

The Tower • Daltongate Business Centre • Daltongate • Ulverston • Cumbria • LA12 7AJ

Mr M Cummings
Drop Zone Youth Projects Ltd.
2 Avocet Crescent
Askam in Furness
Cumbria
LA16 7HP

Our Ref: JFH2027

9th June 2021

Dear Mr Cummings

Drop Zone Youth Projects Ltd.

I enclose:

- (a) One copy of the company's financial statements at 31st December 2020, for signature and return, and
- (b) Two bound copies of the company's financial statements at 31st December 2020.

Additional copies are available upon request.

Yours sincerely
for J F Hornby & Co



Encs.

Directors

J F Hornby R F O, BFP FCA, FIOD, FRSA
Paul Hornby BA(Hons), MBA, FCCA, FCA



REGISTERED COMPANY NUMBER: 06332726 (England and Wales)
REGISTERED CHARITY NUMBER: 1102656

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
DROP ZONE YOUTH PROJECTS LTD.**

J F Hornby & Co
Chartered Accountants
The Tower
Daltongate Business Centre
Daltongate
Ulverston
Cumbria
LA12 7AJ

DROP ZONE YOUTH PROJECTS LTD.

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Report of the Trustees	1 to 3
Independent Examiner's Report	4
Statement of Financial Activities	5
Balance Sheet	6 to 7
Notes to the Financial Statements	8 to 13
Detailed Statement of Financial Activities	14 to 15

DROP ZONE YOUTH PROJECTS LTD.
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity as contained within its trust constitution is to educate young people through their leisure time activities so to develop their physical, mental and spiritual capacities that they may grow to full maturity as individuals and members of society.

The charity also works closely with schools and children's services to enable the charity to reach young people who are identified as being at risk of exclusion or are not currently on roll at school. The charity provides an alternative education facility, which has identified that this group of young people have very limited access to sports and recreation facilities and often have complex needs including mental health issues. The charity aims to support young people to understand triggers and the pressure of their daily lives which in some circumstances can be chaotic and to teach stress management methods.

The charity aims to promote activities to raise the aspirations of young people, helping those to gain access to services, advice and guidance.

Public benefit

The trustees confirm that they have complied with their duty under section 4(2) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission and consider that the pursuit of the association's aims through the activities described above is consistent therewith.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

In common with previous years, I seem to start this report with the terminology of "another difficult year", however this is a poignant message and one that not only applies to the Drop Zone but the Country and the World in general.

What it has shown is the resilience and ingenuity of our staff. From the start of the pandemic, we have been front and centre in all the combined resilience groups in the Barrow area. From providing support to our young people during lockdown, along with their families, providing activity packs and treats to help them to keep going. Also actively providing advice and support to other groups in ensuring that there were very little areas of well-being support not being covered including but not limited to mental health in support of the NHS. Especially taking the lead in responding to the needs of the young people, for example helping those that were in need, enabling them to get the equipment and connectivity to get online.

Our two managers behaved exemplarily with Cath providing the more public face and raising our profile in the community and showing initiative and leadership in a crisis, to Sue who whilst battling illness worked to gain valuable funding to enable us to provide a lot of the services previously mentioned. Enough cannot be stressed about their teamwork, providing the Drop Zone with such valuable leadership.

Also, special mention to all our wonderful sponsors who really stepped up to the plate in such trying circumstances to do their bit in providing support to the people in our area and especially to the young who are amongst the most vulnerable. This equally applies to both the Barrow Borough Council and Cumbria County Council whose officers provided leadership and help in continuing to see a way through the crisis. Along with our sponsors they really are unsung heroes.

As 2021 starts there is hope that the pandemic will pass in the near future and we can look forward to some sort of normality whatever that may look like. Once again, my thanks to all the staff, to the sponsors and to the board of trustees and look forward to a better year and hopefully, a better community brought together in adversity.

FINANCIAL REVIEW

Financial position

The finances show that we have a restricted reserve that will cover all our commitments and supports the reserves policy, and an unrestricted reserve that allows us to have a small amount of flexibility whilst pursuing new funding.

DROP ZONE YOUTH PROJECTS LTD.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Reserves policy

It is the trustees policy that unrestricted reserves should cover six months operating costs. The unrestricted reserves at 31st December 2020 and 31st December 2019 exceeded the policy requirement.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Drop Zone Youth Projects Ltd was incorporated on 3rd August 2007. The activities of the charitable company were previously carried out by Drop Zone Youth Projects, an unincorporated charity registered 16th March 2004. On 3rd August 2007 the activities of the unincorporated charity, together with its entire assets and liabilities were transferred to the new charitable company.

The charity is a private company limited by guarantee. Each trustee is a member of the company. The members have guaranteed the liability of the company to a limit of £1 each.

