Association for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of the charitable company's net movement in funds, including the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Independent Auditor's report

To the members of The PSHE Association

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 (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees for the financial statements

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

Independent Auditor's report

To the members of The PSHE Association

ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to employment law and health and safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011 and payroll taxes.

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

Inspecting correspondence with regulators and tax authorities;

Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

Evaluating management's controls designed to prevent and detect irregularities;

Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and

Challenging assumptions and judgements made by management in their critical accounting estimates.

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.

Richard Weaver
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date:

10 Queen Street Place
London
EC4R 1AG

Statement of financial activities
Incorporating the income and expenditure account
For the year ended 31 March 2021

	Notes	2021 £	2020 £
Income from			
<i>Donations & Legacies</i>			
Grants & Donations	2	13,764	-
<i>Other trading activities</i>			
Income from Investment		604	344
		<u>14,368</u>	<u>344</u>
<i>Income from charitable activities</i>			
Membership		831,891	536,166
Workforce Training & Education		439,723	820,035
		<u>1,285,982</u>	<u>1,356,545</u>
Total Income			
Expenditure			
Expenditure on Charitable activities			
Workforce Training & Education		979,590	999,420
Subject Policy Development		80,503	97,698
		<u>1,060,093</u>	<u>1,097,118</u>
Total Expenditure	3		
Net Income		<u>225,889</u>	<u>259,427</u>
Fund balance brought forward		687,824	428,397
Fund balances carried forward	11	<u>913,713</u>	<u>687,824</u>

All funds are unrestricted. All of the above results derive from acquired and continuing activities. There are no gains and losses other than those disclosed above. The accompanying notes form an integral part of these financial statements.

Balance sheet
As at 31 March 2021

(Company Number 6551975)

	Notes	2021 £	2020 £
Fixed assets			
Tangible fixed asset	7	10,253	17,336
Intangible fixed asset	8	56,843	-
		<u>67,096</u>	<u>17,336</u>
Current assets			
Debtors	9	235,283	246,740
Cash on deposit and in hand		1,183,770	956,650
		<u>1,419,053</u>	<u>1,203,391</u>
Creditors: amounts falling due within one year	10	<u>(572,436)</u>	<u>(532,902)</u>
Net current assets		<u>846,617</u>	<u>687,824</u>
Net assets		<u>913,713</u>	<u>687,824</u>
Represented by			
Unrestricted funds			
General fund		667,713	687,824
Designated fund		250,000	-
	11	<u>913,713</u>	<u>687,824</u>

The accompanying notes form an integral part of these financial statements.

The accounts were approved and authorised for issue by the Trustees on 6 October 2021 and signed on its behalf by

Patricia Bagshaw
Chair of the Board of Trustees

Statement of Cashflows

For the year ended 31 March 2021

	2021 £	2021 £	2020 £	2020 £
Cash flow from operating activities				
Net cash provided by operating activities (as below)		285,164		496,565
Cash flow from investing activities				
Purchase of tangible fixed assets	(1,805)		(11,477)	
Purchase of intangible fixed assets	(56,843)			
Investment income – bank interest	604		-	
Net cash (used in) investing activities		(58,044)		(11,477)
Change in cash and cash equivalents in the year		227,120		485,088
Cash and cash equivalents at the beginning of the year		956,650		471,562
Cash and cash equivalents at the end of the year		1,183,770		956,650
Reconciliation of net income to net cash flow from operating activities				
Net income (as per the Statement of Financial Activities)		225,889		259,427
Interest income		(604)		-
Depreciation		8,888		7,608
Decrease in debtors		11,457		41,290
Increase in creditors		39,534		188,240
Net cash provided by operating activities		285,164		496,565
Analysis of changes in net debt	At 1 April 2020		Cash flows	At 31 March 2021
Cash at bank	£ 956,650		227,120	1,183,770
Total cash and cash equivalents	956,650		227,120	1,183,770

The accompanying notes form an integral part of these financial statements.

