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REGISTERED CHARITY NUMBER: 1191125 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
FOR
SHiFT ORGANISATION LTD**

SHIFT ORGANISATION LTD

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FOR THE YEAR ENDED 31 MARCH 2022**

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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of 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).

CONTEXT, PURPOSES AND MEASURES OF SUCCESS

Context to our charitable mission

Growing up is risky business. If, during this critical period of transition, children and young people do not have the right foundations and support, they can become caught up in worsening cycles of harmful behaviour - becoming exploited or exploiting others, and causing serious, sometimes devastating damage, to themselves or others. Lives are lost to criminal and sexual exploitation and the criminal justice system.

Tragically, thousands of children and young people in the UK are growing up vulnerable in such circumstances. Some are causing serious harm and violence, some are victims of serious harm and violence, and most are both. Most are boys and half in custody are Black and minority ethnic children. An increasing number of girls are involved in criminal exploitation - recent evidence suggests around a third of young people in gangs are girls - and many are victims of criminal sexual exploitation.

According to Department for Education data from 2021, between 1 April 2020 and 31 March 2021:

- 16,830 children were assessed by children's social services in England where child sexual exploitation was a factor.
- 12,270 children were assessed by children's social services in England who were deemed to be at risk due to gang involvement.
- 2,710 children were assessed by children's social services in England where trafficking was a factor.
- 14,940 children were assessed by children's social services in England who were deemed at risk because they were missing.

(<https://www.gov.uk/government/statistics/characteristics-of-children-in-need-2020-to-2021>)

Offending often masks underlying vulnerabilities, from early childhood trauma and school exclusion to poor health and growing up in poverty.

A joint Department for Education and Ministry of Justice report from March 2022, found that 60% of children whose offending had been prolific had been assessed as Children in Need (as defined by section 17(10) of the Children Act 1989) on the 31st March in any given year when aged between 12 and 16. This compared with 38% of children who had been cautioned or sentenced for a serious violence offence, 32% of children who had been cautioned or sentenced for any offence, and only 6% of the all-pupil cohort.

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1059556/Education_children_s_social_care_and_offending_descriptive_stats_FINAL.pdf)

Absence from school is both an indicator that things are going wrong and a catalyst for further problems. According to Department for Education and Ministry of Justice data:

'81% of children who had been cautioned or sentenced for an offence had ever been persistently absent, compared to 85% of children who had been cautioned or sentenced for a serious violence offence. Children whose offending had been prolific had the highest proportion recorded as persistently absent at 94%. This compares to 44% of the whole pupil cohort.'

SHiFT exists to break the destructive cycle of children and young people caught up in, or at risk of, crime. We seek to transform both policy and practice in how young people in these circumstances are seen and supported.

Despite the best efforts of dedicated professionals, many young people and their families are not getting the support they need to move to a place of safety and strength. Too often, current responses to harm and offending exacerbate crisis, compound disadvantage, and deepen harmful cycles. Services and systems are experienced as piecemeal and uncoordinated, with artificial thresholds that create damaging cracks, gaps, and cliff edges. The system has been designed through the lens of disconnected problems rather than the interconnected needs of children and their communities.

This is especially true for teenagers, who are the fastest growing group in both child protection and care. As the Independent Review of Children's Social Care put it:

'Government departments and safeguarding partners have failed to have an effective response to the risks that teenagers face. Different parts of the children's social care, police, education, justice, and health systems are responding differently to the same teenagers. Accountability for keeping these teenagers safe is lacking.'

https://childrensocialcare.independent-review.uk/wp-content/uploads/2022/06/IRCSC_The_Case_for_Change_27.05.22.pdf

It doesn't need to be like this, and SHiFT is determined to change things - for the children we work with and for the systems that currently work with them.

Charity purposes

SHiFT's purposes, as set out within our Memorandum and Articles of Association are:

'To prevent and relieve the suffering and hardship of young people, particularly, but not exclusively, in circumstances where the young person is displaying, or at risk of displaying, criminal behaviours in such ways as the charity trustees from time to time think fit, in particular, but not exclusively, through supporting the provision of a therapeutic relationship with a skilled practitioner providing advice, counselling and intense support to those who are involved in or at risk of becoming involved in criminal behaviours, and by facilitating constructive relationships within their system including family, friends and professionals.'

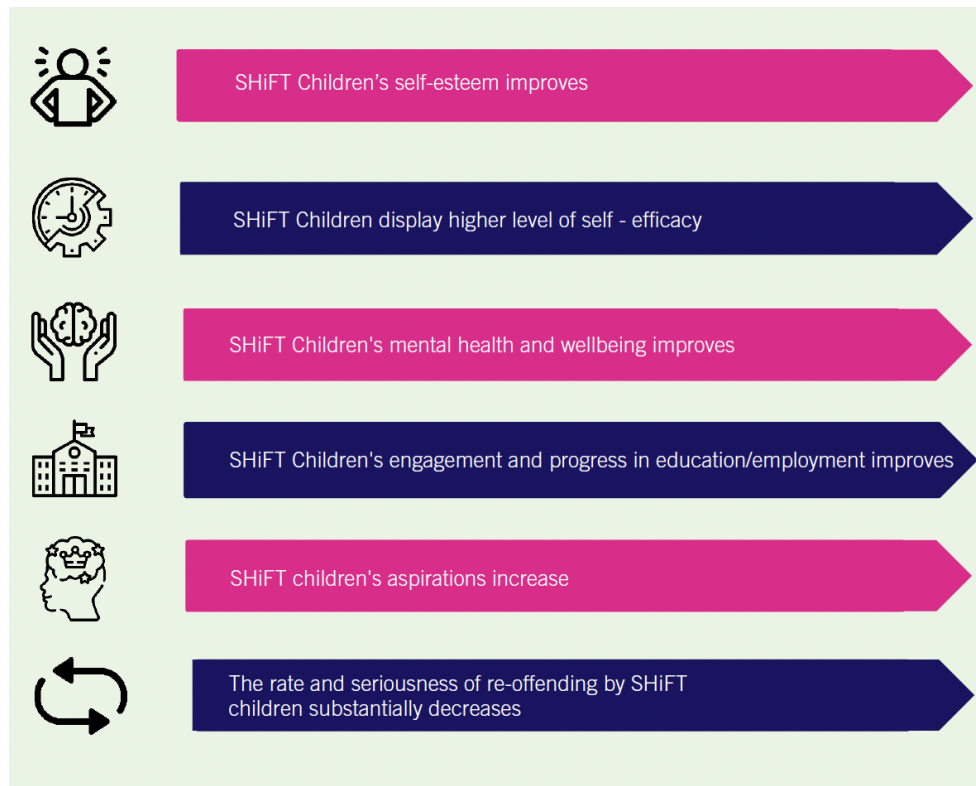
The trustees have paid due regard to Charity Commission guidance in deciding what activities the charity should undertake and are confident that we are acting within our charity's purposes.

