

**Mahdlo (Oldham Youth Zone)**

(a company limited by guarantee  
and not having a share capital)

**FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2020**

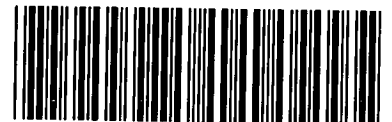
Company number: 06946098

Registered Charity Number: 1134427

**WRIGLEY PARTINGTON**

Chartered Accountants  
Sterling House  
501 Middleton Road  
Chadderton  
Oldham  
OL9 9LY

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01/02/2021

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COMPANIES HOUSE

**Mahdlo (Oldham Youth Zone)**

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## **Mahdlo (OldhamYouth Zone)**

### **Reference and Administrative Information**

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<b>President:</b>	Sir Norman Stoller CBE KStJ DL
<b>Trustees at date report approved:</b>	Christopher Wareing (Chair) John Ainley Kashif Ashraf Dave Benstead Stephanie A Bolshaw Lindsay Walsh Janelle M Barker Kathryn A Morley Terry Flanagan Andrew Milnes Jonathan Lloyd (appointed 26.11.19)
<b>Other Trustees who served during year:</b>	Antony H Spencer (retired 25.06.19) Stephen T Hill (retired 26.11.19)
<b>Chief Executive (interim):</b>	Lucy Lees
<b>Registered Office:</b>	Egerton Street Oldham OL1 3SE
<b>Business address:</b>	Egerton Street Oldham OL1 3SE
<b>Auditors:</b>	Wrigley Partington Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
<b>Bankers:</b>	Natwest 10 Yorkshire Street Oldham OL1 1QT
<b>Company number:</b>	6946098
<b>Registered Charity number:</b>	1134427

## **Mahdlo (Oldham Youth Zone)**

### **Trustees Report for the year ended 31 March 2020**

The Trustees, who are also Directors for the purpose of company law, present their report and the financial statements of the charity for the year ended 31<sup>st</sup> March 2020. The provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP (FRS102)) have been adopted in preparing the annual report and financial statements of the charity.

#### **Objectives and Activities**

The charitable objectives as set out in the Memorandum and Articles are "to help and educate children in the North West of England through their leisure time activities by promoting their full physical and spiritual potential in order that they may grow to full maturity as individuals and members of society and that their conditions of life may improve".

Our mission is "to deliver high quality activities and experiences for young people from Oldham aged 8-19 (25 with a disability) to enhance the quality of their lives and provide support services for those who need additional help to achieve their potential"

We achieve this through our 6 programme areas:

**Get Active** – Young people's participation in a wide range of sports and physical activities at a 'try, train or team' level that promote good health, fitness and build self-esteem.

**Get Creative** – Utilising the specialist dance studio, music room and media suite young people can engage in a broad range of arts and media opportunities that develop creativity skills and confidence.

**Get Outdoors** – We give young people the chance to get out of their usual neighbourhood, experience outdoor adventure and reconnect with the environment promoting confidence, teamwork and social skills.

**Get Sorted** – Young people are able to access support around personal health and wellbeing issues. We link with existing services in the town to ensure we are supporting young people to access the information advice and guidance they really need. Through one-to-ones and group workshops we promote healthy minds, lifestyles and positive choices.

**Get Ahead** – We recognise that getting the right skills and support is key to getting ahead. With the help of partners and local businesses our team support young people to get on the right path for the future.

**Get Connected** – We want young people to play a real role in the running of Mahdlo and to have a clear and coherent voice in the wider community. We support them to be more connected through community projects and volunteering opportunities that promote citizenship and leadership skills.

The activities of the charity are undertaken to further its charitable purposes for public benefit and, in shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity (PB2)".

The provision of a high quality facility for young people responds to a clear, ongoing demand from young people, parents and the wider community for more and better places for young people to go. Our universal services, mainly based around our Get Active, Get Creative and Get Outdoors offer, are open to all young people in Oldham. For those experiencing disadvantage or needing additional support we offer additional targeted services. Short term outcomes are happier young people making healthier choices with increased social skills, achievements and enhanced aspirations. This has the wider impact of improved health and wellbeing, reduced crime, enhanced learning and employability and greater community cohesion.

#### **Structure, Governance and Management**

Mahdlo (Oldham Youth Zone) is a charity and a company limited by guarantee without share capital. Mahdlo is registered under the Companies Act 1985, registration number 06946098. The company is

governed by its Memorandum and Articles of Association, dated 27<sup>th</sup> June 2009. Management of the company's affairs is vested in the co-directors.

In the event of a winding-up, the present members and those who have ceased to be a member within one year of such an event have guaranteed the liabilities of the company to the sum not exceeding one pound each.

### **Organisational Structure**

Mahdlo is governed by its board of Trustees which retains overall responsibility for the strategic direction and the policy of the organisation. The Trustees carry the ultimate responsibility for the conduct of Mahdlo and for ensuring that the charity satisfies its legal and contractual obligations.

The Board approves the strategic plan and annual Business Plan and scrutinises business performance including financial performance as well as providing advice to the Chief Executive on operational matters of importance.

