

Charity registration number: 1188836

# Digital Advantage

Annual Report and Financial Statements

for the period from 1 July 2022 to 31 July 2023

## **Digital Advantage**

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## **Digital Advantage**

### **Reference and Administrative Details**

<b>Chairman</b>	Ashley Boroda
<b>Trustees</b>	Ashley Boroda Mr Michael Anthony McNamara Mrs Sarah-Jane Musique-Hargreaves Mrs Naomi Louise Timperley Miss Diane May Ainsworth Mrs Kate Dodd Mr Beck Cromack-Hough Mr Philip Arnold
<b>Senior Management / Leadership Team</b>	Mr Rav Gehlon, Managing Director Mr Andy Lovatt, CEO Mr Ezra Rushen
<b>Charity Registration Number</b>	1188836
<b>Principal Office</b>	Holyoake House Hanover Street Manchester M4 4AH
<b>Independent Examiner</b>	The Moffatts Partnership LLP Chartered Accountants Suite 1.1, Jackson House Sibson Road Sale M33 7RR

## **Digital Advantage**

### **Trustees' Report**

The trustees present the annual report together with the financial statements of the charity for the period ended 31 July 2023.

#### **Objectives and activities**

##### ***Objects and aims***

The Objects of the CIO are:

a) To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society, in particular, but not exclusively, supporting:

- i) young people
- ii) disabled people
- iii) people with special educational needs
- iv) people with limited digital skills
- v) unemployed people.

b) To act as a resource for socially excluded people by providing advice and assistance and organising programmes of educational and other activities as a means of developing their digital skills, capacities and capabilities.

i) Young people. We have continued to work with Young people across the NW and into the Midlands. We have reached around 450 young people this year, many of those are from deprived and hard to reach communities.

ii) Disabled people. We have worked in partnership with SENDCode, Greater Manchester Combined Authority (GMCA), all 10 Greater Manchester boroughs, Greater Manchester Learner Provider Network, Space 4 Autism, Sefton MBC, Lancashire County Council and Future U providing help, expertise and guidance to them about creating support to help get SEND young people into the digital workforce.

iii) SEND. We have delivered services to 217 young people with SEND, particularly those with Autism. The highlights were a delivery to a SEND group in Bradford with Oastlers School and Checkpoint Community Centre. Additionally, our Supported Interns produced great work as they moved towards positive destinations.

iv) People with limited digital skills. We delivered a focussed series of sessions with 10 women for whom English is a Second Language and with limited digital skills, from a community partner in Longsight, Manchester.

v) We have supported 5 people who have been NEET on our Part-time digital internship programme funded by Manchester City Council.

## **Digital Advantage**

### **Trustees' Report**

#### ***Fundraising disclosures***

The charity's principal form of income is in the form of ESFA, Local Authority and other public sector contracts. The expansion of the Digital Independent Specialist College will see continued growth in the ESFA & Local Authority revenue streams.

The charity is seeking grant funding from several awarding bodies that support education, digital skills and Special Educational Needs and Disabilities.

The charity received social investment funding in June 22, to enable the opening of DISC.

The charity is continuing to explore the possibility of raising money through philanthropic giving.

#### ***Public benefit***

The trustees have ensured they carry out the objectives for the public benefit and have (in accordance with s17 Charities Act 2011) had regard to guidance published by the Charity Commission on public benefit when exercising powers or duties where that may be relevant.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### ***Achievements and performance***

The charity came into being at the start of the pandemic in 2020 and was therefore disrupted from its inception.

Using the learning taken from delivering the pilot UK's first Digital Supported Internship, the charity decided against pursuing further deliveries with The Manchester College as the education partner and instead embarked on gaining a college accreditation from the Department for Education instead, namely becoming an Independent Specialist Provider in May 22. This saw us establish and open the Digital Independent Specialist College (DISC) in September 2022, to 12 Digital Supported Interns – all young people with SEND and an education, health, and care plan (EHCP), with 8 of the group moving onto a positive destination. DISC has quickly become known as a provider of quality provision and interest in our offer has grown rapidly to the point where we will triple our learner numbers and expand our offer across 3 distinct levels next year to meet demand.

We have also continued to deliver outreach programmes to schools, and we reached 200 students between September and June this year with face-to-face delivery of our Your DNA programme and a further 40 young people on our Pop-up Digital Agency. We have reached approximately 200 further students via access to Digital Advantage Online.

