

# **Patchwork Foundation (CIO)**

## **Trustees Annual Report and Financial Statements (for the period ended 31<sup>st</sup> December 2020)**

Charity Number: 1177576

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## Reference and Administrative Information

Charity Name:	Patchwork Foundation (Patchwork)
Charity Number:	1177576
Company Number:	08487395
Areas of Operation:	England and Wales
Operational Address:	Unit C119, Trident Business Centre, 89 Bickersteth Road, Tooting, London, SW17 9SH
Trustees:	Farmida Bi (Chair) Harris Bokhari OBE – concurrently Ltd company director Melanie Dawes CB Simon Fraser GCMG Jonathan Holt Poppy Mitchell-Rose Sheikh Aliur Rahman Oluwafunmilayo Shogelola – concurrently Ltd company director
Key Management:	Imran Sanaullah MBE (CEO)
Bankers:	Al-Rayan Bank
Auditor:	Goldwins Limited 75 Maygrove Road, West Hampstead, London NW6 2EG

The Patchwork Foundation (Patchwork or the Foundation or the Charity) Trustee Board presents their report and the audited financial statements as a charitable incorporated organisation (CIO) for the Charity's fourth period, starting 1<sup>st</sup> January 2020 and ending 31<sup>st</sup> December 2020. Patchwork's reporting period was adjusted to better align with the Foundation programme of activity which follows the calendar year.

Reference and administrative information are set out on page 3, and form part of this report. The financial statements comply with current statutory requirements, Patchwork's constitution and the Statement of Recommended Practice (SORP) issued by the Charity Commission for charities preparing their accounts in accordance with FRS 102 ('Accounting and Reporting by Charities').

Patchwork was previously operated and managed as a company limited by guarantee (Patchwork Foundation Limited, company number 08487395), but was successfully registered as a CIO on 19<sup>th</sup> March 2018. The company now serves as a method of income generation for the Charity and donates all profit to the Charity as described below under 'Structure, Governance and Management'. All other functions and activities are managed and overseen by the Charity and the Trustees.

## Objectives and Activities

Patchwork's key objective, as set out in our governing document, is to further the engagement of young people in the UK (18-30 years old) who come from under-represented, deprived and minority communities, and provide opportunities for them to more actively participate in the democratic processes and wider civil society of the United Kingdom, by:

- (a) advancing their education and knowledge of the United Kingdom's democracy and civil society;
- (b) providing advice and assistance, programmes, activities and other support to develop their skills, capacities and capabilities; and
- (c) helping and encouraging them to implement this knowledge in their lives, including taking active roles in public life and civil society.

The Patchwork Trustee Board has reviewed the aims, objectives and activities of the Charity and will continue to review these annually. The Trustees have referred to the general guidance provided by the Charity Commission regarding public benefit when reviewing the Charity's aims and objectives, assessing the Charity's current activities and planning its future activities.

Patchwork Foundation runs a number of initiatives and programmes to support the involvement of young people with diverse lived experience in British politics and democracy, from across England and Wales but primarily centred around London. Through these, we support their development and learning by encouraging institutions and senior individuals to engage directly with young people.

Patchwork delivers its objective through three distinct programmes:

- **Masterclass Programme**

A 10-month programme which provides participants with the opportunity to learn from senior figures within politics, civil society, industry and journalism. The programme also develops soft skills, such as networking, public speaking and chairing, and includes in-depth Q&A

sessions with the tutors to learn about the nature of their work. The sessions are hosted by corporates, government departments, politicians and philanthropists to make physical spaces that beneficiaries might otherwise not enter more accessible. The programme delivers on both parts of the Foundation's purpose, ensuring that graduates of the programme leave with a better understanding of the work done by senior politicians, civil servants and business people, as well as increased self-belief, confidence and knowledge, in order to engage with prominent individuals and develop their personal aspirations for future roles in wider society. Patchwork continues to support programme graduates through its alumni network.

- **#GetInvolved**

The #GetInvolved initiative is focused on the involvement and engagement of young people in British democracy by working directly with political parties. The first element sees the Foundation working closely with the parties to support young people in developing their understanding of political campaigning methods and techniques. By enabling such interactions, beneficiaries of the programme not only learn about the processes and procedures but also develop greater skills and confidence to both engage with such work in the future and lead on initiatives they feel passionately about. The Foundation also provides the opportunity for complimentary passes to political party conferences for young people, and supports these attendees by providing bespoke sessions and access to senior party figures to remove any barriers to engaging with key decision-makers. Through the Party Conference Programme, the Foundation also provides soft skills training and techniques for participants to use in their professional development.

