

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 2023

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

# **Ditch The Label Ltd**

## **Contents**

Reference and Administrative Details	1
Trustees' Report	2 to 6
Statement of Trustees' Responsibilities	7
Independent Examiner's Report	8 to 9
Statement of Financial Activities	10 to 11
Balance Sheet	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 to 28

# **Ditch The Label Ltd**

## **Reference and Administrative Details**

### **Chief Executive Officer**

Dr Liam Hackett

### **Trustees**

Simon Richard Henry Comins

Rebecca Barrie

Victoria Miller

Jenny Afia

Jesus Javier Diez-Aguirre

Hanna Smith

Mark Woodruff

### **Secretary**

Susan Marie Jones

### **Charity Registration Number**

1156329

### **Company Registration Number**

08387544

The charity is incorporated in England & Wales.

### **Registered Office**

Phoenix House, 3rd Floor  
32 West Street  
Brighton  
BN1 2RT

### **Independent Examiner**

SRC Advisory 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 2023.

### **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 and self-esteem.

Our charitable aims are delivered through four key areas:

- Support: online support community from clinically trained support mentors, web resources, social networking platforms, online gaming channels and facilitated peer support;
- Research: in collaboration with students, schools and colleges, social networks and others, we produce new, innovative research surrounding bullying, mental health and the many other issues in the realms of youth;
- Education: our educational resources are delivered in classrooms across the country, tackling subjects such as gender stereotypes, bullying, mental health, online challenges, digital literacy and unconscious bias;
- Campaigns: we produce innovative content to generate societal shifts in attitudes and behaviours surrounding the issues affecting young people.

2022 gave us the opportunity to refine our thinking in terms of the value Ditch the Label provides to the life of children and young people aged 12-25. As a digital-first charity, our role is constantly evolving in line with breakthroughs in technology and expansions of the challenges young people face today.

In 2021 against a backdrop of the pandemic and an enormous squeeze in our funding, we were forced to economise and downsize our programs and impact. Now that our funding is improving and we're seeing a return to healthy levels, we are able to think differently about our modes of delivery and the ways we want to support young people today.

Our commitment to the provision of high-quality clinical support to young people with varied and often complex needs has never wavered and we have been able to consistently provide this, helped by the recruitment of 3 new support mentors. We provide support primarily in English, but should it be helpful or required, our mentors are able to provide support in the following additional languages: German, Spanish, Hindi, Urdu, Arabic, Swedish and Norwegian.

Evidence overwhelmingly shows that the global need for Ditch the Label is growing exponentially as mental wellbeing is in decline with increasing rates of anxiety and depression among young people and a 67% rise in teenage suicides since 2010. Hate is surging and while these issues can affect all young people it is clear that those from disadvantaged backgrounds or marginalised communities who may not have access to other support are particularly vulnerable to these challenges.

Our focus for 2022 was to sustain our direct support for young people and build the organisation. We are delighted to report that we have managed to secure a number of partnerships that have enabled us to invest in new infrastructure; such as a new Web 3.0 website and an expansion into Spanish language so we remain responsive to the needs of young people.

We remain focussed on our continued growth, and committed to supporting children and young people globally to ensure they are able to thrive.

## **Ditch The Label Ltd**

### **Trustees' Report**

#### **TESTIMONIALS**

From young people we supported:

“I have a safety plan for when I’m suicidal, which was really the biggest problem for me. When I get those intrusive thoughts, it’s debilitating. But now I feel equipped and empowered enough to fight even if it’s just for one more day.”

“They gave me courage and told me what I was feeling was normal.”

“It was really helpful to be able to talk to someone about my issue and it has relieved me of a lot of mental stress.”

“The support, community, and friends I have made on DTL, have gotten me through the loss of two family members and two close friends. Ya’ll have gotten me through the pandemic and helped me keep from retreating completely into myself. There are no words to describe how much ya’ll have helped me.”

