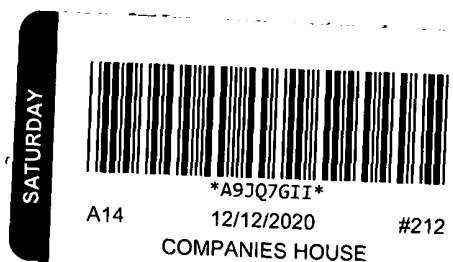


REGISTERED NUMBER: 6944317
Charity number: 1135949

BLACKBURN YOUTH ZONE
TRUSTEES' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

DonnellyBentley
Chartered Accountants
Hazlemere
70 Chorley New Road
Bolton
BL1 4BY



BLACKBURN YOUTH ZONE

(A company limited by guarantee)

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BLACKBURN YOUTH ZONE

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Trustees

Rt Hon J W Straw (Chairman)
A H Graham
A Bromley
D J Gorton
L Jepson (resigned 31 December 2019)
H E Taylor (appointed 1 July 2019)

Senior Management Team

Hannah Allen – Chief Executive
Raz Mohammed – Interim Chief Executive (maternity cover)

Company registered number

6944317

Charity registered number

1135949

Registered office

Jubilee Street, Blackburn, Lancashire, BB1 1EP

Independent auditors

DonnellyBentley, Hazlemere, 70 Chorley New Road, Bolton, BL1 4BY

Bankers

HSBC, 60 Church Street, Blackburn, Lancashire, BB1 5AS

BLACKBURN YOUTH ZONE

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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their report and the audited financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

Strategic Report**Blackburn Youth Zone Objectives**

Blackburn Youth Zone's objectives are to help educate children and young people resident 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 quality of life may improve.

Vision - where we want to be

Blackburn Youth Zone to be at the heart of the community, collaborating to create a more cohesive and prosperous Blackburn and Darwen.

Mission - our purpose

To inspire all, to have fun, meet different people, try new things and challenge themselves to be the best they can be.

Blackburn Youth Zone Values

We will	
Honesty	<ul style="list-style-type: none"> - Inspire our young people and demonstrate that what we say is what we do - Be challenging of each other for the benefit of our young people, remembering to be kind always
Excellence	<ul style="list-style-type: none"> - Strive to set new and exciting standards in youth work practice - Keep a keen eye to the future and the opportunities it presents
Accountability	<ul style="list-style-type: none"> - Take responsibility for our personal contribution to our strategy, ensuring that young people are at the H.E.A.R.T. of everything we do - Operate along sound business and financial principles, modelling ourselves on national sector leading organisations
Respect	<ul style="list-style-type: none"> - Inspire positive change and personal development through our own example, expecting the same from our young people - Listen, even to those who think they have no voice
Teamwork	<ul style="list-style-type: none"> - Work across and form new partnerships as these are critical to our success. - Support together, our young people in all their richness and diversity and always according to their needs

BLACKBURN YOUTH ZONE

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TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020

Achievements and Performance

Our main objectives for the year continued to be to provide a quality programme for young people across Blackburn with Darwen. The strategies we used to meet these objectives included:

- Focusing on our three strategic pillars delivering improved outcomes in social integration, health and wellbeing, and skills and aspirations
- Retaining our members in 2019/20, our membership reached 3,248 with 35,551 attendances, from across the borough
- Working in partnership with other agencies across Blackburn with Darwen to secure the widest range of services available that best matches the needs of our members and young people.

Having gone through a thorough restructure in 2019 to save costs, whilst not impacting our vision, mission and values, Head of Operations, Leon Crosby, was appointed bringing with him a wealth of experience and knowledge. Working towards our strategy of offering the best opportunities for young people we have developed our programme, detailed below, in consultation with our members and the wider community.

Our Services - Our Three Strategic Pillars

Across the year we delivered many projects aimed to give the best opportunities to our members. The use of the Youth Zone by our members increased over the year – before the Covid crisis hit in mid-March we were averaging well over 900 visits by members each week.

We are also proud to report that:

- To develop the ***skills and aspirations*** of our members; over the last 12 months we have run a range of programmes designed for young people to gain employability skills and raise their aspirations engaging over 250 young people. Over 70 local businesses have engaged supporting BYZ with employability masterclasses, taster sessions and visits, linked to the 'Gatsby' benchmark. [International standards for good career guidance]. We also work closely with 30 primary schools to maximise our reach earning us a HIVE business award for our commitment and work within schools.
- To enhance the ***health and wellbeing*** of our members we identified in a 2019 consultation 49% of members aged 10-11 stated that 'get active' activities at BYZ are what they are most interested in; with 44% of them saying that sports is their favourite thing to do at the Youth Zone. As an integral part of the community we also hold on average four community 'eat-togethers' a year, inviting members of the community to come and enjoy a meal together. These have engaged 320 members of the community a year.
- Working towards our goal of ***social integration*** 34% of our membership is from the BME community with a 65% increase in young people from a BME background attending BYZ since 2012. Having mixed social networks consisting of people from different ethnic and material backgrounds, helps aid social mobility reducing the risk of entrenched poverty later in life.

We also continue to deliver our universal programme open to all young people accessing a range of activities including music, cooking, media, arts, dance, boxing and sports. We have an average of 683 visits a week with young people accessing a programme of positive activities out of school hours tailored to individual interests and needs. Additionally we have a further 250 visits a week during school hours – making around 930 visits a week from young people.

