

CHARITY REGISTRATION NUMBER: 1177576

Patchwork Foundation
Unaudited Financial Statements
31 December 2022

TURPIN BARKER ARMSTRONG

Chartered Certified Accountants

Allen House

1 Westmead Road

Sutton

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Patchwork Foundation
Financial Statements
Year ended 31 December 2022

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Patchwork Foundation

Trustees' Annual Report

Year ended 31 December 2022

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2022.

Reference and administrative details

Registered charity name	Patchwork Foundation
Charity registration number	1177576
Principal office	Unit C119 Trident Business Centre 89 Bickersteth Road London

The trustees

Ms S Shah	(Appointed 21 March 2022)
F Bi	
J Holt	
H Bokhari	
S Rahman	
Mr M Ogun	(Appointed 21 March 2022)
Mr M Simpson	(Appointed 21 March 2022)
T Shogelola	
M Dawes	
S Fraser	
P Mitchell - Rose	

Independent examiner	David Payne FCA Allen House 1 Westmead Road Sutton Surrey SM1 4LA
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Patchwork Foundation
Trustees' Annual Report *(continued)*
Year ended 31 December 2022

The Patchwork Foundation (Patchwork or the Foundation or the Charity) Trustee Board presents their report and the financial statements as a charitable incorporated organisation (CIO) for the Charity's fifth period, starting 1st January 2022 and ending 31st December 2022. Patchwork's reporting period was adjusted to better align with the Foundation programme of activity which follows the calendar year.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Charity's constitution and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

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 19th March 2018. The company then served as a method of income generation for the Charity and donated all profit to the Charity as described under 'Structure, Governance and Management'. As of 5th September 2023, the company had dissolved. All other functions and activities are managed and overseen by the Charity and the Trustees.

Structure, governance and management

The Patchwork Foundation has a full trustee board, comprising eleven 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 Programmes 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. 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.

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 their 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

Patchwork Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2022

and senior individuals to engage directly with young people. Patchwork delivers its objective through four 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 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. Our young people are provided with an opportunity to vote for their 'Young People's MP of the Year', and 'Masterclass Tutor 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.

Internships

The Patchwork Internship Programmes focus on better representation of young people from traditionally underrepresented backgrounds at the heart of party politics. The first element sees the Foundation working closely with the party to support young people in their internship journey throughout different departments within their HQ, including Policy, Media, etc. The Foundation also provides the opportunity to develop soft skills such as public speaking, networking, and debating to use in their professional development. Patchwork focuses on the four 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.

Volunteers

Staff engage with a group of 70 volunteers, who assist with the Foundation's delivery of events. In addition to the four core areas of work, the Foundation also supports a growing network of alumni from the Masterclass and

Patchwork Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2022

#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 77 young people over the 10-month programme. The #GetInvolved Programme engaged around 400 young people in grassroots democracy, including providing the opportunity for 26 young people to attend one of the two major political party conferences (usually three; however, the Liberal Democrat conference was cancelled in 2022). Due to the challenges posed by the pandemic, the Foundation sought to create meaningful opportunities for digital engagement. The MP of the Year Awards 2022 saw 49 MPs nominated from across the country.

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 speakers from various professions, notably Tamara Finkelstein, Permanent Secretary at Defra, Robert Trotter, Speechwriter at No. 10, and a special Masterclass from Nikhil Rathi, CEO. Financial Conduct Authority. Evaluation of the programme showed the following results:

- 88% reported feeling comfortable putting forward their ideas, compared to 60% beforehand.
- 87% reported feeling confident solving a problem impacted by politics, compared to 73% beforehand.
- 88% reported feeling confident working with someone with opposing views to their own, compared to 76% beforehand.
- 96% would recommend the Masterclass Programme to another young person.

