

Registered number: 07025561
Charity number: 1134580

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

WEDNESDAY



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23/12/2015
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THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED
(A company limited by guarantee)

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THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2015**

Trustees

John Bentley
Mark Hovell (resigned 29 April 2014)
James Smith
Katharine Vokes
Thomas Russell
Christopher Morris (appointed 24 June 2014)
Heather Crosby
Michael O'Connor
Peter Henry
Sandra Collins (appointed 24 June 2014)
Elaine Morrison (appointed 17 December 2014)

Company registered number

07025561

Charity registered number

1134580

Registered office

The Factory Youth Zone (Manchester) Limited, 931 Rochdale Road, Manchester, M9 8AE

Chief executive officer

Paul Bird (resigned 26 August 2014)
Richard Marsh (appointed 1 September 2014)

Independent auditors

Crowe Clark Whitehill LLP, 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Co-operative Bank, PO Box 250, Delf House, Skelmersdale, WN8 6WT

CAF Bank Limited, 25 Kings Hill, West Malling, Kent, ME19 4JQ

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Factory Youth Zone (Manchester) Limited (the charity) for the ended 31 March 2015. The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

● **CONSTITUTION**

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 27 August 2009 .

The charity is constituted under a Memorandum of Association dated 27 August 2009 and is a registered charity number 1134580. Management of the company's affairs is vested in the co-trustees.

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.

● **METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

● **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

New trustees are recruited according to the needs of the charity and the suitability of possible candidates. A unanimous approval of the existing Board of Trustees would lead to their appointment.

The Memorandum and Articles of Association states that the number of trustees 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.

Newly appointed trustees are provided with a comprehensive induction to The Factory Youth Zone through the provision of in-house training.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

● **ORGANISATIONAL STRUCTURE AND DECISION MAKING**

The Factory Youth Zone is governed by its Board of Trustees, which is responsible for setting the strategic direction of the organisation, and the policy of the charity. The trustees carry the ultimate responsibility for the conduct of The Factory Youth Zone, and for ensuring that the charity satisfies its legal and contractual obligations. The trustees meet on a bi-monthly basis.

The day to day management of The Factory Youth Zone is delegated to the Chief Executive, Mr Richard Marsh, who is required to report to the Trustees on performance against agreed objectives in the following areas:

- financial performance;
- fundraising;
- membership levels;
- operational performance;
- staff training and development;
- marketing and communications;
- administration and IT issues;
- health and safety; and
- risk analysis (unclusing safeguarding and child protection issues).

Wider network

The Factory Youth Zone is an independent charity, part of the Onside Network of Onside Youth Zones (previously called Onside North West Limited), Charity Commission registered number 1125893. Onside Youth Zones was set up to raise public and private funding to develop independent Youth Zones based on the model pioneered by Bolton Lads and Girls Club.

The Factory Youth Zone facility was built by Onside Youth Zone with £5m of funding from the Government's My Place programme managed by The Big Lottery. Whilst The Factory Youth Zone operates independently on a day to day basis, it has a close relationship with Onside's other Youth Zones. This close relationship ensures the sharing of expertise, policies, procedures and best practice.

The Factory Youth Zone also has formal working relationships with other providers of youth services in North Manchester, as set out in a senior level agreement, and works closely with the Manchester City Council Teams in Regeneration, Children's Services, Complex Families, and Health.

● **RISK MANAGEMENT**

The Trustees have considered the principal risks to which the charity is exposed and consider these to be:

- Failure to secure budgeted income from corporate funders and fundraising activities.
- The possibility of Manchester City Council reducing it's £300k funding to The Factory Youth Zone and ongoing insecurity of public sector income.

In response to the identified risks the Board have taken the following actions:

- Establish a private sector Development Committee to diversify public sector fundraising.
- Work with Manchester City Council to identify other public sector contracts which The Factory Youth Zone can bid for and deliver.
- Widen the reach of the Factory Youth Zone to other Charitable Trusts and Foundations than those who already provide funding.
- Build on successful work already taking place to bring in additional resource, in particular mentoring and employability.
- To continue to monitor the charity's cash flow and reserves.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

- To maximise hire of the facility and payment for staffing from partner organisations.

