

Charity registration number 1069777

Company registration number 03550328 (England and Wales)

TEEN CHALLENGE LONDON
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

TEEN CHALLENGE LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Revd L Cheshire Rev S Derbyshire Rev. D Langton Dr L Logan MBE Rev Christopher Scott	
Secretary	C Coughlan	
Charity number	1069777	
Company number	03550328	
Principal addresses	Drayton Hall Hall Lane Drayton Norwich NR8 6DP	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 2024

The trustees present their report and financial statements for the year ended 31 March 2024 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 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 2024**

DRAYTON HALL

The financial year end for the activities at Drayton Hall have been both rewarding and challenging, the average occupancy rate was 17.0 for the year end, up 0.9 from the previous year of 16.1. Three staff members also live at Drayton Hall, and 4 bedrooms have been allocated for staff who travel from London to work. In September 2023 we had our Graduation service at City Gates Church with 6 men who graduated and one posthumously for Ashley Thorpe who passed away whilst at bible college. His wife Janice and their 3 children were present to receive the graduation award on his behalf.

In August we had an open day and we had over 250 people come to Drayton Hall, mostly from City Gates church, we had a time of worship and then food which was served by residents and staff to all who came, it was a great event. Many commented on the incredible facilities available. In October, we secured the lease to a small shop in the village of Drayton that was formerly an estate agent. We began work to refurbish the property. The purpose of the shop was to open a coffee shop to the local community that would provide work experience and employment opportunities to men who have completed the rehabilitation program at Drayton Hall. The Coffee shop was named "5:17 Coffee House" a reference to the biblical text 1 Corinthians 5:17, If anyone is in Christ he is a new creation the old has gone the new has come. The Coffee House opened on January 4th and has had a fantastic response from the local and wider community. The exposure to the wider work of Teen Challenge has been extremely positive with many people pleased about the coffee House and the work we do at Drayton Hall. The coffee House serves, coffee, teas and a variety of sweet and savoury food items. There is one full time and 2 x part time employees, all former Drayton Hall residents and volunteers by men currently on the program. This will provide work experience and confidence to the men coming through the program.

In December 2023, Rev Sam Mooney left his position as manager at Drayton Hall leaving a vacant managers role. As of year-end no replacement was found. We are confident that this will be resolved in the near future and staff morale at year end was good.

WILKERSON HOUSE

Renovation works at the property begun during the year to bring the building up to a satisfactory standard. We became registered as a HMO with Redbridge council with Hostel status a new requirement that was needed to comply with the local authority guidelines. This also required us to make several changes to some of the doors and rooms to pass the standard that was needed.

Our planning application was approved for a further 6 bedrooms with showers, one kitchen and 2 x toilets

TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

OUTREACH PROJECT

In this annual report we wish to provide an update from TC's Outreach from the period between April 2023- March 2024. This will include short overviews from the new outreach initiative 'The Joshua Project' in which TC have been active in 4 different locations, to other outreach events and church presentations. I'm sure as you view this report you will be encouraged by engagement within the communities we reached into and our increasing influence in a variety of locations.

The Joshua Project (JP)

TCL's new outreach approach. In this period, we have been active in 4 different locations including; Harlow, Gillingham, East Ham, and Wood Green. Each have had differing successes and after each project there has been a time for reflection and improvement in order to be more effective.

Harlow May-July 2023

This outreach was consistently held over 12 weeks. Working in connection with Heart for Harlow (local churches together) our main contact was with Harlow Elim and Streets2Homes, a local homeless charity providing support for those to find housing. This is where the bulk of relationships were built with two clients filling out application forms for TCL. Through evangelism equipping/ training, over both Saturdays we saw 65 people in attendance.

Gillingham September-November 2023

This outreach was consistently held over 12 weeks, as per previous. Following on from our outreach in Chatham the previous year we returned to the Medway town of Gillingham. This outreach proved to be the toughest yet, we believe due to the level of poverty in the area. However, we continued to press in and made connections with 4 local churches encouraging them to reach out and engage those in addiction in the area. On two Saturdays we offered evangelism training and over both we saw a number of 24 people attend. We attended local coffee mornings which gave us opportunity to speak with those who came and also continued to build our relationship with a local homeless charity Caring hands in the community through which in this time we saw an application form for the program filled out.