We have 5 programmes developed with, and for specific audiences:

- **Digital Supported Internship** - for young people with EHCPs age 16-24.. We have taken learning from the pilot and refined the model to deliver our Digital Supported Internship to overcome barriers to employment in the digital economy. Students are based full-time in our digital agency environment working with us to develop their professional practice and industry skills. They will work on live briefs for business partners keen to provide employment opportunities going forward. Online, blended and distance learning 8 of the 12 students secured positive destinations.

## **Digital Advantage**

### **Trustees' Report**

- **Your DNA** - Your Digital News Agency is a programme for schools, colleges and community groups and is designed to provide the skills needed to create great stories about topics that means a lot to the participant. We provide all the skills needed to develop and tell stories from a community, develop a website and brand, whilst developing the skills you need to get work in the digital economy.

- This has been a popular programme with funders and SEND schools alike this year which has been our predominant outreach delivery setting, reaching 200 young people this year.

- **DA Online** is a suite of video-led, interactive training delivered by industry experts. Aimed at developing entry level skills for all students of all ages, the training is designed to be supported by either teaching staff or by ourselves providing feedback on submitted work so that students can progress with confidence. The course can be delivered to whole classes or smaller groups and work across any platform including SeeSaw, Google Classroom, Zoom or MS Teams. Subjects include Photography, Videography, Web Design, Storytelling, Podcasting, Branding and Encryption, with more in development. There are 60 GLH and can be accredited Level 1 Creative and Digital Media. DA Online contributes to standardised, Industry-led learning for beneficiaries of our existing face-to-face programmes across the North-West.

- This has been shared with all schools participating in Your DNA to further the impact of their project work and to enable additional students to build with digital skills in a manner that fits with their learning style.

- **Pop-Up Digital Agency** - for Secondary Years 10-13. Our Pop-Up Digital Agency is delivered as a 5-day work experience at the school or college. Driven by an industry professional and local employer it helps students design, develop, plan, and deliver a digital business proposition. Our annual enterprise competition is judged by an industry panel with support provided to winning schools.

- There have been 2 deliveries of Pop-Up Digital Agency self-funded by a college this year.

- **Teacher CPD**. Video tutorials for teachers giving them the skills and confidence to manage a digital project for their school/college. These include Google Sites Web Design and Managing a Digital Project. This has been undertaken by 34 teachers and again has been limited to the disruption due to COVID.

#### *New Products and Services*

We continue to develop and deliver new products and services for hands-on experiential education. We have developed a prototype STEM education intervention with University of Salford Energy House, to raise awareness of the UNSDGs and inspire students to pursue career opportunities in the green economy.

#### **Financial review**

Total income for the year is £498,640 (2022 - £278,922) with £30,000 (2022 - £50,000) being restricted.

Expenditure for the year amounted to £525,175 (2022 - £290,193) with £59,833 (2022 - £20,167) relating to restricted funds.

The results for the year are a deficit of £26,535 (2022 - £11,271).

Total funds carried forward at the year-end are deficit £11,109. (2022 - surplus £15,426)

## **Digital Advantage**

### **Trustees' Report**

#### ***Policy on reserves***

For the financial period ended 30 June 2023, Digital Advantage has a reserves policy that is focused on achieving financial stability and ensuring the continuity of our operations. In line with our strategic goals and in compliance with the Charities SORP (FRS 102), our policy targets the retention of at least one month's running costs in reserves. Recognising the importance of sustainable growth and resilience, Digital Advantage has a plan to incrementally build reserves over the next three years. By 30 June 2025, our target is to enhance our reserve funds to cover a minimum of three months' worth of running costs.

#### ***Funds in deficit***

The trustees recognise that any reserves will take time to build and hope to achieve a target of three months unrestricted free reserves over a 3-5 year period.

#### ***Principal funding sources***

The charity's principal form of income is in the form of public sector contracts, charitable grants, philanthropic giving and commercial sponsorship. The charity is seeking grant funding from a number of awarding bodies that support education, digital skills and Special Educational Needs and Disabilities.

