

First Class Foundation
Unaudited Financial Statements
31 October 2022

BOHORUN & CO LTD
Chartered Certified Accountants
6 Howley Park Business Village
Pullan Way
Leeds
England
LS27 0BZ

First Class Foundation

Financial Statements

Year ended 31 October 2022

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First Class Foundation

Trustees' Annual Report

Year ended 31 October 2022

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

Reference and administrative details

Registered charity name First Class Foundation

Charity registration number 1183050

Principal office 14 Ragstone Close
Walsall
WS2 8TH

The Trustees Nathan Dennis (Chair)
Michael Royal (Trustee)
Daniella Genas (Trustee)

Accountants Bohorun & Co Ltd
Chartered Certified Accountants
6 Howley Park Business Village
Pullan Way
Leeds
England
LS27 0BZ

Structure, governance and management

The trustees present their report and the financial statements for the year ended 31 October 2022. The trustees who served during the period and up to the date of this report are identified as above.

Governing Document

The organisation is a Charitable Incorporated Organisation (CIO), incorporated and registered as a charity on the 18th April 2019. The charity First Class Foundation is governed by its constitution filed with the Charities Commission for England & Wales.

First Class Foundation

Trustees' Annual Report *(continued)*

Year ended 31 October 2022

Recruitment and Appointment of Trustees

By constitution First Class Foundation must have a minimum of three Trustees and can have a maximum of twelve trustees. Apart from the Foundation Trustees, every Trustee must be appointed for a term of three years by a resolution passed at a properly convened meeting of the charity Trustees.

In selecting individuals for appointment as charity Trustees, the Trustees must have regard to the skills, knowledge and experience needed for the effective administration of the CIO. Gaps in the skills of the existing Trustees are identified through a skills audit, role descriptions are advertised and potential new Trustees invited to discuss their appointment with the charity trustees. Following a check of their eligibility to serve as a Trustee, agreeing to the Charity Commission Publication "Responsibilities of Charity Trustees" (CC3) and signing the disclosure forms suitable applicants will be appointed at the next Board meeting.

In an effort to maintain a broad skill mix, all Trustees are requested to provide a list of their skills (and update it each year) and in the event of particular skills being lost due to retirements, individuals are approached to offer themselves for election to the Trustee.

Trustee Induction and Training

Most Trustees are familiar with the practical work of the charity having been encouraged to take up opportunities to visit the various projects that the charity delivers.

Additionally, new Trustees are provided with a set of training materials and encouraged to attend the regional meetings to familiarise themselves with the charity and the context within it operates.

These are led by the Chief Executive and Senior leadership team of the charity and cover various topics as well as having external keynote speakers.

Materials provided for all Trustees include:

- Governing document
- Resourcing and the current financial position as set out in the latest published accounts
- Future plans and objectives
- Minutes of board meetings
- Copies of policies
- Key contacts
- Organisational Chart

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Risk assessments are updated at least annually. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and clients. These procedures are reviewed annually to ensure that they continue to meet the needs of the charity.

First Class Foundation

Trustees' Annual Report *(continued)*

Year ended 31 October 2022

Objectives and activities

First Class Foundation has three Trustees who meet at least four times a year and are responsible for the governance, strategic direction and policies of the charity.

The charity's objectives and principal activities are to advance in life and relieve needs of young people through:

- A) The provision of recreational and leisure time activities provided in the interest of social welfare, designed to improve their conditions of life.
- B) The provision of support and activities which develop their skills, capacities, and capabilities to enable them to participate in society as mature and responsible individuals.

An overview of the operation during this period

During this period First Class Foundation became a registered CIO with three Trustees. CEO was appointed and regular general meetings took place. The charity policies and procedures were reviewed. Fundraising and finance procedures put in place. Website published. Youth Led activities reviewed and promoted.

Operating Review

First Class Foundation in line with the development strategy have an organisational chart made up of staff and volunteers.

Regular quarterly trustees' meetings take place.