#GetInvolved Programme

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:

- 100% said they would recommend the programme to others
- Participants reported feeling a 25% increase in access to politicians

Participants of the #GetInvolved scheme attended a number of events across the country in the lead-up to the May Elections, including canvassing sessions with leading political individuals such as Ed Davey MP, Siân Berry AM, Dr Luke Evans MP, and some of the Foundation's Alumni Councillors. The Foundation also held an event in collaboration with the U.S. Embassy at the Natural History Museum, focusing on how politics can help in the fight against climate change. With a range of different speakers from across the political and activism spectrum, the event saw over 50 attendees.

MP of the Year Awards

The MP of the Year Awards saw 49 Members of Parliament nominated, and over 160 people attended our in-person ceremony hosted at Speaker's House, Parliament.

Alumni

Since the Foundation's creation, it has amassed an alumni network of over 450 young people who are graduates of its programmes. Alumni are engaged on a regular basis through newsletters and events, which see consistent levels of high engagement. The Foundation held two Alumni Masterclasses this year, one with Baroness Tanni Grey-Thompson, Britain's greatest Paralympian and House of Lord member, and one with Richard Iferenta, Vice

Patchwork Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2022

Chair of KPMG.

International Visitor Leadership Programme (IVLP)

The Foundation re-launched its IVLP scheme in collaboration with the U.S. Embassy, after being unable to hold the scheme in 2021 due to the COVID-19 pandemic. The Foundation sent 16 Patchwork Alumni to the US for two weeks to meet with leaders and representatives across the US to immerse themselves in American culture and politics.

Political Internship Scheme

The Foundation launched a Summer Diversity Internship Scheme, a paid 6 week internship opportunity for 12 young people. The programme ran three fortnightly rotations across different departments of CCHQ as well as attending 'Patchwork Development Days'. The pilot was launched in partnership with CCHQ in 2021 and the Foundation is in discussions with the other major political parties to expand the scheme in order to ensure it remains apolitical. Evaluation of the programme showed:

- 92% of participants felt they had gained the skills and knowledge they wanted
- 100% of participants would be likely to recommend the internship

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 young people Patchwork supports selected under 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 are better captured through the journey of the beneficiaries. During the reported period, graduates 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.

Some of the beneficiaries of the 2022 Masterclass Programme have explained the impact in their testimonials:

Patchwork Foundation

Trustees' Annual Report *(continued)*

Year ended 31 December 2022

“The Masterclass Programme gave me space to believe I had the potential to fulfil through a programme of learning, networking, mentoring, socialising (with likeminded young people) and new experiences.”

“It has equipped me with more knowledge about British society and politics. It has also helped me become more confident in my leadership capabilities.”

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 four full-time members of staff, and acquired one new staff member in a 'Programmes Assistant' position, working on a part-time basis, starting in October. The Charity continues to focus its efforts on being volunteer-led, enabling the 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. Three new trustees were added to the Trustee Board to improve the representation of the lived experiences of our beneficiaries on the board. They officially joined the Board in March 2022. They are all Alumni of the Foundation's programmes to integrate former Patchworkers into our strategic thinking.

The Foundation also saw the emergence of the 'Alumni Leadership Council' this year, which consists of Alumni in senior positions who provide feedback and guidance to the Foundation on particular topics.

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 programmes 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.

Reserves Policy

The Trustees have agreed to maintain a balance of the Foundation's unrestricted income from the Foundation's donations to increase to one year core running costs, increased from nine months.

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 equivalent to 12 months.

Remuneration policy for key management personnel

The Trustees have identified the CEO 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 it is comparative to salaries within the sector, specialism and skill of the staff and with due regard to "value for money". One employee is earning above £60,000 per annum with all remaining employees earning below £60,000.

Risk

The Foundation does not have any financial investments or debt. 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.

Patchwork Foundation
Trustees' Annual Report *(continued)*
Year ended 31 December 2022

Financial review

The Foundation opened a second bank account with The Co-operative Bank, to use as a day-to-day account and maintained the Al-Rayan account as a secondary account. For the accounting period 1st January 2022 to 31st December 2022, the Foundation was able to raise £248,463 in donations, of which £114,903 was unrestricted. In total, £232,365 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.

