

PASSION FOR LEARNING
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

PASSION FOR LEARNING

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mrs D Clark Mr P R Johnson Mrs J Rich Mr C Gaskin Mrs C McConnell	(Appointed 25 August 2022)
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Charity number	1181279
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Independent examiner	Sue Harris MA ACA Champion Allwoods Limited 2nd Floor Refuge House 33-37 Watergate Row Chester CH1 2LE
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PASSION FOR LEARNING

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PASSION FOR LEARNING

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the CIO's governing document, the Charities Act 2011 and "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 2019)".

Objectives and activities

Passion for Learning is a charitable incorporated organisation, originally founded in 2011 to recruit, train and resource community volunteers to support and inspire children to develop ambitions and become effective readers and learners able to fulfil their potential.

Our mission has always been to make learning fun using a range of activities, experiences, resources outings and events that wow children and inspire their curiosity and ultimately, passion for learning. Our longer-term goal is to support schools and families to reduce the achievement gap and improve lives and potential by giving the children the experiences that their more fortunate peers take for granted. The restrictions associated with the pandemic created an even greater divide making the need to reduce the achievement gap an even greater imperative. Our work towards this goal was recognised when we won the Steve Morgan Foundation's award for 'The Charity Changing Young Lives'.

The charity achieves its charitable aims by direct delivery of a wide range of support and services using our volunteer team and staff to work in the most vulnerable communities typically defined by indices of deprivation. Importantly we work to identify need in other communities where individuals or groups are experiencing levels of need and deprivation atypical of their school or community. Critically we look to our many partnerships with businesses and other charities/social enterprises to provide help in areas of expertise that support our aims. The children that Passion for Learning support do not have the enriching experiences that promote curiosity and enhance their ability to learn and flourish in and out of the classroom.

The charity works hard to be inclusive extending our support to children and families with a very wide range of challenges including poverty, physical and mental health, drugs and alcohol, bereavement, caring responsibilities, domestic abuse and many others. During lockdown and the intermittent closures that followed, many of the children that we work with struggled in families that were not equipped to support home learning.

Trips and experiences are not a feature of home life and children are reliant on school to open their eyes to a wider world. In recent times schools have less money for extra-curricular activities and outings and, without these opportunities at home, children from deprived background are disproportionately affected. Educationally, the dearth of inspiring activities and experiences impacted on every aspect of speech and language development. Mental well-being suffered as families struggled to provide their children with the resources that they needed to play, learn and flourish.

In 2022 school life began to return to normality although schools were still reluctant to allow children to attend clubs with mixed groups, trips and outings or large-scale events. Only after Easter did children start to enjoy the trips, events and experiences that they so desperately need to flourish. The charity works to make learning fun using a range of activities, experiences, resources outings and events that wow children, promote conversation and the development of a rich vocabulary, and inspire curiosity and ultimately, the passion for learning.

The experience of the pandemic gave Passion for Learning the opportunity to become embedded in our communities. Prior to 2020 much of our work took place in schools but by developing new ways of working, we were able to retain our objectives and go on supporting our beneficiaries from day one of lockdown. Two years later this approach has given us more opportunities to listen to and understand the needs of our families and their children. In response we have expanded our work to include support for whole families empowering them to become involved in their children's play and learning.

PASSION FOR LEARNING

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Our objective has always been to mobilise the talent and enthusiasm that lies at the heart of communities by providing the bespoke support needed to develop a diverse and inclusive family of volunteers who share our drive to give children the chances that they all should have. The achievements of the past year were only possible with the endless support and flexibility of an increasingly versatile volunteer workforce. Our volunteers support every aspect of our work and our fully inclusive approach to recruitment gives potential recruits a menu of ways in which they can support our work. The range of opportunities that we can offer has also enabled us to meet the needs of a wider range of volunteers, building their confidence and enhancing the skills that they use to enrich their communities. Our work with volunteers was recognised when we were runners up in the Steve Morgan Foundation's award for the Charity with the Best Volunteer Team.