Objectives and Activities

• POLICIES AND OBJECTIVES

The Factory Youth Zone's objectives continue to be helping and educating young people of all abilities, resident in Harpurhey and the surrounding wards of North Manchester, through the provision of sports, arts and recreation activities, mentoring, and employability support designed to provide them with the opportunities to fulfil their physical and spiritual potential and grow to become adults capable of contributing to their communities, taking control of their own lives.

The charity delivers its objectives through the operation of a £5 million purpose built Youth Zone, situated in Harpurhey, North Manchester, one of Greater Manchester's most socially and economically deprived wards. It offers young people somewhere to go, something to do and someone to talk to in a safe environment providing a wide range of positive activities for a minimal charge per visit.

The Factory Youth Zone engages with young people of all abilities aged 8 to 21 by providing first class sports, dance, music, media, arts and recreation activities which empower them to build greater self confidence and self esteem, develop positive relationships, raise and achieve their aspirations, develop self discipline, resilience and trust and live happier healthier lives.

The Factory Youth Zone offers the following facilities and activities:

- a multi-size outdoor all weather sports-grass pitch which regularly hosts five-a-side football matches;
- a full size four-court Sports Hall with eight metre high climbing wall for mixed sports including indoor football and cricket, trampolining, basketball, hockey, badminton, skateboarding, BMX biking, dodgeball and netball;
- a Dance Studio for Street, Hip-hop and Contemporary Dance, choreography and dance leadership;
- a Boxing Gym and martial arts facility with beginner and advanced sessions. Members also benefit from training equipment including floor to ceiling punching bags;
- a fully equipped, state-of-the-art fitness suite with 16 pieces of cardio-vascular equipment, 12 weight resistance machines and a free-weights area;
- a Music Studio offering recording, producing, mixing, rapping, MC-ing, singing, karaoke and DJ facilities and instrument coaching for guitars, drums and keyboard;
- a fully equipped radio station for members to record and broadcast their own shows;
- a cafe offering home cooked food at discounted prices;
- an Enterprise programme where young people can get support looking for jobs and work experience placements and help writing their CVs or enhancing their interview skills; and
- an Arts area offering writing, nail-art, fashion, textile, photography and cooking projects.

Volunteers

In addition to employing full and part-time staff, The Factory Youth Zone is also reliant on the support of volunteers who attend specific sessions to engage with young people in sports, arts and recreation. We have recruited 200 volunteers since opening and currently have 87 registered volunteers engaged across a limited number of roles. There is a plan to increase the number of volunteer roles in order to maximise the resource provided through volunteering.

Achievements and performance

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

- We had an average attendance of 955 young people visits a week over the year
- Our mentoring programme saw us mentor 44 young people over the year
- Our employment programme placed 61 young people into work, education and training who were unemployed
- We held our first young people's awards event in October 2014
- We secured funding from Talent Match to extend further our work in supporting young people to move into work
- We were successful in a bid to Comic Relief and have now established a programme supporting young people "at risk" to engage in juvenile crime and develop further in sport

• **GOING CONCERN**

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Financial review

• **RESERVES POLICY**

The Board of Trustees of The Factory Youth Zone (Manchester) 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 reserves figure has a lower limit expectation of three months operating cash and an upper limit of six months (at the end of the financial year). The Board of Trustees aims to maintain this position throughout the financial year.

• **PRINCIPAL FUNDING**

During the financial year 2014 to 2015 income was £1,078,649. Principal funding and income are summarised as follows:

Voluntary Income (individually stated where over £25,000)

Manchester City Council - £300,000

Bruntwood - £50,500

Redrow Foundation - £25,000

Donations from Fundraising events (external) - £141,886

Other - £119,333

Activities for generating funds

Total - £57,455

Investment income

Total - £860

Income from charitable activities (individually stated where over £25,000)

Henry Smith Charity - £28,700

Oglesby Charitable Trust - £51,862

Other - £303,053

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

Plans for the future

● **FUTURE DEVELOPMENTS**

The Factory Youth Zone intends to extend its reach in North Manchester to have a greater impact on the lives of young people. We have a passion which is that no young person touched by The Factory Youth Zone should become NEET.