Measures of success

We seek to understand the experience of children and young people being supported by SHiFT and the progress they are making through evaluation that includes:

- Timeline interviews with children and young people - led by Guides (highly skilled SHiFT practitioners recruited from a variety of professional backgrounds) and SHiFT's Research and Evaluation Lead.
- Interviews with the family members of children and young people, and/or professionals from other services who are supporting them.
- The quarterly completion of our Exploration Tool by children and young people - a self-assessment of strength and wellbeing across all key life dimensions.
- In parallel, the completion every quarter of our Exploration Tool by SHiFT Guides - a professional assessment of strength and wellbeing across all key life dimensions.
- Pre-, post- and half-way through Programme questionnaires completed by children and young people to measure self-esteem, self-efficacy and mental wellbeing.

We aim to show progress for the children we are working with against the following outcomes:



And through our work with statutory services, key desired outcomes are:

- SHiFT demonstrates substantial savings to statutory sector costs, due to the reduction in repeat offending and reduction of social care costs.
- Pilots are maintained by the Local Authority after their first 18 months or SHiFT's approach is taken forward to evolve existing services.

OBJECTIVES AND ACTIVITIES

Objectives and aims

SHiFT was set up in 2019, with an objective to demonstrate and embed opportunities for more impactful and cost-effective approaches to breaking the cycle of offending and supporting behaviour change in children and young people, alongside driving wholesale system change in how society perceives and supports the children we work with.

The SHiFT programme is based on the Breaking Cycles model, devised by Sophie Humphreys OBE, the Chair and one of SHiFT's four Co-Founders. Instead of defining people by issues such as addictions or criminality, Breaking Cycles understands that this behaviour often occurs as a result of previous experiences of trauma, neglect, abuse and poor attachment, and therefore focuses first on working with each child as an individual: getting to know them, understanding their hopes and fears, and helping them develop the strong foundations needed to achieve their aspirations.

Using the Breaking Cycles approach, SHiFT wants every child and young person caught up in, or at risk of, crime, to have one intensive, high-quality, trusting, and persistent professional relationship through which most of their needs are met: a flexible, tailored, and tenacious relationship through which professionals do whatever it takes to set children and young people up for the safe and bright futures they deserve.

SHiFT is systemic in nature. We work through a trauma and poverty informed lens, focussed on building positive identity, and delivered over a sustained period of around 18 months. We believe that everyone - including traumatised and vulnerable children and young people described by professionals as 'hard to reach' - has a hook by which they can begin to pull themselves away from repeated and harmful behaviour. Guides work with each child to develop trusting relationships and to find the right hook, day by day, moment by moment, to support necessary behaviour change.

Key distinctive aspects of SHiFT's practice include:

- SHiFT starts with aspiration and sets the bar high. We do not define children and young people by their problems or behaviours.
- SHiFT reaches children and young people and stays with them, wherever they are and wherever they go. We are not constrained by artificial barriers, such as age limits, service thresholds or Local Authority borders.
- SHiFT supports each child or young person through points of transition such as from childhood to adulthood, from custody to the community, or from out of education or employment to back in. There is no cliff edge at 18.
- SHiFT supports children and young people to change their perceptions of themselves and to challenge others' perception of them. We believe in them until they begin to believe in themselves.
- SHiFT gets alongside the child supporting them to navigate their world differently, working with everyone in their world, including – and especially – families, and helping to change limiting patterns of behaviour and relating.
- SHiFT Guides are not just another additional service in young people's lives - we assertively hold responsibility, we simplify the professional network, join dots, and make the system more coherent and effective for children and young people.

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SHiFT is scaling high-impact Practices across the UK. SHiFT Practices change policy and practice one conversation at a time, infiltrating existing systems and modelling a different threshold-free and aspiration-led way of working alongside children and families. When skilled practitioners see, do, and talk differently, they surface new possibilities and approaches which have powerful, positive domino effects in systems and the lives of children and young people.

A SHiFT Practice consists of five SHiFT Guides and a Practice Coordinator. SHiFT Guides are highly skilled practitioners, who have significant experience of working with some of the country's most vulnerable children in complex circumstances. Guides come from a range of professional backgrounds, including social work, youth offending, education, the probation service, and healthcare. Each Practice supports around 25 children. They work alongside and across the statutory system, ensuring duplication is avoided and scarce resources are directed and purposeful. Colleagues who form SHiFT Practices are all employed by the Local Authority in which they are based, and our framework agreement makes clear that it is the responsibility of each Local Authority to ensure that safeguarding risks are being properly managed within their own safeguarding procedure.

