

Charity Registration No. 1069777

Company Registration No. 03550328 (England and Wales)

TEEN CHALLENGE LONDON
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

TEEN CHALLENGE LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Revd L Cheshire Rev S Derbyshire Rev. D Langton Dr L Logan MBE Rev Christopher Scott
Charity number	1069777
Company number	03550328
Principal address	Wilkerson House Uphall Road Ilford Essex IG1 2JJ
Registered office	Essex House 8 The Shrubberies George Lane South Woodford London United Kingdom E18 1BD
Independent examiner	Caton Fry & Co Ltd Essex House 7 The Shrubberies George Lane South Woodford London E18 1BD
Bankers	Barclays Bank 180 High Road Ilford Essex IG1 1LS
Solicitors	red kite Solicitors 14-15 Spilman Street Carmarthen West Wales SA31 1SR
Project manager	Javier Lesta-Candal

TEEN CHALLENGE LONDON

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TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The charity's objects as specified in the Memorandum and Articles of Association are:

a) to advance the Christian faith in accordance with the Statement of Beliefs appearing in the County of Greater London, the surrounding areas, and in such other parts of the United Kingdom or the world as the Trustees of the Charity may from time to time think fit.

b) to relieve persons who are in conditions of need or hardship or who are aged sick or who are homeless, including by means of helping and assisting individuals affected by alcohol, drug or other substance abuse or addiction and to relieve the distress caused thereby in the said locations and in such other parts of the United Kingdom or the World as the Trustees may from time to time think fit.

c) to promote and fulfil such other charitable purposes beneficial to the community in the said locations and in such other parts of the United Kingdom or the world as the Trustees may from time to time think fit.

The policies adopted in furtherance of these objects are:

1) Offering residential rehabilitation to members of the public who have shown an interest in finding help with their addiction problems.

2) Outreach work through different means such as street work, bus ministry, church events and presentations, and testimony evenings.

3) Providing vocational training to enhance employment opportunities helping them go back into society with recognised achievements and qualifications.

There has been no change in these during the year.

Reporting Public Benefit

The trustees have paid due regard to guidance issued by the Charity Commission on public benefit in deciding what activities the charity should undertake. As a small charity below the Charities Act's audit threshold, the report focuses on the main activities undertaken by the charity to further the charitable purposes for the public benefit.

TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

Achievements and performance

TCL REUSE CENTRE

The National lockdown due to the Covid 19 pandemic saw the reuse centre closed from April until 6th July 2020 just after the lockdown was lifted. During this period the reuse charity purchased and installed a new mezzanine floor in the building adding a further 2500 square feet of usable space to the property, the downstairs of the building underwent a major refurbishment including a major electrical rewiring overhaul. The Reuse centre saw a greatly increased footfall once the Lockdown was lifted, however, the reuse centre was completely closed on 11th December 2020 due to a Covid outbreak amongst the staff. The centre then remained closed beyond the close of the financial year. Rent received from the Reuse centre to Teen Challenge increased from £3,000 to £4,000 per calendar month to fall in line with the appropriate rental value after the increase in floor space. The reuse centre is on a full repairing and insuring occupancy whilst in the building.

Wilkerson House

The occupancy level for Wilkerson House was 15.9 This was a decrease of 1.2 over the year compared to 2018/19 which was 17.1.

With the National lockdown due to Covid 19 pandemic we implement and adhered to all government guidelines and restricted all access to Wilkerson house. Strict guidelines were followed however in December there was an outbreak of the virus amongst the staff and residents. Most staff had to remain at home and only several live in staff remained on duty. The house was in complete lockdown with no access allowed. Thankfully the house recovered and the guidelines continued to be observed, a number of staff were furloughed during this period and up to and beyond the end of the financial year.

The new minibus was purchased in September for £26,520 of which £13,260 was donated by the Lind trust. The full amount was raised by Rev Stephen Derbyshire chair of the board of Trustees.

Outreach Report

Due to the Covid 19 pandemic and the Lockdown all outreach work and church presentations ceased during this financial year.

TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Centre for Excellence List of Achievements

CITY AND GUILDS ACHIEVEMENTS	NUMBER ACHIEVED
Functional Skills English Level 1	1
Functional Skills English Level 2	3
Functional Skills English Maths 2	1
Effective Communication Level 1	13
Effective Skills, Qualities and Attitudes for Learning and Work	4
Equality and Diversity	8
Managing Personal Finances	5
Functional Skills ICT	2
Personal Development	4
TOTAL	41
HIGHFIELD TRAINING ACHIEVEMENTS	NUMBER ACHIEVED
First Aid	9
Food Safety Level 2	8
Health and Safety Level 2	8
Managing Conflict	12
Teamwork	4
Level 2 Customer Service	6
Manual Handling	5
Fire Safety Level 2	7
Warehousing and Storage	1
TOTAL	60
ENERGY SAVING TRUST	NUMBER ACHIEVED
Introduction to Energy Awareness	11
TOTAL	11
TOTAL OF ALL	112

TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Incoming resources for the year stood at £683,376 (2020 - £619,504). The net incoming resources amounted to £201,080 (2020 - £53,818). Voluntary income amounted to £375,191 (2020 - £336,310) and represented 54.9% (2020 - 54.3%) of the charity's total income.

