

Charity Registration No. 1120420

Company Registration No. 05698045 (England and Wales)

**The Island N1**  
**(A Company Limited By Guarantee)**  
**Trustees' Annual Report And Financial Statements**  
**For The Year Ended 31 March 2021**

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	S L Steadman (Chair of Trustees)	(Appointed 7 June 2021)
	K F Blanshard	
	P P R G Nash	
	R N Purrington	
	E H Christian	(Appointed 12 April 2021)
	W Furman	(Appointed 28 January 2021)
	L M Barrie	
<b>Charity number</b>	1120420	
<b>Company number</b>	05698045	
<b>Principal staff</b>	N Poulton (CEO)	
	E Thompson (Manager of Mentoring Services)	
<b>Registered office</b>	Beverley House	
	17 Shipton Road	
	York	
	YO30 5FZ	
<b>Auditor</b>	Henton & Co LLP	
	c/o Hentons	
	Northgate	
	118 North Street	
	Leeds	
	West Yorkshire	
	LS2 7PN	

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**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
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**THE ISLAND N1  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, submit their report and audited financial statements for the year ended 31 March 2021 and confirm they comply with current statutory requirements.

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) as detailed in the accounting policies.

**Objectives and activities**

The Island exists to enhance the quality of life for children and young people through sustainable quality mentoring relationships as they make the transition through childhood and adolescence. It recruits, trains, and supervises volunteers who befriend vulnerable children and young people referred to the service by schools, statutory and non-statutory agencies, or parents.

The Island N1 is a registered charity that has been operating since August 2007. It offers support to vulnerable 8 - 18 year-olds in York who are struggling to cope at home, school, or in the wider community, or who are experiencing difficult transitions in their lives. It matches these young people with volunteer mentors with whom they meet on a weekly basis over a minimum of one year. This allows them to develop supportive, ongoing relationships, whilst also providing them with the undivided attention and 'islands of space and time' they need to increase their confidence and self-esteem, participate in worthwhile recreational activities, and move forward in their lives.

The Trustees have 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.

The Charity maintains a Risk Register. This is reviewed each quarter by the Governance Sub Group and annually by the Trustees meeting at a board meeting.

**Achievements and performance**

The financial year 2020/21 has been a challenging but successful year in our operations. Despite difficulties as a result of Covid-19, The Island has adapted its service to continue meeting the needs of the children and families it supports and has adopted new practices in service delivery to accommodate. We have had to continuously manage and regularly change across the service and have, in moments where face to face delivery proved particularly difficult, been able to accommodate through virtual mentoring and support sessions. What was clear was that The Island's support, despite changes in how it was offered, was still very much needed and gratefully received.

A highlight of the support we offered was our Food and Activity Hamper Programme which has run throughout the whole pandemic to date. Providing over 3,000 hampers, to those families in need, on a regular basis. Whilst the circumstances around the need for these was sad to think of, the positive was that we were able to accommodate this need and alleviate unnecessary pressures on families during an already difficult time.

Helping to provide this, we have seen a 40% increase in Mentor applications during the pandemic, enabling us to increase our numbers from 55 active mentors to 90 thereby ensuring early support is available. A total of 73 mentoring relationships took place during 2020-2021 plus 75 tuition sessions for supported education.

The Island has still managed to go from strength to strength and expanded its support and volunteer teams to manage needs during this time. Despite this the waiting list continues to grow, as does the needs of young people for efficient and quick support to be put in place. The Island has focused on its service structure and has adapted this to provide a more robust and skilled workforce.

We have created and filled the post of Finance and HR Officer to manage the finances of the charity more effectively and also driven changes within the team by providing a Mentor Officer and Group support staff. We have held off on other additional recruitment as a result of Covid 19, though this will be reviewed in 2021/22.

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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Whilst our groups have faced significant pressure during this time we have managed to maintain bubble groups support, with over 165 virtual and face to face sessions. We have not facilitated our schools based mentoring programme, due to practical difficulties in schools, but would hope that this will resume from 2021/22 onwards. However, we have seen our Education Support Officer achieve, in partnership with a number of young people, several Lifeskill's ASDAN Certifications, Sort Courses and COPE recognised qualifications.

The Island continues to seek appropriate funding and although facing the challenge of supporting core costs during Covid-19 received substantial funding for the Hampers of Hope Scheme to ensure effective support for the families. The Island profile continues to rise, and we have spent time liaising with and partnering with local business, supporters, funders and stakeholders.

