

REGISTERED COMPANY NUMBER: 08863937 (England and Wales)
REGISTERED CHARITY NUMBER: 1158921

**Report of the Trustees and
Unaudited Financial Statements for the Year Ended 31 August 2019
for**

THE DANIEL SPARGO-MABBS FOUNDATION

Joseph Paul & Co Ltd
Chartered Accountant
21 Oakleigh Road North
Whetstone
London
N20 9HE



DSM foundation

THE DANIEL SPARGO-MABBS FOUNDATION

'Supporting young people to make safe choices about drugs'

**Contents of the Financial Statements
for the Year Ended 31 August 2019**

	Page
Report of the Trustees	1 to 11
Independent Examiner's Report	12
Statement of Financial Activities	13
Statement of Financial Position	14 to 15
Notes to the Financial Statements	16 to 21

**Report of the Trustees
for the Year Ended 31 August 2019**

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 August 2019. 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Daniel Spargo-Mabbs Foundation aims to equip and enable young people to make safe, informed and independent choices about drugs.

The Foundation's objectives are:

1. To provide evidence-based and innovative educational resources and programmes, support and advisory services about substance misuse for promoting healthy, informed choices for young people.
2. To work directly with young people, schools, families, professionals and the community in increasing awareness about substance misuse.
3. To empower young people with the knowledge, life skills and confidence they need to choose lives free of substance misuse.
4. To support initiatives to educate young people about substance misuse through partnerships with them, schools, families, professionals, charities, universities and other agencies.

The Foundation aims:

- To develop drugs education programmes to be delivered to students and parents in schools and colleges across the UK through workshops and as part of Personal Social and Health Education (PSHE).
- To commission and support the development and production of a Theatre in Education play by Mark Wheeler based on the story of Daniel and the testimony of his family and friends.
- To develop partnerships locally and nationally to increase knowledge of the sector, establish the Foundation as a charity that is known and respected, and to maximise benefit to young people and families.
- To develop, train and support a team of Youth Ambassadors to support the work of the Foundation, including through advising the Board, representing the Foundation publicly and facilitating activities for young people and families.

**Report of the Trustees
for the Year Ended 31 August 2019**

ACHIEVEMENT AND PERFORMANCE

Charitable activities for public benefit

The Foundation has undertaken a number of charitable activities for public benefit, in line with their objectives.

Drug and alcohol education programme for schools and colleges

The Foundation's offer to schools has always been flexible and responsive, while maintaining rigorous adherence to evidence-based practice. School timetables, priorities and capacity vary considerably and the Foundation continues to adapt planning, resources and delivery in order to meet the needs of individual schools and their students and families most effectively.

Our drug and alcohol education PSHE programme, Making Safer Choices, was delivered by teachers throughout the academic year 2018-19 to students from years 7 - 13, using planning and resources developed and provided by the DSM Foundation. These are all evidence-based, age-appropriate and designed to complement each other, offering a spiral curriculum of drug and alcohol education to enable schools to build on and reinforce learning throughout young people's time at secondary school. Training and briefings for staff delivering the programmes was offered to schools, as well as generic drug and alcohol training for teachers.

The DSM Foundation also delivered 408 assemblies, talks and interactive drug and alcohol education workshops to students, both to introduce and prepare students for the drug education programme delivered by teachers, and as stand-alone sessions. The latter is only where PSHE is not taught, for example in FE colleges as well as some schools, or where schools already have their own drug education programme in place. Workshops are planned individually in response to the schools' priorities and needs, and for students aged 15-18 years this is also in response to anonymous online surveys which gather information about their perceptions of the relevant issues and needs within their year group. We spoke to over 27,000 young people during the year.

Work on the Mentor UK Quality Mark was undertaken, but final completion put on hold over the summer following news that their future was in some doubt. Steps were taken at the end of the year to prepare the PSHE drug education resources for submission to the PSHE Association in September 2019 for their Quality Assurance approval.