A Chief Executive is appointed by the Board to manage the day-to-day operations. To facilitate effective operations the Chief Executive has delegated authority as approved by the Board for operational matters including finance, human resources and operational delivery allowing the Chief Executive to support the Board in developing and delivering strategy and ensuring the agreed Business Plan KPI's are met.

The senior management team has a range of qualifications and experiences including Accountancy, Youth Work, HR and Facilities management. The Board agreed the structure during annual Business Planning and are required to approve any substantial changes to the Senior Team.

All salaries are benchmarked by a retained independent HR specialist against other Youth Zones, Local Authority and the local labour market. The board agrees all pay increases as a result of cost of living during the Business Planning cycle. Any new post created at any level requires CEO, HR and Finance approval. Senior posts would be agreed by the Trustee with HR portfolio prior to presentation to Board.

All posts are subject to interview and are advertised internally and/or externally.

Mahdlo is part of the family of youth zones established by OnSide. We have a network agreement with OnSide which allows us to be part of a large, trusted youth organisation which has the ability to lobby government and access support from large funders and share best practice within the network. The CEO of OnSide operates as a Trustee on the Mahdlo Board ensuring a strategic communications link exists between Mahdlo and OnSide.

### **The Board of Trustees**

The Board comprises 11 Trustees including the Chair and a President. Individual Trustees hold portfolios relevant to their professional backgrounds and interests. These include Finance, Fundraising, HR, Safeguarding and Facilities management.

Trustees can be nominated for a fixed period of time. One third of the Directors will retire by rotation at each Annual General Meeting. Retiring Directors can be reappointed.

The Trustees meet on a monthly basis.

### **Recruitment and Appointment of Trustees**

New trustees will be recruited according to the needs of the charity and the suitability of possible candidates. The unanimous approval of existing Trustees would lead to their appointment.

The Memorandum and Articles of Association state that the number of members shall have no maximum and shall not be less than three.

Full details of the rules are contained in the company's Memorandum and Articles of Association which may be inspected at the registered office.

### **Induction of Trustees**

Newly appointed trustees are provided with a comprehensive induction to Mahdlo through the provision of in-house training. This includes key information about the organisation and its development, governance and safeguarding. The Board undertakes annual strategy reviews. Individual appraisals between Trustees, the Chair and Chief Executive have been implemented to develop Board capacity.

### **Financial Review**

The surplus for the year of £926k is after charging fixed asset depreciation of £108k. The balance sheet at the end of March 2020 has net assets of £5.8m with net current assets of £42k.

Income for the year of £2.9m included £2.0m of restricted income with the balance of £0.9m unrestricted income having been received from the various sources detailed in notes 2 to 6 of the financial statements. A key milestone for Mahdlo is that we have a new extension, branded as "The SPACE" as noted in the key achievement, which has been funded entirely from donations.

2020 saw our first unrestricted fund deficit. The ability to secure funding from projects trust and grants was ever more competitive, the insecurity of Brexit had an impact on the business community's ability to support and the COVID pandemic caused an instant drop off of funding in March for the end of 2020.

### **Risk Management**

The Board fully accepts its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP). The Trustees have considered the major risks to which the charity is exposed and are committed to ensuring these are effectively managed.

The Chief Executive and senior managers have undertaken comprehensive risk assessments and established risk registers from an organisational and operational perspective and have established suitable risk management and control procedures which are reviewed regularly by the Board.

Key risks to the organisation include Financial, Reputational, Regulatory and Operational.

The Risk Register is updated quarterly and reported to Board with major risks highlighted and control measures discussed. Comprehensive financial accounts including cash flow, I&E and the Balance sheet are reported to Board monthly.

The Key financial risks relate to funding shortfalls and uncontrolled expenditure. As with most charities, developing sustainable funding streams in order to deliver Mahdlo's objectives is of paramount importance. The overall strategy is to balance restricted funding from specific projects and grants with unrestricted funds primarily from Patrons, Donors and fundraising events. In the longer term, a key objective is to develop commercially viable income streams, which will underpin core delivery.

Expenditure is tightly managed with operational managers responsible for budgets relating to their operational responsibilities. Staff costs comprise 65% of expenditure with establishment costs monitored and managed by the CEO and the senior management team using the organisations centralised staff management system.

Regulatory risk is the responsibility of the CEO, Finance manager and Facilities manager who manages Health and Safety and Fire and other statutory risk areas. The Board is appointed and reviewed within the context of Charities Commission guidelines, and new regulatory judgements will be reported to Board as required.

The key operational risks are managed through operational risk planning with a clear hierarchy of responsibility. Specific procedures exist to manage Safeguarding and Health and Safety.

## **Reserves Policy**

The Board of Directors of Mahdlo has established a reserves policy, in compliance with which it will annually review both the sum it wishes to hold in reserve in the unrestricted budget and the basis for that figure. The Directors continually strive to manage the charity's finances so that an adequate level of reserves can be maintained in compliance with the reserves policy.

- Reserves to be maintained at a level which ensures that at least 3 months of the organisation's core activity could continue during a period of unforeseen difficulty.
- That these reserves are readily realisable unrestricted reserves and are in addition to funding the fixed assets.