Post pandemic funding has become a particular challenge. The cost of living crisis is a critical area of focus for many funders with an emphasis on the impacts of poverty. Inevitably some of the work directed at tackling the causes of poverty including the lack of opportunity and enrichment that drives social mobility, can become a casualty. The charity continues to work hard to demonstrate short and long term impact and we continue to need the support (both financial and intellectual) of a number of high profile and smaller funders who recognise the need and impact of the work that the charity does.

The charity continues to consolidate and diversify their funding options and, in particular, look to companies and individuals to support the projects that benefit their communities. The number of individual donors has increased leading us to register for Gift Aid to maximise the funding that we are able to access from this source. We continue to have long term support from larger donations that have supported us for many years. However, we are never complacent and continue to look for new and innovative ways to pay for our projects including making maximum use of pro bono work and the donation of goods and time from our partners. A good example of this is the generosity of a local business in allowing us to use a van for our larger events saving us, for the time being, from having to absorb the cost of purchasing and owning our own vehicle. The charity recognises the threat and impact of the cost of living crisis and continues to make efficiency a priority. Our intent is to maintain and ensure quality in everything we do whilst using experience and imagination to make the best possible use of pro bono work, gifts and donations, to support the work that we do.

The charity has continued to collaborate with partners to support community events giving children and families as many opportunities as possible to enjoy fun, educational activities in the heart of their community. This included a community fun day in the summer with a pirate theme and, at Christmas, a very elaborate diorama and experience based on 'The Snowman'. Once again, we used every opportunity to distribute books to as many children as possible. Over 300 families came to the centre of Ellesmere Port to see The Snowman display on the day of the Christmas lights switch on and many more came throughout December when we transferred the display to Trinity.

Our family sessions are supported by partners including other local charities and the family intervention workers who signpost families or facilitate their attendance by accompanying them in the first instance. Our parent sessions have also included a cookery day in partnership with Healthbox to support families with simple nutritious meals. Our Enrichment Clubs are linked to local businesses, and we work hard to forge new and ongoing partnerships with an increasing number of companies, shops, businesses and professionals that support our work and engage with the children in workshops and trips to their sites.

PASSION FOR LEARNING

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Board inform and influence the strategic direction of the Charity. In doing so the Trustees give due consideration to guidance issued by the Charity Commission regarding, but not limited to stewardship, risk, public benefit and environmental impact. The Board meet four times each year and in between scheduled meetings as required. The CEO and staff are responsible for the delivery of the Charity's objectives and the day to day operational management of the Charity.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the CIO should undertake. The Trustees and the Charity ensures that all policies and plans are fit for purpose and enable us to meet ongoing challenges and changes affecting our communities. We work to develop diverse and innovative approaches to manage the effective delivery of the charity's aims and objectives and fulfil its mission.

The charity's work is informed and guided by the following strategic policies:

Safeguarding and Child Protection Policy
Safeguarding Vulnerable Adults Policy
Inclusion, Equality and Diversity Policy
Health and Safety Policy
GDPR Policy

Achievements and performance

Over 500 children access support every week from our 1:1 volunteers, or in our 20 Enrichment Clubs. In addition, a range of regular weekly events including nature days, art and drama activities, literacy days, intergenerational activities, family support sessions and many other events provide support to many hundreds of other children and their families.

In the period ending December 2022 Passion for Learning has focused on consolidating the growth that the challenges of the previous year precipitated. A number of the challenges associated with the previous year continued with schools and families remaining uncertain about mixing or allowing their children to venture beyond their own communities. The return to face-to face working has continued but so too have many of the services that have sustained our children through the last two years.

Our volunteer numbers have recovered, and the team continues to show incredible resilience and willingness to diversify to ensure that the charity can provide the service that our beneficiaries need. Our Enrichment Clubs are back up to strength and, after Easter, we were finally able to allow 15 children in each club and stop replacing face to face with Enrichment Bags.

Throughout the school year we continued to offer outdoor art and drama days in our gazebos when weather permitted, holding the same sessions indoors (usually in our Trinity base) when it did not. Post-pandemic a number of children have struggled to adjust back into school life and levels of worry and anxiety have increased. Many schools commented on the way in which children struggling in the classroom environment engaged with and loved our drama and art days. We also used these days to support critical areas of learning within the curriculum including topics from history, science and the green agenda. In addition, we used the sessions to distribute books and give the children activities to take home to include their families in the learning.