SHiFT Practices are 'insider-outsiders' - working from within existing services (children's services, public health, policing and criminal justice, education, housing) as well as working outside, as part of the national SHiFT changemaking community. This is not simply adding personnel capacity to existing Youth Offending Services. We will show that an adult-led relationship that is trauma-informed attachment-aware and consistent over a sustained period breaks cycles of crime.

Scaling SHiFT Practices across the UK will transform policy and practice - influencing by delivering and demonstrating outstanding outcomes for children and young people, as part of a national community that is building the evidence and practice for change and contributing to new public conversation.

Significant activities

Building on the strong foundations laid for the organisation in 2020/21, SHiFT's main focus during the financial year 2021/22 has been on delivering and evidencing outstanding outcomes for children through our two pilot Practices (in Kingston and Richmond, which launched in December 2020, and in Greenwich, which launched in June 2021), alongside scoping and beginning to mobilise two further Practices - a smaller Practice that will support 15 of the Borough's most vulnerable and high risk children in Bexley (launching July 2022), and a Practice supporting 27 children and families in Tameside, Manchester (launching January 2023), which is one of the areas of highest permanent school exclusion in the country. SHiFT secured a 50% contribution from public sector funds towards the costs of both of these new Practices - representing an increase from 25% public sector contribution for the first pilot Practices.

SHiFT Tameside has received investment from Greater Manchester's Violence Reduction Unit as well as the Local Authority. We see this as reflecting SHiFT's growing credibility and timeliness (e.g. in light of key priorities within national government's 'Levelling Up' ambitions, the ongoing work of the Commission on Young Lives, and recent recommendations from the Independent Review of Children's Social Care which strongly align with SHiFT's approach). They also represent further important progress towards financial and mission-focused sustainability for SHiFT and the organisation realising its potential for system impact. Philanthropic support continues to fund the balance of the first 18 months of the costs of each Practice together with core costs for the national team.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the organisation should undertake. We are confident that all the charitable activities that we have undertaken do further our charitable purposes for the public benefit.

SHiFT is supporting some of the most vulnerable children in our society, most of whom have suffered devastating experiences of trauma, neglect, abuse, or poor attachment. Through our work, we will demonstrate that trauma informed, relational and identity forming approaches are both effective and necessary to break entrenched, destructive, and sometimes multi-generational cycles of offending. On the basis of our experience and results, we aim to create system change to transform the way that our society collectively guides, educates, diverts and rehabilitates our nation's children who are caught in a complex and destructive cycle of offending and related behaviour.

STRATEGIC REPORT

Achievement and performance

48 children and young people are currently being supported by SHiFT. Most recent data analysis of 43 of children and young people indicated that:

- Most were boys (37).
- A small but important group were girls (6).
- Most identify as White British (18) or Mixed Heritage (15).
- Most are 15-18 years old, with the youngest child supported aged 12 and the oldest aged 19.

SHiFT gets alongside and strengthens the families and communities that children grow up in, which are often children's source of love and belonging. Across the group of 43 children covered by most recent data analysis, our work with families includes 80 siblings and between 30 and 40 parents or carers. SHiFT also works with all professionals involved in the lives of the children and young people we support - at the start of our time with the 43 children and young people we've worked with, the number of professionals involved with each child ranged from 1 to 15.

At the start of their time with SHiFT:

- 35 out of 43 children had previous criminal convictions and 33 out of 43 were under current Youth Justice supervision when SHiFT started working with them.
- 22 out of 43 children are known to have been victims of crime.
- 34 out of 43 children were identified by professionals as at risk of criminal exploitation.
- 31 out of 43 children had a history of missing episodes.
- 19 out of 43 children had been assessed by professionals to be gang affiliated.
- 41 out of 43 children have received a fixed term or permanent exclusion from school.
- 34 out of 43 children were known to have alcohol or substance misuse issues.
- 15 out of 43 children were on Children in Need or Child Protection Plans.
- 13 out of 43 children were in the care of the Local Authority with 1 child in foster care and 12 in residential placements.

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There is now good evidence of SHiFT's positive impacts in action. An external implementation evaluation supported by the Youth Endowment Fund (due to be published by the Fund on 30 September 2022) found that SHiFT Practices were successfully engaging the right children with flexibility and persistence to ensure children have the support they need. It also reported that SHiFT was seen as innovative and credible by professional stakeholders at all levels. This is an excellent basis for scaling.

Beyond this, SHiFT's Research and Evaluation Lead, Dr Kirstine Szifris, has undertaken a process evaluation, drawing on wide ranging administrative data, interviews, and focus groups, to understand children's experiences and the mechanisms that underpin SHiFT's action. An extract from the summary of Dr Szifris' report reads:

'As SHiFT moves into its next stage with an aim of launching further Practices, this research has helped to strengthen its foundations by helping to understand how and why SHiFT is working. So far, there have been some impressive outcomes - not least for children like Banquo whose return to mainstream education is described by professionals as a rare feat. Instead of following a far-too-common trajectory of escalating criminal behaviour, he can move to a place of strength and responsibility where his knife crime, fighting, and convictions are not repeated and his capacity to aspire, achieve and contribute to society is realised.

More broadly, children supported by SHiFT feel seen and heard. Children I spoke with were all clear that SHiFT is supporting them in a way that feels meaningful to them. At this early stage, data is starting to reveal some good evidence of positive outcomes - a reduction in missing episodes (which professionals report often relate to drug dealing and county lines), a reduction in severity and number of arrests and conviction, and an increase in engagement in education, employment or training including some returning to school or training after a period with little or no provision, some improving attendance and behaviour, and others finding more suitable educational placements.

It is not a clear picture though. The cycles of crime in which the children SHiFT works with are caught are deep, destructive, and worsening. Children's journeys are not all linear - there are setbacks, changes in circumstances and feelings, and periods where they lean out of the relationship with their Guide and want to prioritise other aspects of their lives - but what is clear from this research is that SHiFT Guides stay with them, looking every day for opportunities to help them refocus, reframe, and reconsider options and choices.