“How caring everybody is. Not just the digital mentors, but the other people participating could have only met you an hour ago, but they’re ready to offer any advice they can and help. It’s seriously the best.”

From educators:

“I would consider this resource as both a standalone lesson and as part of the larger topic. I think this is engaging. It’s sometimes difficult to make these sorts of ambiguous sessions engaging but these resources will help.”

“Very usable resources. Relevant and uses role play to keep the pupils active and involved. Scenario cards are very real, based on life experiences”

“I think it is engaging with a wide variety of activities. It contains lots of facts, which is great, also includes paired tasks and not just teacher-led or whole class work.”

From students:

“A great active learning environment that enhances the awareness of problems in society.”

“An engaging series of lessons that expanded our knowledge on a prevalent threat to an equal society.”

## **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.

## **Ditch The Label Ltd**

### **Trustees' Report**

#### **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:

Ms S C Baines (resigned 2 March 2022)

Mr H A J Morris (resigned 10 March 2022)

Ms R Barrie

Mr S R H Comins

Mr A Hughes (resigned 12 October 2023)

Mrs V Miller

Mr J Diez-Aguirre

Mrs H Smith (appointed 1 March 2022)

Mrs J Afia (appointed 1 March 2022)

Mr Mark Woodruff (appointed 16 January 2023)

We have Articles of Association and a Governance Document. Joint document registered /filed with Companies House. (11th March 2021)

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.

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 19 December 2023. and signed on its behalf by:



Victoria Miller  
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 19 December 2023 and signed on its behalf by:



Victoria Miller  
Trustee

## **Ditch The Label Ltd**

### **Independent Examiner's Report to the trustees of Ditch The Label Ltd ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 28 February 2023.

#### **Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of Ditch The Label Ltd are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### **Independent examiner's statement**

Since Ditch The Label Ltd's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of CTA, which is one of the listed bodies.

Since Ditch The Label Ltd's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of CTA, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of Ditch The Label Ltd as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

**Ditch The Label Ltd**

**Independent Examiner's Report to the trustees of Ditch The Label Ltd ("the Company")**



.....  
Mr Stephen Crouch  
CTA

2nd Floor  
Stanford Gate  
South Road  
Brighton  
East Sussex  
BN1 6SB

Date 19 December 2023

# Ditch The Label Ltd

## Statement of Financial Activities for the Year Ended 28 February 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	260,232	196,961	457,193
Charitable activities	4	573	-	573
Other trading activities	5	-	52,471	52,471
Investment income	6	481	-	481
Other income		3,839	78,458	82,297
Total income		265,125	327,890	593,015
<b>Expenditure on:</b>				
Raising funds	7	(37,245)	-	(37,245)
Charitable activities	8	(352,491)	(158,991)	(511,482)
Other expenditure	9	(2,423)	-	(2,423)
Total expenditure		(392,159)	(158,991)	(551,150)
Net (expenditure)/income		(127,034)	168,899	41,865
Net movement in funds		(127,034)	168,899	41,865
<b>Reconciliation of funds</b>				
Total funds brought forward		476,266	-	476,266
Total funds carried forward	20	349,232	168,899	518,131
	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Income and Endowments from:</b>				
Donations and legacies	3	227,572	269,953	497,525
Charitable activities	4	753	-	753
Other trading activities	5	144,195	-	144,195
Investment income	6	26	-	26
Other income		17,385	-	17,385
Total income		389,931	269,953	659,884
<b>Expenditure on:</b>				
Raising funds	7	(6,693)	(8,840)	(15,533)
Charitable activities	8	(296,429)	(67,717)	(364,146)
Total expenditure		(303,122)	(76,557)	(379,679)
Net income		86,809	193,396	280,205
Transfers between funds		(93,813)	-	(93,813)
Net movement in funds		(7,004)	193,396	186,392

The notes on pages 14 to 28 form an integral part of these financial statements.