BLACKBURN YOUTH ZONE**(A company limited by guarantee)****TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Partnership Working

We are committed to working in partnership to deliver a service that is responsive to the priorities of the borough and the individual needs of our young people. This is exemplified by our lead role in the Strategic Youth Alliance and our operational partnerships with Blackburn Rovers, and Young People's Services to deliver detached sessions and our inhouse sports offer. We also work in partnership with the local Youth Offending Team who attend BYZ weekly supporting 12 young people a month in our aim to reduce the number of children in the criminal/ youth justice system. We continue to develop our relationships with community groups, schools, colleges and partners who share our vision of offering the best opportunities for the next generation.

Fundraising

In order to deliver services to young people 7 days per week for just 50p per visit, we rely heavily on fundraising. In 2019/20 the Local Authority funding remained the same and accounted for 15.5% of our annual turnover. We are extremely grateful for the generous support of our Patrons who continue to renew and help us build our network. Investment from Patrons accounts for 36.7% of our annual income and in this year we have built on success with receiving charitable grants with income increasing from £247,088 to £263,823. With the impact of the COVID-19 pandemic hitting in the last months of the year we have had to adapt quickly however with the foresight to do so have had a positive impact on our financial year 20/21 with the generous support from patrons and supporters and maximising our grants and trusts pipeline and government funding.

Volunteers

During 2019/2020 there were 193 volunteers who contributed a total of 27,741 hours, on average around 5 hours per week.

Public Benefit

The Trustees have given due consideration to the Charity Commission published guidance on the operation of the public benefit requirement and are satisfied that this requirement is met by carrying out the activities as described in this report.

Future Plans

The charity plans continuing the activities surrounding our three strategic pillars in the forthcoming years subject to satisfactory funding focusing on 6 key areas to support this:

1. Achieving financial sustainability
 - o Financially secured income streams over a three year period and with 3 months reserves.
 - o Establish and develop a robust mixed economy of income streams.
 - o Establish a costed and planned maintenance programme.
2. Delivering Excellent Youth Work
 - o Ensure that young people have a safe exciting place to go to have fun, build their social networks and support their personal development.
 - o Ensure that BYZ existing services remain relevant, fit-for-purpose and high quality.
 - o Enable young people to better face the challenges of life
3. Responding to the emerging needs of our members
 - o Ensure that we are up to date and developing our service offer to meet the emerging needs of young people, families and communities.
 - o Ensure that any new services help young people to lead healthier, happier lives, enabling them to better face the challenges of life. Become recognised as the youth organisation of choice that develops, creative, innovative and impactful services.

BLACKBURN YOUTH ZONE

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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

4. Building strong partnerships for growth
 - Develop a partnership model of Youth Hubs across the borough that holistically meets the needs of young people.
 - Increased opportunities to generate new income streams through key partner alliances.
 - Extend our support offer for young people, families and communities by partnership proxy delivery.
5. People Development
 - Invest in and develop our people so we can continue to provide an excellent service offer to our young people.
 - Create a nurturing and supportive working environment to motivate, retain and recruit excellent people.
 - Ensure our team remains current and competent in new delivery skills and models of best practice.
6. Delivering outcomes and impact
 - Ensure that we are using evidence based models of support, recognised as a model of best practice.
 - Ensure that we have a robust outcome and impact framework to collect, analyse and report on the difference that we make.
 - Ensure that we use our data effectively to position, promote and evidence the difference we make.

Financial Review

Total income for the year was £1,119,848 (2019: £1,191,405). Of this amount £671,083 (2019: £688,570) was from donations and grants, primarily from the local business community; public grants of £239,046 (2019: £311,532) were received; income from charitable activities amounted to £72,844 (2019: £86,453) and the balance of £136,875 (2019: £104,850) was fundraising and investment income.

The Youth Zone building was gifted to the charity some years ago and a non-cash depreciation cost of £110,309 is reported in the year for this, as has been the case for all previous years.

Excluding all depreciation charges, total expenditure for the year was £1,175,345 (2019: £1,226,606) of which £119,502 (2019: £95,970) related to Fundraising activities and £1,055,843 (2019: £1,136,636) related to Charitable Activities.

The resulting deficit before depreciation for the year was £55,497 (2019: £35,201), with the full deficit for the year after charging depreciation being £182,968 (2019: deficit £167,133).

At 31 March 2020 the charity had a deficit on unrestricted funds of £89,302 (2019: deficit of £42,153). The Total Net Assets of the organisation at that date were £4,903,534 (2019: £5,086,502) due to the historical donation of the building. Due to the receipt of unrestricted funds from the local authority in April 2020, the deficit on unrestricted funds reversed in April 2020, and this has been sustained, and increased, throughout the period since that date.

In response to the deficit of unrestricted funds and to ensure that this position is sustainably reversed, all expenditure has been reviewed and reduced where possible to match expenditure with the level of expected future income. As a response to the ongoing deficit senior management conducted a restructure process whereby the whole team were reviewed and streamlined to reduce cost across the organisation making a substantial saving.

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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Impact of COVID-19

Blackburn Youth Zone, like most organisations across the nation, have felt the impact of the COVID-19 pandemic. In March 2020 when the crisis hit the board swiftly developed a 'Whatever It Takes' subcommittee. This committee was chaired by BYZ Chairman Rt Hon Jack Straw, held every week from March 2020 as the national lockdown was enforced, moving to fortnightly, then monthly, throughout to guide and work with Senior Management team through the challenges we now face as a charity operating throughout global pandemic however still supporting and working with young people within our borough.