The CEO produces a monthly report of activities, income and expenditure that have taken place within the charity.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Achievements and performance

Achieved CIO Status
Appointed Board of Trustees
Appointed CEO
Developed Fundraising strategy
Delivered Launch of the charity
Reviewed policies and procedures

First Class Foundation

Trustees' Annual Report *(continued)*

Year ended 31 October 2022

Principal Funding Sources

Donations and gifts in kind.

Reserves Policy

The Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants and ensure that support and governance costs are covered. The trustees consider that a level of three months is sufficient.

Plans for Future Periods

The charity plans to continue the activities outlined above in the forthcoming years subject to satisfactory funding arrangements.

Public Benefit

First Class Foundation delivers activities to do impact the following for the benefit of the public:

- 1) Reduce youth violence
- 2) Improve mental health resilience
- 3) Connect young people to opportunities including jobs, apprenticeships, training and positive activities

We do this through outreach and engagement, innovative training and development programmes, events and new media. The provisions are free at the point of access for all.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Financial review

The charity reported a total surplus of £114,114 (all unrestricted funds) for the year ended 31st October 2022. Total reserves to be carried forward to next year are £260,534 (all unrestricted funds).

During the year we have focussed on developing the structure and systems of the charity, including the opening of the charity bank account.

The Trustees have agreed financial policies and procedures and have appointed Bohoruns Chartered Accountants.

First Class Foundation

Trustees' Annual Report *(continued)*

Year ended 31 October 2022

Trustees' responsibilities statement

The trustees 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).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each 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, of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' annual report was approved on 7 August 2023 and signed on behalf of the board of trustees by:

Michael Royal
Trustee

First Class Foundation

Independent Examiner's Report to the Trustees of First Class Foundation

Year ended 31 October 2022

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

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants (ACCA), which is one of the listed bodies.

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

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

D P Bohorun FCCA FCMI
Independent Examiner

6 Howley Park Business Village
Pullan Way
Leeds
England
LS27 0BZ

First Class Foundation

Statement of Financial Activities

Year ended 31 October 2022

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Donations and legacies	4	50,056	50,056	138,186
Charitable activities	5	545,863	545,863	191,763
Investment income	6	9	9	1
Total income		<u>595,928</u>	<u>595,928</u>	<u>329,950</u>
Expenditure				
Expenditure on charitable activities	7,8	<u>481,814</u>	<u>481,814</u>	<u>255,755</u>
Total expenditure		<u>481,814</u>	<u>481,814</u>	<u>255,755</u>
Net income and net movement in funds		<u>114,114</u>	<u>114,114</u>	<u>74,195</u>
Reconciliation of funds				
Total funds brought forward		<u>146,419</u>	<u>146,419</u>	<u>72,224</u>
Total funds carried forward		<u>260,534</u>	<u>260,534</u>	<u>146,419</u>

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

The notes on pages 9 to 16 form part of these financial statements.

First Class Foundation

Statement of Financial Position

31 October 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	13	756	–
Current assets			
Debtors	14	211,049	82,174
Cash at bank and in hand		104,305	91,895
		<u>315,354</u>	<u>174,069</u>
Creditors: amounts falling due within one year	15	<u>55,576</u>	<u>27,650</u>
Net current assets		<u>259,778</u>	<u>146,419</u>
Total assets less current liabilities		<u>260,534</u>	<u>146,419</u>
Net assets		<u>260,534</u>	<u>146,419</u>
Funds of the charity			
Unrestricted funds		<u>260,534</u>	<u>146,419</u>
Total charity funds	17	<u>260,534</u>	<u>146,419</u>

These financial statements were approved by the board of trustees and authorised for issue on 7 August 2023, and are signed on behalf of the board by:

Michael Royal
Trustee

The notes on pages 9 to 16 form part of these financial statements.

First Class Foundation

Notes to the Financial Statements

Year ended 31 October 2022

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 14 Ragstone Close, Walsall, WS2 8TH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

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

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

Going concern

The Trustees have considered all risks to the organisation and believe that the charity is financially sound and will continue to operate as First Class Foundation over the next 12 months.