This level of reserves has been agreed for the following reasons:

- To provide working capital to allow for retrospective funding and the associated time difference between expenditure and receipt of funds.
- Mahdlo's income sources (particularly the Patrons programme and fundraising activities) are vulnerable to changes in the economic situation and any notice period for loss of major donors could be relatively short.
- To support new service development to enable Mahdlo to be responsive to beneficiary needs and to facilitate improvements to the operational running of the organisation.
- To ensure that the building can be kept fully functional, well equipped and in a good state of repair and remains a major attraction and asset.
- To invest in staff and volunteer training and development to ensure quality of service delivery.
- To enable Mahdlo to meet its delivery commitments without interruption in times of economic hardship.
- To be seen as a responsible charity by the Charity Commission, our Funders, partners and the community that engage with Mahdlo.
- To avoid the creation or retention of unnecessary surpluses for which there is no planned requirement in line with the organisation's charitable aims.

Due to the type of funding Mahdlo can and is likely to access can take up to 6 months to secure, there is a need for a longer term policy to increase reserves to an appropriate amount of working capital to fund these time delays. This will be achieved by:

- Developing a funding strategy that enables forward planning of income generation including targets over and above immediate running costs.
- Prioritising fundraising activities and events and ensuring a continual focus on fundraising not just in times of need.
- Appropriate accounting, including building into budgets, accounts and reports a sum for depreciation.
- Building Mahdlo's reputation as a quality charity, worthy of support and investment.

This reserves policy will be reviewed by the Chief Executive and the Board on an annual basis. It is the intention to increase reserve levels incrementally toward 6 months as the organisation's activity grows.

## **Investment Policy**

With having relatively low unrestricted reserves and a variable income stream, funds built up in advance of expenditure need to be reasonably liquid; however, some funds may be retained and invested for future use. To ensure such investments are safeguarded:

- any decision about investments will be made by the Board (potentially having taken professional advice) considering the suitability and diversification of investments, including investments in deposit accounts, to ensure that the failure of one investment or institution does not have a major impact on Mahdlo;

- investments will be made in line with Mahdlo's values and ethos;
- investment performance will be regularly reviewed;
- records will be maintained of all investments held (including details of all those sold or purchased) by the charity; and
- accounting controls will be fully implemented to ensure that all dividends or interest payments due are received and accounted for.

### **Key Achievements in 2019/2020**

2019/2020 has been a year of consolidation of the Mahdlo offer. There were over 58,142 individual visits by young people during the year with 1,209 regular visits per week. Our district offer engaged with 1,775 young people, some of these being from hard to reach areas of the borough.

Membership now stands at 4,508, which is less than the previous year, but the focus has been to improve regular attendance of existing members rather than attracting many new members. Weekly attendances continue to average 1,200 weekly visits. The membership profile has had a slight change over the year with us now having 43% of our members from BAME communities and 20% report as having a disability or additional need.

The Get a Job scheme aimed at young people aged between 16 and 24 continues to be successful with 15 young people completing the course and securing employment and a further 11 receiving apprenticeships.

The summer Holiday Zone had nearly 400 young people in attendance. As well as being a much-needed service to working families, this offer can also be accessed for free by some of our most vulnerable young people, reducing their risk of suffering from holiday hunger.

Mahdlo has an ethos of 'grow your own'. At March we had 30 active young leaders; these are our senior members who have joined our young leader development programme where they are supported to become volunteers in our junior sessions. This has resulted in several of our young leaders securing employment with us and other youth organisations.

Mahdlo's effectiveness continues to be enhanced through partnership working with both statutory and community agencies. We have a strong relationship with the local authority who provide an annual grant to support our universal evening youth work sessions. Our project work is delivered with community organisations such as MIND and Groundwork; we also work with local schools, police, Early Help and health on engaging young people who need specialist support. Our ability work is supported by advice from specialist charities such as Henshaws (visual impairment) and POINT, which is a local network of parents with children with additional needs.

Mahdlo was delighted to have been nominated in The Youth Work Award category at the national Children & Young People Now Awards. These awards have become the gold standard for all organisations working with children, young people and families. Mahdlo was selected for the Youth Work Award as a result of its Districts provision which is part of a Hub and Spokes model ensuring young people have local opportunities, access to role models, safe spaces and activities. Delivering out of 13 sites across Oldham, young people have the opportunity to access over 60 hours per week of youth club activities, and in the past year over 35 organisations have been supported to build their capacity to deliver activities for young people. The Youth Work Award is given to the initiative that has done the most to promote young people's personal development and help them achieve their potential through youth work, informal education and participation in positive activities. Aiming to recognise teams and individuals from the public, private and voluntary sector that work with children and young people, the Awards are a tremendous showcase of learning and best practice from across the country that can be an inspiration to all.

2020 marked the opening of The SPACE (The Stoller Performing Arts Centre of Excellence) at Mahdlo. Designed to accommodate the charity's growing creative offer, the new extension aims to host showcase events at the Youth Zone, replicating the performances held in the summer of 2019 at Stoller Hall.