#### ***Plans for future periods***

##### ***Activities planned to achieve aims***

Digital Advantage and SENDCode have agreed to enter into a joint working arrangement for streamlining of their operations to enable them to develop their common goals more effectively. Digital Advantage and SENDCode will remain independent entities co-delivering an outreach programme to schools and colleges, Alternative Provision, a pre-internship and supported internship programmes.

#### ***Structure, governance and management***

##### ***Nature of governing document***

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

##### ***Induction and training of trustees***

All Trustees including new Trustees who joined in March 2021 have received guidance issued to Trustees by the Charities Commission.

## Digital Advantage

### Trustees' Report

#### Relationships with related parties

##### **The White Room Consultancy Limited**

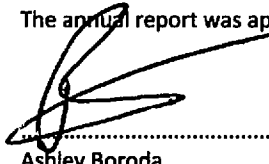
The CEO is a director of the above company.

#### *Major risks and management of those risks*

##### *Risk management*

The charity has identified and reviewed the risks to which it is exposed and has established appropriate levels of reporting and control mechanisms to mitigate those risks.

The annual report was approved by the trustees of the charity on 25 April 2024 and signed on its behalf by:



Ashley Boroda  
Chairman and Trustee



## Digital Advantage

### Statement of Trustees' Responsibilities

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

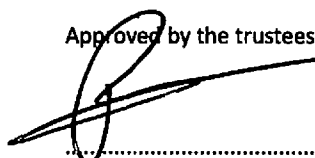
The law applicable to charities requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial 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 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008, and the provisions of the constitution. The trustees 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 corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees of the charity on 25 April 2024 and signed on its behalf by:



.....  
Ashley Boroda  
Chairman and trustee

## Digital Advantage

### Independent Examiner's Report to the trustees of Digital Advantage

I report to the trustees on my examination of the accounts of Digital Advantage for the year ended 31 July 2023.

#### Responsibilities and basis of report

As the charity trustees of Digital Advantage 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 Digital Advantage'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.

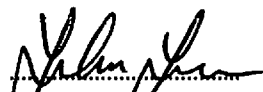
#### Independent examiner's statement

Since Digital Advantage'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 Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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 Digital Advantage 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 accounting 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.



John Saxon F.C.A.  
Institute of Chartered Accountants in England and Wales

The Moffatts Partnership LLP  
Chartered Accountants  
Suite 1.1, Jackson House  
Sibson Road  
Sale  
M33 7RR

25 April 2024

## Digital Advantage

### Statement of Financial Activities for the Period from 1 July 2022 to 31 July 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
<b>Income and Endowments from:</b>					
Donations and legacies	2	71,638	30,000	101,638	128,962
Charitable activities	3	397,002	-	397,002	143,024
Investment income	4	-	-	-	1
Other income	5	-	-	-	6,935
<b>Total income</b>		<b>468,640</b>	<b>30,000</b>	<b>498,640</b>	<b>278,922</b>
<b>Expenditure on:</b>					
Charitable activities	6	(465,342)	(59,833)	(525,175)	(290,193)
<b>Total expenditure</b>		<b>(465,342)</b>	<b>(59,833)</b>	<b>(525,175)</b>	<b>(290,193)</b>
<b>Net income/(expenditure)</b>		<b>3,298</b>	<b>(29,833)</b>	<b>(26,535)</b>	<b>(11,271)</b>
<b>Net movement in funds</b>		<b>3,298</b>	<b>(29,833)</b>	<b>(26,535)</b>	<b>(11,271)</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<b>(14,407)</b>	<b>29,833</b>	<b>15,426</b>	<b>26,697</b>
<b>Total funds carried forward</b>	20	<b>(11,109)</b>	<b>-</b>	<b>(11,109)</b>	<b>15,426</b>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2022 is shown in note 20.

The notes on pages 12 to 25 form an integral part of these financial statements.