Parent and carer drug and alcohol workshops

We delivered 32 drug and alcohol awareness workshops to approximately 1,800 parents and carers in 2018-19. Most of these took place in schools, one of which was translated into Bengali for parents at a school in Tower Hamlets, East London. They were also delivered in an FE college, a Scouts group, a church, to foster carers, and in summer term 2019 to employees at Artemis Investment in both London and Edinburgh offices. Sixteen (50%) were in independent schools and three (9%) were delivered to a mixed audience of parents and their children. We developed an information leaflet for parents to take away, and a series of short films which cover all the elements of a workshop which will be available online in 2019-20.

Growth in the academic years 2017-18 to 2018-19

In the last 12 months the number of schools, colleges and community groups with which we have worked has grown from 224 to 330. By the end of the academic year we were working in 25 of the 32 London boroughs, and in schools, colleges and community groups across the South East and in 15 counties across the UK, mostly in the South East. Our digital drug education programme was piloted in three schools across the UK. We worked with 193 settings (schools, colleges and community groups) during the academic year, with a total of 330 settings on our books by the end of the year. This total is made up of settings with whom we had either worked, were working, or had confirmed plans to work with in the coming year.

**Report of the Trustees
for the Year Ended 31 August 2019**
ACHIEVEMENT AND PERFORMANCE
Charitable activities for public benefit

We also began a pilot of drug education in Edinburgh, with a view to adapting planning and resources to fit the Scottish curriculum and school framework. The Scottish Drug Strategy has a strong focus on prevention, with education as part of this, and recent data on drug-related deaths in Scotland has given work on prevention a stronger imperative. In addition to this the DSM Foundation was approached by three International Schools, in Zurich, Prague and Bangkok, to work with their students, parents and staff. A day of training for boarding school staff was delivered at the Institut Auf Dem Rosenberg in Zurich in August 2019.

In order to meet this growing demand, we recruited a second sessional drugs educator in September 2018, who undertook training and mentoring during the autumn term.

Settings:	Academic Year 2018-19	Academic Year 2017-18
Number of settings worked with	193	137
Number of parent/carer workshops	32	26
Total settings on the books	330	224
Range of settings:	%	%
State-funded	73	71
Independent	23	22
Community	4	7
State-funded provision:	%	%
Academies/comprehensives	64	67
Faith schools	11	15
Grammar	15	7
FE (16-19)	5	6
Primary	3	2
Alternative provision	2	2
Special school	-	1

Evaluation and impact

Workshops and lessons were evaluated by students, teachers and parents, and both quantitative and qualitative data collected. Students are asked to complete a questionnaire at the start of the programme of lessons or form time sessions, and again at the end, so that changes in behaviour and perceptions of risk and consequence can be measured. They are also asked to complete an evaluation following a workshop if this is not part of a longer programme. Students overall reported significant improvements in their understanding of the risks of harm to individuals from misuse of different substances, and of the likelihood of negative consequences from taking drugs in the next six months.

PSHE programme 2018-19	Year 8	Year 10	Sixth form
	%	%	%
The information was relevant, clear and easy to understand	96	95	93
I had the chance to think about my feelings, beliefs and values	85	84	64
It tackled misunderstandings and myths of substance misuse	75	80	79
It changed how I see the risks and consequences of using drugs	N/A	72	60
It helped me think about ways to handle peer influence	80	72	63

**Report of the Trustees
for the Year Ended 31 August 2019**

ACHIEVEMENT AND PERFORMANCE

Charitable activities for public benefit

Workshops 2018-19

	%
The workshop provided me with relevant information	86
It changed how I see the risks and consequences of using drugs	59
It made me more aware of how others can influence the choices I make	69

Academic external evaluation

An academic team from the University of Middlesex Drug and Alcohol Research Centre conducted an initial independent academic assessment of the impact and effectiveness of our drug and alcohol education programme. Following formative assessments of aspects of the programme in 2017-18 focusing on teachers' experience of delivering the lessons, the effectiveness of parent/carer workshops and the impact of the Theatre in Education performances and workshops, findings were published in February 2019. The study concluded that the Foundation's programme had been developed with regard to principles of good practice emerging from research and through self-assessment following the Mentor-Adepis guidelines. It found that the programme was very well received by teachers and parents/carers and that the play was seen as a valued core element of the programme. They also noted that it was important to continue to seek ways (e.g. through grants) to enable subsidised performances of the play to be offered to schools, to enable continued uptake. The final report is available on the University website here <http://bit.ly/2J35kPJ>. We will be seeking joint funding in 2019-20 for a PhD post to undertake a more rigorous evaluation.

