

Charity registration number 1193986

Company registration number 13101459 (England and Wales)

SWELL REVOLUTION
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

SWELL REVOLUTION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Nicola James John Lovell Rebecca Offley Stephen Offley Peter James	(Appointed 27 September 2022)
Charity number	1193986	
Company number	13101459	
Registered office	10 Upperton Gardens Eastbourne East Sussex BN21 2AH	
Independent examiner	Paul Newton FCA 5 Robin Hood Lane Sutton Surrey SM1 2SW	
Bankers	HSBC Bank Plc 94 Terminus Road Eastbourne East Sussex BN21 3ND	

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SWELL REVOLUTION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The charity is a charitable company and is governed by its Constitution. The objects of the charity, as set out in the governing document are:

- To Advance and Promote Christian Faith and Values through the Production and distribution of music, media and other art forms.
- Provision of resources and educational material enabling the public to engage in and develop the Christian Faith and Values through music, media and other art forms.
- Training and equipping of individuals and organisations to create artistic content.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Swell Revolution was established to reach millions of children and families with the good news of God's love for them.

Our vision is to produce the most professional and enjoyable Christian content for children and youth that has ever been created in the UK. Our mission is to equip churches, families, schools and youth groups across the world, meeting the enormous need for high-quality multimedia resources for a digital generation.

Our journey started in 2018, when Pete James began producing children's worship songs and music videos, creating the brand Cheeky Pandas, and Swell Revolution was established as a charity in 2021. More than 125,000 printed copies of an accompanying AR prayer map were distributed to schools, churches, and houses.

There is a significant lack of good quality, Bible-based digital resources in the UK, yet research shows that almost half of Christians come to faith before the age of 11. YouTube use among 3–7-year-olds now stands at 86%, watching an average of 3 hours a day, mainly cartoons. Through Cheeky Pandas we are reaching children and families at a critical age, through a format they love, pointing children and families to Christ. Cheeky Pandas is uniquely placed in that its appeal to the unchurched is vast, but it is also used by churches and families as a discipleship resource, helping children to go deeper in their faith.

Cheeky Pandas is our animated TV series and suite of resources for children aged 3-8. Young children love high energy songs, quality animation and engaging characters. It delivers the good news of Christ and biblical content in a format that will engage them most at a critical age for faith formation and in a way which can be used by schools, churches and groups, supported by a robust network to track usage and impact.

Swell Revolution partner with Wonderborn Studios to deliver Cheeky Pandas resources, working with the Three Arrows team to create the TV shows, and Raise Up Faith to create accompanying activity packs and assembly plans. Our Sunday school curriculum is distributed globally through Wonderborn's Raise Up Faith platform.

We work with the leading UK Christian publishing group SPCK to create Cheeky Panda story books and all of our TV shows are available with BSL interpretation, making it one of the few children's UK Christian resources to be accessible to children and parents with additional needs.

There is evidence of growing commercial viability. Through creating digital resources, books, and merchandise, we are generating an economic engine that will provide a commercial income stream for the future, helping us to staff the work set before us.

SWELL REVOLUTION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2022**

Achievements and performance

To further the above objects and vision, the charity's main activities and achievements were as follows:

In 2022, Cheeky Pandas moving into its second year as the main family resource for the global prayer initiative: Thy Kingdom Come. Our second TV series was released in March 2022 and gained traction across the world, being shown on YouTube, TBN, God TV and Minno (among other platforms), to children in more than 50 countries. The episodes were themed on the Fruit of the Spirit (love, joy, kindness, patience) the faithfulness episode was linked to the Royal Jubilee. A Christmas special episode was released in October 2022.

Accompanying resources included British sign language versions of all episodes and activity packs (including widget versions), make them one of the few children's UK Christian resources to be accessible to children and parents with additional needs. The website also includes downloadable service plans, songs, action and lyric videos. Live shows featuring giant panda costumes will take place for the second year at the UK's major Christian festivals.

For the Royal Jubilee, we distributed approximately 500,000 storybooks about faithfulness into schools and churches. We commissioned another two books with the leading UK Christian publishing group SPCK: an activity book and 'The Drum Machine – A Story about Joy'. In September 2022, we commissioned a third series to complete the 'Fruit of the Spirit' series (self-control, gentleness, peace, goodness) and we also started work a special Easter episode.

Financial review

With the support of the trustees and volunteers the charity raised £116,912 (2021: £294,066) during the period through grants and donations. The funds raised are used to pay for the production of Cheeky Pandas TV, accompanying resources, marketing costs, and overheads.

The trustees have determined that the charity should aim to hold unrestricted cash of no less than £9,125 (which equates to about 3 months' of unrestricted expenditure) so that the charity could continue to operate should income and / or expenditure vary adversely. At the end of the period, the charity held funds of £23,805, which were all unrestricted.