Children see SHiFT Guides as the ear they need in times of crisis. It takes time - and, it seems, all the ingredients of Breaking Cycles of tenacity, perseverance, flexibility, and finding the right hook day by day, minute by minute - to break these cycles.'

Administrative data evidence emerging impacts for children supported by SHiFT, including:

- Being more settled in their accommodation with improved stability, behaviour, and better communication skills with staff in placements.
- For children who have a history of going missing frequently we are seeing missing episodes have ceased, significantly reduced or stabilised. This is through building trust, understanding the reasons for the episodes, and responding appropriately to mitigate and support improved self-efficacy.
- Reduced involvement in offending with demonstration of genuine steps towards sustained change for some of the most 'entrenched' we are working with. This includes engagement with new hobbies sustained and increased engagement in education and training.
- Improved attitudes towards finding employment and suitable training and engaging in further or adult learning education with some tangible evidence of successfully gaining employment, qualifications.
- Re-engagement with statutory mainstream or alternative education. Focusing on one of our Practices 20% of young people have moved into education, employment or training over the last reporting period after 13 months of working with SHiFT.

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- Engagement in a diverse range of extra-curricular activities that provide learning through informal education and allow children to develop self-confidence, channel risk taking behaviour and develop agency.
- Progress in risk reduction and safeguarding concerns are being reflected in significant reductions in the professional network around children supported by SHiFT. Statutory social work intervention has ceased for 25% of children at one SHiFT Practice after 9 months of children being supported by SHiFT. A further 15% have demonstrated reduced levels of concern with a view to ending statutory involvement in this upcoming quarter (12 months in).

Finally, an external economic analysis of SHiFT's work by Cornish & Grey is helping us to understand the fiscal impacts of our work. Key findings include:

- SHiFT is generating in year cost savings for Local Authorities, increasing placement stability, reducing the use of expensive remand accommodation, supporting children to return to mainstream school from Pupil Referral Units, and enabling high-cost / high-intervention safeguarding services to step down, freeing other professionals to support other children.
- SHiFT is also avoiding future costs. For each child considered in Cornish & Grey's external economic analysis, costs avoided by breaking cycles of crime now, ranged from £2.5 million to £700,000 for each child up to the age of 40. Potential future public costs avoided in the next five years ranged from £1.8 million to £164,000. With a cost per child of £21,000 for 18 months of intensive SHiFT support, for every £1 spent on SHiFT £8 is saved over five years, and £33 is saved over 20 years.

This evidence gives us confidence that work with children and young people is having the positive impacts intended, enabling them to rebuild the foundations of their lives and break cycles of crime. Evaluation activities have also generated learning from the first two pilot Practices which has already been implemented to strengthen the processes of mobilising further new SHiFT Practices (in Bexley and Tameside, Manchester).

As a result of sustained work over this last year to develop SHiFT's strategic relationships and to communicate the nature and impacts of SHiFT's work, interest in SHiFT from the public sector and from central government is high. We have fed into the Commission on Young Lives work, support from Violence Reduction Units is increasing, and we are in active dialogue with the Ministry of Justice, Home Office, Department for Levelling Up and Department for Education. We now have the approach, the staff team, experience, strategic relationships, and evidence to support accelerated growth and fulfil our strategic ambition to launch five further SHiFT Practices in this next year.

Balanced picture of achievements against objectives set

SHiFT has launched, grown a high performing national team, and mobilised Practices that are evidenced to be providing outstanding support for children and families, which is breaking cycles of crime. Two thirds of the children supported by SHiFT have to date remained entirely offence-free. 48 children and young people were invited to work with SHiFT in Kingston & Richmond and Greenwich with only five choosing not to participate. To date only one child decided to stop receiving SHiFT support after nine months.

SHiFT has grown and achieved outcomes largely in the context of the many operational and public health challenges of the Covid-19 pandemic. Though we might have hoped to have launched further Practices sooner, beyond Kingston & Richmond, and Greenwich, Bexley's launch in July 2022, and Tameside in Manchester's launch in October 2022 are on track and will take forward learning from the extensive evaluation which has happened during this accounting period. SHiFT is in a strong position to move ahead and has performed well against its aspirations and objectives.

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Performance of material fundraising activities against fundraising objectives

SHiFT has continued to enjoy strong philanthropic support, which has enabled the organisation to meet core running costs for the national team and to secure 75% of Practice costs at Kingston & Richmond and Greenwich. Owing to the increased contribution secured from public sector funds only 50% of Practice costs at Bexley have needed to be (and have been) secured philanthropically. The majority of philanthropic investment (accounting for 50% of total Practice costs) have already been secured for the Tameside, Manchester Practice.

Our key priority now is to secure central government funding to support further national scaling, which will incorporate meeting ongoing core costs for the national SHiFT team. An additional balance of £142k is needed to fully cover all costs for SHiFT Tameside, applications for which are currently under consideration.

Positive and negative factors outside of charity control

SHiFT has garnered strong attention from policymakers and senior practitioners, partly as a result of opportune increased focus on the needs and experiences of adolescents (e.g. the Independent Review of Children's Social Care), and the unfortunate ongoing rise in the vulnerabilities and unmet needs of this group, especially since Covid. The highest proven reoffending rate across the youth justice system in England and Wales is for children leaving custody - 64% within 12 months after release. Interest in doing things differently is therefore high and the case for change increasingly well understood and considered urgent.

Covid-19, the cost-of-living crisis, and the war in Ukraine have all been negative factors outside of SHiFT's control that have impacted our work. In particular, Covid-19 and the cost-of-living crisis have impacted labour markets - people's expectations of work, levels of competition, and increased salary expectations - and, together with the knock-on impacts arising from the war in Ukraine, these factors have added financial pressures to us, and our public sector partners. In this context, government has been pulled in many competing directions and general political instability has been high. Given our ambitions to secure central government funding to enable national scaling, this instability presents a risk to us. We are working hard to maintain and build new relationships, including with civil servants, to maintain the organisation's profile and maximise chances of future support.