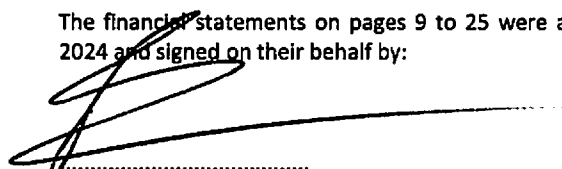
# Digital Advantage

(Registration number: 1188836)

Balance Sheet as at 31 July 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	13	1	1
Tangible assets	14	<u>14,282</u>	<u>8,355</u>
		<u>14,283</u>	<u>8,356</u>
<b>Current assets</b>			
Debtors	15	17,629	17,813
Cash at bank and in hand	16	<u>172,081</u>	<u>210,297</u>
		189,710	228,110
<b>Creditors: Amounts falling due within one year</b>	17	<u>(49,636)</u>	<u>(27,068)</u>
<b>Net current assets</b>		<u>140,074</u>	<u>201,042</u>
<b>Total assets less current liabilities</b>		154,357	209,398
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(165,466)</u>	<u>(193,972)</u>
<b>Net (liabilities)/assets</b>		<u>(11,109)</u>	<u>15,426</u>
<b>Funds of the charity:</b>			
<b>Restricted income funds</b>			
Restricted funds	20	-	29,833
<b>Unrestricted income funds</b>			
Unrestricted funds		<u>(11,109)</u>	<u>(14,407)</u>
<b>Total funds</b>	20	<u>(11,109)</u>	<u>15,426</u>

The financial statements on pages 9 to 25 were approved by the trustees, and authorised for issue on 25 April 2024 and signed on their behalf by:

  
 .....  
 Ashley Boroda  
 Chairman and Trustee

## Digital Advantage

### Cash Flow Statement for the Period from 1 July 2022 to 31 July 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Net cash expenditure		(26,535)	(11,271)
<b>Adjustments to cash flows from non-cash items</b>			
Depreciation		3,989	2,045
Investment income	4	-	(1)
		(22,546)	(9,227)
<b>Working capital adjustments</b>			
Decrease in debtors	15	184	1,930
Increase in creditors	17	4,517	37,503
(Decrease)/Increase in deferred Income	18	(8,333)	8,333
Net cash flows from operating activities		(26,178)	38,539
<b>Cash flows from investing activities</b>			
Interest receivable and similar income	4	-	1
Purchase of tangible fixed assets	14	(9,916)	(900)
Net cash flows from investing activities		(9,916)	(899)
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings	17	(2,122)	150,000
Net (decrease)/increase in cash and cash equivalents		(38,216)	187,640
Cash and cash equivalents at 1 July		210,297	22,657
Cash and cash equivalents at 31 July		172,081	210,297

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 12 to 25 form an integral part of these financial statements.

## **Digital Advantage**

### **Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023**

#### **1 Accounting policies**

##### **Statement of compliance**

The financial statements have been prepared in accordance with the second edition of the Charities Statement of Recommended Practice issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

##### **Basis of preparation**

Digital Advantage meets the definition of a public benefit entity under FRS 102. The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

##### **Going concern**

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

##### **Income and endowments**

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

##### ***Grants receivable***

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

##### ***Deferred income***

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

##### ***Investment income***

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

## **Digital Advantage**

### **Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023**

#### ***Charitable activities***

Income received for providing goods and services in return for a fee as part of the charitable activities is recognised in the SoFA to the extent that the charity has provided the service or goods. Where income is received in advance and the charity does not have entitlement to those resources until the goods or services have been provided the income received in advance is deferred until the charity becomes entitled to the resources.

Income derived from performance-related grants that is conditional upon the delivery of a specified level of service is recognised to the extent that the charity has provided the services or goods.

#### **Expenditure**

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### ***Charitable activities***

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

#### **Governance costs**

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees meetings and reimbursed expenses.

#### **Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

#### **Taxation**

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## **Digital Advantage**

### **Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023**

#### **Goodwill**

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Tangible fixed assets**

Individual fixed assets costing £100.00 or more are initially recorded at cost.

#### **Depreciation and amortisation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Office equipment	20% straight line basis

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade creditors**

are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



## **Digital Advantage**

### **Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Fund structure**

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

Restricted funds can only be used for particular restricted purposes within the objects of the charity.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

#### **Pensions and other post retirement obligations**

The charity operates a defined contribution pension scheme which is a pension plan under which fixed contributions are paid into a pension fund and the charity has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised in the Statement of Financial Activities when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### ***Classification***

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

#### *Recognition and measurement*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **2 Income from donations and legacies**

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Grants, including capital grants;				
Government grants	-	30,000	30,000	50,000
Grants from other charities	55,783	-	55,783	74,067
Donations from community groups	15,855	-	15,855	4,895
	<u>71,638</u>	<u>30,000</u>	<u>101,638</u>	<u>128,962</u>

## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

#### 3 Income from charitable activities

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Income from training and education provision	373,932	373,932	82,759
Income from recharges of salaries and admin costs	(1,227)	(1,227)	55,956
Other income	9,728	9,728	1,060
Income from letting of non - investment property	14,569	14,569	3,249
	<u>397,002</u>	<u>397,002</u>	<u>143,024</u>

#### 4 Investment income

	Total 2023 £	Total 2022 £
Interest receivable and similar income;		
Interest receivable on bank deposits	<u>-</u>	<u>1</u>

#### 5 Other income

	Total 2023 £	Total 2022 £
Other income	<u>-</u>	<u>6,935</u>

## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

#### 6 Expenditure on charitable activities

	Unrestricted funds General £	Restricted funds £	Total 2023 £	Total 2022 £
Wages and salaries	298,222	-	298,222	171,637
Training and workshops	64,741	59,833	124,574	62,139
Premises expenses	36,719	-	36,719	13,408
Insurance	1,801	-	1,801	338
Telephone	3,547	-	3,547	630
Printing and stationery	607	-	607	157
Advertising and Marketing	5,612	-	5,612	568
IT costs	4,476	-	4,476	1,338
Subscriptions	6,732	-	6,732	827
Staff training	2,565	-	2,565	150
Travel costs	2,443	-	2,443	2,372
Office costs	6,194	-	6,194	334
Depreciation	3,989	-	3,989	2,045
Loan interest	10,462	-	10,462	-
Governance costs	17,232	-	17,232	34,250
	<u>465,342</u>	<u>59,833</u>	<u>525,175</u>	<u>290,193</u>

#### 7 Analysis of governance and support costs

##### Governance costs

	Unrestricted funds General £	Total 2023 £	Total 2022 £
Independent examiner fees			
Examination of the financial statements	2,000	2,000	6,100
Legal fees	10,112	10,112	18,479
Other governance costs	5,120	5,120	9,671
	<u>17,232</u>	<u>17,232</u>	<u>34,250</u>

## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

#### 8 Net Incoming/outgoing resources

Net outgoing resources for the period include:

	2023 £	2022 £
Depreciation of fixed assets	<u>3,989</u>	<u>2,045</u>

#### 9 Trustees remuneration and expenses

During the period the charity made the following transactions with trustees:

##### Mrs Naomi Louise Timperley

Mrs Naomi Louise Timperley received remuneration of £5,800 (2022: £Nil) during the period.

Remuneration has been paid for training services provided to the charity and not in their capacity as a trustee. This is permitted by the charity's constitution.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

#### 10 Staff costs

The aggregate payroll costs were as follows:

	2023 £	2022 £
<b>Staff costs during the period were:</b>		
Wages and salaries	270,914	151,949
Social security costs	21,428	15,974
Pension costs	<u>5,880</u>	<u>3,714</u>
	<u>298,222</u>	<u>171,637</u>

The monthly average number of persons (including senior management / leadership team) employed by the charity during the period expressed as full time equivalents was as follows:

	2023 No	2022 No
Senior management team	3	3
Administration	<u>7</u>	<u>7</u>
	<u>10</u>	<u>10</u>

7 (2022 - 7) of the above employees participated in the Defined Contribution Pension Schemes.

No employee received emoluments of more than £60,000 during the period

## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

#### 11 Independent examiner's remuneration

	2023 £	2022 £
Examination of the financial statements	<u>2,000</u>	<u>6,100</u>

#### 12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

#### 13 Intangible fixed assets

	Goodwill £	Total £
<b>Cost</b>		
At 1 July 2022	<u>1</u>	<u>1</u>
At 31 July 2023	1	1
<b>Amortisation</b>		
At 31 July 2023	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 July 2023	<u>1</u>	<u>1</u>
At 30 June 2022	<u>1</u>	<u>1</u>

## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

#### 14 Tangible fixed assets

	Furniture and equipment £	Total £
<b>Cost</b>		
At 1 July 2022	10,900	10,900
Additions	<u>9,916</u>	<u>9,916</u>
At 31 July 2023	<u>20,816</u>	<u>20,816</u>
<b>Depreciation</b>		
At 1 July 2022	2,545	2,545
Charge for the year	<u>3,989</u>	<u>3,989</u>
At 31 July 2023	<u>6,534</u>	<u>6,534</u>
<b>Net book value</b>		
At 31 July 2023	<u>14,282</u>	<u>14,282</u>
At 30 June 2022	<u>8,355</u>	<u>8,355</u>