In conclusion, The Island has had a complex and challenging year but with those challenges we have seen positive change, growth and most importantly effective support for young people within The City of York.

**Fundraising**

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The charity actively raises funds from the public directly and via use of an agent.

The charity has opted to be voluntarily regulated by the Fundraising Regulator and the most recent registration is effective for the year ending 31 March 2022.

The charity has received no complaints in relation to fundraising activity for the year under review.

**Financial review**

The Island has a policy of maintaining a reserve equivalent to 3 months running costs. The charity has limited fixed costs and therefore the main requirement is to cover wages and salaries. As at the year end the charity had free reserves of £20,474 (2020 - £6,344); being in excess of 3 months running costs.

During the 2020/21 financial year, total income was £1,374,085, representing a £1,015,418 increase from total income of £358,667 in 2019/20. Activities showed an overall surplus of £1,051,002 compared to 2019/20 surplus £103,828. The total funds carried forward at 31 March 2021 were £1,262,174, including £78,080 relating to the long-term leasehold property held in Bridlington. The surplus reported represents a significant improvement to that of the prior year and is primarily due to a single anonymous donation of £1 million.

Annual budgeting sets the standard against which actual performance is measured, variances investigated and corrective actions taken where deemed necessary. Backed up by regular reforecasts, the Trustees are able to keep tight control of financial operations. So, whilst the Covid-19 pandemic has inevitably limited activity over the last year, the charity has achieved a position where it can push on as we emerge from restrictions.

**Structure, governance and management**

The charity is operated under the rules of its Memorandum and Articles of Association adopted on 14th December 2005 which were replaced by the modernised Articles adopted on 7 February 2019.

The charity is a company limited by guarantee, incorporated under the Companies Act 1985 on 4th February 2006 (company number 05698045) and obtained charitable status on 2nd August 2007 (registered charity number 1120420).

Trustees are elected and/or co-opted under the terms of the articles of association.

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees and sub groups meet on a regular basis, to monitor progress and to review policies and procedures. These meetings include our CEO and the Manager of Mentoring Services to ensure a cohesive approach to the management of the charity. The financial controls, procedures and reporting is made on a regular basis and are managed in a diligent way. The financial state of the organisation is also examined with a report and fund summary given by the Treasurer. The Island Trustee Board makes all key decisions that are routinely brought to the Trustees' Meetings. Outside of these, e-mail consultation is regularly used to progress matters, and sub-groups convene to discuss their areas of focus dealing with Finance, Recording, Evaluation and Delivery, and, Staff Management respectively. Minutes from Sub-group Meetings are then circulated amongst Board members. The employed CEO and Manager of Mentoring Services are line-managed by an appropriately trained Trustee, with additional support provided by the other Trustees. The mentors are primarily line-managed by the Mentoring Supervisor.

The charity has a policy to replace trustees which are recruited generally through existing Trustee and organisational professional contacts. New Trustees are invited to meet with our Nominations Committee to explore skill areas and are then invited to attend a Trustees meeting before making a firm decision.

An initial induction is given to new Trustees and further training is given if required.

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:

S L Steadman (Chair of Trustees)	(Appointed 7 June 2021)
K F Blanshard	
G Casswell	(Resigned 3 March 2021)
R E Dawson	(Appointed 1 July 2020 and resigned 27 August 2021)
J Haslam	(Resigned 6 July 2021)
A A L Moore	(Resigned 5 July 2021)
P P R G Nash	
R N Purrington	
J Thompson	(Resigned 6 July 2021)
S Tomlinson	(Appointed 1 July 2020 and resigned 27 August 2021)
E H Christian	(Appointed 12 April 2021)
W Furman	(Appointed 28 January 2021)
L M Barrie	

Trustees' review staff remuneration annually on the basis of individual and collective contributions to the objects and work of the Charity. An appraisal system has been established to assess staff contribution and performance in respect of specific personal goals that are set out on an annual basis.

The Trustees have had due regard to the Charity Commission's guidance on public benefit.

**THE ISLAND N1  
(A COMPANY LIMITED BY GUARANTEE)  
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Statement of Trustees' responsibilities**

The Trustees, who are also the directors of The Island N1 for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

**Auditor**

Henton & Co LLP were appointed as auditor to the company and a resolution proposing that they be re-appointed will be put at a General Meeting.