COVID-19 has had a huge impact on our members in all aspects of their lives which shone a light on the need for increased support specifically with their mental health and emotional wellbeing; 93% of our members told us they missed the face to face support they would usually receive and 53% of members describing a feeling of loneliness due to the restrictions. We adapted our offer quickly providing young people across Blackburn with Darwen with a virtual youth zone, digital mentoring and free hot meals. Throughout the crisis we saw an average of 931 engagements from young people across the borough per week. BYZ have now reopened their doors with strict risk assessments in place following government guidance as well as the National Youth Associations (NYA) guidance. We have also implemented new processes in place to help us manage and mitigate the risks of the virus affecting the organisation further.

As we were physically closed to all members from March to August 2020 we have utilised the governments furlough scheme for the majority of the team to ensure they were still in employment. To continue to support our team the board agreed to increase the percentage of their monthly wage from the minimum 80% pay to 90% ensuring they were supported through this challenging time.

Unfortunately, the financial impact of the virus led to two long standing patrons deciding not to renew support and we had to cancel three high profile fundraising events. In light of this significant drop of income we reforecast our financial position quickly and adapted our services accordingly rapidly identifying an opportunity to develop team members in writing and applying for grants and trusts. We received specific support from our Network OnSide in writing and developing bids for COVID support. We have seen much success from these specific grants supporting our mission throughout the pandemic of doing 'Whatever It Takes' for the young people of Blackburn with Darwen. We have also seen further support from our network OnSide who have supported us through training, bringing youth zones together, sharing best practice on a much larger scale as well as applying for grants as a network which we have seen the benefit from to fund our universal provision and help us through the pandemic.

Structure, Governance and Management

Blackburn Youth Zone is a registered charity and a company limited by guarantee without share capital, registered under the Companies Act 1985 with registration number 6944317. The company is governed by its Memorandum and Articles of Association dated 25th June 2009. Management of the company's affairs is vested in the 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 event have guaranteed liabilities of the company to the sum not exceeding £10 each.

Blackburn Youth Zone is part of the network of Youth Zones established by OnSide Youth Zones (Charity Registered in England & Wales no: 1125893). Many of the operational policies and procedures of the Youth Zone are influenced by being part of this wider network. Blackburn Youth Zone has since signed up to the nSide Network Agreement. This agreement has signed BYZ up to a Network of Youth Zones who share an

BLACKBURN YOUTH ZONE

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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

ambition that reaches across the quality of delivery, the opportunities created for young people and the supportive relationships nurtured. We are able to come together as a network sharing good practice, information and collaborate with other like-minded organisations.

Blackburn Youth Zone is governed by its Board of Trustees, who are also Directors for the purposes of Company Law, which retains overall responsibility for the strategic direction and the policy of the organisation. The Trustees carry ultimate responsibility for the conduct of Blackburn Youth Zone and for ensuring that the charity satisfies its legal and contractual obligations.

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 all operational matters including finance, human resources and operational delivery. During a small period of 2019/20 BYZ was managed by an interim CEO whilst our permanent CEO was on maternity leave. For the year 2020/21 the BYZ CEO will be on maternity leave from December 2020. The board have appointed an interim Chief executive for this period on a part time basis to support the senior management team with the day to day operations of the youth zone. 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 performance.

The pay of the Chief Executive Officer is reviewed annually by the annual REMCO meeting comprised of the HR board member the HR Director from a supporting businesses and the Business Administration manager, this is then taken to the Board of Trustees, benchmarking their salary against those of similar Youth Zones within the OnSide Network.

Board of Trustees

The Board of Trustees is composed of 5 Directors representing the public, private and third sector. They are supported by representatives from the Local Authority and private sector that provide additional expertise but do not have voting rights.

Trustees can be nominated for a fixed or indeterminate period of time. One third of the Directors will retire by rotation at each AGM, retiring Directors can be re-appointed.

The Trustees meet on a bi-monthly basis with monthly meetings of sub-committees of Trustees and supporting advisers to scrutinise finance and performance, though during the Covid crisis since mid-March meetings have been more frequent.

New trustees will be recruited according to the needs of the charity and the suitability of possible candidates.

Newly appointed trustees are provided with comprehensive induction to Blackburn Youth Zone's provision, including key information about the organisation's development, governance and safeguarding

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 assessment and established risk registers from an organisation and operational perspective and have established risk management and control procedures which are reviewed regularly by the board.

