

Company registration number: 08387544

Charity registration number: 1156329

Ditch The Label Ltd

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 28 February 2021

SRC-Time Ltd
2nd Floor
Stanford Gate
South Road
Brighton
East Sussex
BN1 6SB

Ditch The Label Ltd

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Ditch The Label Ltd

Reference and Administrative Details

Chief Executive Officer

Dr Liam Hackett

Trustees

Simon Richard Henry Comins,

Rebecca Barrie

Susan Carole Baines

David Tobias Levine

Jarah Koomson

Huw Aidan John Morris

Adam Hughes

Secretary

Susan Marie Jones

Charity Registration Number

1156329

Company Registration Number

08387544

The charity is incorporated in England and Wales.

Registered Office

Phoenix House, 3rd Floor

32 West Street

Brighton

BN1 2RT

Independent Examiner

SRC-Time Ltd

2nd Floor

Stanford Gate

South Road

Brighton

East Sussex

BN1 6SB

Ditch The Label Ltd

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 28 February 2021.

Objectives and activities

To preserve and protect health and advance education surrounding youth issues, equality and bullying for the Public benefit by:

- 1) Operating as a youth charity with a core aim to advance and promote the wellbeing of our beneficiaries; young people aged 12-25. We will work across five key areas: bullying prevention, mental health & wellbeing, digital literacy, healthy relationships and identity (primarily orientated around protected characteristics) by raising awareness of the issues faced by young people to improve outcomes across their lives.
- 2) Contributing towards the fields of research and innovation within our respective core focal areas (see 1) by carrying out primary and secondary research, in addition to the analysis of big data (i.e. social listening) in collaboration with selected partners. This learning will inform our direct support provision and public campaigns to benefit our youth beneficiaries and wider society.
- 3) Supporting our youth beneficiaries by providing direct advice and facilitating peer-to-peer support on digital forums for our youth beneficiaries as a means of aiding their navigation through the common challenges associated within our core focal areas (see 1), thereby improving their outcomes across health, mental health, social wellbeing, education and future prospects.
- 4) Advance education through the research, development and distribution of educational materials in both traditional and digital educational environments to directly benefit our youth beneficiaries and educational practitioners.
- 5) Raise awareness and positively influence societal attitudes and behaviours towards our five key focal areas (see 1) by using public awareness campaigns and sharing our research and insights publicly to benefit our youth beneficiaries and wider society in order to improve outcomes in their lives.
- 6) Advocate the needs and challenges of young people to key stakeholder groups and policy makers by monitoring and evaluating the experiences and opinions of young people and amplifying and reflecting their voice in order to positively benefit their lives across wider society.
- 7) Provide secondary support, advice, information and resources to additional stakeholder groups; such as parents/guardians, educators and industry in order to further benefit our youth beneficiaries and advance the education and future prospects of young people.

These objectives are delivered across 4 key areas:

Support: we deliver direct online support and support articles from digital youth mentors

Research: we produce new, innovative research surrounding bullying, mental health and other issues such as gender stereotypes

Education: our free educational resources are delivered in classrooms across the country

Campaigns: we produce innovative content to generate societal shifts in attitudes and behaviours

Ditch the Label confirms that the trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Ditch The Label Ltd

Trustees' Report

Achievements and performance

Ditch the Label is a global youth charity that helps vulnerable young people aged 12-25 navigate the issues that affect them the most. The young people who come to us for help struggle with issues such as bullying, online abuse, mental health, coming out, anxiety, depression, self-esteem and body image problems.

Through 2019 - 2020, Ditch the Label continued to prioritise the needs of our beneficiaries with 5.1M young people accessing the support website and with over 3,000 one-to-one confidential support mentor sessions delivered. During the first lockdown of March 2020 as the world began to navigate the global pandemic, demand upon our support services surged by over 150% and remained high as young people struggled to cope and were left feeling anxious and fearful for the future. This especially impacted the most vulnerable youth, as in-person contact stopped and they struggled to navigate domestic issues and advocacy of their safety. In response we were proud to partner with Tumblr to produce a Coronavirus hub which reached 6.8M young people with a suite of vital support resources.