In what can only be described as an event to remember, Mahdlo presented the very best in performing arts talent from across Oldham at the renowned Stoller Hall. Youth Zone members supported by various partner organisations including the Royal Northern College of Music, Oldham Theatre Workshop and the Indian Dance Company plus many others, had a rare and unique opportunity to perform to a select audience. Moving forward The SPACE will organise events, open mic nights, theatre performances, dance sessions and gigs for the borough's young people.

Talented young people from Oldham took to the stage in November 2019 and performed alongside world-renowned artists to an audience of thousands and HRH Prince Harry at the OnSide Youth Zones Awards. The ceremony, held at the Royal Albert Hall in London, recognised young people's exceptional achievements with awards presented to those who have made a real difference in their community, have breakthrough talent, or have overcome the most challenging of circumstances.

MMA Fighter Kane Mousah visited Mahdlo to share his incredible journey from being a Manchester gang member who served time in prison, to entrepreneur and international fighter in Bellator arenas around the world. At just 33 years old he has an incredible story to tell. Kane told Youth Zone members of growing up around gangs, making the wrong choices, getting involved in serious violence and the negative impact on his life, including a nine-year prison sentence for firearms offences. The event also enabled our Youth Workers to introduce positive activities such as music, enterprise, boxing and gym and connect these routines with issues of respect, personal achievement and healthy relationships.

2020 has been a difficult year for many; even before the pandemic hit, young people falling through the cracks in society was a very real risk. Young people are more vulnerable now than they have ever been, and Mahdlo has a responsibility to those who rely on us. Supporting our community through the pandemic has been our priority.

#### **Post balance sheet events**

Building work commenced in September 2018 on the extension to the existing building, The Space, which had been authorised by the trustees during the year ended 31 March 2017. The extension was completed in December 2020. The final total construction cost was £1,450,000 of which £161,780 plus VAT was incurred after the year end. The whole of the cost was financed by grant funding.

#### **Trustees' Responsibilities**

The charity's Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the charity's Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the charity's incoming resources and applications of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enables them to ensure that the financial statements comply with the Companies Act 2006. The Trustees 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.

## **Statement as to disclosure to our auditors**

In so far as the trustees are aware at the time of approving this report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

## **Compliance with accounting standards**

The Trustees confirm that the financial statements comply with current statutory requirements, the requirements of the Company's Memorandum and Articles of Association and the requirements of the Charities SORP (FRS102).

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Directors at the Annual General Meeting on 26th January 2021 and signed on behalf of the board by:



Chris Wareing

Chair of the Board

## **POSTSCRIPT TO YEAR END 31 MARCH 2020**

In April 2020 the Mahdlo family sadly lost its CEO, leader and friend Mike Doran to COVID-19. Our deputy CEO Lucy Lees has been appointed as interim CEO. As one of the first employee of Mahdlo back in 2011 Lucy has an extensive knowledge of Mahdlo and youth work.

During COVID we have had to adapt quickly to deliver remote support via one-to-one and groups video calls, telephone check in and host of other outreach services, whilst ensuring that all of our young people and staff are safe and that all of our activities meet HSE guidelines. Even though our doors have been shut for most of 2020 we have still had nearly 5,000 engagements with 965 young people. We are delivering food parcels and activity packs to vulnerable families as well as offering a drop-in packed lunch service. A homework club has been set up to help support those who have fallen behind with their education and we have a health & wellbeing offer for those struggling with the emotional impact of the pandemic.

As for finances, in spite of the sudden drop of funding due to COVID, we have taken advantage of all available income streams to return to a surplus of reserves for March 2021. With cash reserves were low at the end of March, the charity has since increased its unrestricted reserves cover to just over three months, which is in line with our reserves policy. This has been achieved during a difficult time where we have been affected by the COVID pandemic. We have maximised government support through the furlough scheme and DCMS funding and secured emergency COVID support funding from trust and grants.

## **Plans for the future**

In response to the pandemic, we are planning all delivery in accordance with the National Youth Agency (NYA) guidance for managing youth activities and space during Covid-19. We have adapted our delivery model to ensure a flexible activity offer, which changes in accordance with the NYA readiness level and also the individual needs of young people who need their confidence rebuilding following months of isolation and inactivity. The situation is currently very changeable and could alter from week to week, depending upon the local infection rate, therefore our offer needs to be reactive and adaptable to the “live” situation in Oldham.

The board of trustees and the team are currently developing our strategic plan for 2021 – 2025. As we continue to strive for excellence for youth-led provision in Oldham, our strategy will focus on the ability to:

- Deliver quality youth work to increase regular attendances.
- Ensure young people's voices are central to the provision.
- Evidence our impact through effective monitoring and evaluation.
- Develop our employee brand.
- Maximise and value resources.
- Ensure long-term financial stability.
- Grow the Mahdlo brand through effective marketing.

Looking to the future there will be a drive to increase membership while continuing to maintain the focus of the strategy to ensure that the offer remains attractive to young people and that the level of retention continues to improve.

In order to demonstrate our impact and secure financial investment we aim to develop and embed effective systems and processes to monitor and evaluate our work.