To do this we will extend a number of our present provisions such as Mentoring and Employability, we will ensure that the curriculum offer to young people is relevant to the world of work which our young people will enter.

Over the next 12 months The Factory Youth Zone will play a significant role in extending the North Manchester Youth Offer encouraging quality youth provision that is relevant and accessible for young people. To do this The Factory Youth Zone will be working alongside other voluntary Sector youth providers as well as with statutory sector providers.

EQUAL OPPORTUNITIES

The Factory Youth Zone is an equal opportunities employer and aims to create an environment in which all people are fully valued.

DISABILITIES

The Factory Youth Zone welcomes young people of all abilities and encourages their participation free from discrimination. The Factory Youth Zone also employs an Inclusion-Co-ordinator to work with young people who require additional support.

PUBLIC BENEFIT

The activities of the charity are undertaken to further its charitable purposes for the public benefit. 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. The facility focuses on attendance and affordable access to all the facilities that are provided. This will lead to improved achievement and enhanced aspirations amongst young members of the local community. Those attending The Factory Youth Zone will be happier, healthier and make more constructive use of their leisure time. This will, it is hoped, lead to greater motivation for each to succeed, and help reduce nuisance and anti-social behaviour. Longer term public benefits will include improved health, reduced crime, enhanced learning and employability, and greater community cohesion.

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance issued by the Charity Commission.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of The Factory Youth Zone (Manchester) Limited for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015

the Trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 operation.

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

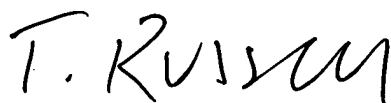
DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 9/12/15 and signed on their behalf by:



Thomas Russell
Trustee



Heather Crosby
Trustee

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FACTORY YOUTH ZONE
(MANCHESTER) LIMITED**

We have audited the financial statements of The Factory Youth Zone (Manchester) Limited for the year ended 31 March 2015 set out on pages 10 to 23. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charity'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 charity'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 charity and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FACTORY YOUTH ZONE
(MANCHESTER) LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Vicky Szulist (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

3rd floor.
The Lexicon
Mount Street
Manchester
M2 5NT

Date: *22nd December 2015.*

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED
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STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2015

| | Note | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds: | | | | | |
| Acknowledged funders | 2 | 18,690 | - | 18,690 | - |
| Other voluntary income | 2 | 618,029 | - | 618,029 | 609,585 |
| Activities for generating funds | 3 | 57,455 | - | 57,455 | 75,876 |
| Investment income | 4 | 860 | - | 860 | 1,254 |
| Incoming resources from charitable activities | 5 | 117,709 | 265,906 | 383,615 | 378,749 |
| TOTAL INCOMING RESOURCES | | 812,743 | 265,906 | 1,078,649 | 1,065,464 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating funds: | | | | | |
| Costs of generating funds | 6 | 117,460 | 378 | 117,838 | 74,313 |
| Charitable activities | 11 | 753,057 | 227,117 | 980,174 | 1,120,152 |
| Governance costs | 8 | 7,945 | 84 | 8,029 | 7,532 |
| TOTAL RESOURCES EXPENDED | | 878,462 | 227,579 | 1,106,041 | 1,201,997 |
| MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR | | (65,719) | 38,327 | (27,392) | (136,533) |
| <i>Total funds at 1 April 2014</i> | | <i>384,046</i> | <i>132,065</i> | <i>516,111</i> | <i>652,644</i> |
| TOTAL FUNDS AT 31 MARCH 2015 | | 318,327 | 170,392 | 488,719 | 516,111 |

The notes on pages 12 to 23 form part of these financial statements.