We continued to provide weekly nature and outdoor play sessions each targeting a reception class for half a day. These sessions were incredibly popular, and schools commented on increases in confidence and well-being as children enjoyed the morning and, once again, took home resources and books to encourage them to include their families in outdoor activities.

PASSION FOR LEARNING

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Throughout 2022 we continued to develop our new premises at Trinity and finally completed our incredible Imaginarium in early autumn. The library in the main hall was fully stocked and regular coffee mornings enabled the volunteers to access this fantastic new resource. The children were also able to visit and, in September, we started our Reading Club for enthusiastic young readers who have no access to books at home. The children discuss and receive books as well as having time to settle in the comfort of our Imaginarium to read the books of their choice. The hall has regularly hosted family sessions providing activities support and play activities for parents and carers with pre-school children who are often struggling to access the help and resources that they need to enrich their young families. In the holidays these sessions continued with school age children joining in.

Our 'Share a Smile' project that began to connect children to older people within their communities has gone from strength to strength. In 2022 we were able to bring the children together with the elderly residents for the first time. The charity secured the funding to provide 11 Platinum Jubilee Afternoon Teas providing old fashioned games and singing for the children to enjoy with the residents. The events were a complete success, and everyone was delighted at the rapport between the children and the residents.

Our Volunteer Support Team has worked hard to ensure that our volunteers' work is focused on the diverse range of issues that are impacting on children's speech and language and their ability to learn and become literate. The charity recognises that our youngest children have been specifically impacted by the disruption to their nursery education and it is in the earliest years that we are seeing the greatest challenges with speech and language.

The charity is aware that all of the children have missed learning opportunities over the past 2 years. We focused on our key stage 2 children with a 5 week project on space in conjunction with Daresbury Laboratories giving the children a bag of information, books, activities and resources to take home each week. The 1:1 volunteers worked with the children to see what they had learnt and achieved at home. At Christmas we once again distributed 600 Christmas bags with a book giving the children and families activities to complete from December 1st onwards. The bags included all the resources that the children needed to complete each activity with their families.

By far the biggest event of the year was our Careers Carnival, focusing on our year 5 & 6s.. The last such event was held in 2019 with the plans being thwarted by the pandemic in 2020 and 2021. The charity has always understood the critical role that motivation plays in all learning and many of our children lack the inspiration that they need to develop their ambitions. As a result, they have little motivation to learn and they have no goals to aim for. The Careers Carnival is the centrepiece of an ongoing drive to show the children what the future could hold. Over 30 of our partners gave their time to provide engaging and informative activities for the 270 children that attended for a full day at Chester Racecourse. In itself a venue that was an experience for children that rarely leave their own communities.

Effective impact measurement is an essential part of good charity governance. For trustees and directors to best assess performance and make decisions about future activity, understanding impact is vital. Passion for Learning is committed to using a range of methods to assess the impact of the work that we do. Embedded within our project management is the need to identify the intended impacts and the tools that we will use to demonstrate those impacts. The tools that we use include

- A Social and Emotional Assessment Tool completed twice a year that measures improvements in six areas critical to effective learning: Confidence and Self-esteem, Security, Communication and Relationships, Self-expression and Opinions, Inspiration and Ambition.
- Feedback forms linked to specific projects for schools, parents, children and volunteers.
- Case Studies
- Unsolicited anecdotal feedback from our communities.

The charity works to understand the projects and services that will contribute to the achievement of our intended impacts. We strive to ensure that the support we give is meeting the needs and priorities of our children and families. We analyse our feedback and assessments to enable us to learn and improve.

PASSION FOR LEARNING

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Financial review

The results to 31st December 2022 show a surplus of £59,060. The charity received restricted funds of £267,758 and unrestricted funds of £289,237 giving an overall total of £556,995. Total expenditure was £497,935, resulting in the surplus of £59,060.

2022 was a financially challenging year following lockdowns and subsequent restrictions but with the commitment from our sponsors and funders, which is paramount, we have been able to maintain our high level of service. The funds we have received have allowed us to retain our staff numbers and support the costs of professional development. Financial commitments meant that we were unable to increase staff salaries in 2022.