East Ham January-March 2024

This outreach was consistently held over 12 weeks, as per previous. TC was working with 4 local churches and 2 local homeless drop in services. During this outreach we were mostly engaging people on the streets in the community due to the lack of drop in services in the area. However, we made contact with a local homeless charity called the New Way Project. We were given the opportunity to engage those who came to use their service which proved to be helpful as a place of contact during this time. We initiated a bus ministry serving teas and coffees on the Thursday evenings whilst in the area for this period. This proved fruitful on each evening serving between 30-40 people. Two people received physical healings through prayer and an application form for the program was filled out. Over two Saturdays we offered evangelism training for the local church (held at East Ham Elim) over both we saw around 50 people in attendance. East Ham Elim have incorporated this evangelism day into their monthly program. Also, TC gave training to Barking Elim (partner church of East Ham) for their local homeless soup kitchen Bless Barking in which we saw 30 people in attendance.

Wood Green May- March 2024

This outreach was consistently held over 12 weeks, as per previous. TC was working in connection with 2 local churches during this outreach. We served in a local food bank which helped us engage with the local community. During this outreach we were mostly engaging people on the streets in the community due to the lack of drop in services in the area. We initiated a bus ministry on the Thursday nights so to be a place of contact for those we meet during the day and continue the conversations and for relationships to be grown. Each Thursday evening, we were serving between 50-60 hot drinks. For the local church to be involved we gave drug & addiction awareness training in which 8 people attended. Grace Baptist church will be continuing this outreach service in their community. Again, over 2 Saturdays we gave evangelism training in which we saw 15 people attend over both days.

TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Joshua Project summary in numbers:

Applications filled out	5
Interview from Applications	2
Volunteers Attending Training/ Equipping	192
Churches / Organisations Actively involved	19
Applicants Entered Program	2

(These numbers are specific to JP and do not include the numbers from other outreaches during this period.)

Please know there have been some incredible testimonies of Jesus bringing salvation and healings both emotional and physical but for space I'm unable to share here and in detail.

Other outreach opportunities/ notable updates

- Our presence on social media is continuing to improve. The number signing up to the TC newsletter is increasing week by week through the church presentations being held.
- Two schools have reached to TC for drug & addiction awareness teaching for their students. One will be fund raising for the ministry.
- Again TC was given permission to set up an awareness table at Daniel Chand's 'Tent Revival' meeting. Lasting 4 days. Great publicity with the number of people coming through.
- Over the summer we were invited to share the work of TC at 2 Christian festivals and also set up an awareness table. Haringey Pentecost Festival (Tottenham) and Rehai Mela Festival (Norwood Green Park, Southall).
- One man came onto the TCL program through the graduation ceremony held at City Gates in September '23
- TCL have held 2 drug & addiction awareness training at two churches outside of JP
- 2 men entered TCL through a church presentation.
- TCL have been invited to share at various community events during this period.

Church presentations

Church presentations have been booked and given weekly. With the occasional exception.

From the period July '23- March '24 TC London held a total of 34 church presentations.

This number does not include other presentations that have been held outside of Sunday services.

Education & Training Centre Drayton Hall

Below is a list of the courses completed by residents at Drayton Hall during the financial year, all courses are City & Guilds recognised.

TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Accredited by City and Guilds	
Level 1 Functional Skills English	4
Level 2 Functional Skills English	1
Level 1 Effective Communication	14
Level 1 Effective Skills and Qualities and Attitudes	7
Level 1 Managing Personal Finance	16
Level 1 Equality and Diversity	7
Level 1 Employability Personal Development Award	9
Level 1 ICT	5
Level 1 Introduction to Customer Services	13
TOTAL	76
Accredited by Highfield Online Learning	
Level 2 Food Safety	4
Managing Conflict	1
Warehousing and Storage	
Fire Safety Level 2	2
TOTAL	7
Trainer Courses	
Health and Safety	18
Health and Safety	
Inhouse Health and Safety	29
EXTRAS	
Level 3 Counselling Skills Counselling	6
TOTAL OF ALL COURSES	136

TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Future Developments

It is our intention to continue to renovate Wilkerson House and raise enough funds to begin the extension of the extra bedrooms on the second floor for which we were granted planning permission. We plan to expand Drayton Hall The expansion of Drayton Hall for residents from 20 beds to 25 beds for those on the rehabilitation program. This will require finding a house to rent to move the live in staff out of Drayton Hall to free up bedrooms at the Hall. We have plans to purchase a 8/9 seater minivan to help cope with the anticipated increase in residents.

Financial review

Incoming resources for the year stood at £979,374 (2023 - £1,333,506). The large decrease in incoming resources being the donation of Drayton Hall by the Lind Trust in the previous year. The net incoming resources amounted to £140,069 (2023 - £616,421). Voluntary income amounted to £295,907 (2023 - £941,716) and represented 30.2% (2023 - 70.6%) of the charity's total income. This decrease in income has meant that the charity doesn't require an audit but this will be assessed on an annual basis.

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 £1,879,736 (2023 - £1,739,667). Included in the above figure are freehold properties shown at cost of £2,008,882 (2023 - £2,008,882).

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 6 months' expenditure. This amounts to approximately £355,000. 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 £446,199 (2023 : £315,665).

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.

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

TEEN CHALLENGE LONDON

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2024*

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.

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

16 October 2024

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 2024.

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: 16 October 2024

TEEN CHALLENGE LONDON

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

		Unrestricted funds	Restricted funds	Total	Unrestricted funds Restated 2023	Restricted funds 2023	Total Restated 2023
	Notes	2024 £	2024 £	2024 £	2023 £	2023 £	2023 £
<u>Income and endowments from:</u>							
Donations and legacies	3	295,907	-	295,907	304,051	637,665	941,716
Trading activities	4	580,358	-	580,358	301,104	-	301,104
Investment income	5	103,109	-	103,109	75,237	-	75,237
Other income	6	-	-	-	15,449	-	15,449
Total income		979,374	-	979,374	695,841	637,665	1,333,506
<u>Expenditure on:</u>							
Raising funds	7	2,786	-	2,786	2,562	-	2,562
Charitable activities	8	836,519	-	836,519	713,807	716	714,523
Total resources expended		839,305	-	839,305	716,369	716	717,085

TEEN CHALLENGE LONDON

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Unrestricted funds	Restricted funds	Total	Unrestricted funds Restated 2023	Restricted funds 2023	Total Restated 2023
Notes	2024 £	2024 £	2024 £	2023 £	2023 £	2023 £
Net incoming resources before transfers	140,069	-	140,069	(20,528)	636,949	616,421
Gross transfers between funds	47,665	(47,665)	-	89,284	(89,284)	-
Net income/(expenditure) for the year/ Net movement in funds	187,734	(47,665)	140,069	68,756	547,665	616,421
Fund balances at 1 April 2023						
As originally reported	1,221,002	547,665	1,768,667	1,159,246	-	1,159,246
Prior year adjustment	(29,000)	-	(29,000)	(36,000)	-	(36,000)
Fund balances at 1 April 2023 as restated	1,192,002	547,665	1,739,667	1,123,246	-	1,123,246
Fund balances at 31 March 2024	1,379,736	500,000	1,879,736	1,192,002	547,665	1,739,667

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

All income and expenditure derive from continuing activities.

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 2024

		2024		2023 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	15		2,242,581		2,215,380
Investments	16		2		-
			<u>2,242,583</u>		<u>2,215,380</u>
Current assets					
Debtors	17	24,036		144,534	
Cash at bank and in hand		262,372		110,142	
		<u>286,408</u>		<u>254,676</u>	
Creditors: amounts falling due within one year	18	(133,151)		(157,085)	
Net current assets			<u>153,257</u>		<u>97,591</u>
Total assets less current liabilities			<u>2,395,840</u>		<u>2,312,971</u>
Creditors: amounts falling due after more than one year	19		(516,104)		(573,304)
Net assets			<u><u>1,879,736</u></u>		<u><u>1,739,667</u></u>
Income funds					
Restricted funds	21		500,000		547,665
Unrestricted funds			1,379,736		1,192,002
			<u><u>1,879,736</u></u>		<u><u>1,739,667</u></u>