Using our dedicated reporting tool for cyberbullying and online abuse, we removed over 9,000 pieces of abusive and harmful content from social media platforms bringing vital relief to so many people including those who had already reported with no success. Through *Ditch the Label Education*, 30,600 educators used our free and complete school resources covering bullying, digital literacy and gender stereotypes - we were pleased to add new resources covering mental health. We published our flagship research report *The Annual Bullying Survey 2020* which studied loneliness and poor mental health, revealing the biggest contributors to depression and anxiety in over 13,000 young people's lives.

While support services remained our top priority, we continued to be involved in policy work where it had pivoted to online meetings. Most notably we consulted to The Law Commission on a Department of Digital, Culture, Media and Sport ('DCMS') funded initiative on the Reforms of the Communications Offences and Intimate Image Abuse, both of which continue to make good progress.

All non-essential activities were scaled down with our direct support services prioritised above all other charitable activities to ensure that young people's safety and wellbeing was at the forefront. As a digital first organisation, we were able to respond swiftly as we did not have to pivot our support services, having been pioneers of digital support for over a decade. On the expiration of the lease and mindful of budgets, the charity moved offices within Brighton during January 2021.

Finally, there were significant financial challenges to contend with as along with many other charities, revenue was severely impacted. Traditional funders shifted priorities to respond to the pandemic and CSR budgets were halted, diverted or delayed. Ditch the Label rose to the challenge and worked incredibly hard with new and existing funders to respond. We are proud to report that the delivery of support services continued to be a lifeline for young people across the globe.

Ditch The Label Ltd

Trustees' Report

Financial review

The principal funding sources for the Charity are currently by way of donations, grants, corporate sponsorship, merchandise sales and events.

The Directors and Trustees have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Charity plans to continue activities as outlined above, engaging with its core market in the forthcoming year subject to satisfactory funding arrangements.

Policy on reserves

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use wherever possible, should be maintained at a level equivalent to three month's expenditure.

The Directors and Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities, while consideration is given to ways in which additional funds may be raised. As part of ongoing risk management, the Charity will review the reserves policy each year or as the result of a significant change or event.

Structure, governance and management

The charity is a company limited by guarantee without share capital.

The following director has held office since 1 March 2018:

Mr L D Hackett

The Trustees, who are also the non executive directors for the purpose of company law are:

Mrs J K Koomson

Dr C Spencer (resigned 31 May 2020)

Ms S C Baines

Mr H A J Morris

Ms R Barrie

Mr S R H Comins

Mr D T Levine (Appointed 17 April 2019)

Mr A Hughes (Appointed 7 October 2019)

New Trustees may be appointed at any time with a maximum of ten on the Board.

New Trustees may be proposed by the CEO or any Trustee and shall be appointed by ordinary resolution at a meeting of the Board of Trustees. Special notice is required of a resolution to appoint a Trustee.

Ditch The Label Ltd

Trustees' Report

Trustees are appointed for a term of three years. At the end of that term Trustees may be reappointed subject to a majority vote of the board of Trustees. There is no cap to the number of times an individual can be appointed to the board of Trustees.

Trustees are initially invited on to the board for a probationary period of 3 months at which point the position will be reviewed by both parties before extending the position to a full board member if appropriate.