The core offer will continue to be enhanced with a focus on Excellence and aspiration through quality youth work.

As we continue to support our community through the pandemic, we also prioritise supporting our team members. Over the next four years we aim to develop our employee brand ensuring we are the employer of choice. We will continue to maximise and value our resources, including further investment in training and support for volunteers.

**Mahdlo (Oldham Youth Zone)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE)**

**Opinion**

We have audited the financial statements of Mahdlo (Oldham Youth Zone) for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee's have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matter prescribed by the Companies Act 2006.**

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**Mahdlo (Oldham Youth Zone)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE) (continued)**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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



David Ducie (Senior statutory auditor)  
For and on behalf of  
Wrigley Partington  
Chartered Accountants and  
Statutory Auditor

Date: 29th January 2021

Sterling House  
501 Middleton Road  
Chadderton  
Oldham  
OL9 9LY

Mahdlo (Oldham Youth Zone)

STATEMENT OF FINANCIAL ACTIVITIES

(including Income and expenditure account) : YEAR ENDED 31 MARCH 2020

		2020			2019		
	Note	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>INCOME</b>							
Donations and legacies	2	634,384	1,333,032	1,967,416	803,154	428,562	1,231,716
Charitable activities:							
Delivery income	3	204,148	668,933	873,081	160,848	698,089	858,937
Other trading activities:							
Fundraising events	4	70,479	-	70,479	109,690	-	109,690
Investment income	5	1,163	-	1,163	331	-	331
Other income	6	26,072	4,868	30,940	3,960	3,200	7,160
Total incoming resources		936,246	2,006,833	2,943,079	1,077,983	1,129,851	2,207,834
<b>EXPENDITURE</b>							
Raising funds	7	113,298	-	113,298	103,919	-	103,919
Charitable activities:							
Youth projects and activities	7	1,097,401	764,372	1,861,773	932,320	777,566	1,709,886
Governance	7	41,744	-	41,744	42,481	-	42,481
Total expenditure	7	1,252,443	764,372	2,016,815	1,078,720	777,566	1,856,286
Net (outgoing) incoming resources before other recognised gains and losses		(316,197)	1,242,461	926,264	(737)	352,285	351,548
Other recognised gains and losses		-	-	-	-	-	-
Net movement in funds		(316,197)	1,242,461	926,264	(737)	352,285	351,548
Reconciliation of funds							
Total funds brought forward		462,615	4,445,294	4,907,909	463,352	4,093,009	4,556,361
Total funds carried forward	19	146,418	5,687,755	5,834,173	462,615	4,445,294	4,907,909

All incoming resources and resources expended are derived from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.

**Mahdlo (Oldham Youth Zone)**

**BALANCE SHEET : AS AT 31 MARCH 2020**

	<i>Note</i>	<b>2020 £</b>	<b>2019 £</b>
<b>FIXED ASSETS</b>			
Tangible assets	12	5,791,768	4,461,786
<b>Total fixed assets</b>		<u>5,791,768</u>	<u>4,461,786</u>
<b>CURRENT ASSETS</b>			
Stock	13	1,501	1,503
Debtors	14	140,246	160,342
Cash at bank and in hand	15	322,608	578,982
<b>Total current assets</b>		<u>464,355</u>	<u>740,827</u>
<b>LIABILITIES:</b>			
Creditors falling due within one year	16	421,950	294,704
<b>Net current assets</b>		<u>42,405</u>	<u>446,123</u>
<b>Net assets</b>	20	<u><u>5,834,173</u></u>	<u><u>4,907,909</u></u>
<b>THE FUNDS OF THE CHARITY</b>			
<i>Restricted income funds</i>	19	5,687,755	4,445,294
Unrestricted funds	19	146,418	462,615
<b>Total charity funds</b>	19	<u><u>5,834,173</u></u>	<u><u>4,907,909</u></u>

These accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The accounts were approved by the board on 26th January 2021 and signed on its behalf by

*A. Milnes*

..... Trustee/Director

**A Milnes**

Registration number 06946098

The accompanying notes are an integral part of this balance sheet.

**Mahdlo (Oldham Youth Zone)**

**STATEMENT OF CASH FLOWS : YEAR ENDED 31 MARCH 2020**

	<i>Note</i>	<b>2020 £</b>	<b>2019 £</b>
<b>Cash used in operating activities</b>	<b>24</b>	<b><u>1,181,050</u></b>	<b><u>668,592</u></b>
<b>Cash flows from investing activities</b>			
Interest income		1,163	331
Purchase of tangible fixed assets		(1,438,587)	(584,650)
<b>Cash provided by (used in) investing activities</b>		<b><u>(1,437,424)</u></b>	<b><u>(584,319)</u></b>
Increase/(decrease) in cash and cash equivalents in the year		(256,374)	84,273
Cash and cash equivalents at the beginning of the year		578,982	494,709
<b>Total cash and cash equivalents at the end of the year</b>		<b><u>322,608</u></b>	<b><u>578,982</u></b>



**NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

**a) Basis of preparation**

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Mahdlo (Oldham Youth Zone) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**b) Company status**

The charity is a company limited by guarantee. The members of the company are drawn from throughout Oldham's civic, business, education and training, and voluntary sector communities. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity was incorporated in England and the address of its registered office is Egerton Street, Oldham, OL1 3SE.

