



Enhancing children's  
quality of life  
through mentoring

**MAKING A DIFFERENCE | UNLOCKING POTENTIAL  
BRIGHTER FUTURES**



**ANNUAL REPORT 2022-23**

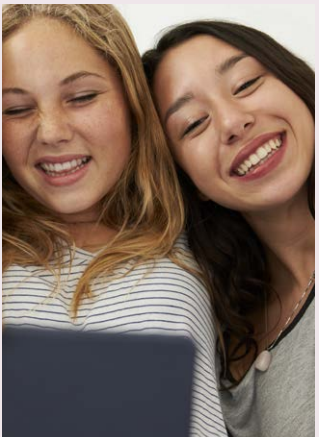
Registered Charity 1120420 | Company Reg No. 5698045



## BRIGHTER FUTURES



## MAKING A DIFFERENCE



## UNLOCKING POTENTIAL

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## Trustees

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Dr P A Tiffin  
(Appointed 4th April 2022)

Ms H Durrant  
(Appointed 4th April 2022)

Mrs A T Gurnell  
(Appointed 14th September 2022)

Mr M S Watt  
(Appointed 14th September 2022)

**Charity number**  
1120420

**Company number**  
05698045

**Registered office**  
Regus House, Oakdale Road, Tower Court, York, YO30 4XL

## Auditors

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Henton & Co LLP, 124 Acomb Road, York, YO24 4EY

## Bankers

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Barclays Bank UK Plc, 1-3 Parliament Street, York, YO1 8SE  
The Co-operative Bank Plc, PO Box 250, Skelmersdale, WN8 6WT



The Island has continued to grow and respond in new and innovative ways to the disruptions and unique challenges over the past three years. We are all living in difficult times. Our children and young people have had to overcome challenges not previously experienced - the persisting impact of the Covid pandemic, a steep rise in the cost of living, and increasing inequality. The consequences of the pandemic and associated difficulties on young people cannot be ignored, with many experiencing more severe problems with their mental health.

The Island, through its one to one mentoring relationships and other support is helping young people navigate these uncertain times. These activities enable each young person to unlock their potential and their own personal development, to manage their wellbeing, increase their resilience and self-confidence, build trust with a positive adult role model, and create positive connections within their community and across the city.

At The Island, trust is the foundation. The Island is a local charity that is trusted in four key ways:

- Integrity – trusted to do the right thing
- Technical competence – trusted to be effective
- Impact – trusted to meet local needs
- Resilience – trusted to last

We are pleased that we have launched our new Strategic Plan (2023-2028) which sets out our aims and how we plan to achieve them. Our vision is that The Island becomes a more inclusive charity in which everyone feels respected, valued, trusted, and safe; has a sense of belonging; and strives to do their best for the benefit of themselves, the city of York and society.

Plans progress to construct our new major facility. Once opened, The Island Centre will increase the scope and accessibility of all The Island services. We will share the new facilities with other local charities and community groups knowing that working together, and harnessing our collective influences and networks, we can reach and support a greater number of children and young people to realise their potential, thrive and navigate their way to adulthood successfully.

We will continue to expand and strengthen our programmes for vulnerable young people which now include individual and group mentoring, counselling, tutoring, and life-skills among others. Our key values are that we embrace diversity, equality and inclusion.

Diversity, equality and inclusion really does matter. It is important to The Island that all young people are included and empowered – and none left behind; that we listen to the voices of young people; and we collaborate and work in partnership with others to get the best sustainable outcomes for young people in York.

Over the next year, we will not only press for greater impact in support of more young people, but we will also continue to refine our approach and to deepen our community partnerships.

Of course, none of this will be possible without our volunteers, supporters and funders as well as our Board of Trustees and team, who continue to work tirelessly for the children and young people of York. I am most grateful to you all. I believe we all share the responsibility to protect young people and together help them to create more promising futures. Thank you.



**Nigel Poulton MBE**  
Chief Executive Officer  
July 2023

## MESSAGE FROM THE CHAIR

**It has been an exciting first year in my role as Chair of Trustees for The Island. I echo the Greek philosopher Heraclitus' statement, that 'everything changes and nothing remains still'. We have certainly seen evidence of this over the last 12 months.**

Island staff have been working diligently to put things in place to plan for the next phase of the lifecycle of The Island, which staff affectionately refer to as the "Huntington Project". The team have moved out of our premises on Shipton Road and have moved into managed premises on Clifton Moor with additional space at our Huntington site. We are awaiting the outcome of our planning application and once achieved we are confident that we will be able to move at pace to develop a new building and services to meet the needs of children and young people throughout York.

Throughout 2022/23 we have been busy planning how we will make this a reality, meeting with donors and local organisations throughout York.

Whilst all this planning work is underway, staff across The Island continue to deliver a high-quality service that children and young people have both come to expect and need from us.

I am both enthused and continuously impressed by the dedication of staff across The Island, particularly during this continuous climate of change we find ourselves in. We envisage 2023/24 to be a further year of change, one where we will see our application for the new children's centre in Huntington accepted and progress made on our journey to make York a better place for children and young people. The Board looks forward to both building on and strengthening the relationships we have built over the last 12 months and looks forward with anticipation to what 2023/24 might bring. Thank you.