FINANCIAL REVIEW

Principal funding sources

During 2021/22, our principal funding sources were philanthropic donors, trusts and foundations. Increased levels of Local Authority investment (50% rather than 75%) for new SHiFT Practices in Bexley and Tameside, Manchester, and new Violence Reduction Unit investment in Manchester, mean that the proportionate need for philanthropic funds to support our growing activities has somewhat reduced.

Moving forward into 2022/23, our key priority is to secure central government funding to enable national scaling with investment that includes a contribution to the core costs of the national SHiFT team. Alongside fees from each Practice towards the costs of support provided by the national team, this should reduce the need for ongoing philanthropic support and increase the organisation's sustainability.

Total income for period was £1,037,576 and total expenditure was £919,419.

At the end of the financial year, we held a cash balance of £898,688.

The costs for each 18-month pilot programme at a new Practice are approximately £550,000 – £600,000. SHiFT is now funding 50% of these costs and public sector partners (Local Authorities, Violence Reduction Units, and similar partners) are funding the remaining 50%.

The costs for SHiFT's national team (encompassing both staff and non-staff expenditure) are currently approximately £600,000 per year.

Key fundraising needs going forward are:

- Ongoing core costs for the national SHiFT team.
- Further funding to scale and launch new SHiFT Practices.

Our key priority now is to secure central government funding to support further national scaling and realise our strategic ambition for the next three years to mobilise and launch a further five SHiFT Practices.

Reserves policy

At the end of March 2022, we held total funds of £898,688, of which:

- £50,290 were restricted funds carried over to the following financial year; and
- £848,398 were unrestricted of which £632,862 were designated to the delivery of programmes in existing Practices (Kingston & Richmond, Greenwich, Bexley, and Tameside in Manchester), giving an unrestricted and undesignated balance at the end of March 2022 of £215,536.

The organisation's reserves policy is to ensure that - over and above any funds restricted or designated to each programme - we maintain between three and six months of reserves to ensure that we can meet our obligations regarding staffing and overheads for the national SHiFT team.

Our central operating costs are approximately £600,000 per annum. As of March 2022 we were therefore operating with approximately four months of free reserves, which is within the requirements of our reserves policy.

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Principal risks and uncertainties

Risk management is dealt with at all levels of the organisation, with a register of principal risks and their mitigation brought to each Board meeting. We consider our principal risks to be as follows:

Safeguarding: we are working with a very vulnerable group of children and their families, therefore safeguarding is one of our principal risks and one that we take incredibly seriously. Colleagues who form SHiFT Practices are all employed by the Local Authority in which they are based, and our framework agreement makes clear that it is the responsibility of each Local Authority to ensure that safeguarding risks are being properly managed within their own safeguarding procedure. Nevertheless, our safeguarding policy sets out our fundamental safeguarding principles which we would expect all our partners to adhere to, and our quality assurance processes have been developed to ensure that we can check that effective safeguarding is happening in practice. All our staff receive bi-annual safeguarding training and we have a regularly reviewed, critical incident policy which reinforces clear responsibilities and reporting lines.

Financial: we are a new charity, relying on at present, a relatively small number of donors. To scale at the pace of our ambitions we now need to secure central government funding. General political instability and has been high, inflation is currently very high leading to a cost-of-living crisis, and this, coupled with Covid-19 and the impacts arising from the war in Ukraine generate a stretched and turbulent context with strong competing financial pressures on government.

Team recruitment and development: Covid-19 and the cost-of-living crisis have impacted labour markets - people's expectations of work, levels of competition, and increased salary expectations. Together with current high levels of inflation, this is a real challenge for us, as with others in the sector. Recruiting and retaining outstanding staff is critical to our success. We are investing thoughtfully in learning and development and strengthening our culture and recruitment processes to place us in the best position to attract and retain talent.

Demonstration of Impact: while we have made significant progress in the evidencing of impact, we understand that it is fundamental that we are able to show a clear cost-benefit to local authorities and the youth justice system, and a significant and sustainable impact of the programme on our beneficiaries compared with traditional management of young people who conflict with the law. With that in mind, we are committed to continued detailed evaluation, building towards external impact evaluation that can evidence causation. We are refreshing our evaluation strategy, which will guide us to deliver on our ambitions over the next two years and will be applying to new sources of funding to support this work.

Future plans

Our long-term goal is to create and support SHiFT Practices across the UK that will break cycles of crime through the work they do directly with children and young people and through system change leveraged through a new and evidenced approach to practice. We want to change the way in which statutory services are delivered, specifically in relation to the youth justice system, so that these achieve stronger and more sustainable outcomes for the children currently caught up within it.

Between 2022 and 2024, SHiFT will strengthen its foundations in four key areas:

1. More young people out of crime, safe and thriving

- Launch five new Practices from January 2023 with at least three out of London, to extend national reach and learning. New Practices will be targeted in areas of greatest need and where SHiFT can make greatest impact, including by innovating in SHiFT's system entry point and partnership design (e.g. educational partnerships).
- Support 125 children through its new and existing Practices.
- Continue to develop an ambitious, creative, inclusive practice and learning model that delivers outstanding outcomes for young people and positive domino effects to transform systems.

2. Compelling evidence and organisational learning

- Develop comprehensive, thoroughly theoretically and empirically evidenced theories of individual, community and system change and outcomes frameworks.
- Implement ongoing robust cycle of qualitative and administrative data collection to understand experiences of SHiFT and enrich practice, including through comparative insights across different Practice contexts.
- Gather evidence of outcomes for young people (including emergent longitudinal impacts) and progress towards system change.
- Develop a strong learning culture, centring on reflective practice, and supported by our governance and learning and development programme, thoroughly integrating learning from evaluation to support practice and organisational development.