- **MP of the Year Awards**

The MP of the Year Awards (MPotY) seeks to support and encourage MPs to engage with underrepresented and minority communities, by recognising those who have actively sought to engage and represent these communities in the UK. All MPs are nominated by the public, with the Foundation carrying out independent research. This research is then anonymised and provided to a panel of independent judges from leading charities or organisations focused on supporting those from underrepresented communities. The public are provided with an opportunity to vote for their 'People's Choice' MP of the Year. The awards are intended to serve as a driver for all MPs to engage with underrepresented communities and to highlight best practice amongst electorally elected representatives to engage with those who may be overlooked due to their limited voting or political capital.

Patchwork focuses on the three key initiatives above in order to deliver its mission and purpose, and deliver a wider public benefit. The Foundation delivers the programmes and activities through an efficient small staff team. Staff support a wider number of volunteers, who assist with the Foundation's delivery of operations.

In addition to the three core areas of work the Foundation also supports a growing network of alumni from the Masterclass and #GetInvolved programmes to ensure their long-term development and positive contribution to wider society following the programme(s).

## Achievements and Performance

During the reported period, Patchwork's Masterclass programme supported 64 young people over the 10-month programme. The #GetInvolved programme engaged around 100 young people in grassroots democracy, including providing the opportunity for 45 young people to attend one of the three major political party conferences. Due to the challenges posed by the pandemic, the Foundation sought to create meaningful opportunities for digital engagement. The MP of the Year Awards 2020 saw 80 MPs nominated from across the country. To support the activities, the Foundation spent £172,379 over the reporting period.

### Programme Achievements

Over the reported period, the Foundation's core programmes continued to grow and our evaluations showed that the programmes are highly effective.

- **Masterclass Programme**

This year's flagship Masterclass programme received two Special Masterclasses with Yael Lampert, Deputy Chief of Mission at the US Embassy, and with Lord Mark Sedwill KCMG, then Cabinet Secretary and Head of the Civil Service.

Evaluation of the programme showed:

- 94% reported feeling comfortable putting forward their ideas, compared to 60% beforehand
- 83% reported feeling confident solving a problem impacted by politics, compared to only 53% beforehand
- 81% now feel confident working with someone with opposing views to their own, compared to 63% beforehand
- 98% would recommend the Masterclass Programme

- **#GetInvolved**

The Foundation was able to work with a network of political parties to provide access to the Party Conferences for selected candidates, providing them with unique development and learning opportunities. The impact of the programme showed that young people selected for the programme had an increased and improved understanding of our democracy and how to engage with it.

Evaluation of the Party Conference Programme showed:

- 90% said they would recommend this programme to others
- 75% felt that their expectations were met, even in an online format

Participants were also able to attend a number of events from the London Mayoral elections, including the launch of Sadiq Khan's re-election bid, as well as attending a rally held by Sir Keir Starmer during the Labour leadership contest.

- **MP of the Year Awards**

The MP of the Year Awards saw 80 Members of Parliament nominated, and over 400 people engaged with the event via both virtual attendance and a livestream. The Awards received coverage from 14 British news outlets.

- **Alumni**

Since the Foundation's creation, it has amassed an alumni network of over 350 young people who are graduates of its programmes. Alumni are engaged on a monthly basis through newsletters and events, which see consistent levels of high engagement. The Foundation partners with organisations to create unique opportunities for the Alumni network. Examples in this reported period include:

- Attending the Europe Future Leaders Reception at the British Museum
- A special Alumni Masterclass with the Former Prime Minister of the United Kingdom, Rt Hon David Cameron

The Foundation also worked in partnership with the U.S. Embassy in London to provide 8 Patchwork alumni members with the opportunity to go on the International Visitors Leadership Programme (IVLP). In previous years, they would have spent two weeks of the summer travelling across the USA, meeting with community groups, lobbyists, political parties, and ordinary American voters, for participants to better understand all levels of US society and establishing contacts to share best practice. As a result of the COVID-19 pandemic, the physical trip was postponed until 2021, and participants were given the opportunity to attend a number of virtual sessions run by the Embassy in the meantime. These focused on topics such as youth empowerment and civic engagement, and sought to deepen their knowledge of the US political system and its relationship with the UK.

