



Smart Choices

Trustees' Annual Report and

Financial Statements

For the year ended 31 October 2022

Registered charity number 1156974

SMART CHOICES

Trustees Annual Report and Financial Statements for the year ended 31st October 2022

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Review of November 2021 to October 2022

Closure of the Charity

Throughout 2020 the Covid-19 pandemic had a significant effect on our income and therefore our ability to provide to the numbers of young people we had aimed to do so.

In June 2020 we were fortunate to receive a further one-year funding from MOPAC (Mayors Office for Police and Crime) which enabled us to initially work with approx. 420 young people. We had also been given additional funding by MOPAC to work with schools and their communities, to support the reintegration and re-engagement of children and young people following COVID-19.

We provided our programmes to years four, five and six in seven schools. Teachers identified specific children who would benefit from the programmes based on their needs and behaviours. Programmes were provided both online and face to face and reached 200 young people.

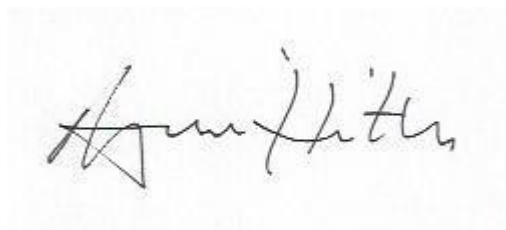
As a result of taking part in our programmes, young people had:

- A better understanding of the emotional triggers, which lead to violent acts
- Developed new strategies to understand and manage negative emotions and behaviours
- A better understanding of themselves and their impact on others
- Developed new strategies, which enable them to make better decisions
- A new understanding, of how to form healthy relationships with young people and adults.

Unfortunately, at the conclusion of the programme in May 2021, we were informed that MOPAC would no longer be funding Smart Choices or similar initiatives. Smart Choices attempted to secure alternative funding from the Youth Endowment Fund, a £50m pot provided by the Home Office. Despite our strenuous best efforts, the bid to continue our work was not successful.

Given the lack of funding, and the absence of sufficient reserves to allow the Charity time to secure further funding, the Trustees resolved in June 2021 to cease the operations of the Charity effective from 5 July 2021.

Since the cessation of operations, the trustees have been working to close the charity, though this was hampered by personal events outside of our sphere of influence which substantially impacted the process, not least, the ability to access our bank account and deal with creditors. The Trustees are now able to complete the final closure activities and finalise the outstanding annual return and financial statements.



Bill Griffiths CBE BEM QPM

Chair of Trustees
Smart Choices

Financial Commentary for the year to October 2022

In common with many other charities, Smart Choices has been significantly impacted by the COVID-19 pandemic, and the accounts for the year to 31 October 2021 shows the challenging financial situation which has led the Trustees to resolve to close the Charity.

The Charity's net movement in funds shown in the accounts was a decrease of £52 (2020-21: an increase of £1,708).

Income for the year has decreased from £17,333 in 2020-21 to £ 503 a decrease of 97%. As has been noted in the Trustees' review, this has also reflected the fact that the Charity's had ceased operations in July 2021.

Expenditure for the year amounted to £555, down from £94,890 in 2020 – 2021, due to cessation of activities and employee redundancies in July 2021.

As at 31 October 2022, the balance sheet is in a net asset position, and furthermore, cash balances are sufficient to settle most creditors. As in previous years, there are no non-current assets to be realised, and no long-term liabilities to be settled as part of the winding-up process. The net asset position remains comprised of unrestricted reserves.

Remuneration policy

An important pay principle in Smart Choices' pay policies is that our salaries and benefits should be proportionate to the complexity of role responsibilities, in line with our charitable objectives and competitive within the UK charity sector. We aim to pay around the median for similar roles in similar organisations but not compete on salaries within the public or private sectors. To help us achieve this we monitor charity sector pay trends through available reputable sources such as Harris Hill Salary Survey.

Going concern and closure of the Charity:

As set out in Note 1 to the financial statements and elsewhere in this annual return, the Trustees have decided to cease operations effective from 5 July 2021. The impact of the COVID19 pandemic on the Charity in 2019-20 and 2020-21 has caused significant disruption to the Charity's income and activities, and the failure to secure ongoing funding for the Charity's work has led to the closure. The accounts for 2021-22 have been prepared on this basis.

Risk management

The trustees have a risk management approach which comprises:

- Regular review of the principal risks and uncertainties that the charity faces;
- The establishment of policies, systems and procedures to mitigate those risks identified; and
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

Financial Commentary for the year to October 2022

- continued

This work has identified that financial sustainability is the major financial risk for both the charity and its subsidiary. A key element in the management of financial risk is a regular review of cashflow forecasts to ensure obligations will be met as they fall due, and active management of trade debtors and creditors balances to ensure sufficient working capital by the CIO. The Trustees' decision to close the Charity has stemmed from these regular reviews.