3. A community of committed changemakers

- Provide sector leading learning and development opportunities that develop talent and aspiration within SHiFT and develop relationships and share opportunities within our networks.
- Build strategic partnerships with organisations that share our vision for young people and system change.
- Leverage SHiFT's convening power - hosting events and activities that bring together people across policy, practice, research to share their insights and perspectives and influence through collaboration towards a shared vision.
- Develop opportunities for young people with lived experience of SHiFT to use their voice and experiences to influence and contribute, both within and beyond SHiFT.

4. New public conversation

- Committed engagement in relevant commissions, enquiries and calls for evidence.
- High impact, and creative communication of SHiFT's work, including proactive engagement with the media.
- Learning and development opportunities that are open to public.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

SHiFT's four Co-Founders (Sophie Humphreys OBE, Josh MacAlister, Rebecca Cramer and Michael Clark) set up SHiFT through a common interest in identifying more effective ways of breaking the destructive cycle of offending behaviours in children, enabling them to enjoy lives of choice and opportunity.

A subsequent review of skills, knowledge, professional backgrounds and diversity, and Josh MacAlister stepping down to lead a government review in January 2021, led to the engagement of two new trustees (Nick Pendry and Pam Parkes) in September 2020 and one further trustee (Joe Calouri) in July 2021.

Organisational structure

We have a small, national team comprising of five staff. Our central team supports each Local Authority (or Host Organisation) to mobilise the programme, recruit and train the staff, provide ongoing development and support of the programme framework, evaluate activities, as well as fundraising and management / governance of the charity.

SHiFT Practices in Kingston & Richmond and Greenwich have six staff, comprising one Lead Guide, four Guides and one Practice Coordinator. SHiFT Bexley is a smaller Practice, comprising one Lead Guide, two Guides and one Practice Coordinator. All Practice staff are employed by the Host Organisation (typically, the Local Authority that is partnering with SHiFT).

Decision making

Our Board of Trustees is responsible for all governance and strategic decision making. Day to day management is delegated to SHiFT's Chief Executive, while the management of each local SHiFT Practice is delegated to the Host Organisation through Local SHiFT Management Board, into which the national SHiFT team also inputs. Responsibility for delivery sits clearly with the Host Organisation, underpinned by Memorandum of Understanding / Partnership Agreements that are agreed between SHiFT and the Host Organisation before Practices are created.

We have developed three Committees to the Board: Finance Committee (Chaired by trustee Michael Clark), Practice Committee (Chaired by trustee Nick Pendry), and Research & Evaluation Committee (Chaired by trustee Joe Calouri). All Committees involve a combination of trustees, and some include external, co-opted representation. We are looking to increase external representation across all Committees in the next year. Committees provide scrutiny and strategic input before taking decisions to the Board of Trustees.

Induction and training of new trustees

Trustees are provided with a comprehensive induction pack as part of their induction, which includes:

- SHiFT's vision, mission, values and strategic aims.
- Previous annual reports, risk register and current year budget.
- Guidance on the role of a trustee, the Charity Governance Code and available Charity Commission good practice guidance.
- Background research and literature relevant to SHiFT's work.

Meetings with the Chair, existing Trustees and the Chief Executive are arranged as part of the induction so that new Trustees can gain a deeper working knowledge of the charity. Visits to existing SHiFT Practices are included as appropriate.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

Key management remuneration

Our policy is to benchmark any new roles against comparable roles within the sector. Staff are subsequently offered a salary that takes into account the skills and experience they bring to the role, pay equality and affordability.

Pay is reviewed annually in March, when the cost-of-living and inflationary environment is reviewed. Any pay review is recommended by the Chief Executive and subject to the approval of the Board. The Chief Executive's salary is reviewed annually by the Board of Trustees. We subscribe to the London Living Wage. We have a defined contribution pension for all staff after their probation period has passed through NEST.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

11928188 (England and Wales)

Registered Charity number

1191125 (England and Wales)

Registered office

Coram Campus
41 Brunswisk Square
London
WC1N 1AZ

Trustees

Mr M B Clark Charity Manager (April 2019 – present)
Ms R Cramer Executive Headteacher (September 2020 – present)
Ms S Humphreys Social Worker (April 2019 – present)
Mrs P V Parkes Director (Local Government) (September 2020 – present)
Mr N J Pendry Director of Early Help and Children's Services (Local Government) (September 2020 – present)
Mr J Calouri Head of Research and Policy (July 2021 – present)

Auditors

Sedulo Audit Limited
Chartered Certified Accountants
& Registered Auditors
62-66 Deansgate
Manchester
M3 2EN

Bank

Lloyds Bank
Villiers House
48-49 Strand
London
WC2N 5LL

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of SHiFT Organisation Ltd for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

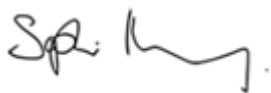
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Sedulo Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 28 September 2022, and signed on the Board's behalf by:



.....
Ms Sophie Humphreys OBE – Chair and Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SHIFT ORGANISATION LTD

Opinion

We have audited the financial statements of SHiFT Organisation Ltd (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SHIFT ORGANISATION LTD

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The primary responsibility for the prevention and detection of fraud rests with directors and management, and we cannot be expected to detect non-compliance with all laws and regulations.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our knowledge of the business and sector, enquiries of directors and management, and review of regulatory information and correspondence. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

We discussed with directors and management the policies and procedures in place to ensure compliance with laws and regulations and otherwise prevent, deter and detect fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SHIFT ORGANISATION LTD