Financial Controls

The Trustees reviewed and reapproved the financial handling policy at the September 2022 meeting. Updates are as follows:

"The CEO and Director of Programmes are both recognised as budget holders and are responsible for maintaining financial systems and records. The Foundation's reserves, accountants and bank accounts have all been updated to reflect current agreements as authorised by trustees. Exceptions for expenses without receipts amended to £15. Fixed assets value on acquisition amended to £500 per the recommendation of bookkeepers. The Executive Assistant is responsible for the fixed asset register. CEO updated as level 3 signatory."

Statement of Trustee's 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 and 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 judgements 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 26th October, 2023, and signed on their behalf by:



F Bi
Trustee

Patchwork Foundation

Independent Examiner's Report to the Trustees of Patchwork Foundation

Year ended 31 December 2022

I report to the trustees on my examination of the financial statements of Patchwork Foundation ('the charity') for the year ended 31 December 2022.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements 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 charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements 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.



David Payne FCA
Independent Examiner

Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

26/10/2023

Patchwork Foundation
Statement of Financial Activities
Year ended 31 December 2022

		Unrestricted funds £	2022 Restricted funds £	Total funds £	2021 Total funds £
	Note				
Income and endowments					
Donations and legacies	4	110,236	133,560	243,796	158,442
Charitable activities	5	4,667	—	4,667	1,750
Total income		<u>114,903</u>	<u>133,560</u>	<u>248,463</u>	<u>160,192</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	6	229,901	2,464	232,365	190,539
Total expenditure		<u>229,901</u>	<u>2,464</u>	<u>232,365</u>	<u>190,539</u>
Net income/(expenditure) and net movement in funds		<u>(114,998)</u>	<u>131,096</u>	<u>16,098</u>	<u>(30,347)</u>
Reconciliation of funds					
Total funds brought forward		232,441	—	232,441	262,788
Total funds carried forward		<u>117,443</u>	<u>131,096</u>	<u>248,539</u>	<u>232,441</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 11 to 18 form part of these financial statements.

Patchwork Foundation
Statement of Financial Position
31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	11	6,640	3,717
Current assets			
Debtors	12	39,748	7,876
Cash at bank and in hand		<u>203,700</u>	<u>229,754</u>
		243,448	237,630
Creditors: amounts falling due within one year	13	<u>1,549</u>	<u>8,906</u>
Net current assets		241,899	228,724
Total assets less current liabilities		<u>248,539</u>	<u>232,441</u>
Funds of the charity			
Restricted funds		131,096	-
Unrestricted funds		<u>117,443</u>	<u>232,441</u>
Total charity funds	15	<u>248,539</u>	<u>232,441</u>

These financial statements were approved by the board of trustees and authorised for issue on ..26 October 2023.,
and are signed on behalf of the board by:



F Bi
Trustee

The notes on pages 11 to 18 form part of these financial statements.

Patchwork Foundation
Notes to the Financial Statements
Year ended 31 December 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Unit C119, Trident Business Centre,, 89 Bickersteth Road, London, Tooting, SW17 9SH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Patchwork Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Patchwork Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	- 20% straight line
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Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Patchwork Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Donations - Unrestricted	106,836	—	106,836
Donations - Restricted	—	133,560	133,560
Patchwork Ltd	3,400	—	3,400
VAT Repayment	—	—	—
	<u>110,236</u>	<u>133,560</u>	<u>243,796</u>

Patchwork Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

4. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Donations - Unrestricted	102,751	—	102,751
Donations - Restricted	—	28,750	28,750
Patchwork Ltd	24,000	—	24,000
VAT Repayment	2,941	—	2,941
	<u>123,692</u>	<u>34,750</u>	<u>158,442</u>

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other income from charitable activities	<u>4,667</u>	<u>4,667</u>	<u>1,750</u>	<u>1,750</u>

6. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Expenses	<u>229,901</u>	<u>2,464</u>	<u>232,365</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Expenses	<u>56,568</u>	<u>133,971</u>	<u>190,539</u>

7. Net income/(expenditure)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	1,876	—
Operating lease rentals	<u>213</u>	<u>158</u>

8. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>2,000</u>	<u>2,571</u>

Patchwork Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

9. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2022	2021
	£	£
Wages and salaries	150,864	142,960
Social security costs	4,649	11,426
Employer contributions to pension plans	7,411	4,634
	<u>162,924</u>	<u>159,020</u>

The average head count of employees during the year was 4 (2021: 4).