**Plans for future periods**

During the year we undertook a structured piece of work to determine the extent to which the Charity's future activities and outputs would develop – this resulted in a 5 year strategic plan which is now in place. Driving this was not the unplanned disruption of Covid but long-term considerations about safeguarding the built environment, climate change, financial sustainability and optimising public benefits that the Charity can deliver.

**Small Company Rules**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

**Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

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

*Sally Steadman*

**S L Steadman (Chair of Trustees)**

Trustee

Dated: 22nd December 2021

**THE ISLAND N1  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF THE ISLAND N1**

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**Opinion**

We have audited the financial statements of The Island N1 (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

**THE ISLAND N1  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF THE ISLAND N1**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

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

**Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**THE ISLAND N1  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE TRUSTEES OF THE ISLAND N1**

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- Discussing with the Trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Other matters**

The prior year financial statements are unaudited.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Peter Hart (Senior Statutory Auditor)  
for and on behalf of Hentons**

**Chartered Accountants  
Statutory Auditor**

*22/12/21*  
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c/o Hentons  
Northgate  
118 North Street  
Leeds  
West Yorkshire  
LS2 7PN

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

		Unrestricted funds	Endowment funds designated	Restricted funds	Total	Total
	Notes	2021 £	2021 £	2021 £	2021 £	2020 £
<b><u>Income from:</u></b>						
Donations	3	207,061	-	1,166,906	1,373,967	347,162
Other income	4	118	-	-	118	11,505
<b>Total income</b>		<u>207,179</u>	<u>-</u>	<u>1,166,906</u>	<u>1,374,085</u>	<u>358,667</u>
<b><u>Expenditure on:</u></b>						
Raising funds	5	<u>15,647</u>	<u>-</u>	<u>-</u>	<u>15,647</u>	<u>21,705</u>
Charitable activities	6	<u>131,860</u>	<u>640</u>	<u>174,936</u>	<u>307,436</u>	<u>233,134</u>
<b>Total resources expended</b>		<u>147,507</u>	<u>640</u>	<u>174,936</u>	<u>323,083</u>	<u>254,839</u>
<b>Net incoming resources before transfers</b>		59,672	(640)	991,970	1,051,002	103,828
Transfers between funds		<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		1,059,672	(640)	(8,030)	1,051,002	103,828
Fund balances at 1 April 2020		<u>98,976</u>	<u>78,720</u>	<u>33,476</u>	<u>211,172</u>	<u>107,420</u>
<b>Fund balances at 31 March 2021</b>		<u><u>1,158,648</u></u>	<u><u>78,080</u></u>	<u><u>25,446</u></u>	<u><u>1,262,174</u></u>	<u><u>211,248</u></u>

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.

A fully detailed Statement of Financial Activities for the year ended 31 March 2020 is shown on Note 21 to the financial statements.

The notes on pages 11 to 23 form part of these financial statements.

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		1,136,135		107,508
<b>Current assets</b>					
Debtors	12	72,201		1,026	
Cash at bank and in hand		64,709		109,040	
		<u>136,910</u>		<u>110,066</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(10,871)</u>		<u>(6,326)</u>	
Net current assets			126,039		103,740
<b>Total assets less current liabilities</b>			<u>1,262,174</u>		<u>211,248</u>
<b>Income funds</b>					
Restricted funds	14		25,446		33,476
Endowment funds - designated	15		78,080		78,720
<u>Unrestricted funds</u>					
Designated funds	16	80,119		63,920	
General unrestricted funds		<u>1,078,529</u>		<u>35,132</u>	
			<u>1,158,648</u>		<u>99,052</u>
			<u>1,262,174</u>		<u>211,248</u>

22nd December 2021

The financial statements were approved by the Trustees on .....

*Sally Steadman*

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S L Steadman (Chair of Trustees)

Trustee

Company Registration No. 05698045

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	19		999,726		109,530
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,044,057)		(28,788)	
<b>Net cash used in investing activities</b>			(1,044,057)		(28,788)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(44,331)		80,742
Cash and cash equivalents at beginning of year			109,040		28,298
<b>Cash and cash equivalents at end of year</b>			64,709		109,040

**THE ISLAND N1  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**Charity information**

The Island N1 is a private company limited by guarantee incorporated in England and Wales. The registered office is Beverley House, 17 Shipton Road, York, YO30 5FZ.

**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) (effective 1 January 2019)". 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 £1.