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED
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REGISTERED NUMBER: 07025561

BALANCE SHEET
AS AT 31 MARCH 2015

| | Note | £ | 2015 £ | £ | 2014 £ |
|---|------|-----------------|----------------|-----------------|----------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 15 | | 57,397 | | 15,363 |
| CURRENT ASSETS | | | | | |
| Stocks | | 2,032 | | 1,494 | |
| Debtors | 16 | 86,593 | | 109,736 | |
| Cash at bank and in hand | | 405,306 | | 461,762 | |
| | | <u>493,931</u> | | <u>572,992</u> | |
| CREDITORS: amounts falling due within one year | 17 | <u>(62,609)</u> | | <u>(72,244)</u> | |
| NET CURRENT ASSETS | | | <u>431,322</u> | | <u>500,748</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>488,719</u> | | <u>516,111</u> |
| CHARITY FUNDS | | | | | |
| Restricted funds | 18 | | 170,392 | | 132,065 |
| Unrestricted funds | 18 | | 318,327 | | 384,046 |
| TOTAL FUNDS | | | <u>488,719</u> | | <u>516,111</u> |

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on 9/12/15 and signed on their behalf, by:

T. Russell

Thomas Russell, Trustee

Heather Crosby

Heather Crosby, Trustee

The notes on pages 12 to 23 form part of these financial statements.

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

1.2 Company status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member. This applies to members of the charity at the date of dissolution or those who were members within twelve months of the dissolution.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the charity has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.6 Going concern

The charity's activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Report which also describes the financial position of the charity including its cash, investment and reserves policy. The charity forecasts and projections, taking account of reasonably possible changes in donations, legacies, fundraising activities and other income, show that the charity should be able to operate with the current level of reserves it has. After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £50 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---------------------|--------------------------|
| Freehold property | - 50 years straight line |
| Fixtures & fittings | - 3 years straight line |

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

2. VOLUNTARY INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| 29th May 1961 Charitable Trust | 10,000 | - | 10,000 | - |
| Ryecroft Children's Fund | 1,000 | - | 1,000 | - |
| The Albert Hunt Trust | 1,000 | - | 1,000 | - |
| Operation Challenger (Greater Manchester Police) | 6,690 | - | 6,690 | - |
| Subtotal detailed disclosure | <u>18,690</u> | <u>-</u> | <u>18,690</u> | <u>-</u> |
| Donations | 318,029 | - | 318,029 | 197,085 |
| Grants | 300,000 | - | 300,000 | 412,500 |
| Subtotal | <u>618,029</u> | <u>-</u> | <u>618,029</u> | <u>609,585</u> |
| Voluntary income | <u><u>636,719</u></u> | <u><u>-</u></u> | <u><u>636,719</u></u> | <u><u>609,585</u></u> |

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Fundraising Events | 8,066 | - | 8,066 | 15,100 |
| Room Hire | 49,389 | - | 49,389 | 60,776 |
| | <u>57,455</u> | <u>-</u> | <u>57,455</u> | <u>75,876</u> |

4. INVESTMENT INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest | 860 | - | 860 | 1,254 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-----------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Membership Fees | 9,877 | - | 9,877 | 11,421 |
| Contract Income | - | 12,500 | 12,500 | - |
| Session Fees | 34,093 | - | 34,093 | 41,267 |
| Grants | 18,690 | 253,406 | 272,096 | 263,580 |
| Catering Income | 53,170 | - | 53,170 | 55,876 |
| Other Income | 1,879 | - | 1,879 | 6,605 |
| | <u>117,709</u> | <u>265,906</u> | <u>383,615</u> | <u>378,749</u> |

6. COSTS OF GENERATING FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Fundraising Costs | 28,800 | 298 | 29,098 | 31,012 |
| Professional Fees | 21,656 | 80 | 21,736 | 15,930 |
| Wages and salaries | 67,004 | - | 67,004 | 27,371 |
| | <u>117,460</u> | <u>378</u> | <u>117,838</u> | <u>74,313</u> |