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 16 October 2024

Rev S Derbyshire
Trustee

Company Registration No. 03550328

TEEN CHALLENGE LONDON

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from operations	26		216,780		536,895
Investing activities					
Purchase of tangible fixed assets		(112,746)		(702,290)	
Disposal of tangible fixed assets		2,288		-	
Purchase of investments		(2)		-	
Investment income		103,109		75,237	
Net cash used in investing activities			(7,351)		(627,053)
Financing activities					
Repayment of bank loans		(57,199)		(61,694)	
Net cash used in financing activities			(57,199)		(61,694)
Net increase/(decrease) in cash and cash equivalents			152,230		(151,852)
Cash and cash equivalents at beginning of year			110,142		261,994
Cash and cash equivalents at end of year			262,372		110,142

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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.

The activities of the charity, as described in the Trustees report, are carried out at Wilkerson House in Ilford or Drayton Hall in Norfolk.

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 other than the donation of Drayton Hall which has been reflected at market value. The principal accounting policies adopted are set out below.

1.2 Prior period adjustment

The Trustees reviewed the basis of the recognition of gift aid income and considered that it was more appropriate to reflect gift aid income on the received rather than the receivable basis. As a result of this a prior year adjustment has been made to the accounts. The impact of this adjustment is as follows:-

- Unrestricted reserves originally stated at 1 April 2022 - £1,159,246.
- Amend 2022-23 gift aid income to reflect gift aid received in the year rather than receivable - £(36,000).
- Revised unrestricted reserves at 31 March 2023 - £1,123,246.

1.3 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. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

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

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors 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.

1.5 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 on the cash basis.

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

Income from trading activities are reflected on a receivable basis.

Income from investments and interest are included when receivable.

Rental income is recognised on the cash basis.

1.6 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.

1.7 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 the statement of financial activities.

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.

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 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).

1.10 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.

1.11 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.

1.12 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.

1.13 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.

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

1.14 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.

1.15 Retirement benefits

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

1.16 Volunteer services

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

1.17 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.

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

3 Donations and legacies

	Unrestricted funds 2024 £	Unrestricted funds restated 2023 £	Restricted funds 2023 £	Total restated 2023 £
Donations and gifts	290,907	304,051	137,665	441,716
Donated goods and services	5,000	-	500,000	500,000
Grants included in donations and gifts				
Coronavirus Job Retention Scheme	-	24,532	-	24,532
City Gate Church	-	25,000	-	25,000
Magnify Foundation	-	47,665	-	47,665
TCL Re-Use Centre	-	90,000	-	90,000
	-	187,197	-	187,197

The Charity also 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 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Students' housing benefits	513,383	238,487
Students' DWP benefits	66,975	59,560
Tuck shop sales	-	3,057
	580,358	301,104

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	101,620	75,156
Interest receivable	1,489	81
	<u>103,109</u>	<u>75,237</u>

6 Other income

	Total Unrestricted funds	
	2024 £	2023 £
Insurance claim	-	15,449
	<u>-</u>	<u>15,449</u>

7 Raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<u>Raising donations and legacies</u>		
Staff costs	2,786	2,562
	<u>2,786</u>	<u>2,562</u>