Plans for future periods

In March 2023 we will release the third series, completing the 'Fruit of the Spirit' theme. Each episode will be released with a music/action video and a BSL version. Assembly plans will be produced to help UK primary schools (both secular and Christian) to explore faith. Children and parents with additional needs will continue to be resourced through our BSL and widget materials. Alongside this, in March 2023, we will be filming a live action companion series ("Buddy episodes") for each of the Fruit of the Spirit episodes. This new material will be used to supplement the animated episodes as well as to boost the material uploaded on our sharing platform, with the intention of generating a broader reach. We will also be working with partners to boost our marketing reach on these platforms with targeted advertising.

For the third year, we will be attending the largest Christian Festivals in the UK to perform live shows (Spring Harvest and Big Church Day Out). We will also be distributing sticker packs which will link to our online content.

In April 2023, we will begin production on the collaboration between Cheeky Pandas and the Jesus Storybook Bible. We will start work on six episodes at the beginning of the year and then another six at the latter end of the year. Production work will continue until Easter 2024.

Additionally we have commissioned a book focussing on Christmas and a Cheeky Pandas Annual.

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Through our free, fun digital resources children are reached at critical ages to make a decision for Christ, and churches are resourced with high quality material to run children's ministry across various settings. Beyond the church, the resources reach non-Christians, creating the possibility of culture change in homes through songs, activities and Bible teachings.

It is our goal to try and achieve the objectives of the charity through generating a funding model which is not totally dependent on raising funding but using the assets created to generate income for the charity. We see this as a journey over the next 5 years to establish sufficient income to cover our staffing costs. Donations would then all be channelled into the creation and development of new products and ministry activities.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on the 29 December 2020. The charity was established under a Memorandum and Articles of Association which established the objects and powers of a charitable company and is governed under its Articles of Association. Trustees are aware of Charity Commission's guidance on public benefit and how this is provided by the charity. Routine training will be available to trustees. The trustee and other organisational details are on page 2 of this report.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Nicola James

John Lovell

Peter Martin

(Resigned 31 August 2022)

Rebecca Offley

Stephen Offley

Peter James

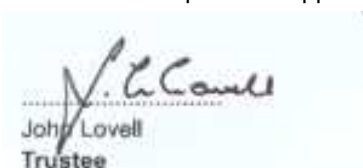
(Appointed 27 September 2022)

Fundraising approach

All incoming funds are included in the statement of financial activities when the charity is entitled to. The approach taken by Swell Revolution is to raise funds via voluntary income which is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Funds have been raised through the trustees. We have not received donated services and facilities during the period. The value of services provided by volunteers has not been included in these accounts.

Swell Revolution is registered with the Fundraising Regulator and adheres to the Code of Fundraising Practice. There have been no recorded failures in compliance with the relevant guidelines provided by the Funding Regulator. There were regular reports to the Trustees on the fundraising activities carried out. No complaints were received by the charity in respect of fundraising. Swell Revolution has a Safeguarding policy in order to protect vulnerable people and other members of the public. There have been no reports of inappropriate behaviour by any person undertaking fundraising and the charity has a register which would record any incidents, policies around fundraising will be developed in 2022.

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



John Lovell
Trustee

Date: ...22/07/2023.....

SWELL REVOLUTION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of Swell Revolution for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 UK 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 operation.

The trustees are responsible for keeping adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SWELL REVOLUTION

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SWELL REVOLUTION

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

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Paul Newton FCA

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated:

SWELL REVOLUTION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	116,912	-	116,912	288,066	6,000	294,066
Charitable activities	4	64,488	-	64,488	-	-	-
Other income	5	16,444	-	16,444	-	-	-
Total income		197,844	-	197,844	288,066	6,000	294,066
<u>Expenditure on:</u>							
Raising funds	6	18,953	6,000	24,953	5,250	-	5,250
Charitable activities	7	269,053	-	269,053	168,851	-	168,851
Total expenditure		288,006	6,000	294,006	174,101	-	174,101
Net (expenditure)/income for the year/							
Net movement in funds		(90,162)	(6,000)	(96,162)	113,965	6,000	119,965
Fund balances at 1 January 2022		113,965	6,000	119,965	-	-	-
Fund balances at 31 December 2022		23,803	-	23,803	113,965	6,000	119,965

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	11	48,323		1,500	
Cash at bank and in hand		5,606		134,329	
		<u>53,929</u>		<u>135,829</u>	
Creditors: amounts falling due within one year	12	<u>(30,126)</u>		<u>(15,864)</u>	
Net current assets			<u>23,803</u>		<u>119,965</u>
Income funds					
Restricted funds	13		-		6,000
Unrestricted funds			<u>23,803</u>		<u>113,965</u>
			<u>23,803</u>		<u>119,965</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 22/07/2023



John Lovell
Trustee

Company registration number 13101459

SWELL REVOLUTION

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

1 Accounting policies

Charity information

Swell Revolution is a private company limited by guarantee incorporated in England and Wales. The registered office is 10 Upperton Gardens, Eastbourne, East Sussex, BN21 2AH.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Income tax recoverable in relation to donations is recognised at the time the donation is receivable.