## Ditch The Label Ltd

### Statement of Financial Activities for the Year Ended 28 February 2023 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
<b>Reconciliation of funds</b>				
Total funds brought forward		289,874	-	289,874
Total funds carried forward	20	282,870	193,396	476,266
The funds breakdown for 2022 is shown in note 20.				

The notes on pages 14 to 28 form an integral part of these financial statements.

**Ditch The Label Ltd**  
**(Registration number: 08387544)**  
**Balance Sheet as at 28 February 2023**


	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	15	24,191	23,763
<b>Current assets</b>			
Stocks	16	5,610	6,965
Debtors	17	17,693	233,243
Cash at bank and in hand		475,685	407,388
		498,988	647,596
<b>Creditors: Amounts falling due within one year</b>	18	(5,048)	(195,093)
<b>Net current assets</b>		493,940	452,503
<b>Net assets</b>		518,131	476,266
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	20	652,643	483,745
<b>Unrestricted income funds</b>			
Unrestricted funds		(134,512)	(7,479)
<b>Total funds</b>	20	518,131	476,266

For the financial year ending 28 February 2023 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 10 to 28 were approved by the trustees, and authorised for issue on 19 December 2023 and signed on their behalf by:

  
.....  
**Dr Liam Hackett**  
Chief executive officer

The notes on pages 14 to 28 form an integral part of these financial statements.

# Ditch The Label Ltd

## Statement of Cash Flows for the Year Ended 28 February 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash income		41,865	279,730
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation	7, 9	6,892	6,006
Investment income	6	(481)	(26)
Loss on disposal of fixed assets held for the charity's own use	11	169	-
		<u>48,445</u>	<u>285,710</u>
<b>Working capital adjustments</b>			
Decrease in stocks	16	1,355	1,868
Decrease/(increase) in debtors	17	215,550	(199,563)
(Decrease)/increase in creditors	18	(83,878)	84,294
Net cash flows from operating activities		<u>181,472</u>	<u>172,309</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	6	481	26
Purchase of tangible fixed assets	15	(7,401)	(12,135)
Sale of tangible fixed assets		81	-
Net cash flows from investing activities		<u>(6,839)</u>	<u>(12,109)</u>
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	18	(106,167)	106,167
Net increase in cash and cash equivalents		68,466	266,367
Cash and cash equivalents at 1 March		<u>407,388</u>	<u>141,021</u>
Cash and cash equivalents at 28 February		<u><u>475,854</u></u>	<u><u>407,388</u></u>

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 2023**

#### **1 Charity status**

The charity is limited by share capital, incorporated in England & 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 2023**

#### ***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 2023**

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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 2023**

#### **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.

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 2023**

#### ***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 2023

#### 3 Income from donations and legacies

	Unrestricted funds General £	Restricted funds £	Total funds £
Grants, including capital grants;			
Grants from companies	41,700	-	41,700
Regular giving and capital donations	218,532	196,961	415,493
<b>Total for 2023</b>	<b>260,232</b>	<b>196,961</b>	<b>457,193</b>
<b>Total for 2022</b>	<b>227,572</b>	<b>269,953</b>	<b>497,525</b>

#### 4 Income from charitable activities

	Unrestricted General £	Total 2023 £	Total 2022 £
Sales within charitable activities	573	573	753
	Unrestricted funds General £	Total funds £	
	573	573	
<b>Total for 2023</b>	<b>573</b>	<b>573</b>	
<b>Total for 2022</b>	<b>753</b>	<b>753</b>	

# Ditch The Label Ltd

## Notes to the Financial Statements for the Year Ended 28 February 2023

### 5 Income from other trading activities

	Unrestricted funds General £	Restricted funds £	Total funds £
Other income from other trading activities	-	52,471	52,471
<b>Total for 2023</b>	-	52,471	52,471
<b>Total for 2022</b>	144,195	-	144,195

### 6 Investment income

	Unrestricted funds General £	Total funds £
Interest receivable and similar income; Other interest receivable	481	481
<b>Total for 2023</b>	481	481
<b>Total for 2022</b>	26	26