1 employee received employee benefits of more than £60,000 during the year (2021: Nil).

10. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

11. Tangible fixed assets

	Equipment £	Total £
Cost		
At 1 January 2022	3,717	3,717
Additions	4,799	4,799
At 31 December 2022	<u>8,516</u>	<u>8,516</u>
Depreciation		
At 1 January 2022	—	—
Charge for the year	1,876	1,876
At 31 December 2022	<u>1,876</u>	<u>1,876</u>
Carrying amount		
At 31 December 2022	<u>6,640</u>	<u>6,640</u>
At 31 December 2021	<u>3,717</u>	<u>3,717</u>

12. Debtors

	2022	2021
	£	£
Trade debtors	39,000	6,000
Prepayments and accrued income	748	253
Other debtors	—	1,623
	<u>39,748</u>	<u>7,876</u>

Patchwork Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	573	40
Social security and other taxes	887	8,270
Other creditors	89	596
	<u>1,549</u>	<u>8,906</u>

14. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £7,411 (2021: £4,634).

15. Analysis of charitable funds

Unrestricted funds

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
General funds	<u>232,441</u>	<u>114,903</u>	<u>(229,901)</u>	<u>117,443</u>

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
General funds	<u>262,788</u>	<u>125,442</u>	<u>(155,789)</u>	<u>232,441</u>

Restricted funds

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
Restricted Fund	<u>—</u>	<u>133,560</u>	<u>(2,464)</u>	<u>131,096</u>

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
Restricted Fund	<u>—</u>	<u>34,750</u>	<u>(34,750)</u>	<u>—</u>

Patchwork Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

16. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Total Funds 2022
	£	£	£
Tangible fixed assets	6,640	-	6,640
Current assets	112,352	131,096	243,448
Creditors less than 1 year	(1,549)	-	(1,549)
Net assets	117,443	131,096	248,539

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Tangible fixed assets	3,717	-	3,717
Current assets	237,630	-	237,630
Creditors less than 1 year	(8,906)	-	(8,906)
Net assets	232,441	-	232,441

Patchwork Foundation
Management Information
Year ended 31 December 2022

The following pages do not form part of the financial statements.

Patchwork Foundation
Detailed Statement of Financial Activities
Year ended 31 December 2022

	2022 £	2021 £
Income and endowments		
Donations and legacies		
Donations - Unrestricted	106,836	102,751
Donations - Restricted	133,560	28,750
Patchwork Ltd	3,400	24,000
VAT Repayment	—	2,941
	<u>243,796</u>	<u>158,442</u>
 Charitable activities		
Other income from charitable activities	<u>4,667</u>	<u>1,750</u>
 Total income	<u>248,463</u>	<u>160,192</u>
 Expenditure		
Costs of raising donations and legacies		
Purchases	516	240
Wages and salaries	150,864	142,960
Employer's NIC	4,649	11,426
Pension costs	7,411	4,634
Operating leases	213	158
Rent	8,494	6,412
Rates and water	8,305	2,303
Light and heat	1,943	2,320
Repairs and maintenance	475	40
Insurance	710	482
Vehicle leasing/hire	2,451	3,906
Other motor/travel costs	25,259	345
Legal and professional fees	750	3,500
Telephone	1,648	1,734
Other office costs	171	116
Depreciation	1,876	—
MPoTY – Awards and expense	6,315	—
Masterclass programme	2,464	5,451
Website	204	339
Fundraising expenses	3,230	262
Accountancy	3,670	2,571
Subscriptions	747	1,340
	<u>232,365</u>	<u>190,539</u>
 Total expenditure	<u>232,365</u>	<u>190,539</u>
 Net income/(expenditure)	<u>16,098</u>	<u>(30,347)</u>