Attention has also been focussed on non-financial risks arising from safeguarding of young people. These risks are managed having robust policies and procedures in place, and regular awareness training for staff working in these operational areas.

Structure, Governance and Management

Smart Choices is a registered Charitable Incorporated Organisation (CIO), charity number 1156974. Day to day management of the charity is delegated by the trustees to the CEO.

Our Trustee Board includes two honorary positions of Chair and Vice Chair. The Board meets at least four times a year.

Appointment of Trustees

Any person who is willing to act as a trustee, and who would not be disqualified under the terms of the constitution, may be appointed a trustee by a decision of the trustees. Each trustee shall retire from office at the third Annual Retirement Meeting following the commencement of his or her term of office. The Annual Retirement Meeting shall be the meeting of the trustees at which the accounts of the CIO are adopted. Retiring Trustees may be reappointed, but a trustee who has served for two consecutive terms must take a break from office for at least one year. There must be a minimum of three trustees and a maximum of twelve.

All trustees are subject to DBS check and sign a declaration of eligibility before being appointed to the Board of Smart Choices. All potential trustees are sent a declaration of eligibility, an agreement to Smart Choices' policy, CC3 and code of good practice, Smart Choices' constitution and the Committee's Terms of Reference. Their induction is organised by the Chair and by the CEO.

Statement of responsibilities of the trustees

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

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of

Financial Commentary for the year to October 2022

- continued

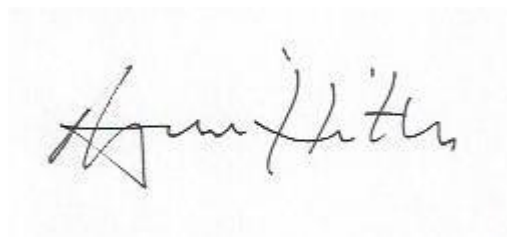
affairs of the charity and the group and of the incoming resources and application of resources of Smart Choices for that period. In preparing these financial statements giving a trust and fair view, the trustees should follow best practice and:

- Select suitable accounting policies and then 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

A handwritten signature in black ink, appearing to read 'Bill Griffiths', is centered on a light gray rectangular background.

Bill Griffiths CBE BEM QPM

Chair of Trustees

Smart Choices

Reference and Administrative Information

Charity number: 1156974

Registered office and operational address: 40 Cambridge Drive, London, SE12 8AJ

Previous name: The Jimmy Mizen Foundation (1130228)

Country of registration: England & Wales

Trustees who served during the year and up to the date of this report were as follows:

Bill Griffiths CBE BEM QPM, **Chair**

Kerry Nickols, **Vice Chair**

Gethin Davies Knapp

Kabba Njie

Bankers: CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ

SMART CHOICESTrustees Annual Report and Financial Statements for the year ended 31st October 2022**Statement of financial activities****For the year ended 31 October 2022**

		2022		2021	
		Unrestricted	Total	Unrestricted	Total
	Note	£	£	£	£
Income from:					
Donations and legacies	2	503	503	17,333	17,333
Charitable activities		<u>-</u>	<u>-</u>	<u>79,265</u>	<u>79,265</u>
Total income	3	503	503	96,598	96,598
Expenditure on:					
Raising funds		-	-	-	-
Trading activities		-	-	-	-
Charitable activities		555	555	94,890	94,890
Total expenditure	4	555	555	94,890	94,890
Net movement in funds		(52)	(52)	1,708	1,708
Reconciliation of funds					
Total funds brought forward		<u>22,059</u>	<u>22,059</u>	<u>20,351</u>	<u>20,351</u>
Total funds carried forward	12	<u>22,007</u>	<u>22,007</u>	<u>22,059</u>	<u>22,059</u>

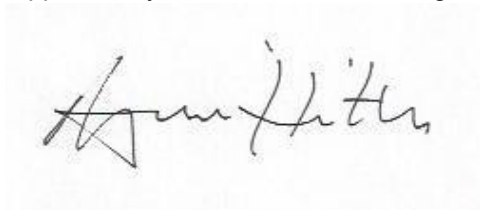
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Restricted funds are disclosed in Note 12 to the financial statements.