Theatre in Education

Professional tour of Mark Wheeler's play

In Spring Term 2019 the DSM Foundation commissioned StopWatch Theatre Company to undertake a third professional tour of schools with a production of Mark Wheeler's play, *I Love You, Mum - I Promise I Won't Die*, followed by interactive drug and alcohol education workshops. This built on two highly successful previous tours in the spring terms of 2017 and 2018. In total 94 performances of the play took place in 68 schools and FE colleges, and in addition to this, four public performances took place, attended by families and professionals. Approximately 15,000+ young people saw the play during this tour, and around 500 people attended community performances.

Feedback from schools, students and parents was again very positive, and it had a significant impact on its audiences. 88% of students said they had learned more about the risks of drugs, and 89% said they had learned more about the impact of drug use on others. The aspect of the play that students reported as having most impact was the fact it was a true story, using the real words of the people involved.

Comments received included, for example:

- "The personal aspect really touched us and made it more realistic"
- "A true story which made it more emotional and relatable."

Published text of 'I Love You, Mum - I Promise I Won't Die'

Since being published in February 2017 by Bloomsbury on its Methuen Plays for Young People and Schools list, the play has been studied, taught and performed in schools, colleges and communities across the UK and overseas, as far as Tasmania and Australia. It has been used for GCSE and BTEC drama assessments as well as in drama lessons and for full school productions. A number of these schools have gone on to use our PSHE drug and alcohol education resources with students. StopWatch Theatre disbanded in July 2019 and so, following extensive research, Wizard Theatre was commissioned to undertake a fourth professional tour of the play in 2020 in London and the South, and Tie It Up Theatre a shorter tour in Edinburgh, funding permitting in both cases.

**Report of the Trustees
for the Year Ended 31 August 2019**

ACHIEVEMENT AND PERFORMANCE

Charitable activities for public benefit

Youth Ambassadors

Working in partnership with a national youth volunteering organisation we expanded our Youth Ambassador (YA) programme from around 12 locally-based YAs to 45 from across London, focusing on the boroughs for which we had grant funding as well as the Foundation's home boroughs in South London, including a school-based group in Surrey.

Due to this significant expansion, one of the Foundation's drugs educators took on the role of YA coordinator. We developed a range of creative strategies for engaging, training and communicating with the group, to overcome the challenges inherent in being so dispersed as well as busy. Online training modules, zoom meetings and webinars were undertaken, combined with face-to-face training in important areas including safeguarding, communication skills, and drugs and alcohol.

Youth Ambassadors continued to fulfil a range of roles within the Foundation, including speaking to their peers and to parents at workshops, developing resources to communicate messages about the risks of drugs to their peers, planning and delivering assemblies to younger students, and in one school a group planned and delivered a workshop for parents and carers. They supported DSMF events and activities and advised the DSMF team on ideas and developments from a young person's perspective. They also spoke at strategic events and have also been involved in focus groups for a national research project on young people's exposure to drugs on social media.

YAs are extremely positive about the benefits of working with us, personally as well as for their peers and school. One of the YAs said: "Knowing my thoughts and input can make a huge difference either for a family home or to a single person warms my heart"

A Year in the Life event

In November 2018 we held our second annual review and showcase event. A wide range of our key stakeholders, partners and colleagues from across related sectors came together to hear about what we had achieved in the last academic year, what we have planned for the year ahead, and to hear from a number of people who had benefited from our work in various ways. The theme was 'An integrative approach to drug education through PSHE' and the keynote speaker was CEO of Mentor UK, Boris Pomroy, who spoke about what makes drugs education good and why that matters. Teachers spoke about the impact the StopWatch performance of our play had on their students, and about the impact our drug and alcohol education workshops and resources had on students, parents and teachers. A head of drama at a school where students had performed our play spoke about the power of its messages on them and their peers. Our school-based YAs talked about the motivation for being a YA, the difference YAs can make, and the difference it had made to them in turn.