**c) Income recognition policies**

Items of income are recognised and included in the accounts when the charity is legally entitled to the income, any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably. The following specific policies apply to categories of income:

Grants for core funding, which do not impose performance related conditions, are recognised when received. Grants towards specific project costs are recognised based on the performance model, as the project is delivered.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Investment income is recognised on a receivable basis.

**d) Donated services and facilities**

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of the economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**e) Pensions**

The charity operates a defined contribution pension scheme. The annual contributions payable are charged to the SOFA in the year to which they relate. The assets of the scheme are held independently from those of the Charity.

**NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies continued**

**f) Resources expended**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. number of employees or estimated usage). Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in trading activities that raise funds.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.
- Governance costs, which are included within charitable activities, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

**g) Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**h) Operating leases**

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

**i) Tangible fixed assets and depreciation**

Individual fixed assets costing £500 or more are capitalised at cost and depreciated over their useful economic lives as follows:

Long leasehold property	2% Straight line
Property building works	10% Straight line
Club equipment	33.3% Straight line
Office and electrical equipment	33.3% Straight line
Furniture and fittings	33.3% Straight line
Motor vehicles	25% Straight line

**j) Fund accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees/directors for particular purposes.

**NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020**

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**1 Accounting policies continued**

**k) Taxation**

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income received falls within section 505 ICTA 1988 and section 256 CGTA 1992 and is applied to charitable purposes only.

**l) Holiday pay**

The holiday year end does not coincide with the financial year end and consequently, provision is made in the accounts for holidays accrued but not taken as at the end of the financial year.

**m) Debtors**

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

**n) Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**o) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**p) Assessment of going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and the accounts have been drawn up on the going concern basis which assumes that the charity will continue in operation for the foreseeable future.

**q) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Mahdlo (Oldham Youth Zone)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
<b>2 Income from donations and legacies</b>				
Patrons programme and donations	223,782	1,333,032	1,556,814	818,451
Gift Aid recoverable	10,602	-	10,602	13,265
Legacies	-	-	-	-
Local authority grants	400,000	-	400,000	400,000
	<u>634,384</u>	<u>1,333,032</u>	<u>1,967,416</u>	<u>1,231,716</u>
<b>3 Income from charitable activities</b>				
<i>Delivery income:</i>				
Performance related grants (project funding)	-	668,933	668,933	698,089
Service level agreements	34,854	-	34,854	25,171
Café and refreshments	58,945	-	58,945	60,567
Facility hire	58,958	-	58,958	26,256
Membership, fees and sale of goods	51,391	-	51,391	48,854
	<u>204,148</u>	<u>668,933</u>	<u>873,081</u>	<u>858,937</u>
<b>4 Income from other trading activities</b>				
Fundraising events	70,479	-	70,479	109,690
	<u>70,479</u>	<u>-</u>	<u>70,479</u>	<u>109,690</u>
<b>5 Investment income</b>				
Bank deposit interest	1,163	-	1,163	331
	<u>1,163</u>	<u>-</u>	<u>1,163</u>	<u>331</u>
<b>6 Other income</b>				
Coronavirus job retention scheme grant	7,954	-	7,954	-
Other income	18,118	4,868	22,986	7,160
	<u>26,072</u>	<u>4,868</u>	<u>30,940</u>	<u>7,160</u>

**NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020**

**7 Expenditure**

	<u>Charitable activities</u>			<b>Total 2020 £</b>	<b>Total 2019 £</b>
	<u>Raising funds</u>	Youth projects and activities	Governance		
	£	£	£		
<b><i>Costs directly allocated to activities</i></b>					
Staff costs	74,378	1,109,498	-	1,183,876	1,075,873
Recruitment and employee costs	-	18,761	-	18,761	18,267
Rent and property costs	-	148,527	-	148,527	145,080
Stationery and administration	-	15,322	-	15,322	15,947
Printing, promotions, advertising and publicity	7,821	11,324	-	19,145	17,748
Telephone, data communication and computer	-	31,256	-	31,256	35,418
Professional services	-	-	-	-	-
Depreciation	-	97,081	-	97,081	83,677
Loss on fixed asset disposal	-	663	-	663	-
Project delivery costs	-	162,606	-	162,606	169,232
Catering	-	55,724	-	55,724	49,559
Bad debts	-	14,798	-	14,798	-
Fundraising	31,099	-	-	31,099	29,335
	<b>113,298</b>	<b>1,665,560</b>	<b>-</b>	<b>1,778,858</b>	<b>1,640,136</b>
<b><i>Support costs</i></b>					
Staff costs	-	125,124	33,431	158,555	134,889
Recruitment and employee costs	-	4,690	-	4,690	4,567
Rent and property costs	-	16,503	-	16,503	16,120
Stationery and administration	-	1,702	-	1,702	1,772
Telephone, data communication and computer	-	10,418	-	10,418	11,806
Professional services	-	26,300	-	26,300	25,791
Audit	-	-	8,313	8,313	8,400
Depreciation	-	10,787	-	10,787	9,297
Loss on fixed asset disposal	-	74	-	74	-
Bank charges	-	615	-	615	3,508
	<b>-</b>	<b>196,213</b>	<b>41,744</b>	<b>237,957</b>	<b>216,150</b>
<b>Total expenditure</b>	<b>113,298</b>	<b>1,861,773</b>	<b>41,744</b>	<b>2,016,815</b>	<b>1,856,286</b>

Support costs have been apportioned using numbers of people per area of activity, or on a basis which is considered consistent with the use of the resources.