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Charitable activities

	Rehab- ilitation 2024 £	Outreach ministry 2024 £	Egangs 2024 £	Total 2024 £	Rehab- ilitation 2023 £	Outreach ministry 2023 £	Egangs 2023 £	Total 2023 £
Staff costs	199,899	82,671	-	282,570	286,106	33,223	-	319,329
Costs of residence & catering	56,088	-	-	56,088	46,684	-	-	46,684
Travel	20,113	16,995	-	37,108	15,267	6,106	-	21,373
Donations	2,152	1,827	15,000	18,979	7,140	4,845	15,000	26,985
Training centre	1,123	-	-	1,123	751	-	-	751
Bank loan interest	49,684	-	-	49,684	34,835	-	-	34,835
Profit on disposal of assets	-	1,637	-	1,637	-	-	-	-
	329,059	103,130	15,000	447,189	390,783	44,174	15,000	449,957
Share of support costs (see note 9)	344,549	19,467	-	364,016	196,939	13,228	-	210,167
Share of governance costs (see note 9)	25,314	-	-	25,314	54,399	-	-	54,399
	698,922	122,597	15,000	836,519	642,121	57,402	15,000	714,523
Analysis by fund								
Unrestricted funds	698,922	122,597	15,000	836,519	641,405	57,402	15,000	713,807
Restricted funds	-	-	-	-	716	-	-	716

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Depreciation	83,258	-	83,258	52,768	-	52,768
Rent, rates & water	30,351	-	30,351	26,268	-	26,268
Light and heat	136,002	-	136,002	41,715	-	41,715
Repairs & renewals	94,428	-	94,428	71,630	-	71,630
Office	18,487	-	18,487	16,165	-	16,165
Finance	1,490	-	1,490	1,621	-	1,621
Independent Examination / Audit fees	-	3,984	3,984	-	6,324	6,324
Accountancy	-	5,580	5,580	-	5,316	5,316
Legal and professional	-	15,750	15,750	-	42,759	42,759
	<u>364,016</u>	<u>25,314</u>	<u>389,330</u>	<u>210,167</u>	<u>54,399</u>	<u>264,566</u>
Analysed between Charitable activities	<u>364,016</u>	<u>25,314</u>	<u>389,330</u>	<u>210,167</u>	<u>54,399</u>	<u>264,566</u>

Support costs are allocated to activities based on staff time.

10 Net movement in funds

	2024 £	2023 £
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	83,258	52,768
(Profit)/Loss on disposal of fixed assets	(1,637)	-
Independent examination	3,320	-
Bank loan interest	49,684	(18,589)
Operating lease charges	<u>1,248</u>	<u>1,248</u>

11 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 2024

12 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Managers	2	2
Support	10	11
Administration	1	1
Total	13	14

Employment costs	2024 £	2023 £
Wages and salaries	263,388	298,206
Social security costs	16,838	18,933
Other pension costs	5,130	4,752
	285,356	321,891

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

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Aggregate compensation	50,058	46,125

13 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 £5,130 (2023 : £4,752).

At 31st March 2024 contributions amounting to £2,225 (2023 : £1,964) were payable to the fund and are included in creditors.

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Tangible fixed assets												
		Freehold land and buildings		Improvements to property		Fixtures and fittings		Computers		Motor vehicles		Total
		£		£		£		£		£		
Cost	At 1 April 2023	2,008,882		477,233		276,565		6,906		40,015		2,809,601
	Additions	-		29,135		26,535		1,672		55,404		112,746
	Disposals	-		-		-		-		(2,495)		(2,495)
	At 31 March 2024	2,008,882		506,368		303,100		8,578		92,924		2,919,852
Depreciation and impairment	At 1 April 2023	-		410,203		146,348		6,572		31,098		594,221
	Depreciation charged in the year	-		10,502		52,176		724		19,856		83,258
	Eliminated in respect of disposals	-		-		-		-		(208)		(208)
	At 31 March 2024	-		420,705		198,524		7,296		50,746		677,271
Carrying amount	At 31 March 2024	2,008,882		85,663		104,576		1,282		42,178		2,242,581
	At 31 March 2023	2,008,882		67,030		130,217		334		8,917		2,215,380

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

15 Tangible fixed assets (Continued)

16 Fixed asset investments

	£
Cost or valuation	
At 1 April 2023	-
Additions	2
	<hr/>
At 31 March 2024	2
	<hr/>
Carrying amount	
At 31 March 2024	2
	<hr/>
At 31 March 2023	-
	<hr/>

	Notes	2024 £	2023 £
Other investments comprise:			
Investments in subsidiaries	25	2	-
		<hr/>	<hr/>