Media and Communications

The DSM Foundation continues to have a strong media profile locally and nationally, with the Director and Operations Manager doing interviews throughout the year in both printed and online press, on issues relating to young people and substance misuse. She has also been invited to speak at a number of conferences, both locally and nationally.

We commissioned a re-design of our website during this period in order to make it more accessible and navigable, and to build content and profile. The social media presence of the Foundation continued to grow, through increased followers on Facebook, Twitter and Instagram, and our young people's Facebook page. The Foundation team undertook training in using Twitter more effectively, and began initial work on a communications strategy.

In addition to the short films for parents, further filming was commissioned of hospital consultants in emergency and intensive care talking about what they witness in relation to the impact of drugs and alcohol on young people. The short documentary we commissioned that tells Dan's story was a finalist in the Charity Film Awards 2019.

**Report of the Trustees
for the Year Ended 31 August 2019**

ACHIEVEMENT AND PERFORMANCE

Fundraising activities

The Foundation has continued to raise money through a variety of fundraising activities. We have been successful in attracting funding from corporate charitable trusts and family trust funds, including Artemis Charitable Foundation, The Everest Trust, and The Redevco Foundation. We have also successfully applied for grant funding from Croydon Voluntary Action in the form of a Croydon Grassroots Grant, and we were given further funding this year by the London Borough of Merton, where the Commissioner for Children, Schools and Families wanted to fund work with parents and carers in the borough's schools. Grant funding received in the previous year from the Richmond Civic Pride Fund, the London Community Foundation and Wimbledon Foundation Community Fund was continued, to enable us to complete work begun.

We continued to develop our income generation plans through contributions from all schools towards play performances, and this almost doubled in 2018-19, increasing from 15% of total income to 27%. We also commissioned a fundraiser for a further ten days to raise funding for core costs, and an additional ten days from a specialist arts fundraiser to raise funding for the costs of touring the play.

FINANCIAL REVIEW

Financial position

Our income for the year ending 31st August 2019 was £154,084 (17 months to 31st August 2018 - £191,255). This was achieved through the extraordinary efforts of our many supporters.

We spent £163,862 (17 months to 31 August 2018 - £134,921) on charitable expenditure which included £52,541 on another successful professional tour of schools with a production of Mark Wheeller's play, *I Love You, Mum - I Promise I Won't Die*, followed by interactive drug and alcohol education workshops.

During the financial year we had a deficit of £9,778 (17 months to 31st August 2018 - surplus of £56,334). At the end of the financial year the unrestricted funds was £85,071 (31st August 2018 - £91,908).

Reserves policy

The Trustees review the level of reserves at the beginning of each financial year and have determined that the appropriate level of free reserves should be sufficient to meet six months' operating expenditure. From time to time, additional reserves will be needed for other purposes, and these will be agreed by the trustees and designated funds put aside for these purposes. Excluded from the Reserves Policy is income associated with 'Restricted Funds'.

The policy shall be reviewed annually at the time of approving the Financial Statements for the Year.

The unrestricted cash reserves amount to £74,331. Within the reserves, specific funds are designated towards operational reserves for 2019/20.

**Report of the Trustees
for the Year Ended 31 August 2019**

FUTURE PLANS

1. Governance

The Board will continue to review its effectiveness and will be undertaking a comprehensive safeguarding review in autumn 2019, which will include reviewing, revising and updating related policies. An annual programme of training and updates will be planned. The Chair will also continue to meet with Trustees individually to review how they have found the last year and their role on the Board.

The Board also plans to use the non-statutory Charity Governance Code as a tool to support continuous improvement.