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified as potentially having a material effect on the financial statements. Our procedures included review of financial statement information and testing of that information, enquiry of management and examination of relevant documentation, analytical procedures to identify unusual or unexpected relationships that may indicate fraud, and procedures to address the risk of fraud through director or management override of controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Stansfield ACCA (Senior Statutory Auditor)
for and on behalf of Sedulo Audit Limited
Chartered Certified Accountants
& Registered Auditors
62-66 Deansgate
Manchester
M3 2EN

Date:

SHIFT ORGANISATION LTD

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	866,336	141,240	1,007,576	918,750
Charitable activities	3				
Pilot schemes		30,000	-	30,000	-
Total		896,336	141,240	1,037,576	918,750
EXPENDITURE ON					
Raising funds	4	-	-	-	18
Charitable activities	5				
Pilot schemes		471,954	447,465	919,419	485,849
Total		471,954	447,465	919,419	485,867
NET INCOME/(EXPENDITURE)		424,382	(306,225)	118,157	432,883
RECONCILIATION OF FUNDS					
Total funds brought forward		424,016	356,515	780,531	347,648
TOTAL FUNDS CARRIED FORWARD		<u>848,398</u>	<u>50,290</u>	<u>898,688</u>	<u>780,531</u>

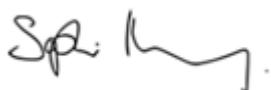
The notes form part of these financial statements

SHIFT ORGANISATION LTD

BALANCE SHEET 31 MARCH 2022

	Notes	Unrestricted fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS					
Tangible assets	11	3,823	-	3,823	7,681
CURRENT ASSETS					
Debtors	12	3,592	-	3,592	-
Cash at bank		<u>863,969</u>	<u>50,290</u>	<u>914,259</u>	<u>810,073</u>
		867,561	50,290	917,851	810,073
CREDITORS					
Amounts falling due within one year	13	(22,986)	-	(22,986)	(37,223)
		<u>844,575</u>	<u>50,290</u>	<u>894,865</u>	<u>772,850</u>
NET CURRENT ASSETS					
		848,398	50,290	898,688	780,531
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>848,398</u>	<u>50,290</u>	<u>898,688</u>	<u>780,531</u>
NET ASSETS					
		<u>848,398</u>	<u>50,290</u>	<u>898,688</u>	<u>780,531</u>
FUNDS	14				
Unrestricted funds				848,398	424,016
Restricted funds				<u>50,290</u>	<u>356,515</u>
TOTAL FUNDS				<u>898,688</u>	<u>780,531</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 28 September 2022, and were signed on its behalf by:



.....
Ms Sophie Humphreys OBE – Chair and Trustee

SHIFT ORGANISATION LTD**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>104,935</u>	<u>763,626</u>
Net cash provided by operating activities		<u>104,935</u>	<u>763,626</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(749)</u>	<u>(8,527)</u>
Net cash used in investing activities		<u>(749)</u>	<u>(8,527)</u>
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		104,186	755,099
Cash and cash equivalents at the beginning of the reporting period		<u>810,073</u>	<u>54,974</u>
Cash and cash equivalents at the end of the reporting period		<u>914,259</u>	<u>810,073</u>

The notes form part of these financial statements

SHIFT ORGANISATION LTD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.22 £	31.3.21 £
Net income for the reporting period (as per the Statement of Financial Activities)	118,157	432,883
Adjustments for:		
Depreciation charges	4,607	846
(Increase)/decrease in debtors	(3,592)	350,000
Decrease in creditors	<u>(14,237)</u>	<u>(20,103)</u>
Net cash provided by operations	<u>104,935</u>	<u>763,626</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21 £	Cash flow £	At 31.3.22 £
Net cash			
Cash at bank	<u>810,073</u>	<u>104,186</u>	<u>914,259</u>
	<u>810,073</u>	<u>104,186</u>	<u>914,259</u>
Total	<u>810,073</u>	<u>104,186</u>	<u>914,259</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

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

Going Concern

At the time of approving the financial statements and having due regard to the impact of Covid-19 and inflationary / cost-of-living pressures, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Therefore, the trustees continue to adopt to going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment	- 20% straight line
--------------------	---------------------

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

1. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS102 to all of its financial statements.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which includes 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 present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 and services that have been acquired in the ordinary course of business 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 rate method.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total funds 2022 £	Total funds 2021 £
Donations	251,086	-	251,086	225,000
Grants	-	-	-	300,000
Trusts and foundations	610,000	141,240	751,240	393,750
Gift Aid	5,250	-	5,250	-
	<u>866,336</u>	<u>141,240</u>	<u>1,007,576</u>	<u>918,750</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.22 £	31.3.21 £
Team fees	Pilot schemes	<u>30,000</u>	<u>-</u>

4. RAISING FUNDS**Raising donations and legacies**

	31.3.22 £	31.3.21 £
Subscriptions	<u>-</u>	<u>18</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Pilot schemes	<u>427,957</u>	<u>491,462</u>	<u>919,419</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

6. SUPPORT COSTS

	Management £	Finance £	Other £	Governance costs £	Totals £
Pilot schemes	<u>368,391</u>	<u>228</u>	<u>113,373</u>	<u>9,470</u>	<u>491,462</u>

Support costs, included in the above, are as follows:

	31.3.22 Pilot schemes £	31.3.21 Total activities £
Wages	284,282	132,733
Social security	27,908	9,813
Pensions	17,658	3,943
Staff training	1,540	4,140
Recruitment costs	36,888	28,349
HR support contract	115	2,199
Bank charges	228	222
Rent and rates	14,944	-
Office costs	4,761	1,788
Insurance	1,827	1,359
Telephone	3,218	-
IT costs	5,038	1,681
Website costs	5,284	2,646
Contractor costs	72,865	123,819
Advertising and marketing	-	346
Subscriptions	829	1,217
Depreciation of tangible fixed assets	4,607	846
Accountancy and legal fees	<u>9,470</u>	<u>8,706</u>
	<u>491,462</u>	<u>323,807</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.22 £	31.3.21 £
Depreciation - owned assets	4,607	846
Auditor's remuneration	6,000	-
Other operating leases	<u>14,944</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

8. TRUSTEES' REMUNERATION AND BENEFITS

Ms S Humphreys, a trustee of the charity, charged the charity £54,750 (2021: £43,500) in respect of consultancy services provided to the charity. In making this payment the charity full considered the implications of making a payment to a trustee and the Board were satisfied that the amount of the payment for the services does not exceed what is reasonable, in the circumstances, for the supply of the service in question. The decision was also made with the Trustee concerned absent from the part of the meeting where this was agreed. This payment to a trustee was permitted under the memorandum and articles of association of the Charitable Company. All the required conditions under sub-clause 2 of clause 7 of the Memorandum and Articles were met.