The majority of ongoing resources have been utilised on charitable activities related to supporting residents at the centre for those with addictions: staff costs for services and support, expenses directly relating to the residents, and the ongoing costs of the premises themselves.

The net assets shown in the balance sheet amounted to £1,012,226 (2020 - £811,145). Included in the above figure are freehold properties shown at cost of £1,508,882 (2020 - £1,508,882).

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to be approximately 10 months' expenditure which amounts to approximately £420,000. The trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. At the year end the level of reserves, excluding the freehold land and buildings, improvements to property and related loan amounted to £256,367. This level of reserves has been maintained throughout the year.

Investment strategy

The reserves are held on cash deposits, and although consideration has been given to alternative forms of investment, the Trustees decided to retain the cash deposits.

Risks

The trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Future Developments

- To follow all government guidelines in regards to Covid restrictions.
- To re-engage with churches and begin rebooking visits for the redeemed.
- To look at costing and implementing a fundraising campaign for the refurbishment and expansion of Wilkerson House.

Structure, governance and management

The charity is a company limited by guarantee and was incorporated on 22 April 1998. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Revd L Cheshire

Rev S Derbyshire

Rev. D Langton

Dr L Logan MBE

Rev Christopher Scott

The existing Trustees appoint any new Trustees following the provisions laid out in the Charity's governing instrument.

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £10 in the event of a winding up.

TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

The Board of Trustees are responsible for the strategic direction and policy of the charity. A scheme of delegation is in place, and day to day responsibility for the provision of services rests with the Project Manager. The Trustees, who are also Directors of the charitable company, meet together regularly, at least four times per year, to pray, review progress and make decisions on future developments.

New trustees are provided with a comprehensive information pack informing them of their potential roles as Trustees.

All staff are paid in line with their job role.

Teen Challenge London works closely with Teen Challenge UK and other Teen Challenge Groups throughout the country, but is legally independent of them.

Small company exemptions

This report has been prepared and delivered in accordance with the provisions in Part 15 of Companies Act 2006 applicable to companies subject to the small companies' regime.

The trustees' report was approved by the Board of Trustees.

Rev S Derbyshire

Trustee

Dated: 24 November 2021

TEEN CHALLENGE LONDON

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF TEEN CHALLENGE LONDON

I report to the trustees on my examination of the financial statements of Teen Challenge London (the charity) for the year ended 31 March 2021.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

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

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

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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

J E Caton FCA FCCA
Caton Fry & Co Limited
Essex House
7 The Shrubberies
George Lane
South Woodford
London E18 1BD

Dated: 24 November 2021

TEEN CHALLENGE LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	375,191	336,310
Trading activities	4	259,502	227,393
Investments	5	48,683	55,801
Total income		683,376	619,504
<u>Expenditure on:</u>			
Raising funds	6	2,563	2,559
Charitable activities	7	479,733	563,127
Total resources expended		482,296	565,686
Net income for the year/ Net movement in funds		201,080	53,818
Fund balances at 1 April 2020		811,146	757,327
Fund balances at 31 March 2021		1,012,226	811,145

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

As all funds in the prior year were unrestricted a comparative SOFA has not been prepared.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

TEEN CHALLENGE LONDON

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		1,535,517		1,509,603
Current assets					
Debtors	14	73,291		52,307	
Cash at bank and in hand		185,773		34,405	
		259,064		86,712	
Creditors: amounts falling due within one year	15	(94,340)		(88,702)	
Net current assets/(liabilities)			164,724		(1,990)
Total assets less current liabilities			1,700,241		1,507,613
Creditors: amounts falling due after more than one year	16		(688,015)		(696,468)
Net assets			1,012,226		811,145
Income funds					
<u>Unrestricted funds</u>					
Designated funds	18	65,000		-	
General unrestricted funds		947,226		811,145	
			1,012,226		811,145
			1,012,226		811,145

TEEN CHALLENGE LONDON

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
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The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 24 November 2021

Rev S Derbyshire
Trustee

Company Registration No. 03550328

TEEN CHALLENGE LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		148,164		(5,406)
Investing activities					
Purchase of tangible fixed assets		(35,488)		-	
Investment income		48,683		55,801	
Net cash generated from investing activities			13,195		55,801
Financing activities					
Repayment of bank loans		(9,991)		(55,839)	
Net cash used in financing activities			(9,991)		(55,839)
Net increase/(decrease) in cash and cash equivalents			151,368		(5,444)
Cash and cash equivalents at beginning of year			34,405		39,849
Cash and cash equivalents at end of year			185,773		34,405