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

**1.2 Going concern**

The Trustees have considered all factors, including in the wider economy, as part of their assessment of going concern. Although the current economic climate creates cashflow risks for the Charity, the Trustees believe on balance that they have sufficient resources to continue for a period of at least one year from the date of approval of the financial statements, on the basis of information currently available to them as at the point of approval. Accordingly, these financial statements have been prepared on the going concern basis.

**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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

**1.4 Income**

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 is recognised at the time of the donation.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

The charity benefits greatly from the involvement and enthusiastic support of its volunteers, details of which are given in our annual report. In accordance Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the financial statements.

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**(Continued)**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Funding was received in respect of the Coronavirus Job Retention Scheme (CJRS) amounting to £21,999 during the year.

**1.5 Expenditure**

Expenditure, which includes attributable VAT which cannot be recovered, is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

Governance costs, included in support costs, include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements and are allocated to charitable activities.

**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	2% straight line
Leasehold land and buildings	Over the life of the lease
Fixtures and fittings	33.3% straight line
Motor vehicles	25% straight line

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.

The leasehold property relates to 1,2 Cloisters Mew, Bridlington and is subject to a 125 year lease that expires on 1 January 2134. It was valued by Zoopla at an estimated market value on acquisition in June 2017. Long leasehold properties are depreciated each year at the valuation divided by the term of the lease on a straight line basis.

**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).

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**1 Accounting policies**

**(Continued)**

**1.8 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.

**1.9 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.

**1.10 Taxation**

The Island N1 is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the Charity is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising.

**1.11 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.

**THE ISLAND N1**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**1 Accounting policies**

**(Continued)**

**1.12 Retirement benefits**

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

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

**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.

After review the Trustees consider that there are no critical estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial statements.

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Donations and gifts	91,659	1,107,453	1,199,112	54,301	13,284	67,585
Legacies receivable	66,525	-	66,525	-	-	-
Grants received	48,877	59,453	108,330	170,963	108,614	279,577
	<u>207,061</u>	<u>1,166,906</u>	<u>1,373,967</u>	<u>225,264</u>	<u>121,898</u>	<u>347,162</u>
<b>Grants receivable for core activities</b>						
The Rank Foundation	-	25,000	25,000	-	25,000	25,000
The HBJ Trust	-	10,000	10,000	-	-	-
City of York Council	-	14,993	14,993	-	-	-
HSBC	33,305	-	33,305	-	-	-
Other	15,572	9,460	25,032	170,963	83,614	254,577
	<u>48,877</u>	<u>59,453</u>	<u>108,330</u>	<u>170,963</u>	<u>108,614</u>	<u>279,577</u>

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**4 Other income**

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fundraising events and other income	118	11,505
	<u>          </u>	<u>          </u>

**THE ISLAND N1**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**5 Raising funds**

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	15,647	21,705
	<u>15,647</u>	<u>21,705</u>

**6 Charitable activities**

	2021	2020
	£	£
Staff costs	165,680	140,982
Depreciation and impairment	640	640
Staff travel	477	2,160
Club expenses	(252)	4,307
Staff training	1,673	3,523
Mentor travel and activity costs	4,338	7,827
Team building, mentor training and DBS costs	281	3,136
School based mentoring costs	-	634
Bridlington costs	3,284	5,340
Hampers of hope costs	57,376	800
	<u>233,497</u>	<u>169,349</u>
Share of support costs (see note 7)	30,307	24,546
Share of governance costs (see note 7)	43,632	39,239
	<u>307,436</u>	<u>233,134</u>
<b>Analysis by fund</b>		
Unrestricted funds	131,860	166,834
Endowment funds - designated	640	640
Restricted funds	174,936	65,660
	<u>307,436</u>	<u>233,134</u>

**THE ISLAND N1**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**7 Support costs**

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Depreciation	14,790	-	14,790	-	-	-
Irrecoverable VAT	2,701	-	2,701	-	-	-
Postage and stationery	568	-	568	2,020	-	2,020
Telephone	1,455	-	1,455	2,725	-	2,725
Insurance	2,921	-	2,921	2,717	-	2,717
Advertising	6,163	-	6,163	12,332	-	12,332
Office including light and heat costs	1,390	-	1,390	131	-	131
Bank charges	207	-	207	524	-	524
Computer costs	112	-	112	4,097	-	4,097
Professional fees	-	18,125	18,125	-	3,159	3,159
New Lane, Huntington professional costs	-	21,607	21,607	-	36,080	36,080
Audit fees	-	3,900	3,900	-	-	-
	<u>30,307</u>	<u>43,632</u>	<u>73,939</u>	<u>24,546</u>	<u>39,239</u>	<u>63,785</u>
Analysed between Charitable activities	<u>30,307</u>	<u>43,632</u>	<u>73,939</u>	<u>24,546</u>	<u>39,239</u>	<u>63,785</u>