**Mahdlo (Oldham Youth Zone)**

**NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020**

	Total 2020 £	Total 2019 £
<b>8 <u>Staff costs</u></b>		
Total staff emoluments for the year were as follows:		
Salaries	1,230,117	1,120,684
National Insurance	82,464	69,835
Pension	29,850	20,243
	<u>1,342,431</u>	<u>1,210,762</u>

Salaries includes an ex-gratia payment under an employee settlement agreement of £nil (2019: £9,415)

**9 Staff numbers**

The average monthly head count was 93 staff (2019: 86) and the average monthly number of full-time equivalent employees during the year were as follows:

	2020 Number	2019 Number
Charitable activities	45	44
Generating funds	2	2
Administration and support	5	5
Governance	1	1
	<u>53</u>	<u>52</u>

No trustees were paid or reimbursed expenses during the year.

The company considers its key management personnel to comprise the trustees and the chief executive officer. The total employment benefits excluding employer pension contributions of the key management personnel were £69,000 (2019: £69,000).

The number of employees whose total employee benefits exceeded £60,000 were as follows:

	2020 Number	2019 Number
£60,001 to £70,000	<u>1</u>	<u>1</u>

**10 Net movement in funds**

	Total 2020 £	Total 2019 £
Net movement in funds is arrived at after charging /(crediting):		
Depreciation of tangible fixed assets - restricted	90,570	88,652
- unrestricted	17,298	4,322
Auditors remuneration:		
Audit of the financial statements	8,313	8,400
Operating lease rentals - Office equipment	6,355	5,297

**11 Taxation**

The company is a registered charity and no provision for taxation is considered necessary.

Mahdlo (Oldham Youth Zone)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020

12 Tangible fixed assets

	Long leasehold property	Leasehold improve- ments	Club Equipment	Office & electrical Equipment	Furniture & fittings	Motor vehicles	Total
<u>Cost</u>							
At 1 April 2019	4,758,610	37,057	49,645	18,045	4,311	25,444	4,893,112
Additions	1,285,258	30,474	57,528	48,404	16,923	-	1,438,587
Disposals	-	-	-	(5,365)	-	-	(5,365)
At 31 March 2020	<u>6,043,868</u>	<u>67,531</u>	<u>107,173</u>	<u>61,084</u>	<u>21,234</u>	<u>25,444</u>	<u>6,326,334</u>
<u>Depreciation</u>							
At 1 April 2019	335,972	22,042	29,368	15,393	3,107	25,444	431,326
Charge for the period	83,993	2,985	7,931	11,650	1,309	-	107,868
Disposals	-	-	-	(4,628)	-	-	(4,628)
At 31 March 2020	<u>419,965</u>	<u>25,027</u>	<u>37,299</u>	<u>22,415</u>	<u>4,416</u>	<u>25,444</u>	<u>534,566</u>
<u>Net Book Value</u>							
At 31 March 2020	<u>5,623,903</u>	<u>42,504</u>	<u>69,874</u>	<u>38,669</u>	<u>16,818</u>	<u>-</u>	<u>5,791,768</u>
At 31 March 2019	<u>4,422,638</u>	<u>15,015</u>	<u>20,277</u>	<u>2,652</u>	<u>1,204</u>	<u>-</u>	<u>4,461,786</u>

13 Stock

	2020 £	2019 £
Café and kitchen stock	<u>1,501</u>	<u>1,503</u>

**Mahdlo (Oldham Youth Zone)**

**NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
<b>14 Debtors</b>		
Trade debtors	48,863	123,806
Prepayments	44,705	28,686
Accrued income	46,678	7,850
	<u>140,246</u>	<u>160,342</u>
<b>15 Cash at bank and in hand</b>		
Cash at bank	320,388	577,380
Cash in hand	2,220	1,602
	<u>322,608</u>	<u>578,982</u>
<b>16 Creditors : amounts falling due within one year</b>		
Trade creditors	121,700	124,079
Other creditors	2,083	-
Accruals	105,037	78,477
Deferred income	193,130	92,148
	<u>421,950</u>	<u>294,704</u>
Movements on deferred income account:		
Brought forward	92,148	52,857
Released	(92,148)	(52,857)
Income deferred in current year	193,130	92,148
	<u>193,130</u>	<u>92,148</u>
<b>17 Operating lease commitments</b>	2020 £	2019 £
The total future minimum lease payments under non-cancellable operating leases are as follows:		
Office equipment leases which expire:		
within one year	1,140	-
between two and five years	11,398	18,455
in over five years	-	-
	<u>12,538</u>	<u>18,455</u>
<b>18 Share capital</b>		
The company has no share capital, and the liability of members is limited by guarantee to £1 per member.		