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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Blackburn Youth Zone's top risks are outlined below:

Risk	Mitigation
Safeguarding <ul style="list-style-type: none"> • Risk of abuse by Blackburn Youth Zone staff/volunteers • Risk of non reporting of serious safeguarding concerns identified or evident to Blackburn Youth Zone staff/volunteers 	<p>All staff, volunteers and board members have had DBS checks and full training on safeguarding.</p> <p>Freelancers and partners need to produce their DBS to work at Blackburn Youth Zone and have a full induction.</p> <p>We have a nominated safeguarding lead on the board and SMT members who act as our safeguarding lead, both are responsible in ensuring we review our annual safeguarding policy and procedures.</p> <p>We have an annual review of our safeguarding policy and procedures.</p>
Health and Safety <ul style="list-style-type: none"> • Risk of accidents injuring members, staff or members of the public, arising from factors under our control, including facility management and catering 	<p>We annually review our health and safety policy and procedures, ensuring all team members are trained.</p> <p>We have an annual external check of our health safety culture and compliance.</p> <p>All statutory compliance is managed by a fully trained and qualified Facilities coordinator.</p>
Finance <ul style="list-style-type: none"> • Risk of inadequate cash to meet liabilities as necessary • Risk of financial loss due to fraud 	<p>The charity has a finance team responsible for reporting management accounts and ensuring financial controls are in place and enforced. This includes the use of a part time external specialist to support the in-house team.</p> <p>We have fully resourced business development functions to ensure we maximise income, with governance around meeting targets.</p> <p>There are robust reviews of financial performance on a regular basis by the qualified accountant who acts as treasurer, supported by other board members where appropriate.</p>

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<p>Performance</p> <ul style="list-style-type: none"> • Risk of poor quality service which does not meet the needs of young people • Risk of low attendance numbers which results in low return on investment 	<p>Staff are fully trained with regular refreshers to ensure youth offer is up to date and the commitment to organisational values underpins the commitment and passion of the team.</p> <p>Regular one to ones and appraisals, along with spot checks where necessary to ensure staff performance is at the expected levels.</p> <p>The charity has a suite of proactive membership and engagement initiatives which secure new members and supports retaining existing members.</p>
<p>Reputation</p> <ul style="list-style-type: none"> • Risk of a negative impact on reputation of Blackburn Youth Zone and hence attendance and fundraising due to: <ul style="list-style-type: none"> • Negative press coverage of incidents • Negative opinions of stakeholders due to unprofessional work ethics • Mismanagement of time, resources, service delivery 	<p>The management team and the charity maintain a professional, reliable and trustworthy appearance through:</p> <ul style="list-style-type: none"> • Attendance at local and regional networking and multi-agency meetings • Fulfilling all obligations to funders including reporting and financial management • Sharing best practice and research as appropriate • Ensuring all policies and procedures are effectively followed and enforced
<p>People</p> <ul style="list-style-type: none"> • Risk of poor delivery to members arising from a team which underperforms due to: <ul style="list-style-type: none"> • high staff turnover • high staff sickness levels • Poor organisational culture/moral • Poor communication 	<p>We have a clear plan to build and maintain the culture at Blackburn Youth Zone through focusing on values, ensuring all team members feel valued and engaged in decision making.</p> <p>Our HR processes are regularly reviewed and everyone in management and supervisory roles has been trained on supporting team members to perform.</p>

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FOR THE YEAR ENDED 31 MARCH 2020**

COVID-19 <ul style="list-style-type: none"> • Risk of another national lockdown • Risk of young people & team passing the COVID-19 virus on to others leaving no or little team to deliver sessions 	<p>Digital programmes ready to implement for young people</p> <p>Digital software and IT equipment supplied to all office teams, team leaders and managers to be able to work from home.</p> <p>All guidelines from government and National Youth Association have been implemented, including particularly social distancing measures across all areas of the youth zone</p> <p>Thorough risk assessments have been prepared with all staff members understanding and implementing their requirements. These risk assessments are also available for all who attend the YZ on our website.</p>
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Reserves Policy

The Trustees have examined the company's requirements for reserves in light of the main risks to the organisation. A policy has been established whereby the unrestricted funds not committed or invested in tangible fixed assets held by the company should be not less than an amount equivalent to three months' expenditure, and that we should aim over a period of years to increase that to six months' expenditure if at all possible.

The reserves are needed to meet the working capital requirements of the company and the Trustees are confident that at this level they would be able to continue the activities of the company to meet the needs of the community in the event of a significant drop in funding.

Total reserves at the end of the period were £4,903,534 of which restricted funds totalled £300 and £4,992,536 related to restricted asset funds. The unrestricted reserves therefore at the year-end showed a deficit of £89,302. This is clearly well below the required level of reserves and the Trustees have taken action since year-end to rectify this position by reviewing all levels expenditure to bring them in line with the expected income. At the date of signing the accounts Unrestricted funds were in excess of £200k (approx. 3 months expenditure cover) with an expected balance at the end of the financial year in excess of £300k. It is therefore anticipated that the reserves policy will be met in the medium term.

Investment Policy

As a relatively new organisation with very low if any unrestricted reserves and highly variable income streams, funds built up in advance of expenditure need to be kept liquid. In the event that some funds are retained and invested for future use, such investments will be safeguarded through the following processes:

- Any decision about investment will be made by the board (potentially having professional advice) considering the suitable 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 Blackburn Youth Zone
- Investments will be made in line with Blackburn Youth Zone values and ethos
- Investment performance will be regularly reviewed

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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

- Records will be maintained of all investments held (including details of all those sold or purchased) by the charity
- Accounting controls will be fully implemented to ensure that all dividends or interest payments due are received and accounted for.

Going Concern

The Trustees are confident that the charity will continue to meet its liabilities as they fall due for the foreseeable future.

Although the charity showed an operating deficit in the year being reported and had a deficit of unrestricted funds at the year end, the financial operation of the charity since the period end has improved.

There were operational improvements made during the year to March 2020 which reduced significantly the monthly outgoings without affecting the service delivered to young people or the numbers of young people attending. These included changes to the organisation of the team and an improved integration of the services offered with those offered by partner organisations. The benefit of these improvements was being clearly seen on a monthly basis by the end of the year.