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Operation of Factory Youth Zone | <u>753,057</u> | <u>227,117</u> | <u>980,174</u> | <u>1,120,152</u> |

SUMMARY BY EXPENDITURE TYPE

| | Staff costs 2015 £ | Depreciation 2015 £ | Other costs 2015 £ | Total 2015 £ | Total 2014 £ |
|---------------------------------|--------------------------|---------------------------|--------------------------|--------------------|--------------------|
| Operation of Factory Youth Zone | <u>737,072</u> | <u>17,611</u> | <u>225,491</u> | <u>980,174</u> | <u>1,120,152</u> |

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8. GOVERNANCE COSTS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Auditors' remuneration | 6,420 | - | 6,420 | 5,350 |
| Auditors' non audit costs | 780 | - | 780 | 500 |
| Licences | 745 | 84 | 829 | 1,682 |
| | <u>7,945</u> | <u>84</u> | <u>8,029</u> | <u>7,532</u> |

9. DIRECT COSTS

| | Operation of Factory Youth Zone £ | Total 2015 £ | Total 2014 £ |
|----------------------------------|--|--------------------|--------------------|
| Advertising | 1,800 | 1,800 | 10,418 |
| Recruitment | 16,206 | 16,206 | 6,543 |
| Sundries | 2,167 | 2,167 | 19,568 |
| Training | 2,556 | 2,556 | 1,264 |
| Catering | 52,396 | 52,396 | 58,159 |
| Youth Project Delivery Expenses | 39,644 | 39,644 | 54,218 |
| Volunteer Expenses | 787 | 787 | 1,619 |
| Garage Conversion | - | - | 9,265 |
| Loss on disposal of fixed assets | 859 | 859 | - |
| Wages and salaries | 737,072 | 737,072 | 853,640 |
| | <u>853,487</u> | <u>853,487</u> | <u>1,014,694</u> |

10. SUPPORT COSTS

| | Operation of Factory Youth Zone £ | Total 2015 £ | Total 2014 £ |
|----------------------------------|--|--------------------|--------------------|
| Postage, Printing and Stationery | 8,163 | 8,163 | 8,507 |
| Insurance | 2,220 | 2,220 | 4,355 |
| Travel and Subsistence | 1,739 | 1,739 | 1,776 |
| IT, Website, and Software | 10,913 | 10,913 | 10,173 |
| Premises Costs | 86,041 | 86,041 | 73,863 |
| Depreciation | 17,611 | 17,611 | 6,784 |
| | <u>126,687</u> | <u>126,687</u> | <u>105,458</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly 2015 £ | Support costs 2015 £ | Total 2015 £ | Total 2014 £ |
|---------------------------------|---|-------------------------------|--------------------|--------------------|
| Operation of Factory Youth Zone | <u>853,487</u> | <u>126,687</u> | <u>980,174</u> | <u>1,120,152</u> |

12. NET OUTGOING RESOURCES

This is stated after charging:

| | 2015 £ | 2014 £ |
|--|------------|------------|
| Depreciation of tangible fixed assets: - owned by the charity | 17,611 | 6,784 |
| Auditors' remuneration | 6,420 | 5,350 |
| Pension costs | <u>563</u> | <u>493</u> |

During the year, no Trustees received any remuneration, benefits in kind or reimbursement of expenditure (2014 - £NIL).

13. STAFF COSTS

Staff costs were as follows:

| | 2015 £ | 2014 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 756,974 | 835,536 |
| Social security costs | 46,539 | 44,982 |
| Other pension costs | 563 | 493 |
| | <u>804,076</u> | <u>881,011</u> |

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

| | 2015 No. | 2014 No. |
|---------------------|-------------|-------------|
| Fundraising | 1.9 | 1.0 |
| Charitable Services | 67.1 | 70.0 |
| | <u>69.0</u> | <u>71.0</u> |

No employee received remuneration amounting to more than £60,000 in either year.