The annual report was approved by the trustees of the charity on 26/11/21 and signed on its behalf by:



Adam Hughes
Trustee

Ditch The Label Ltd

Statement of Trustees' Responsibilities


The trustees (who are also the directors of Ditch The Label Ltd for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by the trustees of the charity on 26/11/21 and signed on its behalf by:


.....
Adam Hughes
Trustee

Ditch The Label Ltd

Statement of Financial Activities for the Year Ended 28 February 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted £	Restricted £	Total 2021 £
Income and Endowments from:				
Donations and grants	3	139,137	140,975	280,112
Charitable activities	4	12,055	-	12,055
Other trading activities	5	5,953	-	5,953
Investment income	6	182	-	182
Other income (Google & Stock movement)		4,789	-	4,789
Total income		162,116	140,975	303,091
Expenditure on:				
Raising funds	7	(1,675)	-	(1,675)
Charitable activities	8	(298,127)	(96,771)	(394,898)
Total expenditure		(299,802)	(96,771)	(396,573)
Net (expenditure)/income		(137,686)	44,204	(93,482)
Net movement in funds		(137,686)	44,204	(93,482)
Reconciliation of funds				
Total funds brought forward		43,873	246,145	290,018
Total funds carried forward	19	(93,813)	290,349	196,536
	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and grants	3	140,144	405,434	545,578
Charitable activities	4	7,571	-	7,571
Other trading activities	5	2,125	-	2,125
Investment income	6	766	-	766
Total income		150,606	405,434	556,040
Expenditure on:				
Raising funds	7	(1,217)	-	(1,217)
Charitable activities	8	(351,696)	(195,865)	(547,561)
Total expenditure		(352,913)	(195,865)	(548,778)
Net (expenditure)/income		(202,307)	209,569	7,262
Net movement in funds		(202,307)	209,569	7,262
Reconciliation of funds				
Total funds brought forward		246,180	36,575	282,755

The notes on pages 11 to 25 form an integral part of these financial statements.

Ditch The Label Ltd

Statement of Financial Activities for the Year Ended 28 February 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Total funds carried forward	19	43,873	246,144	290,017
The funds breakdown for 2020 is shown in note 19.				

The notes on pages 11 to 25 form an integral part of these financial statements.

Ditch The Label Ltd

(Registration number: 08387544)
Balance Sheet as at 28 February 2021

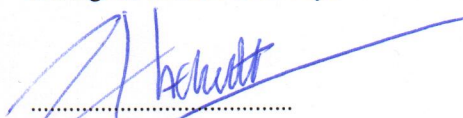
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	17,634	20,116
Current assets			
Stocks	15	8,833	4,048
Debtors	16	33,680	93,489
Cash at bank and in hand		141,021	178,383
		<u>183,534</u>	<u>275,920</u>
Creditors: Amounts falling due within one year	17	<u>(4,632)</u>	<u>(6,019)</u>
Net current assets		<u>178,902</u>	<u>269,901</u>
Net assets		<u>196,536</u>	<u>290,017</u>
Funds of the charity:			
Restricted income funds			
Restricted funds	19	290,349	246,144
Unrestricted income funds			
Unrestricted funds		<u>(93,813)</u>	<u>43,873</u>
Total funds	19	<u>196,536</u>	<u>290,017</u>

For the financial year ending 28 February 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 7 to 25 were approved by the trustees, and authorised for issue on and signed on their behalf by:


.....
Dr Liam Hackett
Chief Executive Officer

The notes on pages 11 to 25 form an integral part of these financial statements.

Ditch The Label Ltd

Statement of Cash Flows for the Year Ended 28 February 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (expenditure)/income		(93,482)	7,262
Adjustments to cash flows from non-cash items			
Depreciation	7	5,227	6,589
Investment income	6	(182)	(766)
		(78,549)	13,085
Working capital adjustments			
(Increase)/decrease in stocks	15	(4,785)	167
Decrease/(increase) in debtors	16	59,809	(59,220)
Decrease in creditors	17	(1,387)	(24,342)
Decrease in deferred income		-	(20,000)
Net cash flows from operating activities		(24,912)	(90,310)
Cash flows from investing activities			
Interest receivable and similar income	6	182	766
Purchase of tangible fixed assets	14	(2,745)	(3,545)
Net cash flows from investing activities		(2,563)	(2,779)
Net decrease in cash and cash equivalents		(27,475)	(93,089)
Cash and cash equivalents at 1 March		178,383	271,472
Cash and cash equivalents at 28 February		141,016	178,383

All of the cash flows are derived from continuing operations during the above two periods.