### 7 Expenditure on raising funds

#### Costs of generating donations and legacies

a)

Note	Unrestricted funds General £	Restricted funds £	Total funds £
Marketing and publicity	37,245	-	37,245
<b>Total for 2023</b>	37,245	-	37,245
<b>Total for 2022</b>	6,693	8,840	15,533

# Ditch The Label Ltd

## Notes to the Financial Statements for the Year Ended 28 February 2023

### 8 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total funds £
		3,660	36,864	40,524
		316	-	316
Staff costs		-	103,346	103,346
Directors remuneration	10	-	7,546	7,546
Governance costs	10	345,038	11,235	356,273
<b>Total for 2023</b>		<b>349,014</b>	<b>158,991</b>	<b>508,005</b>
<b>Total for 2022</b>		<b>296,006</b>	<b>67,717</b>	<b>363,723</b>

**Total  
expenditure  
£**

In addition to the expenditure analysed above, there are also governance costs of £160,152 (2022 - £177,461) which relate directly to charitable activities. See note 10 for further details.

### 9 Other expenditure

	Note	Total funds £
<b>Total for 2023</b>		<b>2,423</b>

# Ditch The Label Ltd

## Notes to the Financial Statements for the Year Ended 28 February 2023

### 10 Analysis of governance and support costs

#### Governance costs

	Unrestricted funds General £	Restricted funds £	Total funds £
Staff costs			
Wages and salaries	173,542	-	173,542
Other staff costs	1,027	-	1,027
Legal fees	2,552	3,056	5,608
Depreciation, amortisation and other similar costs	6,081	642	6,723
Other governance costs	35,648	5,959	41,607
Allocated support costs	126,188	1,578	127,766
<b>Total for 2023</b>	<b>345,038</b>	<b>11,235</b>	<b>356,273</b>
<b>Total for 2022</b>	<b>284,351</b>	<b>67,717</b>	<b>352,068</b>

### 11 Net incoming/outgoing resources

Net incoming resources for the year include:

	2023 £	2022 £
Loss on disposal of fixed assets held for the charity's own use	(169)	-
Depreciation of fixed assets	6,892	6,006



## Ditch The Label Ltd

### Notes to the Financial Statements for the Year Ended 28 February 2023

#### 12 Trustees remuneration and expenses

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

#### 13 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the year were:</b>		
Wages and salaries	-	61,797
Wages and salaries	68,522	165,909
Staff NIC (Employers)	11,032	-
Directors remuneration	77,454	-
Directors NIC	10,058	-
Staff pensions (Defined contribution) - pension scheme 1	3,926	-
Directors pension	2,550	-
Wages and salaries	103,346	-
Staff entertaining (allowable for tax)	1,027	91
	<u>277,915</u>	<u>227,797</u>

During the year, one employee received emoluments falling within the band of £75,000 to £85,000.

#### 14 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 2023

#### 15 Tangible fixed assets

	Furniture and equipment £	Other tangible fixed asset £	Total £
<b>Cost</b>			
At 1 March 2022	23,172	33,247	56,419
Additions	252	7,149	7,401
Disposals	-	(807)	(807)
At 28 February 2023	23,424	39,589	63,013
<b>Depreciation</b>			
At 1 March 2022	11,602	21,054	32,656
Charge for the year	2,955	3,937	6,892
Eliminated on disposals	-	(726)	(726)
At 28 February 2023	14,557	24,265	38,822
<b>Net book value</b>			
At 28 February 2023	8,867	15,324	24,191
At 28 February 2022	11,570	12,193	23,763

#### 16 Stock

	2023 £	2022 £
Finished goods	5,610	6,965

#### 17 Debtors

	2023 £	2022 £
Trade debtors	-	220,872
Prepayments	4,574	1,225
Other debtors	13,119	11,146
	17,693	233,243