During the summer and with the help of over 30 businesses we were able to host our Careers Carnival at Chester Racecourse for 280 children. This was made possible by almost every professional involved giving their time and expertise which far exceeded our expectations of the day and beyond. We consistently access pro bono work and gifts in kind in addition to the time that our 180 volunteers give to enable us to support our children and communities. In 2023 we will be working to place a monetary value on this work to recognise its importance in supporting the charity to achieve far more than the funding that we receive would allow.

In 2022 we increased the cost of our partnership package for schools from £1500 to £1600 to recognise the increase in resource costs. In spite of the tight budgets that schools are now struggling with, we were able to maintain the level of income from this service.

During the year we also recognised that the increased profile of the charity's work gave us an opportunity to source funding from individual donors. We realised that, by registering for Gift Aid, we would be able to take full financial advantage of this opportunity. In October 2022 we were officially recognised by the HMRC as being eligible to receive Gift Aid donations from individual donors. This has already made a great difference and will continue to be a valued avenue of income going forward. During the same month we also registered our PayPal account as a business account and are now able to receive donations via PayPal Giving Fund.

These two areas of additional revenue highlight our ongoing intention to explore other channels of income and to strengthen the invaluable support we received in 2022 from individual donations, gifts in kind and pro bono work and resources received.

Reserves Policy

Though the charity operates on a not-for-profit basis, it is the policy of the CIO that our aspiration must be that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to at least three month's core expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the CIO's current activities whilst consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the period.

The balance of free reserves is £78,200 as of 31 December 2022.

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

PASSION FOR LEARNING

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

The charity is a Charitable Incorporated Organisation whose only voting members are its charity Trustees ("foundation" model). It was incorporated as a CIO in December 2018.

Organisation

The Board assist in shaping the strategic direction of the Charity. In doing so the Trustees give due consideration to guidance issued by the Charity Commission regarding, but not limited to stewardship, risk, public benefit and environmental impact. The Board meet four times each year and in between scheduled meetings as required. The CEO and staff are responsible for the delivery of the Charity's objectives and the day to day operational management of the Charity.

The Board of Trustees is drawn from relevant professional backgrounds to best support the Charity. Trustees are elected in accordance with the Constitution for the Charity which was approved in September 2018.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mrs D Clark

Mr P R Johnson

Mr V O'Brien

(Resigned 11 November 2022)

Mrs J Rich

Mr C Gaskin

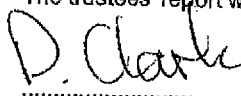
Mrs C McConnell

(Appointed 25 August 2022)

Mrs D Clark is a Trustee and salaried employee of the Charity, under provision set out within section 6.2 of the Constitution. The pay of senior staff is reviewed and reflects the level of skills, experience and knowledge for the roles and remuneration levels in the sector.

Other than the provision set out above, none of the Trustees has any beneficial interest in the company. Details of expenses paid to Trustees are disclosed in the notes to the accounts. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

The trustees' report was approved by the Board of Trustees.



Mrs D Clark

Trustee

Date: 4/4/23

PASSION FOR LEARNING

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PASSION FOR LEARNING

I report to the trustees on my examination of the financial statements of Passion for Learning (the CIO) for the year ended 31 December 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the CIO as required by section 130 of the 2011 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 financial statements to be reached.

Champion Allwoods Limited

Susan Harris MAACA

Champion Allwoods Limited
2nd Floor Refuge House
33-37 Watergate Row
Chester
CH1 2LE

Dated: *4 April 2023*

PASSION FOR LEARNING

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income from:</u>							
Donations and legacies	3	237,974	267,758	505,732	226,067	396,981	623,048
Charitable activities	4	51,000	-	51,000	51,721	-	51,721
Other trading activities	5	-	-	-	445	-	445
Investments	6	263	-	263	10	-	10
Total income		289,237	267,758	556,995	278,243	396,981	675,224
<u>Expenditure on:</u>							
Charitable activities	7	302,692	195,243	497,935	229,840	338,251	568,091
Net (expenditure)/income for the year/							
Net movement in funds		(13,455)	72,515	59,060	48,403	58,730	107,133
Fund balances at 1 January 2022		117,199	106,471	223,670	68,796	47,741	116,537
Fund balances at 31 December 2022		103,744	178,986	282,730	117,199	106,471	223,670