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

1 Charity status

The charity is limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Phoenix House, 3rd Floor

32 West Street

Brighton

BN1 2RT

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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)) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation

Ditch The Label Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment of assets.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures, fittings and equipment	25% reducing balance
Computers	25% reducing balance

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees discretion in furtherance of the objectives of the charity.

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the trustees.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

Debt instruments

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

3 Income from donations and legacies

	Unrestricted funds Designated £	General £	Restricted funds £	Total funds £
Donations and legacies;				
Legacies	-	22,490	-	22,490
Grants, including capital grants;				
Grants from companies	-	50,500	140,975	191,475
Regular giving and capital donations	-	66,147	-	66,147
Total for 2021	-	139,137	140,975	280,112
Total for 2020	22,354	117,790	405,434	545,578

4 Income from charitable activities

	Unrestricted General £	Total 2021 £	Total 2020 £
Sales within charitable activities	12,055	12,055	7,571
	Unrestricted funds General £	Total funds £	
	12,055	12,055	
Total for 2021	12,055	12,055	
Total for 2020	7,571	7,571	

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

5 Income from other trading activities

	Unrestricted funds General £	Total funds £
Other income from other trading activities	5,953	5,953
Total for 2021	5,953	5,953
Total for 2020	2,125	2,125

6 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income; Other interest receivable	182	182
Total for 2021	182	182
Total for 2020	766	766

7 Expenditure on raising funds

a) Costs of generating donations and legacies

	Note	Unrestricted funds General £	Total funds £
Marketing and publicity		1,675	1,675
Total for 2021		1,675	1,675
Total for 2020		1,217	1,217

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
General direct costs		3,627	28,395	32,022
Staff costs		131,701	45,459	177,160
Governance costs	9	144,380	15,772	160,152
Total for 2021		279,708	89,626	369,334
Total for 2020		351,696	195,865	547,561

In addition to the expenditure analysed above, there are also governance costs of £160,152 (2020 - £177,461) which relate directly to charitable activities. See note 9 for further details.

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

9 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Restricted funds £	Total funds £
Staff costs			
Wages and salaries	37,193	12,558	49,751
Other staff costs	48	-	48
Other fees paid to auditors	-	300	300
Legal fees	521	325	846
Marketing and publicity	2,224	925	3,149
Depreciation, amortisation and other similar costs	4,132	1,095	5,227
Other governance costs	18,098	306	18,404
Allocated support costs	82,164	263	82,427
Total for 2021	144,380	15,772	160,152
Total for 2020	150,043	27,418	177,461

Included within governance costs of £18,098 is £1,650 in relation to accountancy and independent examination services provided.

10 Net incoming/outgoing resources

Net (outgoing)/incoming resources for the year include:

	2021 £	2020 £
Depreciation of fixed assets	5,227	6,590

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

11 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

12 Staff costs

The aggregate payroll costs were as follows:

	2021	2020
	£	£
Staff costs during the year were:		
Wages and salaries	226,911	344,201
Other Staff Costs	48	460
	<u>226,959</u>	<u>344,661</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the year expressed as full time equivalents was as follows:

	2021	2020
	No	No
Employees	<u>8</u>	<u>9</u>

During the year, one employee received emoluments falling within the band of £70,000 to £80,000.

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

14 Tangible fixed assets

	Furniture and equipment £	Other tangible fixed asset £	Total £
Cost			
At 1 March 2020	14,465	27,074	41,539
Additions	1,633	1,112	2,745
At 28 February 2021	16,098	28,186	44,284
Depreciation			
At 1 March 2020	5,943	15,480	21,423
Charge for the year	2,100	3,127	5,227
At 28 February 2021	8,043	18,607	26,650
Net book value			
At 28 February 2021	8,055	9,579	17,634
At 29 February 2020	8,522	11,594	20,116