### **Accessibility Fund**

Throughout this period, the Foundation made available an 'Accessibility Fund' which sought to remove financial barriers for participants on the Foundation's programmes. In the reported period, the Foundation covered the cost of beneficiaries including items such as travel, accommodation and requirements such as clothing and equipment required by the programmes.

### **Beneficiaries**

The scope of young people Patchwork supports is restricted by two elements: age and background. All beneficiaries of the programme are aged between 18-30 years old and must be from a democratically underrepresented, disadvantaged or minority community.

With the scope of those who are democratically underrepresented being wide-ranging, it enables the Foundation to support a range of young people from across England and Wales, taking into consideration factors such as but not limited to: socio-economic background, race, faith, education, gender, sexuality, disability and geography. The Foundation assesses participants on the scope of opportunities that may or may not be naturally available to them to ensure the resources of the Charity are invested in those in most need.

## **Wider Benefits**

Beyond the quantitative impact and success of the programmes, the Foundation feels the benefit and impact is better captured through the journey of the beneficiaries. During the reported period, graduates of the programme have gone on to work in Parliament, the Civil Service, Local Authorities, charities, political campaigns, teachers, medical professionals, and other roles in the private sector.

The Foundation works to not only support the development of young people but also to ensure they are well equipped to succeed in any profession they may choose, and become positive assets to both wider society and the organisations and communities they go on to engage with.

The Foundation's work with political parties, government departments and private companies to promote social mobility of young people from underrepresented, disadvantaged and minority communities benefits not only the Charity's beneficiaries, but also other young people in similar situations or backgrounds who interact with the Patchwork participants.

One of the beneficiaries of the 2020 Masterclass programme has explained the impact in their testimonial:

*"I have absolutely loved this programme and I am so grateful that I was able to participate in it. [...] It gave me purpose, self-belief and support through a time when I was feeling low. I learnt so much from all the tutors and have implemented a lot of their advice. I gained unexpected skills such as better research skills, social media etiquette, diplomatic speaking, public speaking, networking, writing thank you letters, asking effective questions and so much more. [...] It gave me the confidence and safe environment to advocate for my own needs and inclusion."*

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. The public benefit of the Charity's activities is to help young people to advance in life by promoting and encouraging young people from underrepresented, disadvantaged and minority communities to actively participate in the democratic processes and wider civil society of the United Kingdom.

## **Administration**

The Foundation staff team maintained three full-time members of staff, with two members (the 'Chief of Operations' and the 'Programmes and Communications Officer') being furloughed under the government's COVID job retention scheme from May to June. The Charity continues to focus its efforts on being volunteer led, enabling ongoing personal and professional development of Alumni. The staff team and Trustees support the voluntary team, all of whom are from the communities Patchwork seeks to support and engage. Volunteers also support the strategic direction and long-term approach of the Foundation's activities.

## **Plans for the future**

In line with the Foundation's growth plans, the next three years will see the stabilisation and expansion of the Foundation's core programme to increase the number of beneficiaries, as well as understanding how it can provide greater support to young people at the intersections of disadvantage. The Foundation is also looking to diversify its income stream to ensure greater sustainability of the Charity and resilience in the long-term.

## **Structure, Governance and Management**

The Patchwork Foundation have a full trustee board, comprising eight members and chaired by Farmida Bi. All Trustees have signed a code of conduct in line with the aspirations and aims of the Charity and have been provided with guidance provided by the Charity Commission on responsibilities of the trustee board.

None of the trustees has any beneficial interest in the Foundation.

The board meets four times a year (once a quarter) supplemented by an annual away day to focus on strategic development and growth. Each board meeting includes detailed reporting from the CEO and Director of Operations to the board, with the trustees giving active consideration to the progress of the Charity in achieving its key targets and fulfilling its purpose. This also includes updates on fundraising performance and budget sign off and review for the Foundation to achieve its objective and targets.

The Trustees delegate responsibility for the day-to-day operation and management of the Foundation to the Charity CEO. The CEO manages all of the Foundation staff, ensures the Foundation delivers on agreed objectives set out by the Trustees, and is tasked with reporting to the Board on all aspects of the Foundation's operations and finances as well as potential risks or issues.