2. Drug and alcohol education

The priority for 2019-20 is to position the Foundation to be ready to resource schools across the UK to deliver evidence-based drug and alcohol education from September 2020 when this becomes statutory in all state-funded schools as part of Relationship, Sex and Health Education, including undertaking any revisions and amendments of PSHE resources required to achieve the PSHE Association Quality Assurance.

The Scottish drug education programme will be piloted in schools in Edinburgh. The Foundation will also contribute through our membership of a recently formed strategic group reviewing education and prevention work in schools across Scotland, which will inform the Government on priorities and needs.

3. Theatre in Education

We have commissioned Wizard Theatre Company to undertake a ten-week tour of StopWatch Theatre's production of Mark Wheeler's play, followed by educational workshops, in schools and community venues from January 2020, and Tie It Up Theatre to create a new production to be toured in Edinburgh schools in summer 2020. Both of these are dependent on funding being secured.

4. Youth Ambassadors

In 2019-20 we will consolidate our expanded YA programme, recruiting from across London through vInspired as well as creating a wider range of opportunities to engage and recruit young people. We will pilot new online training modules and continue to use creative interactive online methods for communication and support. We will also continue to review opportunities for YAs to contribute to our work, including special projects. YAs will be a key part of the Shared Impact project on which the Foundation is jointly working with Met Police Croydon. This project aims to build bridges and trust between the police and young people through shared storytelling using a variety of creative media.

5. Resources and staff

The Board carried out a major strategic review and decided to reshape the Director's role and create a new role of Operations Manager from autumn 2019 (0.8FTE) to increase our capacity to deliver. We also plan to transfer the Youth Ambassador Co-ordinator and Drugs Educator from a sessional contract to 0.6FTE from April 2020.

6. Finance and fundraising

The updated fundraising strategy includes increasing funding from corporates, grants and trust funds, which will be achieved through focused applications with the support of freelance fundraisers. This includes large grant applications as well as applications and letters to smaller trust funds. We will also continue to work on developing and maximising the potential of corporate relationships and partnerships. The appointment of an Operations Manager will increase capacity to maximise fundraising and income-generating, with responsibilities including financial management and reporting, developing fundraising, and generating funding and income through business growth.



DSM foundation

THE DANIEL SPARGO-MABBS FOUNDATION

'Supporting young people to make safe choices about drugs'

Report of the Trustees for the Year Ended 31 August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, the Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006. The liability of each member of the company, in the event of its winding up, is limited to £10.

The directors of the company are also the charity trustees for the purpose of charity law. Under the Articles of the company the Charity is managed by the Board of Directors.

Recruitment and appointment of new trustees

Two trustees retired by rotation and were reappointed during this period. The Board is considering recruiting a new Trustee with experience in school leadership and PSHE.

In accordance with the Articles of Association, one third of the trustees must retire at the annual general meeting. Tim Spargo-Mabbs and Suja Chacko will retire by rotation and are eligible for reappointment.

**Report of the Trustees
for the Year Ended 31 August 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board is responsible for the overall direction and strategic development of the Foundation. The Board has approved Terms of Reference for its operation, which sets out the authority and responsibilities of the Board, its objectives and its main duties. It also details the delegation of the Board of Trustees' powers to 'lead trustees' for certain functions and clarifies which decisions require full Board approval. The Resources & Governance sub-committee meets regularly to discuss finances, the funding strategy, capacity planning and the effectiveness of controls and risk management.

Trustee board meetings are held approximately every six weeks to discuss major operational and strategic issues facing the charity. The Board of Trustees organised a third strategic planning session for April 2019 led by an experienced, external senior director to review and update a two-year strategy and plan, including a fund-raising strategy to ensure more sustainable funding streams. We used this session to review capacity and made the decision to redesign the Director role.

The Board has continued to review regularly how effectively it is working, assessing the extent to which trustees understand the board's role, particularly in ensuring delivery of the organisation's purpose. The assessment also considers how trustees perceive they are working as individuals and as a collective board, exercising effective control, behaving with integrity and being open and accountable.