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Teen Challenge London is a private company limited by guarantee incorporated in England and Wales. The registered office is Essex House, 8 The Shrubberies, George Lane, South Woodford, London, E18 1BD, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The Trustees have assessed the impact of COVID-19 on the charity and are aware that donations are likely to reduce in the forthcoming year. A six monthly mortgage payment holiday has also been approved. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

Government Grants are recognised when received or when there is reasonable assurance that the grant conditions will be met and the grants will be received.

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to that category. Where costs cannot be directly attributed to particular headings they have allocated to activities on a basis consistent with the use of resources.

Charitable activities comprises costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities, and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the independence examination and professional fees linked to the strategic management of the charity.

Support costs are allocated on a basis consistent with the use of resources, as indicated in the notes to the financial statements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	See below
Improvements to property	10% on cost
Fixtures and fittings	25% on cost
Computers	33% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Since in the opinion of the Trustees, the freehold properties are maintained in a state of repair such that their estimated residual value is no less than their cost, the annual charge for depreciation of freehold properties is nil.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Debtors

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

1.9 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provision are normally recognised at their settlement amount after allowing for any trade discounts due.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Volunteer services

The value of services provided by volunteers is not incorporated into these financial statements.

1.15 Taxation

The charitable company is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	375,191	336,310
	=====	=====
Grants included in donations and gifts		
Coronavirus Job Retention Scheme	32,654	-
City Gate Church	57,980	-
The Lind Trust	13,260	-
	=====	=====
	103,894	-
	=====	=====

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Donations and legacies

(Continued)

The Charity benefits greatly from improvements and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the accounts.

4 Trading activities

	2021 £	2020 £
Students' housing benefits	221,096	185,888
Students' DWP benefits	35,282	37,863
Tuck shop sales	3,124	3,642
	<u>259,502</u>	<u>227,393</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Rental income	48,635	55,722
Interest receivable	48	79
	<u>48,683</u>	<u>55,801</u>

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
<u>Raising donations and legacies</u>		
Staff costs	2,563	2,559
	<u>2,563</u>	<u>2,559</u>

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	Rehab- ilitation 2021 £	Outreach ministry 2021 £	Egangs 2021 £	Total 2021 £	Rehab- ilitation 2020 £	Outreach ministry 2020 £	Egangs TCL 2020 £	Re-Use Centre 2020 £	Total 2020 £
Staff costs	274,440	2,563	-	277,003	262,180	2,559	-	-	264,739
Costs of residence & catering	51,392	-	-	51,392	70,633	277	-	-	70,910
Travel	9,425	9,363	-	18,788	11,738	46,172	-	-	57,910
Donations	4,735	500	15,075	20,310	430	10,595	20,075	5	31,105
Training centre	1,883	-	-	1,883	11,586	-	-	-	11,586
Bank loan interest	22,220	-	-	22,220	32,274	-	-	-	32,274
	364,095	12,426	15,075	391,596	388,841	59,603	20,075	5	468,524
Share of support costs (see note 8)	67,320	4,407	-	71,727	75,501	4,730	43	-	80,274
Share of governance costs (see note 8)	16,410	-	-	16,410	14,329	-	-	-	14,329
	447,825	16,833	15,075	479,733	478,671	64,333	20,118	5	563,127

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Depreciation	9,574	-	9,574	6,553	-	6,553
Rent, rates & water	22,840	-	22,840	29,237	-	29,237
Light and heat	16,173	-	16,173	15,267	-	15,267
Repairs & renewals	13,192	-	13,192	17,185	-	17,185
Office	8,337	-	8,337	10,261	-	10,261
Finance	1,611	-	1,611	1,771	-	1,771
Legal and professional	-	12,966	12,966	-	11,086	11,086
Independent examination	-	3,444	3,444	-	3,243	3,243
	<u>71,727</u>	<u>16,410</u>	<u>88,137</u>	<u>80,274</u>	<u>14,329</u>	<u>94,603</u>
Analysed between						
Charitable activities	<u>71,727</u>	<u>16,410</u>	<u>88,137</u>	<u>80,274</u>	<u>14,329</u>	<u>94,603</u>

Support costs are allocated to activities based on staff time.

9 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	9,574	6,553
(Profit)/Loss on disposal of fixed assets	-	(1,400)
Independent examination	3,243	3,150
Bank loan interest	32,274	33,020
Operating lease charges	<u>1,168</u>	<u>926</u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration, reimbursement of expenses or benefits from the charity during the year.