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14. TAXATION

The charity's activities are potentially exempt from taxation under part 11 of the Corporation Tax Act 2010. No tax charge has arisen in the year.

15. TANGIBLE FIXED ASSETS

| | Fixtures, fittings and equipment £ |
|-----------------------|---|
| Cost | |
| At 1 April 2014 | 23,959 |
| Additions | 60,502 |
| Disposals | (1,541) |
| At 31 March 2015 | <u>82,920</u> |
| Depreciation | |
| At 1 April 2014 | 8,596 |
| Charge for the year | 17,611 |
| On disposals | (684) |
| At 31 March 2015 | <u>25,523</u> |
| Net book value | |
| At 31 March 2015 | <u><u>57,397</u></u> |
| At 31 March 2014 | <u><u>15,363</u></u> |

16. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------|----------------------|-----------------------|
| Trade debtors | 67,300 | 100,007 |
| Other debtors | 457 | 971 |
| Prepayments and accrued income | 18,836 | 8,758 |
| | <u><u>86,593</u></u> | <u><u>109,736</u></u> |

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17. CREDITORS:

Amounts falling due within one year

| | 2015 £ | 2014 £ |
|------------------------------------|---------------|---------------|
| Trade creditors | 34,558 | 56,089 |
| Other taxation and social security | 12,853 | 9,982 |
| Other creditors | 783 | 244 |
| Accruals and deferred income | 14,415 | 5,929 |
| | <u>62,609</u> | <u>72,244</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Carried Forward £ |
|-----------------------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| Unrestricted funds | | | | |
| General Funds - all funds | 384,046 | 812,743 | (878,462) | 318,327 |
| Restricted funds | | | | |
| Sport Project - Citc | 526 | - | - | 526 |
| Roller Skates Project - ANS | 627 | - | - | 627 |
| Basketball Project - Clear | 300 | - | (300) | - |
| Dance Project - Elevate | 15,000 | - | (14,967) | 33 |
| Summer holiday club | - | 5,000 | (5,000) | - |
| Inclusion | - | 88,637 | (72,474) | 16,163 |
| Mentoring Project | 37,190 | 28,700 | (38,393) | 27,497 |
| Music project | - | 3,540 | (3,540) | - |
| Healthy Eating | 20,833 | 25,000 | (25,000) | 20,833 |
| Photography project | - | 1,450 | (763) | 687 |
| Employability | - | 42,168 | (29,215) | 12,953 |
| Community cafe | - | 9,495 | - | 9,495 |
| Other Restricted Funds | 10,719 | - | (8,261) | 2,458 |
| British Amateur Gymnastics Free G | 10,000 | 224 | - | 10,224 |
| Work Club | 5,569 | - | (1,260) | 4,309 |
| Capital Café Grant | 31,301 | - | (6,139) | 25,162 |
| Coaching | - | 113 | (113) | - |
| Ignite | - | 810 | (810) | - |
| Suck It & See | - | 11,277 | - | 11,277 |
| Outward Bound | - | 11,522 | (11,522) | - |
| Residential programme | - | 15,340 | - | 15,340 |
| Challenge to Change | - | 16,720 | (5,072) | 11,648 |
| Sports | - | 5,660 | (4,500) | 1,160 |
| Staff training | - | 250 | (250) | - |
| | 132,065 | 265,906 | (227,579) | 170,392 |
| Total of funds | 516,111 | 1,078,649 | (1,106,041) | 488,719 |

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Carried Forward £ |
|------------------|-------------------------|----------------------------|----------------------------|-------------------------|
| General funds | 384,046 | 812,743 | (878,462) | 318,327 |
| Restricted funds | 132,065 | 265,906 | (227,579) | 170,392 |
| | 516,111 | 1,078,649 | (1,106,041) | 488,719 |

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18. STATEMENT OF FUNDS (continued)

Independence Project; aims to ensure all young people with disabilities ranging from mild to complex can participate in and benefit from the same activities alongside their peers.