The Board continues to source and deploy resources for carrying out the Foundation's charitable activities for public benefit. In September 2018 the Project Co-ordinator role increased from 0.6 FTE to 0.8 FTE to continue to increase our capacity to manage the growing demands from schools, colleges and the community, as well as additional projects. The part-time Coordinator who has worked for six months to coordinate the Theatre in Education tours in schools repeated this role for the 2019 tour and continued to support other admin and co-ordination functions in a voluntary capacity throughout the year. The role of Company Secretary continues to be fulfilled in a voluntary capacity.

Advisory Group

In May 2019 the first meeting of an advisory group was held, and Terms of Reference agreed. The group will serve to advise and challenge the DSM Foundation Board on specific aspects of strategic direction and planning, bringing high level professional expertise and experience from a range of very relevant sectors. The group is being chaired by Simon Bray, who until his recent retirement was a Commander in the Metropolitan Police. He was their lead on security and chair of the National Police Chiefs' Council, and has advised the Met on drugs for over a decade.

The other members are:

- * Prof Betsy Thorn, director of the Drug and Alcohol Research Centre, University of Middlesex, and also prevention lead on the Board of the Drug Research Network Scotland (drug and alcohol research/ drug education and prevention)
- * Kalwant Singh, Managing Director of Steinhoff UK Retail (business)
- * Dr Malik Ramadhan OBE, Lead Consultant, Emergency Department, Royal London Hospital (health)
- * Sir Bernard Ingham, Chief Press Secretary to the Prime Minister 1979-1990 (communications and media)

Induction and training of new trustees

Trustees are appointed for the skills and experience that they bring and their ability to assist the Foundation in meeting its charitable objectives. A facilitated session was held during the year to identify and articulate the Foundation's position on drug policy. All trustees have completed a Level 1 safeguarding course, and a Level 4 safeguarding course was completed by the Chair and Director. Sector updates and briefings are also provided as part of every board meeting.



THE DANIEL SPARGO-MABBS FOUNDATION

'Supporting young people to make safe choices about drugs'

Report of the Trustees for the Year Ended 31 August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Partnership working

In order to further its charitable objectives, the Foundation has continued to develop strong working relationships with a number of other organisations and individuals working in the field. As well as local authorities, local voluntary services and local charities, nationally we have developed strong working relationships with key professionals in the sector, including NHS England, the Metropolitan Police, Mentor UK, Crimestoppers, Alcohol Education Trust, Teen Tips and NCS The Challenge. Colleagues from these fields have continued to provide advice and information about the substance misuse sector, issues for young people, current policy priorities and what evidence and research has demonstrated to be most effective practice in education and prevention.

Risk management

The Board is aware of its responsibilities to identify and review the major risks to which the organisation is exposed and to implement systems to mitigate those risks. A risk assessment and management register is reviewed and updated regularly by the Board. A crisis management plan is in place to ensure the charity is sufficiently prepared should a crisis occur.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08863937 (England and Wales)

Registered Charity number

1158921

Registered office

18 Wyche Grove
South Croydon
Surrey
CR2 6EX

Trustees

Mr T D Spargo-Mabbs	Director
Dr S M Chacko - (Chair)	Director
Mr J T Spargo-Mabbs	Director
Mr I H Smith - (Vice-Chair)	Director
Mr H G Ludlow	Director
Mr N S Martin - (Treasurer)	Director

Operational leadership and management: Director and Operations Manager

Mrs F Spargo-Mabbs

Company Secretary

Mrs J A Ludlow

Independent examiner

Joseph Paul & Co Ltd
Chartered Accountant
21 Oakleigh Road North
Whetstone
London
N20 9HE

**Report of the Trustees
for the Year Ended 31 August 2019**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of The Daniel Spargo-Mabbs Foundation 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;
- 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.