# Ditch The Label Ltd

## Notes to the Financial Statements for the Year Ended 28 February 2023

### 18 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	-	106,167
Trade creditors	9,540	3,325
Other taxation and social security	6,496	25,090
VAT grant repayable	(16,219)	8,586
Other creditors	3,761	2,890
Accruals	1,470	49,035
	<u>5,048</u>	<u>195,093</u>

### 19 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 £6,477. (2022: £3,980)

### 20 Funds

	Balance at 1 March 2022 £	Incoming resources £	Resources expended £	Balance at 28 February 2023 £
<b>Unrestricted funds</b>				
<i>General</i>				
Unrestricted - general	(7,479)	265,124	(392,158)	(134,513)
<b>Restricted funds</b>				
Lottery Funding	1,281	-	(192)	1,089
The Clothworkers Foundation Fund	1,100	-	(165)	935
Unilever Fund	2,783	-	(1,069)	1,714
Electronic Arts	80,919	-	-	80,919
Paul Hamlyn Foundation	60,299	-	-	60,299
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	(149)	-	(146)	(295)
Rathbone Trust	2,000	-	-	2,000
The David + Ruth	22,065	-	-	22,065
Simple	(1,000)	-	-	(1,000)

## Ditch The Label Ltd

### Notes to the Financial Statements for the Year Ended 28 February 2023

	Balance at 1 March 2022 £	Incoming resources £	Resources expended £	Balance at 28 February 2023 £
DTL US Fund	(300)	-	-	(300)
BRP	239,953	196,961	(22,393)	414,521
ASOS	-	-	(207)	(207)
Citi e for education	-	-	(431)	(431)
Citibank	-	-	(35)	(35)
Dylan Nsbuga Salary	-	3,000	-	3,000
EA Games	-	-	(4,225)	(4,225)
Fruitworks	-	-	(1,222)	(1,222)
Maybelline	-	-	(358)	(358)
TikTok	-	-	(58)	(58)
Schwarzkopf / Got2be	-	75,458	(76,020)	(562)
Spotify	-	8,471	(8,471)	-
Development of educational resources for schools	-	44,000	(44,000)	-
<b>Total restricted funds</b>	483,745	327,890	(158,992)	652,643
<b>Total funds</b>	476,266	593,014	(551,150)	518,130

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

BRP - we are a proud charity partner for BRP, a global leader in the world of power sports vehicles and boats. We work together on their program "Ride Out Intimidation" - a global cause and joint mission to create real and lasting social change and impact. This is delivered through direct support and education.

Citi e for Education - our second year as a proud charity partner with the campaign supporting our work with young people. 2022 celebrated the 10th year of the initiative and raised £10.15M for education focused nonprofits globally.

Henkel - through the got2b brand, their support funded our 'Report Online Abuse' tool which enables Ditch the Label to work with all the leading social networks to remove abusive, bullying or offensive content from their platforms.

Spotify - Ditch the Label produced the signposting resources for their trust and safety channel.

TikTok - Ditch the Label collaborated with TikTok to produce an education module with a series of lessons aimed at reducing harmful online challenges. This is available completely, free to all secondary schools across the UK.

# Ditch The Label Ltd

## Notes to the Financial Statements for the Year Ended 28 February 2023

### 21 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 28 February 2023 £
Tangible fixed assets	21,930	2,261	24,191
Current assets	498,988	-	498,988
Current liabilities	(5,048)	-	(5,048)
Total net assets	515,870	2,261	518,131
	Unrestricted funds General £	Restricted funds £	Total funds at 28 February 2022 £
Tangible fixed assets	21,193	2,570	23,763
Current assets	647,596	-	647,596
Current liabilities	(195,093)	-	(195,093)
Total net assets	473,696	2,570	476,266

### 22 Analysis of net funds

	At 1 March 2022 £	Financing cash flows £	At 28 February 2023 £
Cash at bank and in hand	301,221	174,458	475,679
Net debt	301,221	174,458	475,679
	At 1 March 2021 £	Financing cash flows £	At 28 February 2022 £
Cash at bank and in hand	141,021	160,200	301,221
Net debt	141,021	160,200	301,221

## **Ditch The Label Ltd**

### **Notes to the Financial Statements for the Year Ended 28 February 2023**

#### **23 Related party transactions**

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

##### **Key management personnel**

Remuneration of key management personnel

Aggregate compensation:

2023: £85,000

2022: £79,522

At the balance sheet date the amount due from Key management personnel was £662 (2022 - £Nil).