During the period since March 2020 the activities of the Youth Zone have undergone significant change with a shift away from pure centre-based provision at the Youth Zone where this is incompatible with the social distancing requirements imposed by the government in response to Covid-19. The activities conducted by the Youth Zone team supporting members and other young people in the borough have been focused on digital engagement, small group support and provision of food. The excellence of the delivery in these areas has allowed the charity to maintain its patron donor base and to attract significant additional grant funding for specific projects.

The strong financial performance during the period subsequent to year end has allowed the charity to clear its deficit on reserves and to position itself to continue to provide services for the foreseeable future. While it is never possible to be certain concerning future events, the Trustees consider that the steps they have taken are sufficient to maintain the financial position of the charity at an acceptable level.

Fundraising Standards Information

Blackburn Youth Zone holds a subcommittee of the board for fundraising and development focusing on raising funds by approaching businesses and philanthropic individuals who have an interest in supporting young people. We also apply for grants from trusts that have the same interest. During the year we used a mix of our own employees plus the services of an external fundraiser who assisted with the major donor fundraising. This external fundraiser had previously worked for the organisation prior to setting up her own business.

The charity is not currently a member of any voluntary scheme for regulating fundraising.

Primarily we work with people who have been introduced to our cause on a one-to-one basis and all fundraising activities are monitored by the Chief Executive. During the period the charity received no complaints regarding its fundraising activities.

The charity does not engage in door-to-door, nor does it street fundraise, so does not come into contact with vulnerable or other people who may feel intruded upon, unreasonably persistently approached or have had undue pressure placed upon them.

BLACKBURN YOUTH ZONE**(A company limited by guarantee)****TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2020**

Trustees' Responsibilities

The Charity Trustees (who are also directors of Blackburn Youth Zone for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Charity Trustees to prepare financial statements for each financial year that 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 apply consistency;
- Observe the methods and principles of the Charity SORP 2019 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare 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 enable 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 auditors that they ought to have individually taken, have each taken all steps that s/he is obliged to take as a director in order to make themselves aware of relevant audit information and to establish that the auditor is aware of this information.

Compliance with Accounting Standards

The trustees confirm that the financial statements comply with current statutory requirements and the Memorandum and Articles of Association and the requirements of Charity SORP 2019 (FRS 102).

This report was approved by the board of Directors on 3 December 2020 and on behalf of the board by:



Rt Hon Jack Straw
Trustee

BLACKBURN YOUTH ZONE**(A company limited by guarantee)****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKBURN YOUTH ZONE**

Opinion

We have audited the financial statements of Blackburn Youth Zone (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cashflows 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 Financial Reporting Standard 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, including its income and expenditure, 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees 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 trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. 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 material 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 matters 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

BLACKBURN YOUTH ZONE**(A company limited by guarantee)****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACKBURN YOUTH ZONE**

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, 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 related 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. 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 auditor's 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.



Angela Donohoe FCA (Senior statutory auditor)
for and on behalf of
Donnelly Bentley Limited
Chartered Accountants
Statutory Auditors
Hazlemere, 70 Chorley New Road
Bolton, BL1 4BY

3 December 2020

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations and legacies	2	697,856	212,273	910,129	1,000,102
Charitable activities	3	72,844	-	72,844	86,453
Other trading activities	4	136,822	-	136,822	104,793
Investments	5	53	-	53	57
TOTAL INCOME		907,575	212,273	1,119,848	1,191,405
EXPENDITURE ON:					
Raising funds		119,502	-	119,502	24,375
Charitable activities		841,424	341,890	1,183,314	1,334,163
TOTAL EXPENDITURE		960,926	341,890	1,302,816	1,358,538
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(53,351)	(129,617)	(182,968)	(167,133)
Transfers between Funds		6,202	(6,202)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(47,149)	(135,819)	(182,968)	(167,133)
NET MOVEMENT IN FUNDS		(47,149)	(135,819)	(182,968)	(167,133)
RECONCILIATION OF FUNDS:					
Total funds brought forward		(42,153)	5,128,655	5,086,502	5,253,635
TOTAL FUNDS CARRIED FORWARD		(89,302)	4,992,836	4,903,534	5,086,502

The notes on pages 19 to 32 form part of these financial statements.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

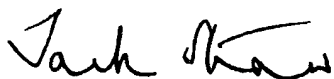
BLACKBURN YOUTH ZONE**PAGE 17**

(A company limited by guarantee)
REGISTERED NUMBER: 6944317

**BALANCE SHEET
AS AT 31 MARCH 2020**

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	10		5,025,114		5,140,235
CURRENT ASSETS					
Stocks	11	2,033		1,029	
Debtors	12	43,444		62,206	
Cash at bank and in hand		94,317		127,332	
		139,794		190,567	
CREDITORS: amounts falling due within one year	13	(261,374)		(244,300)	
NET CURRENT LIABILITIES			(121,580)		(53,733)
NET ASSETS			4,903,534		5,086,582
CHARITY FUNDS					
Restricted funds	14		4,992,836		5,128,655
Unrestricted funds	14		(89,302)		(42,153)
TOTAL FUNDS			4,903,534		5,086,582

The financial statements were approved and authorised for issue by the Trustees on 3 December 2020 and signed on their behalf, by:



Rt Hon Jack Straw
Trustee

The notes on pages 19 to 32 form part of these financial statements.