Approved by order of the board of trustees on 21 November 2019 and signed on its behalf by:

Dr S M Chacko - (Chair) - Trustee



'Supporting young people to make safe choices about drugs'

**Independent Examiner's
Report to the Trustees of**

The Daniel Spargo-Mabbs Foundation

Independent examiner's report to the trustees of The Daniel Spargo-Mabbs Foundation ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 August 2019.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the Company 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the 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:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached

Joseph Paul
Joseph Paul & Co Ltd
Chartered Accountant
21 Oakleigh Road North
Whetstone
London
N20 9HE

21 November 2019

**Statement of Financial Activities
for the Year Ended 31 August 2019**

	Not es	Unrestricted funds £	Restricted funds £	Year Ended 31.8.19 Total funds £	Period 1.4.17 to 31.8.18 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		86,366	40,828	127,194	179,672
Other trading activities	2	26,890	-	26,890	10,590
Other income		-	-	-	993
Total		113,256	40,828	154,084	191,255
EXPENDITURE ON					
Raising funds	3	3,300	-	3,300	-
Charitable activities					
Direct charitable		61,650	31,644	93,294	73,330
Other		55,143	12,125	67,268	61,591
Total		120,093	43,769	163,862	134,921
NET INCOME/(EXPENDITURE)		(6,837)	(2,941)	(9,778)	56,334
RECONCILIATION OF FUNDS					
Total funds brought forward		91,908	14,761	106,669	50,335
TOTAL FUNDS CARRIED FORWARD		<u>85,071</u>	<u>11,820</u>	<u>96,891</u>	<u>106,669</u>

**Statement of Financial Position
At 31 August 2019**

	Not es	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
FIXED ASSETS					
Tangible assets	7	2,688	-	2,688	761
CURRENT ASSETS					
Debtors	8	11,312	4,320	15,632	8,566
Cash at bank		<u>74,331</u>	<u>7,500</u>	<u>81,831</u>	<u>98,381</u>
		85,643	11,820	97,463	106,947
CREDITORS					
Amounts falling due within one year	9	(3,260)	-	(3,260)	(1,039)
NET CURRENT ASSETS		<u>82,383</u>	<u>11,820</u>	<u>94,203</u>	<u>105,908</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>85,071</u>	<u>11,820</u>	<u>96,891</u>	<u>106,669</u>
NET ASSETS		<u>85,071</u>	<u>11,820</u>	<u>96,891</u>	<u>106,669</u>
FUNDS	10				
Unrestricted funds				85,071	91,908
Restricted funds				<u>11,820</u>	<u>14,761</u>
TOTAL FUNDS				<u>96,891</u>	<u>106,669</u>

The notes form part of these financial statements

Statement of Financial Position - continued
At 31 August 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Board of Trustees on 21 November 2019 and were signed on its behalf by:

Mr T D Spargo-Mabbs -Trustee

Mr N S Martin - (Treasurer)-Trustee

**Notes to the Financial Statements
for the Year Ended 31 August 2019**

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 2015)', 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.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

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.

Fixtures & equipment - 25% on cost

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

1. ACCOUNTING POLICIES - continued

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.

2. OTHER TRADING ACTIVITIES

	Year Ended 31.8.19 £	Period 1.4.17 to 31.8.18 £
Fundraising events	<u>26,890</u>	<u>10,590</u>

3. RAISING FUNDS

Raising donations and legacies

	Year Ended 31.8.19 £	Period 1.4.17 to 31.8.18 £
Support costs	<u>3,300</u>	<u>-</u>

4. NET INCOME/(EXPENDITURE)

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

	Year Ended 31.8.19 £	Period 1.4.17 to 31.8.18 £
Depreciation - owned assets	1,273	587
Surplus on disposal of fixed asset	<u>-</u>	<u>(993)</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2019 nor for the period ended 31 August 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2019 nor for the period ended 31 August 2018.