Sport Project; using sport as a tool to develop skills, self-confidence and raise aspirations throughout our full membership.

Cycling Project; funding received enabled The Factory Youth Zone to develop a cycling club, purchasing equipment and enabling young people to engage in cycling.

Roller skate Project; funds received were to purchase roller skates and safety equipment to be used by young people extending the existing activity offer.

Basketball Project; develop a Basketball team and compete in competitions.

Summer Holiday Club; run a summer activity club for young people aged 8 to 13 years old. We were also successful in securing funding to provide specialist one-to-one support for young people with complex needs.

Mentoring Project; providing 1:1 mentoring programme, we are supporting young people with significant barriers to progression. Providing tailored targets and positive role models young people can achieve change.

Healthy Eating Project; to educate young people how to cook basic good quality food and to use catering as a vehicle for employability and enterprise projects.

A Level Playing Field Project; provides opportunity to young disabled people to try, to train and to develop team working alongside their non-disabled peers, creating new friendships and nurturing respect.

Accenture Project; to give NEET young people confidence/ self-esteem and support to enable them to progress to work, education or training.

BG – Free G; this is British Gymnastics funding to purchase capital equipment to develop 'Free Gymnastics' sessions improving and increasing our gymnastics activities.

Work Club; work club aims to provide training and support to young people who are still in education, gaining skills and practical experiences, aiming towards ensuring they enter employment or further education.

Drama project ("Suck it and See"); to develop a high quality youth theatre offer in North Manchester. Enable young people to visit with and extend their understanding of other youth theatres and provide opportunities for 'go see' activities.

Challenge to Change programme; works with the hardest to reach young people who are at risk of engaging in juvenile crime, using sport as an engagement tool.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

TRANSFERS

Transfers are made from restricted funds to unrestricted funds when the underlying fixed asset is acquired in fulfilment of the restrictions on the funding.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Tangible fixed assets | 57,397 | - | 57,397 | 15,363 |
| Current assets | 313,120 | 170,392 | 483,512 | 572,992 |
| Creditors due within one year | (52,190) | - | (52,190) | (72,244) |
| | <u>318,327</u> | <u>170,392</u> | <u>488,719</u> | <u>516,111</u> |

20. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £563 (2014: £493). There were no outstanding or prepaid contributions at the year end (2014: £nil).

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21. RELATED PARTY TRANSACTIONS

No trustee received any remuneration during the year

During the year the charity received donations which in total amounted to £nil (2014: £1,400) from Clear Marketing Communications Ltd. James Smith is a Trustee of the Charity and also a Director of the company. Supplies made by the company to the charity during the year amounted to £3,382 (2014: £7,854). As at 31 March 2015, £1,858 (2014: £2,347) was due to Clear Marketing Communications Limited.

During the year the Bruntwood group of companies provided services to the charity amounting to £36,305 (2014: £36,280). Bruntwood is considered to be a related party of the charity as Katherine Vokes holds a Directorship of the company and is also a Trustee of the charity. As at 31 March 2015, £3,399 (2014: £11,276) was due to Bruntwood. During the year the group of companies donated £51,600 (2014: £15,000) and rented rooms to the value of £225 (2014: £nil). As at 31 March 2015, £722 (£2,722) was due from the group of companies.

During the year Enjoy Coaching Ltd, provided services to the charity amounting to £23,919 (2014: £57,095). Enjoy Coaching Ltd is considered to be a related part of the charity as Paul Bird holds a directorship of the company and is also the former CEO of the charity. As at 31 March 2015, no amounts were due to Enjoy Coaching Ltd (2014: £nil).

The charity also received donations from ANSA Elevators Ltd of £6,000 (2014: £4,136), John Bentley is a Director of this company in addition to being a Charity Trustee. Services to the value of £85 (2014: £169) were provided in the year. There were no amounts due to or from ANSA Elevators Ltd as at 31 March 2015 (2014: £nil).

There are no other material related party transactions that require disclosure in the financial statements.