Trustees' expenses

During the year, there were trustee's expenses paid of £205 (2021: £293).

9. STAFF COSTS

	31.3.22	31.3.21
	£	£
Wages and salaries	284,282	132,733
Social security costs	27,908	9,813
Other pension costs	<u>17,658</u>	<u>3,943</u>
	<u>329,848</u>	<u>146,489</u>

The average monthly number of employees during the year was as follows:

	31.3.22	31.3.21
Programme and administrative	<u>9</u>	<u>6</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.22	31.3.21
£60,001 - £70,000	1	-
£70,001 - £80,000	3	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u>5</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	800,000	118,750	918,750
EXPENDITURE ON			
Raising funds	18	-	18
Charitable activities			
Pilot schemes	373,613	112,236	485,849
	<hr/>	<hr/>	<hr/>
Total	373,631	112,236	485,867
	<hr/>	<hr/>	<hr/>
NET INCOME	426,369	6,514	432,883
RECONCILIATION OF FUNDS			
Total funds brought forward	(2,352)	350,000	347,648
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>424,017</u>	<u>356,514</u>	<u>780,531</u>

11. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 April 2021	8,527
Additions	<u>749</u>
At 31 March 2022	<u>9,276</u>
DEPRECIATION	
At 1 April 2021	846
Charge for year	<u>4,607</u>
At 31 March 2022	<u>5,453</u>
NET BOOK VALUE	
At 31 March 2022	<u>3,823</u>
At 31 March 2021	<u>7,681</u>

SHIFT ORGANISATION LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Other debtors	<u>3,592</u>	<u>-</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade creditors	317	12,076
Social security and other taxes	9,673	11,663
Other creditors	2,976	45
Accruals and deferred income	<u>10,020</u>	<u>13,439</u>
	<u>22,986</u>	<u>37,223</u>

14. MOVEMENT IN FUNDS

	At 1.4.21	Net movement in funds	At 31.3.22
	£	£	£
Unrestricted funds			
General fund	424,016	424,382	848,398
Restricted funds			
CHK Foundation	30,000	(30,000)	-
Four Acre Trust	20,000	(20,000)	-
Garfield Weston	232,269	(232,269)	-
Paul Hamlyn Foundation	70,000	(70,000)	-
Big Change	4,246	(4,246)	-
Awards for All	-	9,990	9,990
Dulverton	-	30,000	30,000
Rayne Foundation	<u>-</u>	<u>10,300</u>	<u>10,300</u>
	<u>356,515</u>	<u>(306,225)</u>	<u>50,290</u>
TOTAL FUNDS	<u>780,531</u>	<u>118,157</u>	<u>898,688</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

14. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	896,336	(471,954)	424,382
Restricted funds			
CHK Foundation	-	(30,000)	(30,000)
Four Acre Trust	-	(20,000)	(20,000)
Garfield Weston	-	(232,269)	(232,269)
Paul Hamlyn Foundation	70,000	(140,000)	(70,000)
Big Change	6,250	(10,496)	(4,246)
Awards for All	9,990	-	9,990
Dulverton	30,000	-	30,000
Rayne Foundation	25,000	(14,700)	10,300
	<u>141,240</u>	<u>(447,465)</u>	<u>(306,225)</u>
TOTAL FUNDS	<u>1,037,576</u>	<u>(919,419)</u>	<u>118,157</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	(2,352)	426,368	424,016
Restricted funds			
CHK Foundation	30,000	-	30,000
Four Acre Trust	20,000	-	20,000
Garfield Weston	300,000	(67,731)	232,269
Paul Hamlyn Foundation	-	70,000	70,000
Big Change	-	4,246	4,246
	<u>350,000</u>	<u>6,515</u>	<u>356,515</u>
TOTAL FUNDS	<u>347,648</u>	<u>432,883</u>	<u>780,531</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	800,000	(373,632)	426,368
Restricted funds			
Garfield Weston	-	(67,731)	(67,731)
Present Value Trust	25,000	(25,000)	-
Paul Hamlyn Foundation	70,000	-	70,000
Big Change	<u>23,750</u>	<u>(19,504)</u>	<u>4,246</u>
	<u>118,750</u>	<u>(112,235)</u>	<u>6,515</u>
TOTAL FUNDS	<u>918,750</u>	<u>(485,867)</u>	<u>432,883</u>

Restricted funds

Our pilot schemes will see us deliver five SHIFT Practices in partnership with different local authorities across the country. Our first pilot is in Kingston & Richmond and will be followed by pilots in Greenwich. Further pilots are yet to be decided. At least one of our two remaining pilots will be conducted outside of London. Each pilot will last 18 months and will work with up to 27 children caught up in the destructive cycle of time.

15. RELATED PARTY DISCLOSURES

During the year, the charity was charged £nil (2021: £41,624) by Reach Academy Trust in respect of salary costs and £nil (2021: £1,729) in respect of office costs. Ms R Cramer who is trustee of the charity also works for Reach Academy Trust.