Although largely dormant, the Patchwork Foundation Ltd has two Trustees who are concurrently directors of the CIO: Harris Bokhari and Oluwafunmilayo Shogelola. The company only deals with financial income relating to consultancy or delivery work, which is used to generate income for the Charity. All profits from the company are donated to the Charity without exception. The CEO of the Charity manages the limited day-to-day activity of the company.

## **Financial Review**

The Foundation held all its funds in a single bank account, which the Trustees marked as a risk factor. A secondary account will be set up to hold and safeguard the Foundation's reserves.

For the accounting period 1<sup>st</sup> January 2020 to 31<sup>st</sup> December 2020, the Foundation was able to raise £202,305 in donations, of which £77,023 was unrestricted. In total, £172,379 was spent on the Foundation's charitable activities for this period.

The long-term support for the Foundation's programmes has enabled the Foundation to budget for funding to cover all costs associated with its charitable activities. Although the pandemic has impacted the financial income of the Foundation, cost cutting measures were implemented to sustain the organisation's work in the medium to long-term. The Charity was also able to apply for emergency funding and bring back staff from furlough.

### **Reserves Policy**

The Trustees have agreed to maintain a balance of the Foundation's unrestricted income from the Foundation's donations to equal nine months core running costs.

The Foundation's reserves seek:

- to provide a level of working capital that protects the continuity of our core work
- to provide a level of funding for unexpected opportunities
- to provide cover for risks such as unforeseen expenditure or unanticipated loss of income

The Foundation's reserve at the end of the reporting period is £100,000.

## Remuneration policy for key management personnel

The Trustees have identified the CEO and COO as the key management personnel of the Charity. Executive pay is determined by the Trustees. In line with the Foundation's expected growth and transition from a small limited company, the Trustees will be reviewing staff pay to ensure is comparative to salaries within the sector, specialism and skill of the staff and with due regard to "value for money". No employees are earning above £60,000 per annum.

## Risk

The Foundation does not have any financial investments or debt, therefore the Trustees recognise that the greatest risk for the Foundation is holding all funds in a single account. The Charity is currently in the process of separating funds into separate accounts to limit the risk it may be exposed to if a bank were to fail.

The 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.

## Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

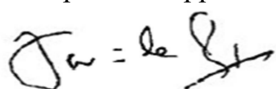
The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the Charity for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for maintaining proper accounting records which 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 trust deed/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.

This report was approved by the Trustees on 16 December 2021 and signed on their behalf by:



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Farmida Bi

Chair

## **Patchwork Foundation (CIO)**

### **Independent examiner's report to the trustees of Patchwork Foundation**

I report to the trustees on my examination of the accounts of Patchwork Foundation for the year ended 31 December 2020.

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

As the charity trustees of the CIO you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

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

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

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.

*Anthony Epton*

Anthony Epton BA FCA CTA FCIE  
Goldwins  
Chartered accountants  
75 Maygrove Road  
West Hampstead  
London NW6 2EG

16 December 2021

# Patchwork Foundation

## Statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 December 2020

				2020	2019
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
<b>Income from:</b>					
Donations and legacies	3	77,023	125,282	202,305	129,726
Charitable activities	4				1,000
Other income	5	2,327	-	2,327	2,741
<b>Total income</b>		<b>79,350</b>	<b>125,282</b>	<b>204,632</b>	<b>133,467</b>
<b>Expenditure on:</b>					
Raising funds	6	613	-	613	933
Charitable activities		46,484	125,282	171,766	127,317
<b>Total expenditure</b>		<b>47,097</b>	<b>125,282</b>	<b>172,379</b>	<b>128,250</b>
<b>Net income/ (expenditure) for the year</b>	7	<b>32,253</b>	<b>-</b>	<b>32,253</b>	<b>5,217</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>32,253</b>	<b>-</b>	<b>32,253</b>	<b>5,217</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		230,535	-	230,535	225,318
<b>Total funds carried forward</b>		<b>262,788</b>	<b>-</b>	<b>262,788</b>	<b>230,535</b>

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

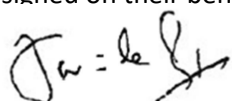
The attached notes form part of these financial statements.