15 Stock

	2021 £	2020 £
Finished goods	8,833	4,048

16 Debtors

	2021 £	2020 £
Trade debtors	-	56,175
Prepayments	2,093	6,432
Other debtors	31,587	30,882
	33,680	93,489

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

17 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	900	1,294
Other taxation and social security	4,886	8,012
VAT grant repayable	(4,082)	(11,215)
Other creditors	1,279	6,279
Accruals	1,650	1,649
	4,632	6,019

18 Pension and other schemes

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted to £4,879. (2020: £6,471)

19 Funds

	Balance at 1 March 2020 £	Incoming resources £	Resources expended £	Balance at 28 February 2021 £
Unrestricted funds				
<i>General</i>				
Unrestricted - general	43,873	162,116	(299,802)	(93,813)
Restricted funds				
Lottery Funding	1,825	-	(287)	1,538
The Clothworkers Foundation Fund	1,566	-	(246)	1,320
Unilever Fund	57,040	25,000	(79,072)	2,968
Electronic Arts	80,919	-	-	80,919
Paul Hamlyn Foundation	30,000	76,000	-	106,000
Highway One Foundation	10,000	-	-	10,000
River Island	20,500	-	-	20,500
The Schuh Trust	5,000	-	-	5,000
Barclays	15,244	-	-	15,244
Oath (UK) Ltd	4,050	-	-	4,050
People's Postcode Lottery	20,000	-	-	20,000
Tumblr	-	15,910	(15,866)	44
Rathbone Trust	-	2,000	-	2,000
The David + Ruth	-	22,065	-	22,065
Simple	-	-	(1,000)	(1,000)
DTL US Fund	-	-	(300)	(300)

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

	Balance at 1 March 2020 £	Incoming resources £	Resources expended £	Balance at 28 February 2021 £
Total restricted funds	246,144	140,975	(96,771)	290,348
Total funds	290,017	303,091	(396,573)	196,536

The specific purposes for which the funds are to be applied are as follows:

Eleanor Rathbone Charitable Trust – Ditch the Label was awarded a £2,000 grant to provide student booklets across schools in Merseyside. These booklets are used alongside our free Mental Health Education programme.

Garfield Weston - A 12-month grant of £25,000 towards funding our core costs. Such vital funding enables us to focus less on fundraising for those costs and more on reaching young people who need us.

The David + Ruth Lewis Family Charitable Trust – Ditch the label received vital funding that gave us the opportunity to respond swiftly to the COVID crisis which saw a significant increase in both the number and severity and urgency of support requests we received from vulnerable young people. This allowed us to provide additional support over a 6-month period.

Paul Hamlyn Foundation - The Paul Hamlyn Foundation supported Ditch the Label with a grant of £30,000 towards the CEO's salary and a vital emergency grant of £46,000. This emergency funding enabled us to respond swiftly to the COVID crisis in employing additional support mentors to deal with the increase in the numbers of young people accessing our services.

Unilever - Working in partnership through their Simple brand, Ditch the Label collaborated on a campaign involving Little Mix which encouraged people to choose kindness online.

Tumblr Inc - Tumblr sponsored a Coronavirus hub on the Ditch the Label website when the pandemic first hit. This hub provided vital help and resources to people struggling through lockdown among many other challenges.

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

20 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 28 February 2021 £
Tangible fixed assets	14,208	3,426	17,634
Current assets	183,536	-	183,536
Current liabilities	(4,632)	-	(4,632)
Total net assets	193,110	3,426	196,536
	Unrestricted funds General £	Restricted funds £	Total funds at 29 February 2020 £
Tangible fixed assets	16,584	3,532	20,116
Current assets	275,920	-	275,920
Current liabilities	(6,019)	-	(6,019)
Total net assets	286,485	3,532	290,017

21 Analysis of net funds

	At 1 March 2020 £	Financing cash flows £	At 28 February 2021 £
Cash at bank and in hand	178,383	(37,367)	141,016
Net debt	178,383	(37,367)	141,016
	At 1 March 2019 £	Financing cash flows £	At 29 February 2020 £
Cash at bank and in hand	271,472	(93,089)	178,383
Net debt	271,472	(93,089)	178,383

Ditch The Label Ltd

Notes to the Financial Statements for the Year Ended 28 February 2021

22 Related party transactions

During the year the charity made the following related party transactions:

Key management personnel

Remuneration of key management personnel

Aggregate compensation:

2021: £75,000

2020: £74,963

At the balance sheet date the amount due from Key management personnel was £1,098 (2020 - £392).