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	16	<u>(20,718)</u>	<u>(2,156)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		53	57
Purchase of tangible fixed assets		(12,350)	(10,765)
Receipt from sale of tangible fixed asset		<u>-</u>	<u>100</u>
Net cash used in investing activities		<u>(12,297)</u>	<u>(10,608)</u>
Change in cash and cash equivalents in the year		(33,015)	(12,764)
Cash and cash equivalents brought forward		<u>127,332</u>	<u>140,096</u>
Cash and cash equivalents carried forward	17	<u>94,317</u>	<u>127,332</u>

The notes on pages 19 to 32 form part of these financial statements.

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Blackburn Youth Zone meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The company is a company limited by guarantee incorporated in England and Wales. The members of the company are the Trustees named on page 2. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company. The address of the registered office is Jubilee Street, Blackburn, Lancashire, BB1 1EP. The nature of the charity's operations and principal activities are to improve the life chances of young people in the Blackburn with Darwen area, helping them to gain increased levels of confidence and self-esteem and raising their aspirations for the future.

1.3 Income

All income is included in the Statement of Financial Activities (SOFA) once the company has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company 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.

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.

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities incorporating income and expenditure account over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities incorporating income and expenditure account as the related expenditure is incurred.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

BLACKBURN YOUTH ZONE**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES (continued)**1.7 Tangible fixed assets and depreciation**

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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:

Long-term leasehold property	-	2% straight line
Plant and machinery	-	25% reducing balance
Motor vehicles	-	20% straight line
Fixtures and fittings	-	25% reducing balance
Office equipment	-	33% straight line

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 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.

1.10 Debtors receivable within one year

Debtors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.11 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.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

The company 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.

1.14 Pensions

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

1.15 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 company 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 company 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.

1.16 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the test set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes.

1.17 Judgements and key sources of estimation uncertainty

The preparation of these financial statements require certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	442,877	-	442,877	525,540
Grants	82,550	145,656	228,206	163,030
Government grants	172,429	66,617	239,046	311,532
Total donations and legacies	<u>697,856</u>	<u>212,273</u>	<u>910,129</u>	<u>1,000,102</u>
Total 2019	<u>755,699</u>	<u>244,403</u>	<u>1,000,102</u>	

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Young People's activity sessions	53,597	-	53,597	69,140
Facility hire	19,247	-	19,247	17,313
	<u>72,844</u>	<u>-</u>	<u>72,844</u>	<u>86,453</u>
<i>Total 2019</i>	<u>86,453</u>	<u>-</u>	<u>86,453</u>	

4. FUNDRAISING INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Events income	<u>136,822</u>	<u>-</u>	<u>136,822</u>	<u>104,793</u>
<i>Total 2019</i>	<u>104,793</u>	<u>-</u>	<u>104,793</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest received	<u>53</u>	<u>-</u>	<u>53</u>	<u>57</u>
<i>Total 2019</i>	<u>57</u>	<u>-</u>	<u>57</u>	

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. DIRECT COSTS

	Fundraising expenses £	Charitable Activities costs £	Total 2020 £	Total 2019 £
Catering supplies	-	23,467	23,467	26,006
Commissioning artists	-	6,740	6,740	26,866
Trips and minibus hire	-	27,669	27,669	26,600
Youth activity consumables	-	84,655	84,655	105,407
Fundraising events costs	39,705	-	39,705	24,375
Wages and salaries	-	365,956	365,956	420,413
Pension cost	-	5,496	5,496	5,918
Agency staff	-	1,673	1,673	124
	<u>39,705</u>	<u>515,656</u>	<u>555,361</u>	<u>635,709</u>
At 31 March 2019	<u>24,375</u>	<u>611,334</u>	<u>635,709</u>	

7. SUPPORT COSTS

	Fundraising expenses £	Charitable Activities costs £	Total 2020 £	Total 2019 £
Office costs	-	49,858	49,858	38,356
Other building running costs	-	133,264	133,264	157,905
Insurance	-	21,310	21,310	20,032
Other staff costs	-	19,516	19,516	22,914
Other costs	34,518	71,596	106,114	64,801
Wages and salaries	44,205	239,286	283,491	283,514
Pension cost	1,074	5,357	6,431	3,375
Depreciation	-	127,471	127,471	131,932
	<u>79,797</u>	<u>667,658</u>	<u>747,455</u>	<u>722,829</u>
At 31 March 2019	<u>71,595</u>	<u>651,234</u>	<u>722,829</u>	

CORRECTION OF PRIOR YEAR ERRORS

The 2019 comparative figures for restricted grant income and restricted expenditure have both been reduced by £23,813 and the 2019 comparative figures for unrestricted grant income and unrestricted expenditure have been increased by £23,813. This is because two grants, which were originally considered to be restricted grants, have now been correctly included as unrestricted grants and the associated expenditure has been moved accordingly.

The 2019 comparative figure for support costs has been amended as £71,595 has been moved from charitable activities costs to fundraising expenses as this is a more accurate description of the expenditure.

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets:		
- owned by the charity	127,471	131,932
Auditors remuneration	<u>8,100</u>	<u>6,900</u>

During the year, no trustees received any remuneration (2019 - £NIL).

During the year, no trustees received any benefits in kind (2019 - £NIL).

During the year, no trustees received any reimbursement of expenses (2019 - £NIL).