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**
6. STAFF COSTS

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

	Year Ended 31.8.19	Period 1.4.17 to 31.8.18
Management	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

7. TANGIBLE FIXED ASSETS

	Fixtures & equipment £
COST	
At 1 September 2018	1,367
Additions	<u>3,200</u>
At 31 August 2019	<u>4,567</u>
DEPRECIATION	
At 1 September 2018	606
Charge for year	<u>1,273</u>
At 31 August 2019	<u>1,879</u>
NET BOOK VALUE	
At 31 August 2019	<u>2,688</u>
At 31 August 2018	<u>761</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19 £	31.8.18 £
Trade debtors	7,754	1,096
Other debtors	44	729
Gift Aid Receivable	<u>7,834</u>	<u>6,741</u>
	<u>15,632</u>	<u>8,566</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade creditors	1,065	459
Social security and other taxes	1,768	-
Pension payable	-	562
Accrued expenses	<u>427</u>	<u>18</u>
	<u><u>3,260</u></u>	<u><u>1,039</u></u>

10. MOVEMENT IN FUNDS

	At 1.9.18	Net movement in funds	Transfers between funds	At 31.8.19
	£	£	£	£
Unrestricted funds				
General funds	8,447	(1,517)	6,379	13,309
Operational reserve	43,610	-	28,152	71,762
Play new season	30,000	-	(30,000)	-
Projects	<u>9,851</u>	<u>(5,320)</u>	<u>(4,531)</u>	<u>-</u>
	91,908	(6,837)	-	85,071
Restricted funds				
Play funds	500	(500)	-	-
Local government funds	5,000	(5,000)	-	-
Community funds	7,261	4,559	-	11,820
Film funds	<u>2,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>
	14,761	(2,941)	-	11,820
	<u>106,669</u>	<u>(9,778)</u>	<u>-</u>	<u>96,891</u>
TOTAL FUNDS				

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**
10. 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 funds	113,256	(114,773)	(1,517)
Projects	-	(5,320)	(5,320)
	<u>113,256</u>	<u>(120,093)</u>	<u>(6,837)</u>
Restricted funds			
Salary funds	12,125	(12,125)	-
Play funds	15,692	(16,192)	(500)
Local government funds	-	(5,000)	(5,000)
Community funds	12,511	(7,952)	4,559
Film funds	500	(2,500)	(2,000)
	<u>40,828</u>	<u>(43,769)</u>	<u>(2,941)</u>
TOTAL FUNDS	<u>154,084</u>	<u>(163,862)</u>	<u>(9,778)</u>

Comparatives for movement in funds

	At 1.4.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
Unrestricted Funds				
General funds	50,335	41,722	(83,610)	8,447
Operational reserve	-	-	43,610	43,610
Play new season	-	-	30,000	30,000
Projects	-	(149)	10,000	9,851
	<u>50,335</u>	<u>41,573</u>	-	<u>91,908</u>
Restricted Funds				
Play funds	-	500	-	500
Local government funds	-	5,000	-	5,000
Community funds	-	7,261	-	7,261
Film funds	-	2,000	-	2,000
	-	<u>14,761</u>	-	<u>14,761</u>
TOTAL FUNDS	<u>50,335</u>	<u>56,334</u>	<u>-</u>	<u>106,669</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

10. 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 funds	137,331	(95,609)	41,722
Projects	-	(149)	(149)
	<u>137,331</u>	<u>(95,758)</u>	<u>41,573</u>
Restricted funds			
Salary funds	18,063	(18,063)	-
Play funds	8,861	(8,361)	500
Local government funds	5,000	-	5,000
Community funds	20,000	(12,739)	7,261
Film funds	<u>2,000</u>	<u>-</u>	<u>2,000</u>
	<u>53,924</u>	<u>(39,163)</u>	<u>14,761</u>
TOTAL FUNDS	<u><u>191,255</u></u>	<u><u>(134,921)</u></u>	<u><u>56,334</u></u>

11. RELATED PARTY DISCLOSURES

Fiona Spargo-Mabbs is related to two trustees. The interested parties abstained from the decision to review the role of the Director and Operations Manager, to create separate roles of Director and Operations Manager and in reviewing the remuneration for these roles. The two family member trustees have no involvement in decisions relating to the day-to-day performance management or HR matters relating to the Director and Operations Manager. Prior consent of the Charity Commission had been obtained for the original appointment of Fiona Spargo-Mabbs to this role.