# Ditch The Label Ltd

## Statement of Financial Activities by fund for the Year Ended 28 February 2023

### Unrestricted Funds

	Total Unrestricted Funds 2023 £	Total Unrestricted Funds 2022 £
<b>Income and Endowments from:</b>		
Donations and legacies	260,232	227,572
Charitable activities	573	753
Other trading activities	-	144,195
Investment income	481	26
Other income	3,839	17,385
Total income	265,125	389,931
<b>Expenditure on:</b>		
Raising funds	(37,245)	(6,693)
Charitable activities	(352,491)	(296,429)
Other expenditure	(2,423)	-
Total expenditure	(392,159)	(303,122)
Net (expenditure)/income	(127,034)	86,809
Transfers between funds	-	(93,813)
Net movement in funds	(127,034)	(7,004)
<b>Reconciliation of funds</b>		
Total funds brought forward	476,266	289,874
Total funds carried forward	349,232	476,266

# Ditch The Label Ltd

## Statement of Financial Activities by fund for the Year Ended 28 February 2023

### Restricted Funds

	<b>Total Restricted Funds 2023 £</b>	<b>Total Restricted Funds 2022 £</b>
<b>Income and Endowments from:</b>		
Donations and legacies	196,961	269,953
Other trading activities	52,471	-
Other income	78,458	-
Total income	<u>327,890</u>	<u>269,953</u>
<b>Expenditure on:</b>		
Raising funds	-	(8,840)
Charitable activities	<u>(158,991)</u>	<u>(67,717)</u>
Total expenditure	<u>(158,991)</u>	<u>(76,557)</u>
Net income	<u>168,899</u>	<u>193,396</u>
<b>Reconciliation of funds</b>		
Total funds carried forward	<u>168,899</u>	<u>193,396</u>



## Ditch The Label Ltd

### Detailed Statement of Financial Activities for the Year Ended 28 February 2023

	Total 2023 £	Total 2022 £
<b>Income and Endowments from:</b>		
Donations and legacies (analysed below)	457,193	497,525
Charitable activities (analysed below)	573	753
Other trading activities (analysed below)	52,471	144,195
Investment income (analysed below)	481	26
Other income (analysed below)	82,297	17,385
	<hr/>	<hr/>
Total income	593,015	659,884
<b>Expenditure on:</b>		
Raising funds (analysed below)	(37,245)	(15,533)
Charitable activities (analysed below)	(511,482)	(364,146)
Other expenditure (analysed below)	(2,423)	-
	<hr/>	<hr/>
Total expenditure	(551,150)	(379,679)
Net income	41,865	280,205
Transfers between funds (analysed below)	-	(93,813)
	<hr/>	<hr/>
Net movement in funds	41,865	186,392
<b>Reconciliation of funds</b>		
Total funds brought forward	476,266	289,874
	<hr/>	<hr/>
Total funds carried forward	518,131	476,266
	<hr/>	<hr/>