Disclosure exemptions

No cash flow statement has been presented for the company. Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

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

Fund accounting

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

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

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

First Class Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

3. Accounting policies *(continued)*

Incoming resources

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

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

Resources expended

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

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

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

Tangible assets

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

First Class Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

3. Accounting policies *(continued)*

Tangible assets *(continued)*

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

Depreciation

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

Equipment - 25% reducing balance

Impairment of fixed assets

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

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

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

Financial instruments

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

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

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

Debt instruments are subsequently measured at amortised cost.

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

First Class Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

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

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

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

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

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

Defined contribution plans

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

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

4. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Donations				
Donations type 1	50,056	50,056	138,186	138,186

5. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Other income from charitable activities type 1	545,863	545,863	191,763	191,763

First Class Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

6. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable type 1	9	9	1	1

7. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Activity type 1	471,740	471,740	243,295	243,295
Support costs	10,074	10,074	12,460	12,460
	<u>481,814</u>	<u>481,814</u>	<u>255,755</u>	<u>255,755</u>

8. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Activity type 1	471,740	–	471,740	243,295
Governance costs	–	10,074	10,074	12,460
	<u>471,740</u>	<u>10,074</u>	<u>481,814</u>	<u>255,755</u>

9. Net income

Net income is stated after charging/(crediting):

	2022 £	2021 £
Depreciation of tangible fixed assets	50	–
Fees payable for the audit of the financial statements	<u>1,200</u>	<u>1,200</u>

10. Independent examination fees

	2022 £	2021 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,200</u>	<u>1,200</u>

First Class Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

11. Staff costs

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

	2022	2021
	£	£
Wages and salaries	132,574	87,685
Social security costs	5,059	–
Employer contributions to pension plans	2,244	1,538
	<u>139,877</u>	<u>89,223</u>

The average head count of employees during the year was 14 (2021: 4).

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

12. Trustee remuneration and expenses

No members of the Trustees received any remuneration during the year. Travel costs and expenses reimbursed to Trustees amounted to £nil.

During the year, wages of £41,545.44 were paid to Sabrina Dennis, the spouse of Nathan Dennis (chairman). No other trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year therefore there were no other related party transactions to disclose.

13. Tangible fixed assets

	Equipment
	£
Cost	
At 1 November 2021	–
Additions	806
At 31 October 2022	<u>806</u>
Depreciation	
At 1 November 2021	–
Charge for the year	50
At 31 October 2022	<u>50</u>
Carrying amount	
At 31 October 2022	<u>756</u>
At 31 October 2021	<u>–</u>

14. Debtors

	2022	2021
	£	£
Trade debtors	211,049	79,775
Other debtors	–	2,399
	<u>211,049</u>	<u>82,174</u>

First Class Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	36,922	21,415
Accruals and deferred income	2,400	1,200
Social security and other taxes	8,573	2,355
Other creditors	7,681	2,680
	<u>55,576</u>	<u>27,650</u>

16. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £2,244 (2021: £1,538).

17. Analysis of charitable funds

Unrestricted funds

	At 1 November 2021 £	Income £	Expenditure £	At 31 October 2022 £
General funds	146,419	595,928	(481,814)	260,534
Unrestricted fund 7 - desc in a/cs	—	—	—	—
	<u>146,419</u>	<u>595,928</u>	<u>(481,814)</u>	<u>260,534</u>

	At 1 November 2020 £	Income £	Expenditure £	At 31 October 2021 £
General funds	—	329,950	(255,755)	74,195
Unrestricted fund 7 - desc in a/cs	72,224	—	—	72,224
	<u>72,224</u>	<u>329,950</u>	<u>(255,755)</u>	<u>146,419</u>

First Class Foundation

Notes to the Financial Statements *(continued)*

Year ended 31 October 2022

18. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2022 £
Tangible fixed assets	756	756
Current assets	315,354	315,354
Creditors less than 1 year	(55,576)	(55,576)
Net assets	<u>260,534</u>	<u>260,534</u>

	Unrestricted Funds £	Total Funds 2021 £
Tangible fixed assets	–	–
Current assets	174,069	174,069
Creditors less than 1 year	(27,650)	(27,650)
Net assets	<u>146,419</u>	<u>146,419</u>