**19 Analysis of charitable funds****Analysis of fund movements:**

	At 1 April 2019 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2020 £
<b>Unrestricted funds:</b>					
General fund	462,615	936,246	(1,252,443)	-	146,418
<b>Restricted funds:</b>					
Acquisition of property at Egerton Street, Oldham	3,863,683	-	(83,993)	-	3,779,690
Extension to property at Egerton Street, Oldham	558,956	1,333,032	-	-	1,891,988
Other fixed asset purchases	18,240	-	(6,578)	-	11,662
Fundraising event for purchase of new vehicle	4,415	-	-	-	4,415
Lees Eco project	-	2,418	(2,418)	-	-
Grants for project delivery	-	668,933	(668,933)	-	-
Friday youth work provision	-	2,500	(2,500)	-	-
Youth provision in Hollinwood	-	(50)	50	-	-
<b>Total restricted funds</b>	<b>4,445,294</b>	<b>2,006,833</b>	<b>(764,372)</b>	<b>-</b>	<b>5,687,755</b>
<b>Total funds</b>	<b>4,907,909</b>	<b>2,943,079</b>	<b>(2,016,816)</b>	<b>-</b>	<b>5,834,173</b>

**20 Analysis of net assets between funds**

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	108,428	-	5,683,340	5,791,768
Current assets	233,834	-	230,521	464,355
Current liabilities	(195,844)	-	(226,106)	(421,950)
Net assets 31 March 2020	146,418	-	5,687,755	5,834,173

**21 Contingent liabilities**

There is a contingent liability in connection with a grant relating to the charity's long leasehold property whereby if, during a period of 20 years from the date of the grant offer letter dated 26 February 2009, the charity shall be in breach of any of the grant conditions, the grant shall be repayable upon receipt of a written demand from The Secretary of State for Education. The amount of the grant was £4,994,577 and The Secretary of State for Education holds a legal charge over the charity's long leasehold property in respect of this potential liability.

**22 Pension fund**

The company operates a defined contribution pension scheme to which there is no commitment, the assets of which are held in a separately administered fund. Contributions to the pension scheme during the year amounted to £29,850 (2019: £20,243).

Mahdlo (Oldham Youth Zone)

**NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020**

**23 Related party transactions**

During the year the charity received the following income from related parties without conditions:

	Donations Patrons programme & donations £	Charitable activities Facility hire and other £	Other trading activities Fundraising £	Total £
Greengate Metal Components Ltd	25,000			25,000
Monteros (UK) Ltd			680	680
J W Lees & Co (Brewers) Ltd			1,250	1,250
The Barker Foundation	25,000		928	25,928
North Ainley Solicitors			80	80
Bedspace Ltd		596	4,725	5,321
	<u>50,000</u>	<u>596</u>	<u>7,663</u>	<u>58,259</u>

Also during the year the charity purchased goods and services from the following related parties:

Tootoot Ltd	£2,400
J W Lees & Co (Brewers) Ltd	£1,841
PSO Trading Ltd	<u>£66,360</u>
	<u>£70,601</u>

At 31 March 2020 the following unsecured amounts were owed by related parties:

J W Lees & Co (Brewers) Ltd	<u>£1,250</u>
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At 31 March 2020 the following unsecured amounts were owed to related parties:

PSO Trading Ltd	<u>£3,816</u>
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Mr T Flanagan is a trustee/director of the charity and a director of Monteros (UK) Ltd.

Mr T Flanagan is a trustee/director of the charity and a director of Commando Joes Ltd, who are a director of Tootoot Ltd.

Mr L Walsh, a trustee/director of the charity, is a director and shareholder of Greengate Metal Components Ltd.

Mr A Spencer, a trustee/director of the charity, is a director of J W Lees & Co (Brewers) Ltd.

Mrs J M Barker, a trustee/director of the charity, is a trustee of The Barker Foundation.

Mr J Ainley, a trustee/director of the charity is a partner in North Ainley Solicitors.

Ms S Bolshaw, a trustee/director of the charity is a director of PSO Trading Ltd.

Mr C Wareing is a trustee/director of the charity and a director of Bedspace Ltd.

**Mahdlo (Oldham Youth Zone)**

**NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2020**

**24 Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net movement in funds	926,264	351,548
Add back depreciation charge	107,868	92,974
Add back loss on fixed asset disposal	737	-
Deduct interest income shown in investing activities	(1,163)	(331)
Decrease/(increase) in stock	2	1
Decrease/(increase) in debtors	20,096	131,862
Increase/(decrease) in creditors	127,246	92,538
	<u>1,181,050</u>	<u>668,592</u>

**25 Capital commitments and events after the end of the reporting period**

During the year ended 31 March 2017 the trustees authorised the building of an extension to the existing property to expand the charity's capacity to further its purposes. The building work commenced in September 2018 and the extension was completed in December 2020. The final total construction cost was £1,450,000, of which £161,780 plus VAT was incurred after the year end. The whole of the cost was financed by grant funding.