Balance sheet

As at 31 October

	Note	£	2022 £	2021 £
Fixed assets				
Tangible fixed assets	7		-	-
Investments	8		-	-
			<hr/>	<hr/>
Total fixed assets			-	-
Current assets				
Debtors	9	19,149		19,149
Cash at bank and in hand		32,841		32,908
			<hr/>	<hr/>
Total current assets			51,990	52,057
Liabilities				
Creditors: amounts falling due within one year			(29,983)	(29,998)
			<hr/>	<hr/>
Net current assets			22,007	22,059
Total assets less current liabilities			22,007	22,059
Net assets Funds				
	12			
General funds			22,007	22,059
			<hr/>	<hr/>
Total Charity funds			<u>22,007</u>	<u>22,059</u>

Approved by the trustees on 31st August 2023 and signed on their behalf by



Bill Griffiths CBE BEM QPM

Chair of Trustees
Smart Choices

Statement of cash flows

For the year ended 31 October 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	a	(67)	24,211
Change in cash and cash equivalents in the period		(67)	24,211
Cash and cash equivalents at the beginning of the period		32,908	8,697
Cash and cash equivalents at the end of the period		32,841	32,908
a Reconciliation of net income / (expenditure) to net cash provided by / (used in) operating activities			
		2022 £	2021 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)		(52)	1,708
(Increase)/decrease in debtors		-	15,327
Increase/(decrease) in creditors		(15)	7,176
Net cash provided by / (used in) operating activities		(67)	24,211

Notes to the financial statements

For the year ended 31 October 2022

1. Accounting policies

a) Statutory information

Smart Choices is a charitable incorporated organisation, registered with the Charity Commission of England and Wales.

b) Basis of preparation

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) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015).

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Activities have not been consolidated as the total income of the group is below the threshold for preparing group accounts. Available profits are gift aided to the charity. A summary of the results of the subsidiary is shown in note 8.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees have reviewed the financial position of the charity, including forecast cash flows, liquidity position and existing and potential funding commitments and have concluded that Charity is no longer a going concern at the end of the 2022 financial year. Unfortunately, the outbreak of the COVID-19 pandemic earlier in 2020 had a significant impact on outstanding grant applications in the pipeline severely hindering the charity's ability to raise funds. As a consequence, the Trustees believe that, given the huge effects of the COVID-19 pandemic on the charity's income and low level of reserves available, there will not be adequate resources to continue in operation for the foreseeable future. Given the lack of funding, and the absence of sufficient reserves to allow the Charity time to secure further funding, the Trustees resolved in June 2021 to cease the operations of the Charity effective from 5 July 2021.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Grants are credited to the Statement of Financial Activities in the year in which the charity becomes entitled to them.

Income from charitable activities as well as fundraising and sponsorship is recognised in the period to which it relates.

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Trustees Annual Report and Financial Statements for the year ended 31st October 2022

1. Accounting policies (continued)

f) Expenditure

Liabilities and related expenditure are recognised in full in the financial statements as soon as an obligation arises.

Costs of generating funds include fundraising expenses.

Charitable activities relate to the cost of providing support to different youth organisations and providing resources for young people and have been allocated directly to functional headings as shown in the Statements of Financial Activities, and also note 4 to the accounts.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include independent examination fees, legal and professional fees and bank charges.

The support costs are costs which are required to run the charity on a day to day basis, they consist of office costs and staff travel, training and governance.

g) Tangible fixed assets and depreciation

Tangible fixed assets are stated as cost less depreciation and the threshold for capitalisation is £500. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	33% Straight Line
Fixtures, fittings and equipment	20% Straight Line
Motor vehicles	25% Straight Line

h) Investments

Fixed asset investments are stated at cost less any provision for impairment.

i) Taxation

The charity is not subject to Corporation Tax or other taxes on income and gains arising from its charitable objectives.

j) Funds

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

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

k) Debtors

Trade and other debtors are recorded at the settlement amount due after trade discounts have been applied. Prepayments are valued at the prepaid amount, net of any applicable trade discounts.

l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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Trustees Annual Report and Financial Statements for the year ended 31st October 2022

1. Accounting policies (continued)

m) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2. Donations and legacies

	2022	2021
	Total	Total
	£	£
General Donations	503	3,472
21 Bridges Donations	-	-
Charity of the year awards	-	-
Corporate Donation	-	13,861
Gift Aid	-	-
	<u>503</u>	<u>17,333</u>
Total		

All donations and legacies are unrestricted

3. Income from charitable activities 2022

	Restricted £	Unrestricted £	Total £
Grants -other	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

	Restricted £	Unrestricted £	2021 Total £
Grants -other	-	79,265	79,265
Total	<u>-</u>	<u>79,265</u>	<u>79,265</u>

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4. Analysis of expenditure

	Staff costs (note 6) £	Other costs £	Allocation of governance costs £	2022 £
	-		-	
Raising funds				
Cost of generating funds	-	-	-	-
Trading activities Cost of trading	-	-	-	-
Charitable activities				
Activities undertaken directly	-	555	-	555
Support Costs Office costs	-	-	-	-
Redundancy Pay		-		-
Total expenditure		555		555