Ditch The Label Ltd

Statement of Financial Activities by fund for the Year Ended 28 February 2021

Unrestricted Funds

	Total Unrestricted Funds 2021 £	Total Unrestricted Funds 2020 £
Income and Endowments from:		
Donations and legacies	139,137	140,144
Charitable activities	12,055	7,571
Other trading activities	5,953	2,125
Investment income	182	766
Other income	4,789	-
Total income	<u>162,116</u>	<u>150,606</u>
Expenditure on:		
Raising funds	(1,675)	(1,217)
Charitable activities	<u>(298,127)</u>	<u>(351,696)</u>
Total expenditure	<u>(299,802)</u>	<u>(352,913)</u>
Net expenditure	<u>(137,686)</u>	<u>(202,307)</u>
Net movement in funds	(137,686)	(202,307)
Reconciliation of funds		
Total funds brought forward	<u>43,873</u>	<u>246,180</u>
Total funds carried forward	<u>(93,813)</u>	<u>43,873</u>

Ditch The Label Ltd

Statement of Financial Activities by fund for the Year Ended 28 February 2021

Restricted Funds

	Total Restricted Funds 2021 £	Total Restricted Funds 2020 £
Income and Endowments from:		
Donations and legacies	140,975	405,434
Total income	140,975	405,434
Expenditure on:		
Charitable activities	(96,771)	(195,865)
Total expenditure	(96,771)	(195,865)
Net income	44,204	209,569
Net movement in funds	44,204	209,569
Reconciliation of funds		
Total funds brought forward	246,145	36,575
Total funds carried forward	290,349	246,144

Ditch The Label Ltd

Detailed Statement of Financial Activities for the Year Ended 28 February 2021

	Total 2021 £	Total 2020 £
Income and Endowments from:		
Donations and legacies (analysed below)	280,112	545,578
Charitable activities (analysed below)	12,055	7,571
Other trading activities (analysed below)	5,953	2,125
Investment income (analysed below)	182	766
Other income (analysed below)	4,789	-
Total income	<u>303,091</u>	<u>556,040</u>
Expenditure on:		
Raising funds (analysed below)	(1,675)	(1,217)
Charitable activities (analysed below)	<u>(394,898)</u>	<u>(547,561)</u>
Total expenditure	<u>(396,573)</u>	<u>(548,778)</u>
Net (expenditure)/income	<u>(93,482)</u>	<u>7,262</u>
Net movement in funds	(93,482)	7,262
Reconciliation of funds		
Total funds brought forward	<u>290,017</u>	<u>282,755</u>
Total funds carried forward	<u>196,536</u>	<u>290,017</u>