**8 Auditor's remuneration**

The analysis of auditor's remuneration is as follows:

<b>Fees payable to the Charity's auditor and associates:</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Audit of the Charity's annual accounts	<u>3,900</u>	<u>-</u>

**9 Trustees**

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year. Expenses were paid to Trustees of £nil (2020 - none).

**THE ISLAND N1**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**10 Employees**

**Number of employees**

The average monthly number of employees during the year was:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Charitable activities	7	8

**Employment costs**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	151,811	131,370
Social security costs	8,377	6,725
Other pension costs	5,492	2,887
	<u>165,680</u>	<u>140,982</u>

The average number of full-time equivalent employees during the year was 5.49 (2020 - 6.07).

The total employee remuneration of the one key management personnel of the charity was £45,926 (2020 - £32,382).

There were no employees whose annual remuneration was £60,000 or more. (2020 - No employees)

**11 Tangible fixed assets**

	<b>Freehold land and buildings</b>	<b>Leasehold land and buildings</b>	<b>Fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 April 2020	-	80,000	-	28,788	108,788
Additions	1,004,488	-	10,781	28,788	1,044,057
At 31 March 2021	<u>1,004,488</u>	<u>80,000</u>	<u>10,781</u>	<u>57,576</u>	<u>1,152,845</u>
<b>Depreciation and impairment</b>					
At 1 April 2020	-	1,280	-	-	1,280
Depreciation charged in the year	499	640	2,296	11,995	15,430
At 31 March 2021	<u>499</u>	<u>1,920</u>	<u>2,296</u>	<u>11,995</u>	<u>16,710</u>
<b>Carrying amount</b>					
At 31 March 2021	<u>1,003,989</u>	<u>78,080</u>	<u>8,485</u>	<u>45,581</u>	<u>1,136,135</u>
At 31 March 2020	<u>-</u>	<u>78,720</u>	<u>-</u>	<u>28,788</u>	<u>107,508</u>

**THE ISLAND N1**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**12 Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	69,150	-
Prepayments and accrued income	3,051	1,026
	<u>72,201</u>	<u>1,026</u>

**13 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	4,412	4,934
Trade creditors	996	1,267
Accruals and deferred income	5,463	125
	<u>10,871</u>	<u>6,326</u>

**THE ISLAND N1**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**14 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Current year	Balance at 1 April 2020 £	Movement in funds		Transfers £	Balance at 31 March 2021 £
		Income £	Expenditure £		
Hampers of hope	-	60,930	(56,986)	-	3,944
City of York Council Fund	-	14,933	(14,933)	-	-
York Children's Trust	-	5,520	(5,520)	-	-
Minibus fund	33,476	-	(14,974)	-	18,502
Two Ridings	-	2,000	-	-	2,000
Staffing costs	-	7,218	(7,218)	-	-
Fundraising and mentoring costs	-	37,000	(37,000)	-	-
Equipment contribution	-	1,000	-	-	1,000
Huntington development	-	1,038,305	(38,305)	(1,000,000)	-
	33,476	1,166,906	(174,936)	(1,000,000)	25,446

Hampers of Hope - Funding for provision of food and household items hampers to needy families.

City of York - Grant towards mentoring of young people aged 8 to 18 years.

York Childrens Trust - Grant towards mentoring of young people aged 8 to 18 years.

Minibus fund - Grant towards purchase of minibuses for use in support of young children.

Two Ridings - Bursary toward Mentoring Service Manager.

Fundraising and mentoring - Grant for mentoring staffing costs February and March 2021, mentoring service and fundraising work, and mentoring of young people aged 8 to 18 years.

Equipment contribution - Grant towards purchase of slow cookers for families.

Huntington development - Grant to be applied for the purchase of freehold land on the north side of Thornfield farm, New Lane, Huntington, York, YO32 9TA. The transfer reflects the land purchased during the year with the corresponding transfer to fixed assets.