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

PASSION FOR LEARNING

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		42,267		51,637
Current assets					
Debtors	12	3,399		17,658	
Cash at bank and in hand		246,127		174,450	
		249,526		192,108	
Creditors: amounts falling due within one year	13	(9,063)		(20,075)	
Net current assets			240,463		172,033
Total assets less current liabilities			282,730		223,670
Income funds					
Restricted funds	14		178,986		106,471
Unrestricted funds			103,744		117,199
			282,730		223,670

The financial statements were approved by the Trustees on 4/4/23

D. Clark

Mrs D Clark
Trustee

PASSION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Passion for Learning is a Charitable Incorporated Organisation. The Charity address is Unit D3, Stanlaw Abbey Business Centre, Dover Drive, Ellesmere Port, CH65 9BF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the CIO's governing document, the Charities Act 2011 and "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 2019)". The CIO is a Public Benefit Entity as defined by FRS 102.

The CIO has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the CIO. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the CIO has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the CIO is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the CIO has been notified of the donation, unless performance conditions require deferral of the amount.

In accordance with the provisions of the Charity SORP, the economic contribution of general volunteers is not included in the accounts.

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

Gifts in kind are included at valuation (over £100) and recognised upon receipt.

PASSION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is included on an accrual basis. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

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

Support costs have been allocated between governance costs and other support costs. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountants' fees and costs linked to strategic management of the charity.

1.6 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% reducing balance
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the CIO reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The CIO has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

PASSION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the CIO's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expenses, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the CIO is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the CIO's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

PASSION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	18,864	-	18,864	17,746	-	17,746
Various grants	144,110	267,758	411,868	97,294	296,111	393,405
Capital grants	-	-	-	-	25,870	25,870
Donated goods and services	-	-	-	29,700	-	29,700
Covid-19 support grants	75,000	-	75,000	81,327	75,000	156,327
	<u>237,974</u>	<u>267,758</u>	<u>505,732</u>	<u>226,067</u>	<u>396,981</u>	<u>623,048</u>

4 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Volunteer Tutor fees income	<u>51,000</u>	<u>51,721</u>

5 Other trading activities

	Total 2022 £	Unrestricted funds 2021 £
Fundraising events	<u>-</u>	<u>445</u>

6 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Interest receivable	<u>263</u>	<u>10</u>

PASSION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	Main activities 2022 £	Main activities 2021 £	Covid-19 response 2021 £	Total 2021 £
Staff costs	192,593	107,234	55,487	162,721
Enrichment clubs	25,012	60,513	4,758	65,271
Other projects	300	10,125	-	10,125
Volunteers	3,337	8,137	5,700	13,837
Books and resources	36,196	12,275	30,080	42,355
	<u>257,438</u>	<u>198,284</u>	<u>96,025</u>	<u>294,309</u>
Share of support costs (see note 8)	239,397	257,152	15,600	272,752
Share of governance costs (see note 8)	1,100	1,030	-	1,030
	<u>497,935</u>	<u>456,466</u>	<u>111,625</u>	<u>568,091</u>
Analysis by fund				
Unrestricted funds	302,692	189,302	40,538	229,840
Restricted funds	195,243	267,164	71,087	338,251
	<u>497,935</u>	<u>456,466</u>	<u>111,625</u>	<u>568,091</u>

PASSION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	154,280	-	154,280	191,970	191,970
Depreciation	10,519	-	10,519	7,838	7,838
Administration	15,858	-	15,858	16,240	16,240
Insurance	2,471	-	2,471	3,329	3,329
Broadband and website	10,930	-	10,930	8,504	8,504
Advertising	491	-	491	1,438	1,438
Travel	9,249	-	9,249	6,603	6,603
Bank charges	28	-	28	13	13
Legal and professional	2,492	-	2,492	3,497	3,497
Rent	33,079	-	33,079	29,870	29,870
Premises Costs inc utilities	-	-	-	3,450	3,450
Examination fees	-	1,100	1,100	-	1,030
	<u>239,397</u>	<u>1,100</u>	<u>240,497</u>	<u>272,752</u>	<u>273,782</u>
Analysed between Charitable activities	<u>239,397</u>	<u>1,100</u>	<u>240,497</u>	<u>272,752</u>	<u>273,782</u>

Governance costs includes payments to the accountants of £1,100 for independent examination fees.