Notes to the accounts (continued)

For the year ended 31 March 2021

1 Accounting policies

a) *Basis of accounting*

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

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these financial statements and have considered the impact of the coronavirus pandemic on the charity's operations. The charity has successfully pivoted our services online including our CPD training and annual conference, developed a large suite of home learning materials for schools and membership continued to grow significantly. The only real impact of the pandemic on our income lines was on direct school support (because of the lack of face-to-face delivery) though we started to offer that online from the autumn term. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

b) *Financial Instruments*

Financial assets such as cash and debtors are measured at their present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation. An equity instrument is any contract that evidences a residual interest in the assets of the PSHE Association after deducting all of its liabilities.

c) *Income*

All income is included in the Statement of Financial Activities ('SOFA') when the charity is legally entitled to the income and the amount can be quantified with reasonable probability. Grant and donation income is deemed to be receivable when the criteria of entitlement and certainty are met and when the income can be quantified with reasonable reliability. Revenue grants are credited to the statement of financial activities in the period in which it is received, or it becomes receivable whichever is earlier. Furlough grants are accounted for in the period for which the claim relates.

d) *Expenditure*

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information to users of the accounts.

Charitable activities comprise direct expenditure including direct staff costs attributable to the activity. Support costs have been allocated to activities based on the average staff time spent as shown below. Governance costs are those incurred in connection with the management of the Association's assets, organisational administration and compliance with constitutional and statutory requirements.

Notes to the accounts (continued)

For the year ended 31 March 2021

1 Accounting policies (continued)

	%
Workforce Training & Education	92
Subject Policy Development	8
Total	100

e) *Fund accounting*

The accounts disclose separately the unrestricted, designated and restricted income, expenditure and accumulated funds of the charity. Unrestricted income may be expended at the trustees' discretion to fulfil any of the PSHE Association's charitable objectives. Designated funds are unrestricted funds earmarked by the Trustees for particular purposes. Restricted funds must only be expended for specific purposes either stipulated by the funder or implicit in the way in which the funds were solicited.

f) *Depreciation*

Depreciation has been calculated to write off the cost of assets over their expected useful lives as follows:

Database – 3 years (straight line basis)

Computer Equipment – 3 years (straight line basis)

PSHE's policy is to capitalise assets purchased over £500.

g) *Intangible assets*

Intangible assets are recognised at cost and are carried at cost or valuation, net of amortisation and any provision for impairment. The assets are amortised over its expected useful life. The amortisation rate in use is as follows:

20% per annum on a straight line basis.

PSHE's policy is to capitalise intangible assets purchased over £1000.

h) *Judgements and estimates*

Judgements made by the Trustees, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the valuation of depreciation and amortisation.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The trustees do not consider there to be any material judgement or estimates in the year.

Notes to the accounts (continued)

For the year ended 31 March 2021

2 Government grants

	2021 £	2020 £
Government Grant - Furlough	13,764	0

3 Analysis of expenditure

	Workforce Training & Education £	Subject Policy Development £	2021 Total £	2020 Total £
Direct costs				
Staff costs	742,457	63,805	806,262	635,547
Consultants	7,687	-	7,687	16,433
Web Development	1,646	-	1,646	-
Marketing	1,951	-	1,951	2,582
Other	74,764	3,714	78,477	189,878
Support Costs*				
Governance				
Staff costs	20,943	1,800	22,742	23,714
Audit	9,393	807	10,200	7,200
Other	123	11	134	2,960
Other Support costs				
Other staff costs (incl recruitment & training)	5,700	490	6,190	76,848
Property	2,683	231	2,914	5,371
Office Costs	49,621	4,264	53,886	71,731
IT	46,873	4,028	50,901	45,728
Printing	-	-	-	-
Accountancy	15,316	1,316	16,632	17,052
Other	433	37	471	2,075
Total	979,590	80,503	1,060,093	1,097,118

* Support costs are allocated on the basis of time spent on each activity.

Notes to the accounts (continued)

For the year ended 31 March 2021

Prior Year	Workforce Training & Education £	Subject Policy Development £	2020 Total £
Direct costs			
Staff costs	568,856	66,961	635,547
Consultants	16,433	-	16,433
Marketing	2,582	-	2,582
Other	185,386	4,492	189,878
Support Costs*			
Governance			
Staff costs	21,225	2,488	23,714
Audit	6,444	756	7,200
Other	2,649	311	2,960
Other Support costs			
Other staff costs (incl recruitment & training)	68,784	8,064	76,848
Property	4,807	564	5,371
Office Costs	64,204	7,527	71,731
IT	40,929	4,798	45,728
Printing	-	-	-
Accountancy	15,263	1,789	17,052
Other	1,857	218	2,075
Total	999,420	97,698	1,097,118

* Support costs are allocated on the basis of time spent on each activity.

Notes to the accounts (continued)

For the year ended 31 March 2021

4 Net income for the year

This is stated after charging:

	2021 £	2020 £
Auditor's remuneration (excluding VAT)		
- audit services	<u>8,500</u>	<u>7,200</u>

5 Taxation

The PSHE Association is a registered charity and as such its income and gains are exempt from corporation tax to the extent that they are applied to its charitable objectives. There is no corporation tax charge for the year.