**Patchwork Foundation**  
**Balance sheet**  
**As at 31 December 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets:</b>					
Tangible assets			-		-
<b>Current assets:</b>					
Debtors	11	51,696		4,449	
Cash at bank and in hand		221,325		227,904	
		<u>273,021</u>		<u>232,353</u>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	12	<u>10,233</u>		<u>1,818</u>	
<b>Net current assets</b>			<b>262,788</b>		230,535
<b>Total net assets</b>			<u><b>262,788</b></u>		<u>230,535</u>
<b>Funds</b>	15				
Restricted funds			-		-
Unrestricted funds:			<u><b>262,788</b></u>		230,535
<b>Total funds</b>			<u><u><b>262,788</b></u></u>		<u><u>230,535</u></u>

The financial statements have been prepared in accordance with the Charities SORP (FRS 102).

Approved by the trustees on 16 December 2021  
and signed on their behalf by:



**Farmida Bi**  
**Chair**

**Charitable Incorporated Organisation: 1177576**

The attached notes form part of the financial statements.

**Patchwork Foundation**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**1 Accounting policies**

**a) 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 charitable incorporated organisation 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 or note.

**b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. There were no restatements required.

**c) Going concern**

The trustees consider that there are no material uncertainties about the charitable incorporated organisations's ability to continue as a going concern. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**d) 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.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

**e) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**g) Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

**Patchwork Foundation**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**1 Accounting policies (continued)**

**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise of trading costs and the costs incurred by the charitable incorporated organisation in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i) Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity and its activities. These costs have been allocated between expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

**j) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**k) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**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.

**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.

**Patchwork Foundation**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**3 Income from donations and legacies**

	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	£	£	£	£	£	£
Donations	77,023	125,282	202,305	104,726	25,000	129,726
	<u>77,023</u>	<u>125,282</u>	<u>202,305</u>	<u>104,726</u>	<u>25,000</u>	<u>129,726</u>

**4 Income from charitable activities**

	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	£	£	£	£	£	£
Patchwork Ltd	-	-	-	1,000	-	1,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>

**5 Other income**

	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	£	£	£	£	£	£
Other income	2,327	-	2,327	2,741	-	2,741
	<u>2,327</u>	<u>-</u>	<u>2,327</u>	<u>2,741</u>	<u>-</u>	<u>2,741</u>

**Patchwork Foundation**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**6 Analysis of expenditure**

	Raising funds	Charitable activities	Support costs	Governance costs	2020 Total	2019 Total
		£	£	£	£	£
Staff costs	-	147,250	-	-	147,250	85,584
Staff bonus	-	3,835	-	-	3,835	-
Website maintenance	350	-	-	-	350	350
Fundraising	263	-	-	-	263	583
Getinvolved	-	80	-	-	80	200
Masterclass programme	-	2,745	-	-	2,745	6,605
Rent	-	-	6,524	-	6,524	4,588
Subscriptions & Membership	-	-	424	-	424	207
Independent examination	-	-	-	1,500	1,500	1,500
Insurance	-	-	656	-	656	617
MPoTY - Awards and expenses	-	2,078	-	-	2,078	-
Telephone	-	-	305	-	305	85
Volunteer expenses	-	-	99	-	99	651
Travel and subsistence	-	-	247	-	247	9,766
IT Software and consumables	-	-	2,743	-	2,743	-
Postage and stationery	-	-	750	-	750	-
Patchwork Ltd	-	-	-	-	-	1,000
Equipment	-	1,349	-	-	1,349	2,040
Other expenses	-	-	1,181	-	1,181	14,474
	613	157,337	12,929	1,500	172,379	128,250
Support costs	-	12,929	(12,929)	-	-	-
Governance costs	-	1,500	-	(1,500)	-	-
<b>Total expenditure 2020</b>	<b>613</b>	<b>171,766</b>	<b>-</b>	<b>-</b>	<b>172,379</b>	
Total expenditure 2019	933	127,317	-	-	-	128,250

Of the total expenditure, £47,097 was unrestricted (2019: £64,786) and £125,282 was restricted (2019: £61,423).