9 Trustees

One of the trustees (who are also key management personnel) received remuneration in amount of £44,000 (2021: £49,500) during the year and were also reimbursed a total of £nil (2021: £296) in travelling expenses.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	19	17
	<u>19</u>	<u>17</u>
Employment costs	2022 £	2021 £
Wages and salaries	320,757	327,217
Social security costs	20,138	21,391
Other pension costs	5,978	6,083
	<u>346,873</u>	<u>354,691</u>

PASSION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Employees

(Continued)

There were no employees whose annual remuneration was more than £60,000.

11 Tangible fixed assets

	Plant and Motor vehicles equipment		Total
	£	£	£
Cost			
At 1 January 2022	8,803	52,927	61,730
Additions	1,149	-	1,149
	<u>9,952</u>	<u>52,927</u>	<u>62,879</u>
At 31 December 2022	9,952	52,927	62,879
Depreciation and impairment			
At 1 January 2022	3,315	6,778	10,093
Depreciation charged in the year	1,289	9,230	10,519
	<u>4,604</u>	<u>16,008</u>	<u>20,612</u>
At 31 December 2022	4,604	16,008	20,612
Carrying amount			
At 31 December 2022	5,348	36,919	42,267
	<u>5,348</u>	<u>36,919</u>	<u>42,267</u>
At 31 December 2021	5,488	46,149	51,637
	<u>5,488</u>	<u>46,149</u>	<u>51,637</u>

12 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	2,800	16,220
Prepayments and accrued income	599	1,438
	<u>3,399</u>	<u>17,658</u>
	<u>3,399</u>	<u>17,658</u>

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	6,621	9,026
Trade creditors	1,317	9,994
Other creditors	25	25
Accruals and deferred income	1,100	1,030
	<u>9,063</u>	<u>20,075</u>
	<u>9,063</u>	<u>20,075</u>

PASSION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£	£
University of Chester - Student Internship	750	-	(750)	-	-	-	-
Steve Morgan Foundation - Staff Costs	-	120,500	(120,500)	-	130,333	(130,333)	-
BBC CIN - Enrichment costs	-	10,000	(1,300)	8,700	10,000	(9,000)	9,700
Cheshire Community Foundation - Enrichment costs	-	27,000	(12,432)	14,568	10,000	(3,333)	21,235
Workers Education - Volunteer Training	1,500	-	(1,500)	-	-	-	-
Foyle Foundation - Books and resources	-	20,000	(3,000)	17,000	-	-	17,000
Postcode Lottery	-	15,461	(15,461)	-	-	-	-
Westminster Foundation - Staff and enrichments costs	45,491	100,000	(100,192)	45,299	100,000	(46,500)	98,799
Steve Morgan Foundation - Covid response	-	75,000	(75,000)	-	-	-	-
Careers and Employability Centre	-	3,150	(3,150)	-	-	-	-
Cheshire West and Chester Council - Electric Car	-	25,870	(4,966)	20,904	-	(4,181)	16,723
McAlpine Foundation	-	-	-	-	6,000	(217)	5,783
Nineveh Trust - Forest Schools	-	-	-	-	2,000	(1,288)	712
Severn Trent Water - Nature Days Project	-	-	-	-	9,425	(391)	9,034
	<u>47,741</u>	<u>396,981</u>	<u>(338,251)</u>	<u>106,471</u>	<u>267,758</u>	<u>(195,243)</u>	<u>178,986</u>

PASSION FOR LEARNING

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Tangible assets	25,544	16,723	42,267	30,733	20,904	51,637
Current assets/(liabilities)	78,200	162,263	240,463	86,466	85,567	172,033
	<u>103,744</u>	<u>178,986</u>	<u>282,730</u>	<u>117,199</u>	<u>106,471</u>	<u>223,670</u>

16 Related party transactions

There were no disclosable related party transactions during the year.