6 Staff costs and employees

	2021 £	2020 £
Staff costs during the year amounted to:		
Wages and salaries	728,765	634,447
Social security costs	63,885	65,511
Employer's pension contributions	<u>34,939</u>	<u>29,863</u>
	<u>827,589</u>	<u>729,821</u>

One employee had earnings in the range £70,000-£80,000 (2020: one). The PSHE Association made contributions to a defined contribution pension scheme of £34,939 (2020: £29,863) in respect of those employees.

The actual number of employees during the year was 17 (2020: 16.4 {headcount}).

The total employee benefits including pension contributions of the key management personnel comprising of the CEO, Deputy CEO and Principal Subject Specialist, Operations Manager and Head of Marketing and Communications were £244,003 (2020: £237,498).

Notes to the accounts (continued)

For the year ended 31 March 2021

7 Tangible Fixed Assets

	Computer Equipment £	Total £
Cost		
1 April 2020	31,908	31,908
Additions	1,805	1,805
31 March 2021	33,713	33,713
Depreciation		
1 April 2020	14,572	14,572
Charge for the year	8,887	8,887
31 March 2021	23,459	23,459
Net book value		
31 March 2021	10,253	10,253
31 March 2020	17,336	17,336

8 Intangible Fixed Assets

	Database £	Total £
Cost		
1 April 2020	35,240	35,240
Additions	56,843	56,843
31 March 2021	92,083	92,082
Depreciation		
1 April 2020	35,240	35,240
Charge for the year	-	-
31 March 2021	35,240	35,240
Net book value		
31 March 2021	56,843	56,843
31 March 2020	-	-

The capital commitment at the 31st March 2021 was £145,677 (2020: £ nil).

Notes to the accounts (continued)

For the year ended 31 March 2021

9 Debtors

	2021 £	2020 £
Trade debtors	149,980	187,248
Other debtors	2,743	4,046
Prepayments and accrued income	82,560	55,446
	<u>235,283</u>	<u>246,740</u>

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	23,702	42,252
Social security	19,060	20,356
Net Wages	14,607	0
Other creditors	3,245	3,402
Accruals	35,129	8,000
Deferred income	476,693	458,893
	<u>572,436</u>	<u>532,902</u>
Deferred income brought forward	458,893	317,143
Released in the year	(458,893)	(317,143)
Deferred in the year	476,693	458,893
Deferred income carried forward	<u>476,693</u>	<u>458,893</u>

11 Funds

<u>2021</u>	Fund balance brought forward £	Income £	Expenditure £	Transfer £	Fund balance carried forward £
Unrestricted funds					
General	687,824	1,285,982	(1,060,093)	(250,000)	663,713
Designated – Digital Development Fund	-	-	-	250,000	250,000
Total funds	<u>687,824</u>	<u>1,285,982</u>	<u>(1,060,093)</u>	<u>-</u>	<u>913,713</u>

Digital Development Fund

This designated fund is for the development of a new CRM, CMS and further digital capabilities in 2021-2022.

Notes to the accounts (continued)

For the year ended 31 March 2021

11 Funds (continued)

2020

	Fund balance brought forward £	Income £	Expenditure £	Fund balance carried forward £
Unrestricted funds				
General	428,397	1,356,545	(1,097,118)	687,824
Total funds	<u>428,397</u>	<u>1,356,545</u>	<u>(1,097,118)</u>	<u>687,824</u>

12 Analysis of Net Assets between Funds

Fund balances at 31 March 2021 are represented by:

	General fund £	Designated fund £	Total £
Tangible Fixed Assets	10,253	-	10,253
Intangible Fixed Assets	-	56,843	56,843
Current assets	1,225,896	193,157	1,419,053
Current liabilities	(572,436)	-	(572,436)
Total net assets	<u>663,713</u>	<u>250,000</u>	<u>913,713</u>

Prior Year	General fund £	Total £
Tangible Fixed Assets	17,336	17,336
Intangible Fixed Assets	-	-
Current assets	1,203,391	1,203,391
Current liabilities	(532,902)	(532,902)
Total net assets	<u>687,824</u>	<u>687,824</u>

13 Related Party Transactions

The Trustees did not receive any remuneration during the year (2020: £nil). Expenses reimbursed to nil (2020: 3) Trustees in the year equalled £nil (2020: £835).

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2020: None).

There is no ultimate controlling party (2020: none).