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Managers	3	3
Support	6	9
Administration	1	1
Total	9	13

Employment costs

	2021 £	2020 £
Wages and salaries	258,511	247,242
Social security costs	16,833	16,317
Other pension costs	4,222	3,739
	279,566	267,298

There were no employees whose annual remuneration was £60,000 or more.

12 Pension commitments

The charity runs a Stakeholder Pension with Legal & General and a workplace pension with NEST. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £4,222 (2020 : £3,793).

At 31st March 2021 contributions amounting to £1,384 (2020 : £1,208) were payable to the fund and are included in creditors.

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Tangible fixed assets		Freehold land and buildings	Improvements to property	Fixtures and fittings	Computers	Motor vehicles	Total
		£	£	£	£	£	£
Cost							
At 1 April 2020		1,508,882	401,348	94,402	6,407	94,679	2,105,718
Additions		-	-	8,968	-	26,520	35,488
At 31 March 2021		1,508,882	401,348	103,370	6,407	121,199	2,141,206
Depreciation and impairment							
At 1 April 2020		-	401,218	93,855	6,363	94,679	596,115
Depreciation charged in the year		-	130	2,770	44	6,630	9,574
At 31 March 2021		-	401,348	96,625	6,407	101,309	605,689
Carrying amount							
At 31 March 2021		1,508,882	-	6,745	-	19,890	1,535,517
At 31 March 2020		1,508,882	130	547	44	-	1,509,603

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13	Tangible fixed assets			(Continued)
14	Debtors		2021	2020
			£	£
	Amounts falling due within one year:			
	Trade debtors		(1)	-
	Other debtors		63,649	48,871
	Prepayments and accrued income		9,643	3,436
			<u>73,291</u>	<u>52,307</u>
15	Creditors: amounts falling due within one year		2021	2020
		Notes	£	£
	Bank loans	17	65,008	66,547
	Other taxation and social security		5,490	4,612
	Trade creditors		2,922	3,558
	Other creditors		9,327	3,933
	Accruals and deferred income		11,593	10,052
			<u>94,340</u>	<u>88,702</u>
16	Creditors: amounts falling due after more than one year		2021	2020
		Notes	£	£
	Bank loans	17	688,015	696,468
17	Loans and overdrafts		2021	2020
			£	£
	Bank loans		753,023	763,015
	Payable within one year		65,008	66,547
	Payable after one year		688,015	696,468
			<u></u>	<u></u>
	Amounts included above which fall due after five years:			
	Payable by instalments		363,139	380,832
			<u></u>	<u></u>

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Loans and overdrafts

(Continued)

A term loan from Barclays of £950,000 was drawn in August 2015. The loan is secured by legal charges on Wilkerson House, the property at the rear of Wilkerson House and Unit 1 at Wilkerson House, together with a debenture dated 4 April 2007.

Interest is repayable at a rate equal to the aggregate of the LIBOR (London Inter-Bank Offered rate) and the bank's margin of 3.110% per annum. Repayments of the loan capital are payable over 168 monthly instalments following. Capital repayment of the loan commenced during the year ended 31 March 2017. The loan is fully repayable in 2030.

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		Movement in funds	
	Incoming resources	Balance at 1 April 2020	Incoming resources	Balance at 31 March 2021
	£	£	£	£
Refurbishment of rooms	-	-	65,000	65,000
	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>65,000</u>
	-	-	65,000	65,000
	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>65,000</u>

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	1,248	1,248
Between two and five years	2,808	4,056
	<u>4,056</u>	<u>5,304</u>

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Total key management personnel remuneration	45,075	45,000

Transactions with related parties

The Project Manager is a Trustee of the Exit Foundation Charity. During the year the charity entered into the following transactions with related parties:

- £2,400 (2020 : £2,500) of rental income was received by the Exit Foundation.
- £15,000 (2020 : £20,000) grant given to the Exit Foundation.

There were no balances outstanding at the year end (2020 : £NIL).

21 Cash generated from operations	2021 £	2020 £
Surplus for the year	201,080	53,818
Adjustments for:		
Investment income recognised in statement of financial activities	(48,683)	(55,801)
Depreciation and impairment of tangible fixed assets	9,574	6,553
Movements in working capital:		
(Increase) in debtors	(20,984)	(8,852)
Increase/(decrease) in creditors	7,177	(1,124)
Cash generated from/(absorbed by) operations	148,164	(5,406)

22 Analysis of changes in net (debt)/funds	At 1 April 2020 £	Cash flowsAt 31 March 2021 £	£
Cash at bank and in hand	34,406	151,367	185,773
Loans falling due within one year	(66,547)	1,539	(65,008)
Loans falling due after more than one year	(696,468)	8,453	(688,015)
	<u>(728,609)</u>	<u>161,359</u>	<u>(567,250)</u>