**Analysis of expenditure-prior year**

	Raising funds	Charitable activities	Support costs	Governance costs	2019 Total	2018 Total
		£	£	£	£	£
Staff costs	-	85,584	-	-	85,584	21,604
Website maintenance	350	-	-	-	350	-
Fundraising	583	-	-	-	583	-
Getinvolved	-	200	-	-	200	-
Masterclass programme	-	6,605	-	-	6,605	342
Rent	-	-	4,588	-	4,588	1,485
Subscriptions & Membership	-	-	207	-	207	-
Accountancy	-	-	-	1,500	1,500	-
Insurance	-	-	617	-	617	-
Telephone	-	-	85	-	85	176
Volunteer expenses	-	-	651	-	651	-
Travel & Subsistence	-	-	9,766	-	9,766	-
Patchwork Ltd	-	1,000	-	-	1,000	-
Equipment	-	2,040	-	-	-	-
Other expenses	-	-	14,474	-	14,473	3,074
	933	95,429	30,388	1,500	126,209	26,681
Support costs	-	30,388	(30,388)	-	-	-
Governance costs	-	1,500	-	(1,500)	-	-
Total expenditure 2019	933	127,317	-	-	128,250	
Total expenditure 2018	-	26,681	-	-	-	

**Patchwork Foundation**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

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**7 Net income / (expenditure) for the year**

This is stated after charging:

	2020	2019
	£	£
Independent examiner's fee	2,000	1,500

**8 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2020	2019
	£	£
Salaries and wages	129,188	51,725
Social security costs	14,190	21,988
Employer's contribution to defined contribution pension schemes	3,872	4,980
	<b>147,250</b>	<b>78,693</b>

No employee received remuneration in excess of £60,000 in the year (2019: £nil).

The total employee benefits including pension contributions of the key management personnel were £119,635 (2019: 93,500).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2019: £nil) neither were they reimbursed expenses during the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

**Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 3 (2019: 3).

**9 Taxation**

The charitable incorporated organisation is a registered charity and is exempt under Part 11 of the Corporation Tax Act 2010 on its income and S256 Taxation of Chargeable Gains Act 1992 on its capital gains.

The charitable incorporated organisation is not registered for VAT and the expenditure includes VAT where applicable.

**Patchwork Foundation**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**10 Debtors**

	2020	2019
	£	£
Trade debtors	44,000	-
Prepayments	-	246
Loan	1,404	-
VAT	6,292	4,203
	<b>51,696</b>	<b>4,449</b>

**11 Creditors: amounts falling due within one year**

	2020	2019
	£	£
Trade payables	1,876	1,800
Other creditors	8,357	18
	<b>10,233</b>	<b>1,818</b>

**12 Pension scheme**

The charity has no pension scheme other than the statutory pension.

**13 Analysis of net assets between funds**

	General Unrestricted Funds	Restricted Funds	Total funds
	£	£	£
Tangible fixed assets	-	-	-
Net current assets	262,788	-	262,788
<b>Net assets at the end of the year</b>	<b>262,788</b>	<b>-</b>	<b>262,788</b>

**14 Movements in funds**

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	At the end of the year £
<b>Restricted funds:</b>				
Covid Grant	-	15,032	(15,032)	-
Masterclass Programme	-	74,250	(74,250)	-
GetInvolved Programme	-	36,000	(36,000)	-
<b>Total restricted funds</b>	<b>-</b>	<b>125,282</b>	<b>(125,282)</b>	<b>-</b>
<b>Unrestricted funds:</b>				
General funds	230,535	79,350	(47,097)	262,788
<b>Total funds</b>	<b>230,535</b>	<b>204,632</b>	<b>(172,379)</b>	<b>262,788</b>

**15 Legal status of the charity**

The charity is a charitable incorporated organisation.

**16 Related party transactions**

There are no related party transactions to disclose (2019: none).

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

**Patchwork Foundation**  
**Notes to the financial statements**  
**For the year ended 31 December 2020**

**17 a. Analysis of net assets between funds-prior year**

	General Unrestricted Funds £	Restricted Funds £	Total funds £
Tangible fixed assets	-	-	-
Net current assets	230,535	-	230,535
Net assets at the end of the year	230,535	-	230,535

**b. Movements in funds-prior year**

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfer between funds	At the end of the year £
<b>Restricted funds:</b>					
GetInvolved Programme	-	25,000	(61,423)	36,423	-
Total restricted funds	-	25,000	(61,423)	36,423	-
<b>Unrestricted funds:</b>					
General funds	225,318	108,467	(66,827)	(36,423)	230,535
Total funds	225,318	133,467	(128,250)	230,535	230,535