9. STAFF COSTS

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	614,254	664,716
Social security costs	35,193	39,211
Pension costs	11,927	9,293
	<u>661,374</u>	<u>713,220</u>

The average number of persons employed by the company during the year was as follows:

	2020 No.	2019 No.
Fundraising and administration	5	6
Delivery	<u>51</u>	<u>63</u>
	<u>56</u>	<u>69</u>

Average headcount expressed as a full time equivalent:

	2020 No.	2019 No.
Fundraising and administration	5	6
Delivery	<u>19</u>	<u>21</u>
	<u>24</u>	<u>27</u>

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

Key management personnel are considered to be the Chief Executive, Youth and Community Manager, Youth and Child Programme Manager, Business Administration Manager, Business Development Manager and the Head of Operations. The total amount of employee benefits paid to the key management personnel for the year was £169,639 (2019 - £183,837).

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Plant and machinery, fixtures and fittings £	Office equipment and computers £	Total £
Cost					
At 1 April 2019	5,515,459	36,594	103,534	60,784	5,716,371
Additions	-	-	10,300	2,050	12,350
At 31 March 2020	5,515,459	36,594	113,834	62,834	5,728,721
Depreciation					
At 1 April 2019	432,044	22,079	70,376	51,637	576,136
Charge for the year	110,309	3,959	9,197	4,006	127,471
At 31 March 2020	542,353	26,038	79,573	55,643	703,607
Net book value					
At 31 March 2020	4,973,106	10,556	34,261	7,191	5,025,114
At 31 March 2019	5,083,415	14,515	33,158	9,147	5,140,235

On 17 April 2015 the property from which the company operates was legally transferred to the company from Onside Youth Zones.

Onside Youth Zones previously built and developed the property with the support of a £5 million grant provided by the Big Lottery Fund, acting as agent for the Secretary of State.

The Secretary of State holds a legal charge over the company secured on the property, for a period of 20 years from 26 February 2009. The charge has terms associated which if not met by the company could result in the grant becoming repayable.

11. STOCKS

	2020 £	2019 £
Finished goods and goods for resale	2,033	1,029

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. DEBTORS

	2020 £	2019 £
Trade debtors	7,333	14,926
Other debtors	4,432	-
Prepayments and accrued income	31,679	47,280
	<u>43,444</u>	<u>62,206</u>

13. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	113,273	112,467
Other taxation and social security	17,761	18,310
Other creditors	33,741	15,416
Accruals and deferred income	96,599	98,107
	<u>261,374</u>	<u>244,300</u>

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers Between Funds £	Balance at 31 March 2020 £
Unrestricted Funds					
General Funds	(42,153)	907,575	(960,926)	6,202	(89,302)
Restricted Funds					
Restricted Funds	45,240	212,273	(231,581)	(6202)	19,730
Property Reserves	5,083,415	-	(110,309)	-	4,973,106
	<u>5,128,655</u>	<u>212,273</u>	<u>(341,890)</u>	<u>(6,202)</u>	<u>4,992,836</u>
Total of Funds	<u>5,086,502</u>	<u>1,119,848</u>	<u>(1,302,816)</u>	<u>-</u>	<u>4,903,534</u>

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfer Between Funds	Balance at 31 March 2019 £
Unrestricted Funds					
General Funds	26,468	947,002	(1,009,434)	(6,189)	(42,153)
Restricted Funds					
Restricted Funds	33,443	244,403	(238,795)	6,189	45,240
Property Reserves	5,193,724	-	(110,309)	-	5,083,415
	<u>5,227,167</u>	<u>244,403</u>	<u>(349,104)</u>	<u>6,189</u>	<u>5,128,655</u>
Total of Funds	<u>5,253,635</u>	<u>1,191,405</u>	<u>(1,358,538)</u>	<u>-</u>	<u>5,086,502</u>

Restricted Funds

	Balance at 1 April 2019 £	Income £	Expenditure £	Fund Transfers £	Balance at 31 March 2020 £
Civil Conversations	4,678	-	(4,678)	-	-
Diversity/No Limits	-	19,661	(19,661)	-	-
NCS	-	7,913	(7,913)	-	-
Radical Tackling	2,000	-	(2,000)	-	-
BSBT Round 3 – Youth Narrative	-	50,332	(50,332)	-	-
Bibas aka Social Enterprise Project	186	-	(186)	-	-
Strong Sisters	10,299	14,550	(24,849)	-	-
Future U	-	19,852	(19,852)	-	-
Awards for All	-	8,006	(8,006)	-	-
Integration Funding	-	33,500	(33,500)	-	-
Children in Need	-	2,438	(2,438)	-	-
Switch It (DACA)	-	14,915	(14,915)	-	-
Enterprise Development Fund	-	7,325	(7,325)	-	-
Duchy of Lancaster	-	5,000	(5,000)	-	-
Police Commissioner – Knife Crime	-	14,802	(13,863)	-	939
Active Lancashire	-	7,283	(3,196)	-	4,087
Mentoring	6,202	-	-	(6,202)	-
St James Palace	-	1,548	(1,548)	-	-
Street Games	-	333	(333)	-	-
Sport England	-	4,815	(4,815)	-	-
Capital Building Project	5,083,415	-	(110,309)	-	4,973,106
New Mini Bus	17,921	-	(6,289)	-	11,632
Sport England (Wheelchairs)	3,954	-	(882)	-	3,072
Total	<u>5,128,655</u>	<u>212,273</u>	<u>(341,890)</u>	<u>(6,202)</u>	<u>4,992,836</u>