	£	Other costs £	Allocation of governance costs £	2021 £
Raising funds				
Cost of generating funds	-	-	-	-
Trading activities Cost of trading	-	-	-	-
Charitable activities				
Activities undertaken directly	89,309	-	-	89,309
Support Costs Office costs	-	5,581	-	5,581
Recruitment expenses	-	-	-	-
Redundancy Pay	-	-	-	-
Total charitable expenditure				
Total expenditure	89,309	5,581	-	94,890

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5. Net income / (expenditure) for the year

This is stated after charging:

	2022	2021
	£	£
Depreciation	-	-
Operating lease rentals		
Property	-	-
Other	-	-
Independent examiner's remuneration:	-	-
	<u> </u>	<u> </u>

6. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management

Staff costs were as follows:

	2022	2021
	£	£
Salaries and wages	-	78,511
Social security costs	-	10,798
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
	-	89,309

No employee earned more than £60,000 during the period.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £0 (2020: £47,453).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil). No expenses were reimbursed to trustees during the year (2021: £nil).

The average weekly number of employees during the period was as follows:

	2022	2021
Total employees	0	5.7
	<u> </u>	<u> </u>

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7. Tangible fixed assets	Plant and Machinery	Fixtures, Fittings & Equipment	Motor Vehicles	Totals
	£	£	£	£
Cost				
At the start of the period	2,524	687	18,250	21,461
Additions	-	-	-	-
At the end of the period	2,524	687	18,250	21,461
Depreciation				
At the start of the period	2,524	687	18,250	21,461
Charge for the period	-	-	-	-
At the end of the year	2,524	687	18,250	21,461
Net book value				
At the end of the period	-	-	-	-
At the start of the period	-	-	-	-

8. Fixed assets investments	2022	2021
	£	£
Cost at 1 November	-	100
Acquisitions at cost	-	-
Impairment	-	(100)
	<hr/>	<hr/>
	-	-

Holdings of more than 20%

The charity held more than 20% of the control of the following entities: Good Hope Festivals Limited, 100 % of ordinary share capital. Smart Choices owns the whole of the issued ordinary share capital of Good Hope Festivals Limited, a company registered in England. The company is now dormant and there was no trading in the year. Previously, the subsidiary was used for non-primary purpose trading activities. Activities have not been consolidated as the total income of the group was below the threshold for preparing group accounts. There were no profits available to gift aid to the charity in year. The subsidiary is in possession of a festival licence for an annual event on Blackheath. During 2020, Trustees determined that in the current environment it is highly unlikely that such a festival would be able to take place, and consequently, the Charity has fully impaired its investment in Good Hope Festivals Limited.

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Trustees Annual Report and Financial Statements for the year ended 31st October 2022

9 Debtors

	2022 £	2021 £
Other debtors	<u>19,149</u>	<u>19,149</u>
	<u>19,149</u>	<u>19,149</u>

10. Creditors: amounts falling due within one year

	2022 £	2021 £
Taxation and social security	28,982	28,354
Accruals	<u>1,001</u>	<u>1,644</u>
	<u>29,983</u>	<u>29,998</u>

Net assets at the end of the year

11a Analysis of net assets between funds (current year)

	Restricted funds £	Unrestricted funds £	Total funds £
			-
	-	22,007	22,007
Investments	-	-	-
Net current assets	-	-	-
Long term creditors			
	<u>-</u>	<u>22,007</u>	<u>22,007</u>

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11b Analysis of net assets between funds (prior year)

	Restricted funds £	Unrestricted funds £	Total funds £
Investments	-	-	-
Net current assets	-	22,059	22,059
Long term creditors	-	-	-
Net assets at the end of the year	-	22,059	22,059

12a Restricted funds (current year)

	At the start of the period £	Income £	Expenditure £	Transfers £	At the end of the period £
Restricted funds	-	-	-	-	-
Total restricted funds	-	-	-	-	-
Unrestricted funds					
General funds	22,059	503	(555)	-	22,007
Total unrestricted funds	22,059	503	(555)	-	22,007
Total funds	22,059	503	(555)	-	22,007

12b Restricted funds (prior year)

	At the start of the period £	Income £	Expenditure £	Transfers £	At the end of the period £
Restricted funds	-	-	-	-	-
Total restricted funds	-	-	-	-	-
Unrestricted funds					
General funds	20,351	96,596	(94,890)	-	22,059
Total unrestricted funds	20,351	96,598	(94,890)	-	22,059
Total funds	20,351	96,598	(94,890)	-	22,059

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Trustees Annual Report and Financial Statements for the year ended 31st October 2022

13. Related parties

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.