Recruitment and appointment of new trustees

New Trustees are appointed by the Board of Trustees at the Annual General Meeting and serve until they resign or retire. The existing Trustees ensure that new Trustees have the necessary skills to contribute to the Charity's management and development.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

06332726 (England and Wales)

Registered Charity number

1102656

Registered office

The Annexe
39 Bath Street
Barrow in Furness
Cumbria
LA14 5TS

Trustees

Mr M C Cumming
Mr W L Hall
Ms K Hanks
Mr W McEwan (resigned 13.1.20)
Mr R O'Connor
Mr D Coverdale Trustee (appointed 13.1.20)

Company Secretary

Ms K Hanks

DROP ZONE YOUTH PROJECTS LTD.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner

J F Hornby, FCA
J F Hornby & Co
Chartered Accountants
The Tower
Daltongate Business Centre
Daltongate
Ulverston
Cumbria
LA12 7AJ

Bankers

HSBC Bank plc
104 Duke Street
Barrow in Furness
Cumbria
LA14 0LR

Approved by order of the board of trustees on 10 June 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M C Cumming', with a long horizontal stroke extending to the right.

Mr M C Cumming - Trustee

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
DROP ZONE YOUTH PROJECTS LTD.**

Independent examiner's report to the trustees of Drop Zone Youth Projects Ltd. ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 December 2020.

Responsibilities and basis of report

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

Having satisfied myself that the accounts of the Company 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 your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts 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 accounts 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 accounts to be reached.

J F Hornby, FCA
J F Hornby & Co
Chartered Accountants
The Tower
Daltongate Business Centre
Daltongate
Ulverston
Cumbria
LA12 7AJ

10 June 2021

DROP ZONE YOUTH PROJECTS LTD.

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted fund £	31.12.20 Total funds £	31.12.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		249	-	249	7,405
Charitable activities					
Youth Activities and Services		86,853	155,762	242,615	200,544
Other trading activities	2	300	-	300	908
Investment income	3	114	-	114	236
Total		<u>87,516</u>	<u>155,762</u>	<u>243,278</u>	<u>209,093</u>
EXPENDITURE ON					
Charitable activities					
Youth Activities and Services		30,065	148,064	178,129	182,412
NET INCOME		<u>57,451</u>	<u>7,698</u>	<u>65,149</u>	<u>26,681</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		61,795	152,101	213,896	187,215
TOTAL FUNDS CARRIED FORWARD		<u><u>119,246</u></u>	<u><u>159,799</u></u>	<u><u>279,045</u></u>	<u><u>213,896</u></u>

The notes form part of these financial statements

DROP ZONE YOUTH PROJECTS LTD.

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted fund £	31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS					
Tangible assets	7	2,469	2,523	4,992	2,625
CURRENT ASSETS					
Debtors	8	8,380	5,617	13,997	12,693
Cash at bank and in hand		109,005	151,658	260,663	199,110
		<u>117,385</u>	<u>157,275</u>	<u>274,660</u>	<u>211,803</u>
CREDITORS					
Amounts falling due within one year	9	(607)	-	(607)	(532)
NET CURRENT ASSETS		<u>116,778</u>	<u>157,275</u>	<u>274,053</u>	<u>211,271</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>119,247</u>	<u>159,798</u>	<u>279,045</u>	<u>213,896</u>
NET ASSETS		<u>119,247</u>	<u>159,798</u>	<u>279,045</u>	<u>213,896</u>
FUNDS	10				
Unrestricted funds				119,247	61,795
Restricted funds				<u>159,798</u>	<u>152,101</u>
TOTAL FUNDS				<u>279,045</u>	<u>213,896</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The notes form part of these financial statements

DROP ZONE YOUTH PROJECTS LTD.

**BALANCE SHEET - continued
31 DECEMBER 2020**

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

The financial statements were approved by the Board of Trustees and authorised for issue on 10 June 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M C Cumming', with a horizontal line drawn underneath it.

Mr M C Cumming - Trustee

The notes form part of these financial statements

DROP ZONE YOUTH PROJECTS LTD.

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants received are credited to profit and loss account in the financial period in which they are received.

Expenditure

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 the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

Taxation

As a charity, Drop Zone Youth Projects Ltd is exempt from tax on income and gains falling within sections 472-474 of the Corporation Tax Act 2010, sections 478-489 of the Corporation Tax Act 2010, or section 258 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

DROP ZONE YOUTH PROJECTS LTD.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. OTHER TRADING ACTIVITIES

	31.12.20	31.12.19
	£	£
Room hire	300	908
	<u>300</u>	<u>908</u>

3. INVESTMENT INCOME

	31.12.20	31.12.19
	£	£
Deposit account interest	114	236
	<u>114</u>	<u>236</u>

4. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Depreciation - owned assets	3,524	1,948
	<u>3,524</u>	<u>1,948</u>

5. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

6. STAFF COSTS

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

	31.12.20	31.12.19
	11	12
Staff	<u>11</u>	<u>12</u>

No employees received emoluments in excess of £60,000.