# Ditch The Label Ltd

## Detailed Statement of Financial Activities for the Year Ended 28 February 2023

	Total 2023 £	Total 2022 £
<b><i>Donations and legacies</i></b>		
Donations and gifts	196,961	239,953
Donations and gifts	218,532	203,772
Grants	-	30,000
Grants	41,700	23,800
	<u>457,193</u>	<u>497,525</u>
<b><i>Charitable activities</i></b>		
Merchandise sales	<u>573</u>	<u>753</u>
	<u>573</u>	<u>753</u>
<b><i>Other trading activities</i></b>		
Fee income	52,471	-
Fee income	-	144,195
	<u>52,471</u>	<u>144,195</u>
<b><i>Investment income</i></b>		
Other interest receivable	<u>481</u>	<u>26</u>
	<u>481</u>	<u>26</u>
<b><i>Other income</i></b>		
Other income	78,458	-
Other income	<u>3,839</u>	<u>17,385</u>
	<u>82,297</u>	<u>17,385</u>
<b><i>Raising funds</i></b>		
Advertising	(37,245)	(6,693)
Direct costs	-	(8,840)
	<u>(37,245)</u>	<u>(15,533)</u>
<b><i>Charitable activities</i></b>		
Advertising	(569)	-
Opening finished goods	(6,965)	(8,833)
Purchases	-	(1,636)
Direct costs	(325)	(152)
Closing finished goods	5,610	6,965
Website costs	(36,295)	-
Website costs	(1,980)	(4,523)
Staging fundraising events	-	(778)
Trade subscriptions	(3,477)	(423)
Bank charges	(316)	53

## Ditch The Label Ltd

### Detailed Statement of Financial Activities for the Year Ended 28 February 2023

	Total 2023 £	Total 2022 £
Loan interest	-	(2,725)
Other interest payable	-	(26)
Wages and salaries	(103,346)	-
Directors remuneration	(7,546)	-
Computer software and maintenance costs	-	(5,064)
Computer software and maintenance costs	(3,038)	(1,740)
Printing, postage and stationery	(2,180)	(1,567)
Trade subscriptions	(421)	(355)
Domain and web hosting	(2,920)	(1,581)
Cleaning	(44)	(29)
Motor expenses	(1,484)	(1,192)
Travel and subsistence	(5,959)	-
Travel and subsistence	(16,895)	(5,064)
Advertising	-	(5,012)
Staff entertaining (allowable for tax)	(1,027)	(91)
Accountancy fees	(8,666)	(7,259)
Legal and professional fees	(3,056)	-
Legal and professional fees	(2,552)	(141)
Bank charges	-	(723)
Depreciation of fixtures and fittings	-	(856)
Depreciation of fixtures and fittings	(2,543)	(2,703)
Depreciation of office equipment	(70)	-
Depreciation of office equipment	(342)	-
Depreciation of computer equipment	(572)	-
Depreciation of computer equipment	(3,365)	(2,447)
(Profit)/loss on sale of tangible fixed assets held for charity's own use	169	-
Wages and salaries	-	(61,797)
Wages and salaries	(68,522)	(165,909)
Staff NIC (Employers)	(11,032)	-
Directors remuneration	(77,454)	-
Directors NIC	(10,058)	-
Staff pensions (Defined contribution) - pension scheme 1	(3,926)	-
Directors pension	(2,550)	-
Casual wages	(2,269)	-
Staff training	(15)	-
Staff training	(341)	-
Staff welfare	(133)	-
Staff welfare	(3,970)	(2,083)
Rent and rates	(53,504)	(56,875)
Rates	(2,042)	(3,055)

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 2023

	Total 2023 £	Total 2022 £
Light, heat and power	(3,925)	(957)
Insurance	(3,172)	(2,232)
Repairs and maintenance	(102)	-
Repairs and maintenance	(3,640)	(1,295)
General maintenance	-	(914)
Telephone and fax	(2,971)	(2,907)
Office expenses	(2,697)	-
Sundry expenses	(2,057)	(1,867)
Customer entertaining (disallowable for tax)	(624)	-
Customer entertaining (disallowable for tax)	(800)	-
Consulting	(704)	-
Consulting	(44,800)	(16,353)
	<u>(511,482)</u>	<u>(364,146)</u>
<b><i>Other expenditure</i></b>		
Bank interest payable	(2,423)	-
	<u>(2,423)</u>	<u>-</u>
<b><i>Transfers between funds</i></b>		
Funds - b/fwd	-	(93,813)