17 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Other debtors	20,680	73,355
Prepayments and accrued income	3,356	71,179
	<hr/>	<hr/>
	24,036	144,534
	<hr/>	<hr/>

18 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans	20	59,241	59,241
Other taxation and social security		5,956	4,860
Trade creditors		49,320	18,060
Other creditors		6,101	4,389
Accruals and deferred income		12,533	70,535
		<hr/>	<hr/>
		133,151	157,085
		<hr/>	<hr/>

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Bank loans	20	516,104	573,304

20 Loans and overdrafts

	2024 £	2023 £
Bank loans	575,345	632,545
Payable within one year	59,241	59,241
Payable after one year	516,104	573,304

Amounts included above which fall due after five years:

Payable by instalments	189,396	248,637
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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 112 monthly instalments following. Capital repayment of the loan commenced during the year ended 31 March 2017. The loan is fully repayable in 2030.

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Drayton Hall - Donated property	500,000	-	-	-	500,000
Ministry Bus	47,665	-	-	(47,665)	-
	547,665	-	-	(47,665)	500,000

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

21 Restricted funds (Continued)

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Drayton Hall - Donated property	-	500,000	-	-	500,000
Drayton Hall - Refurbishment / Equipment	-	90,000	(716)	(89,284)	-
Ministry Bus	-	47,665	-	-	47,665
	-	637,665	(716)	(89,284)	547,665

In the previous year The Lind Trust donated Drayton Hall to the Charity. As Teen Challenge needs permission from The Lind Trust to dispose of the property, the property has been left in the restricted fund as there is a continuing restriction to use on the property.

In the previous year The Magnify Foundation gave a grant of £47,665 towards the purchase of a new Ministry minibus. The bus was purchased in April 2023 and so the balance of the funds has been transferred to unrestricted funds.

22 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	1,742,581	500,000	2,242,581
Investments	2	-	2
Current assets/(liabilities)	153,257	-	153,257
Long term liabilities	(516,104)	-	(516,104)
	1,379,736	500,000	1,879,736
Per balance sheet	1,379,736	500,000	1,879,734
Balance to allocate	-	-	(2)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Tangible assets	1,715,379	500,000	2,215,380
Current assets/(liabilities)	49,927	47,665	97,591
Long term liabilities	(573,304)	-	(573,304)
	1,192,002	547,665	1,739,667

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

23 Operating lease commitments

Lessee

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:

	2024 £	2023 £
Within one year	312	1,248
Between two and five years	-	312
	<u>312</u>	<u>1,560</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024 £	2023 £
Total key management personnel remuneration	<u>50,058</u>	<u>46,125</u>

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:

- £15,000 (2023 : £15,000) grant given to the Exit Foundation.
- At the year end £6,099 (2023 : £4,389) of donations was received on behalf of the Exit Foundation and will be distributed to them in the forthcoming year. This amount has been included under creditors - note 18.

During the year some of the church organisations that the Trustees are involved with gave donations totalling £56,030 (2023 : £161,921).

TEEN CHALLENGE LONDON

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

25 Subsidiaries

Details of the charity's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
TC Landscapes And Group Maintenance Ltd	United Kingdom	Landscaping & Ground Maintenance	Ordinary Shares	2.00	

TC Landscapes and Group Maintenance Ltd was dormant during the current and previous financial year.

26 Cash generated from operations	2024		2023	
	£		£	
Surplus for the year	140,069		616,421	
Adjustments for:				
Investment income recognised in statement of financial activities	(103,109)		(75,237)	
Depreciation and impairment of tangible fixed assets	83,258		52,768	
Movements in working capital:				
Decrease/(increase) in debtors	120,496		(112,926)	
(Decrease)/increase in creditors	(23,934)		55,869	
Cash generated from operations	216,780		536,895	
27 Analysis of changes in net (debt)/funds	At 1 April 2023		Cash flowsAt 31 March 2024	
	£		£	
Cash at bank and in hand	110,142		152,230	262,372
Loans falling due within one year	(59,241)		-	(59,241)
Loans falling due after more than one year	(573,304)		57,200	(516,104)
	(522,403)		209,430	(312,973)