1.5 Expenditure

Expenditure, including irrecoverable VAT, is recognised when it is incurred or, if earlier, when a legal or constructive obligation for a payment arises provided that it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Governance costs, which are included in expenditure on charitable activities but are identified separately in the notes to the accounts, includes costs associated with the independent examination of the financial statements, compliance with constitutional and statutory requirements and any other expenditure incurred on the strategic management of the charity.

1.6 Cash and cash equivalents

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.7 Financial instruments

The charity's financial assets and financial liabilities all qualify as basic financial instruments, as defined by FRS102. Except for creditors and debtors are measured at their expected settlement value (normally the amount of cash that the charity expects to pay or receive).

Creditors

Creditors are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

1.8 Employee benefits

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

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

1.9 Retirement benefits

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2021 £	2021 £	2021 £
Donations	59,704	59,704	132,800	6,000	138,800
Grants	56,708	56,708	151,016	-	151,016
Gift aid receivable	500	500	4,250	-	4,250
	<u>116,912</u>	<u>116,912</u>	<u>288,066</u>	<u>6,000</u>	<u>294,066</u>

SWELL REVOLUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	2022 £	2021 £
Book sales	38,000	-
Media sales	26,488	-
	<u>64,488</u>	<u>-</u>

5 Other income

	2022 £	2021 £
Royalties	14,982	-
Other income	1,462	-
	<u>16,444</u>	<u>-</u>

6 Raising funds

	Unrestricted funds	Restricted funds	Total	Total
	2022 £	2022 £	2022 £	2021 £
Advertising and Marketing	14,303	6,000	20,303	5,250
Fundraising	4,650	-	4,650	-
	<u>18,953</u>	<u>6,000</u>	<u>24,953</u>	<u>5,250</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	Direct costs	Support costs	Governance costs	Total	Total
	2022	2022	2022	2022	2021
	£	£	£	£	£
Staff costs	3,544	-	-	3,544	-
Materials and Video	215,148	-	-	215,148	144,867
Management fees	38,000	-	-	38,000	19,600
Overheads	-	7,349	-	7,349	2,332
Accountancy	-	-	3,316	3,316	1,092
Independent Exam	-	-	690	690	960
Trustee expenses	-	-	1,006	1,006	-
	<u>256,692</u>	<u>7,349</u>	<u>5,012</u>	<u>269,053</u>	<u>168,851</u>

8 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year, apart from those listed in Note 15. One trustee received reimbursed expenses of £576 for travelling expenses to trustee meetings (2021: none).

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>1</u>	<u>-</u>
Employment costs	2022	2021
	£	£
Wages and salaries	3,222	-
Social security costs	257	-
Other pension costs	65	-
	<u>3,544</u>	<u>-</u>

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

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	36,456	-
Other debtors	11,867	1,500
	<u>48,323</u>	<u>1,500</u>

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Loans	3,020	-
Trade creditors	25,456	14,149
Accruals and deferred income	1,650	1,715
	<u>30,126</u>	<u>15,864</u>

13 Restricted funds

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

	Movement in funds			
	Income	Balance at 1 January 2022	Expenditure	Balance at 31 December 2022
	£	£	£	£
Panda suits	<u>6,000</u>	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>

The restricted fund is for the purchase of Panda Suits.

14 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total Unrestricted funds 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:						
Current assets/(liabilities)	23,803	-	23,803	113,965	6,000	119,965
	<u>23,803</u>	<u>-</u>	<u>23,803</u>	<u>113,965</u>	<u>6,000</u>	<u>119,965</u>

SWELL REVOLUTION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2022*

15 Related party transactions

During the period the charity received donations totalling £5,000 (2021: 17,000) from related parties (which includes trustees, any other members of key management and anyone closely connected to them).

During the period the charity also made the following payments to, or for, related parties:

- a) Peter Martin, who is a trustee, received payments totalling £14,000 (2021: £8,212) for providing CEO services to the charity.
- b) Peter James, who is closely related to Nicola James (a trustee), received payments totalling £24,075 (2021: £6,000) for creative services.

During the period the charity received a loan from Nicola James (a trustee) of £63,020. £60,000 was repaid during the year leaving a balance of £3,020 at the year end.

There have been no other transactions with related parties during the period.