#### 15 Debtors

	2023 £	2022 £
Trade debtors	432	675
Prepayments	13,405	2,232
Accrued income	-	11,307
VAT recoverable	2,176	-
Other debtors	<u>1,616</u>	<u>3,599</u>
	<u>17,629</u>	<u>17,813</u>

#### 16 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>172,081</u>	<u>210,297</u>

## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

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

	2023	2022
	£	£
Trade creditors	8,739	2,587
Other loans	26,384	-
Other taxation and social security	7,050	4,426
Other creditors	2,119	686
Accruals	5,344	11,036
Deferred income	-	8,333
	<u>49,636</u>	<u>27,068</u>

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

	2023	2022
	£	£
Other loans	121,494	150,000
Other creditors	<u>43,972</u>	<u>43,972</u>
	<u>165,466</u>	<u>193,972</u>

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £5,880 (2022 - £3,714).



## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

#### 20 Funds

	Balance at 1 July 2022 £	Incoming resources £	Resources expended £	Balance at 31 July 2023 £
<b>Unrestricted funds</b>				
<i>General</i>				
Unrestricted Funds	(14,407)	468,640	(465,342)	(11,109)
<b>Restricted funds</b>				
Supported Internships	29,833	-	(29,833)	-
Your DNA	-	30,000	(30,000)	-
<b>Total restricted funds</b>	<u>29,833</u>	<u>30,000</u>	<u>(59,833)</u>	<u>-</u>
<b>Total funds</b>	<u>15,426</u>	<u>498,640</u>	<u>(525,175)</u>	<u>(11,109)</u>
	Balance at 1 July 2021 £	Incoming resources £	Resources expended £	Balance at 30 June 2022 £
<b>Unrestricted funds</b>				
<i>General</i>				
Unrestricted Funds	26,697	228,922	(270,026)	(14,407)
<b>Restricted</b>				
Supported Internships	-	50,000	(20,167)	29,833
<b>Total funds</b>	<u>26,697</u>	<u>278,922</u>	<u>(290,193)</u>	<u>15,426</u>

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

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

#### 21 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds at 31 July 2023 £
Intangible fixed assets	1	-	1
Tangible fixed assets	14,282	-	14,282
Current assets	189,710	-	189,710
Current liabilities	(49,636)	-	(49,636)
Creditors over 1 year	(165,466)	-	(165,466)
Total net assets	<u>(11,109)</u>	<u>-</u>	<u>(11,109)</u>
	Unrestricted funds General £	Restricted funds £	Total funds at 30 June 2022 £
Intangible fixed assets	1	-	1
Tangible fixed assets	8,355	-	8,355
Current assets	198,277	29,833	228,110
Current liabilities	(27,068)	-	(27,068)
Creditors over 1 year	(193,972)	-	(193,972)
Total net assets	<u>(14,407)</u>	<u>29,833</u>	<u>15,426</u>

## Digital Advantage

### Notes to the Financial Statements for the Period from 1 July 2022 to 31 July 2023

#### 22 Analysis of net funds

	At 1 July 2022	Financing cash flows	Other non cash changes	At 31 July 2023
Cash at bank and in hand	210,297	(38,216)	-	172,081
Debt due within one year			(26,384)	(26,384)
Debt due after more than one year	(193,972)	2,122	26,384	(165,466)
Net Debt	<u>16,325</u>	<u>(36,094)</u>	<u>-</u>	<u>(19,769)</u>

	At 1 July 2021	Financing cash flows	Other non cash changes	At 31 June 2022
Cash at bank and in hand	22,657	187,640	-	210,297
Debt due within one year			-	-
Debt due after more than one year	-	(193,972)	-	(193,972)
Net Debt	<u>22,657</u>	<u>(6,332)</u>	<u>-</u>	<u>16,325</u>

#### 23 Related party transactions

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

##### **The White Room Consultancy Limited**

(The CEO of Digital Advantage is a director of the above company.)

In a prior year The White Room Consultancy Limited provided loans to the charity to assist with cash flow. At the balance sheet date the amount due to The White Room Consultancy Limited was £43,972 (2022 - £43,972).