Ditch The Label Ltd

Detailed Statement of Financial Activities for the Year Ended 28 February 2021

	Total 2021 £	Total 2020 £
<i>Donations and legacies</i>		
Donations and gifts	-	22,354
Donations and gifts	66,147	64,875
Grants	22,490	-
Grants	140,975	405,434
Grants	50,500	52,915
	<u>280,112</u>	<u>545,578</u>
<i>Charitable activities</i>		
Merchandise sales	12,055	7,571
	<u>12,055</u>	<u>7,571</u>
<i>Other trading activities</i>		
Fee income	5,953	2,125
	<u>5,953</u>	<u>2,125</u>
<i>Investment income</i>		
Other interest receivable	182	766
	<u>182</u>	<u>766</u>
<i>Other income</i>		
Other income	4,789	-
	<u>4,789</u>	<u>-</u>
<i>Raising funds</i>		
Fundraising costs	-	(1,217)
Advertising	(1,675)	-
	<u>(1,675)</u>	<u>(1,217)</u>
<i>Charitable activities</i>		
Advertising	-	(826)
Education services	-	(1,318)
Education and awareness promotions	(2,250)	(1,428)
Opening finished goods	(4,048)	(4,215)
Direct costs	(3,161)	(4,389)
Closing finished goods	8,833	4,048
Social Media	(10,390)	(70,626)
Public relations	(3,000)	(3,960)
Website costs	(24,895)	-
Website costs	(1,443)	(10,633)
Courier services	-	(128)

This page does not form part of the statutory financial statements.

Ditch The Label Ltd

Detailed Statement of Financial Activities for the Year Ended 28 February 2021

	Total 2021 £	Total 2020 £
Commissions payable	(1,558)	(874)
Staging fundraising events	-	(7,334)
Trade subscriptions	(403)	-
Consultancy fees	(12,225)	-
Wages and salaries	(40,789)	(85,013)
Wages and salaries	(57,293)	(97,800)
Staff NIC (Employers)	(3,738)	(8,022)
Staff NIC (Employers)	(5,939)	(6,876)
Directors remuneration	(58,500)	(58,471)
Directors NIC (Employers)	(7,131)	(7,247)
Staff pensions (Defined contribution) - pension scheme 1	(932)	-
Staff pensions (Defined contribution) - pension scheme 1	(1,814)	(4,055)
Directors pensions (Defined contribution) - pension scheme 1	(1,024)	(933)
Computer software and maintenance costs	(2,302)	(513)
Printing, postage and stationery	(4,834)	(2,112)
Domain and web hosting	(801)	(2,887)
Cleaning	(28)	(1,195)
Travel and subsistence	(306)	-
Travel and subsistence	(1,552)	(15,660)
Advertising	(925)	-
Advertising	(2,224)	(3,641)
Staff entertaining (allowable for tax)	(48)	(460)
Customer entertaining (disallowable for tax)	-	(973)
Accountancy fees	(300)	-
Accountancy fees	(8,238)	(8,818)
Consultancy fees	(325)	-
Consultancy fees	(120)	-
Legal and professional fees	(401)	(746)
Bank charges	(248)	(357)
Bank interest payable	(76)	-
Other interest payable	(19)	-
Depreciation of fixtures and fittings	(104)	-
Depreciation of fixtures and fittings	(1,698)	(2,349)
Depreciation of office equipment	(20)	(166)
Depreciation of office equipment	(278)	(232)
Depreciation of computer equipment	(971)	(1,012)
Depreciation of computer equipment	(2,156)	(2,831)
Wages and salaries	(11,504)	(23,978)
Wages and salaries	(16,159)	(27,585)
Staff NIC (Employers)	(1,054)	(2,262)

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Ditch The Label Ltd

Detailed Statement of Financial Activities for the Year Ended 28 February 2021

	Total 2021 £	Total 2020 £
Staff NIC (Employers)	(1,676)	(1,939)
Directors remuneration	(16,500)	(16,492)
Directors NIC (Employers)	(2,011)	(2,044)
Staff pensions (Defined contribution) - pension scheme 1	(263)	-
Staff pensions (Defined contribution) - pension scheme 1	(558)	(1,144)
Directors pensions (Defined contribution) - pension scheme 1	(289)	(340)
Subcontract cost	-	(347)
Staff training	(426)	(3,367)
Staff welfare	(1,307)	(5,775)
Rent and rates	(49,183)	(39,918)
Rates	(7,390)	-
Insurance	(3,911)	(3,123)
Repairs and maintenance	(16,212)	(1,693)
Telephone and fax	(2,885)	(3,469)
Office expenses	(850)	-
Sundry expenses	(4,721)	(33)
	<u>(396,573)</u>	<u>(547,561)</u>