BLACKBURN YOUTH ZONE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Civil Conversations	Young person led project around conversations about social integration
Diversity/No Limits	Disabled young people - sports and health
NCS	National Citizens Service Scheme
Radical Tackling	Cohesion project through sport
BSBT Round 3 - Youth narrative	Cohesion project, young people's views on Blackburn with Darwen
Bibas aka Social Enterprise Project	Project supporting young people to develop their own social enterprise projects
Strong Sisters	Girls project looking at the heritage of strong women from Blackburn
Future U	Employability project designed to inspire young people from disadvantaged backgrounds
Awards for All	Young people launching a consultation to have a youth voice at the youth zone
Integration Funding	A team building/social action project for young people
Children in Need	Providing the opportunity for young people with a disability or additional need an afterschool club
Switch It (DACA)	A team building/social action project for young people
Enterprise Development Fund (Fuze Box Feasibility)	Feasibility study for the development of the 'Fuze Box'
Duchy of Lancaster	Dance instructors to form dance crew
Police Commissioner - Knife Crime	Providing positive activity through boxing to young people hanging on the streets
Active Lancashire (Boxing & UV Equip)	Funds to set up a boxing club and glo- sports activities
Mentoring	1:1 mentoring for young people identified as needing this support
St James Place	Providing a range of arts activities
Street Games	A trampoline club for inactive young people
Sport England	Handball, Netball, Cricket and Rugby sessions
<u>Assets</u>	
Capital Building Project	Monies received for the initial construction and fitting out of the building. The ongoing expenditure relates to the annual depreciation charge.
New Mini Bus	Capital grant for new mini bus
Sport England	Purchase of Sport Wheelchairs.

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NOTES TO THE FINANCIAL STATEMENTS
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15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	52,008	4,973,106	5,025,114
Current assets	120,064	19,730	139,794
Creditors due within one year	(261,374)	-	(261,374)
	<u>(89,302)</u>	<u>4,992,836</u>	<u>4,903,534</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	56,820	5,083,415	5,140,235
Current assets	145,327	45,240	190,567
Creditors due within one year	(244,300)	-	(244,300)
	<u>(42,153)</u>	<u>5,128,655</u>	<u>5,086,502</u>

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net expenditure for the year (as per Statement of Financial Activities)	(182,968)	(167,133)
Adjustment for:		
Depreciation charges	127,471	131,932
Dividends, interest and rents from investments	(53)	(57)
Loss on the sale of fixed assets	-	650
(Increase)/decrease in stocks	(1,004)	194
Decrease in debtors	18,762	6,420
Increase in creditors	17,074	25,838
Net cash provided by operating activities	<u>(20,718)</u>	<u>(2,156)</u>

BLACKBURN YOUTH ZONE**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020 £	2019 £
Cash at bank and in hand	<u>94,317</u>	<u>127,332</u>
Total	<u>94,317</u>	<u>127,332</u>

18. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,927 (2019 - £9,293). Contributions totaling £2,025 (2019 - £4,110) were payable to the fund at the balance sheet date and are included in creditors.

19. GOING CONCERN

The Trustees are confident that the charity will continue to meet its liabilities as they fall due for the foreseeable future.

Although the charity showed an operating deficit in the year being reported and had a deficit of unrestricted funds at the year end, the financial operation of the charity since the period end has improved.

There were operational improvements made during the year to March 2020 which reduced significantly the monthly outgoings without affecting the service delivered to young people or the numbers of young people attending. These included changes to the organisation of the team and an improved integration of the services offered with those offered by partner organisations. The benefit of these improvements was being clearly seen on a monthly basis by the end of the year.

During the period since March 2020 the activities of the Youth Zone have undergone significant change with a shift away from pure centre-based provision at the Youth Zone where this is incompatible with the social distancing requirements imposed by the government in response to Covid-19. The activities conducted by the Youth Zone team supporting members and other young people in the borough have been focused on digital engagement, small group support and provision of food. The excellence of the delivery in these areas has allowed the charity to maintain its patron donor base and to attract significant additional grant funding for specific projects.

The strong financial performance during the period subsequent to year end has allowed the charity to clear its deficit on reserves and to position itself to continue to provide services for the foreseeable future. While it is never possible to be certain concerning future events, the Trustees consider that the steps they have taken are sufficient to maintain the financial position of the charity at an acceptable level.

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

20. RELATED PARTY TRANSACTIONS

AH Graham who is a Trustee, is a director of Graham & Brown Limited. During the year, this company made donations totaling £25,000 (2019 - £25,000) and sponsorship of events of £300 (2019 - £375).

DJ Gorton, who is a Trustee, is a partner in PM+M Solutions for Business LLP. During the year, this LLP made donations totaling £10,000 (2019 - £10,000) and sponsorship of events of £nil (2019 - £1,580) and provided services of £2,139 (2019 - £1,888). Included within trade creditors is £nil (2019 - £346) due to PM+M Solutions for Business LLP.

A Bromley, who is a Trustee, is a partner of Forbes Solicitors. During the year, Forbes Solicitors made donations totaling £10,000 (2019 - £10,000) and sponsorship of events of £nil (2019 - £635) and provided services of £3,440 (2019 - £nil).

21. CONTROLLING PARTY

There is no controlling party.