**THE ISLAND N1**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**14 Restricted funds**

**(Continued)**

Prior year	Balance at 1 April 2019 £	Movement in funds		Transfers £	Balance at 31 March 2020 £
		Income £	Expenditure £		
Bridlington flat costs	1,551	-	(5,340)	3,789	-
Asda Summer holiday fund	-	500	(500)	-	-
Hampers of hope	-	124	(800)	676	-
City of York Council Fund	-	24,888	(24,888)	-	-
Shepherd's mentoring and education worker	-	21,156	(21,156)	-	-
The Little Society APS Accreditation	-	1,296	(1,296)	-	-
York Children's Trust	-	11,680	(11,680)	-	-
Minibus fund	-	62,254	-	(28,778)	33,476
	<u>1,551</u>	<u>121,898</u>	<u>(65,660)</u>	<u>(24,313)</u>	<u>33,476</u>

**15 Endowment funds - designated**

These are endowment funds funds which are material to the Charity's activities made up as follows:

	Balance at 1 April 2019 £	Resources expended £	Transfers £	Balance at 1 April 2020 £	Resources expended £	Balance at 31 March 2021 £
Bridlington Flat	<u>79,360</u>	<u>(640)</u>	<u>-</u>	<u>78,720</u>	<u>(640)</u>	<u>78,080</u>

**THE ISLAND N1  
(A COMPANY LIMITED BY GUARANTEE)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**16 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:

	Balance at 1 April 2019 £	Movement in funds			Balance at 1 April 2020 £	Movement in funds			Balance at 31 March 2021 £
		Income	Expenditure	Transfers		Income	Expenditure		
	£	£	£	£	£	£	£	£	£
Huntington Build Development	-	-	(36,080)	100,000	63,920	38,305	(22,106)	80,119	
	-	-	(36,080)	100,000	63,920	38,305	(22,106)	80,119	

**17 Analysis of net assets between funds**

Fund balances at 31 March 2021 are represented

by:

	Unrestricted funds		Designated funds		Restricted funds		Total		Unrestricted funds		Designated funds		Restricted funds		Total	
	2021	£	2021	£	2021	£	2021	£	2020	£	2020	£	2020	£	2020	£
Tangible assets	1,058,055		78,080		-		1,136,135		28,788		78,720		-		107,508	
Current assets/(liabilities)	20,474		80,119		25,446		126,039		6,344		63,920		33,476		103,740	
	1,078,529		158,199		25,446		1,262,174		35,132		142,640		33,476		211,248	

**THE ISLAND N1**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**18 Related party transactions**

There were no disclosable related party transactions during the year (2020 - none).

<b>19 Cash generated from operations</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Surplus for the year	1,051,002	103,828
Adjustments for:		
Depreciation and impairment of tangible fixed assets	15,430	640
Movements in working capital:		
(Increase)/decrease in debtors	(71,251)	514
Increase in creditors	4,545	4,548
<b>Cash generated from operations</b>	<b>999,726</b>	<b>109,530</b>

**20 Analysis of changes in net funds**  
The Charity had no debt during the year.

**21 Comparative Statement of Financial Activities**

	<b>Unrestricted funds</b>	<b>Endowment funds designated</b>	<b>Restricted funds</b>	<b>Total 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>Income and endowments from:</u></b>				
Donations and legacies	225,264	-	121,898	347,162
Other income	11,505	-	-	11,505
<b>Total income</b>	<b>236,769</b>	<b>-</b>	<b>121,898</b>	<b>358,667</b>
<b><u>Expenditure on:</u></b>				
<b>Raising funds</b>	<b>21,705</b>	<b>-</b>	<b>-</b>	<b>21,705</b>
Charitable activities	166,834	640	65,660	233,134
<b>Total expenditure</b>	<b>188,539</b>	<b>640</b>	<b>65,660</b>	<b>254,839</b>
<b>Net income/(expenditure) before transfers</b>	<b>48,230</b>	<b>(640)</b>	<b>56,238</b>	<b>103,828</b>
Gross transfers between funds	24,313	-	(24,313)	-
<b>Net income/(expenditure) for the year/</b>	<b>72,543</b>	<b>(640)</b>	<b>31,925</b>	<b>103,828</b>
Fund balances at 1 April 2019	26,509	79,360	1,551	107,420
<b>Fund balances at 31 March 2020</b>	<b>99,052</b>	<b>78,720</b>	<b>33,476</b>	<b>211,248</b>