DROP ZONE YOUTH PROJECTS LTD.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2020	-	54,882	54,882
Additions	721	5,170	5,891
	<hr/>	<hr/>	<hr/>
At 31 December 2020	721	60,052	60,773
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 January 2020	-	52,257	52,257
Charge for year	144	3,380	3,524
	<hr/>	<hr/>	<hr/>
At 31 December 2020	144	55,637	55,781
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2020	577	4,415	4,992
	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	2,625	2,625
	<hr/>	<hr/>	<hr/>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade debtors	8,380	8,125
Other debtors	5,617	4,568
	<hr/>	<hr/>
	13,997	12,693
	<hr/>	<hr/>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20 £	31.12.19 £
Trade creditors	75	-
Other creditors	532	532
	<hr/>	<hr/>
	607	532
	<hr/>	<hr/>

DROP ZONE YOUTH PROJECTS LTD.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	61,795	57,452	119,247
Restricted funds			
Restricted	152,101	7,697	159,798
TOTAL FUNDS	<u>213,896</u>	<u>65,149</u>	<u>279,045</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	87,516	(30,064)	57,452
Restricted funds			
Restricted	155,762	(148,065)	7,697
TOTAL FUNDS	<u>243,278</u>	<u>(178,129)</u>	<u>65,149</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	62,812	(1,017)	61,795
Restricted funds			
Restricted	124,403	27,698	152,101
TOTAL FUNDS	<u>187,215</u>	<u>26,681</u>	<u>213,896</u>

DROP ZONE YOUTH PROJECTS LTD.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	109,509	(110,526)	(1,017)
Restricted funds			
Restricted	99,584	(71,886)	27,698
TOTAL FUNDS	<u>209,093</u>	<u>(182,412)</u>	<u>26,681</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.19 £	Net movement in funds £	At 31.12.20 £
Unrestricted funds			
General fund	62,812	56,435	119,247
Restricted funds			
Restricted	124,403	35,395	159,798
TOTAL FUNDS	<u>187,215</u>	<u>91,830</u>	<u>279,045</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	197,025	(140,590)	56,435
Restricted funds			
Restricted	255,346	(219,951)	35,395
TOTAL FUNDS	<u>452,371</u>	<u>(360,541)</u>	<u>91,830</u>

DROP ZONE YOUTH PROJECTS LTD.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

12. GENERAL INFORMATION

Drop Zone Youth Projects Ltd is a company limited by guarantee and incorporated in England. It's registered office is The Annexe, 39 Bath Street, Barrow In Furness, Cumbria, United Kingdom, LA14 5TS.

The financial statements are presented in sterling, which is the functional currency of the company.

DROP ZONE YOUTH PROJECTS LTD.

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	31.12.20 £	31.12.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	250	7,406
Grants	(1)	(1)
	<hr/> 249	<hr/> 7,405
Other trading activities		
Room hire	300	908
Investment income		
Deposit account interest	114	236
Charitable activities		
Youth work	58,853	100,961
Grants	183,762	99,583
	<hr/> 242,615	<hr/> 200,544
Total incoming resources	243,278	209,093
EXPENDITURE		
Charitable activities		
Wages	121,521	126,347
Social security	2,542	4,913
Pensions	1,796	1,582
Catering	878	847
Travelling	136	1,358
Youth days and activities	14,295	13,887
	<hr/> 141,168	<hr/> 148,934
Support costs		
Management		
Rent and rates	8,383	8,329
Insurance	1,699	2,075
Light and heat	1,066	1,354
Telephone	2,071	1,778
Postage and stationery	2,027	1,830
Advertising	469	1,273
Sundries	326	327
Accountancy fees	175	235
Legal and professional fees	5,281	3,441
Carried forward	21,497	20,642

This page does not form part of the statutory financial statements

DROP ZONE YOUTH PROJECTS LTD.

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	31.12.20 £	31.12.19 £
Management		
Brought forward	21,497	20,642
Repairs	3,262	4,820
Refuse removal	471	684
Staff training	769	1,558
Subscriptions	953	2,324
Computer expenses	351	435
Cleaning	1,490	976
Donations	4,548	-
Fixtures and fittings	144	-
Computer equipment	3,380	1,948
	<hr/> 36,865	<hr/> 33,387
Finance		
Bank charges	96	91
	<hr/> 178,129	<hr/> 182,412
Total resources expended		
Net income	<hr/> <hr/> 65,149	<hr/> <hr/> 26,681

This page does not form part of the statutory financial statements