**Mat Watt**  
Chair  
July 2023

## TRUSTEES REPORT (INCLUDING DIRECTORS REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

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 governing document, 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).

### 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. A Risk Register is kept and regularly reviewed.

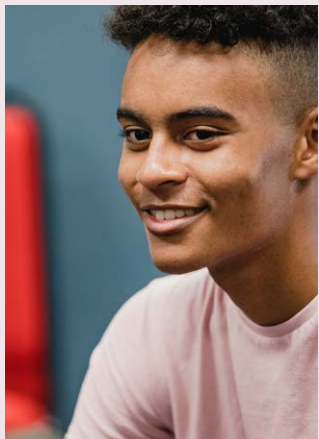
The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.



### BRIGHTER FUTURES



### MAKING A DIFFERENCE



### UNLOCKING POTENTIAL

## Achievements and performance

### Financial review

During the financial year 2022/23 The Island achieved total income of £341,008 compared with prior year 2021/22 £658,396. The prior year included a specific donation of £210,000 to enable progress in our Huntington development. Total expenditure for 2022/23 was £511,036, up from £362,606 for 2021/22. This gives a net deficit of £170,028 for the year compared to a surplus of £295,790 for 2021/22.

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 between three and six month's expenditure. The Trustees consider 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. This level of reserves has been maintained throughout the year.

Total reserves held are £1,387,936 of which £268,707 are restricted/ designated. Of the £1,119,229 unrestricted funds £1,140,718 relates to our Huntington development. Unrestricted general funds are a deficit of £21,489 this year.

### Structure, governance and management

The charity is operated under the rules of its Memorandum and Articles of Association adopted on 14 December 2005 as amended on 13 April 2022.

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

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:

Mr R N Purrington  
(Resigned 19 April 2022)

Mr W Furman  
(Resigned 17 January 2023)

Ms L M Barrie  
(Resigned 16 November 2022)

Ms S McKinley  
(Appointed 19 April 2022 and resigned 16 December 2022)

Dr P A Tiffin  
(Appointed 4 April 2022)

Ms H Durrant  
(Appointed 4 April 2022)

Mr B Nleya  
(Appointed 19 May 2022 and resigned 24 July 2023)

Mrs A T Gurnell  
(Appointed 14 September 2022)

Mr M S Watt  
(Appointed 14 September 2022)

Trustees are elected and/or co-opted under the terms of the Articles of Association.

The Trustees meet on a regular basis, to monitor progress and to review policies and procedures. These meetings include our CEO and 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 managed diligently by our Finance and HR officer, in liaison with the Treasurer, at the finance subgroup. Budgets are set at the start of the financial year, and a report and financial summary given by the Treasurer at the Trustee's meetings.

The Island Trustee Board makes all key decisions that are routinely brought to the Trustee's meetings. Outside of these, e-mail consultation is regularly used to progress matters.

This year has seen the post of Clerk to the Board filled, ensuing the effective management of all Board business, and that the Board is executing their legal duties and responsibilities.

The charity has put in place an annual Skills audit of the Trustees, to ensure we have a broad set of skills and experience in place, and new Trustees are given an initial induction, and further training is given if required.

## Auditor

In accordance with the company's articles, a resolution proposing that Henton & Co LLP be reappointed as auditor of the company will be put at a General Meeting.

## Disclosure of information to auditors

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



Mr M S Watt, Chair

Date 18th September 2023

## 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.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ISLAND N1

### Opinion

We have audited the financial statements of The Island N1 (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 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.

## THE ISLAND N1

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE ISLAND N1

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### 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.

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.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE ISLAND N1

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

- Making enquiries of the Trustees and management on whether they had any 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.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Henton & Co LLP*

**Brett Davis (Senior Statutory Auditor)**  
for and on behalf of Henton & Co LLP

Chartered Accountants  
Statutory Auditor  
124 Acomb Road  
York  
YO24 4EY

*18 Sept 2023*

## STATEMENT OF FINANCIAL ACTIVITIES

### INCLUDING INCOME AND EXPENDITURE ACCOUNT

#### FOR THE YEAR ENDED 31 MARCH 2023

#### Current financial year

		Unrestricted funds	Endowment funds designated	Restricted funds	Total	Total
	Notes	2023 £	2023 £	2023 £	2023 £	2022 £
<b>Income from:</b>						
Donations and legacies	3	95,856	-	239,476	335,332	650,723
Charitable activities	4	3,408	-	-	3,408	4,700
Other trading activities	5	2,251	-	-	2,251	2,955
Investments	6	17	-	-	17	18
<b>Total income</b>		<b>101,532</b>	<b>-</b>	<b>239,476</b>	<b>341,008</b>	<b>658,396</b>
<b>Expenditure on:</b>						
Raising funds	7	7,603	-	9,078	16,681	17,164
Charitable activities	8	269,599	640	224,116	494,355	345,442
<b>Total expenditure</b>		<b>277,202</b>	<b>640</b>	<b>233,194</b>	<b>511,036</b>	<b>362,606</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(175,670)</b>	<b>(640)</b>	<b>6,282</b>	<b>(170,028)</b>	<b>295,790</b>
Gross transfers between funds		137,827	-	(137,827)	-	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(37,843)</b>	<b>(640)</b>	<b>(131,545)</b>	<b>(170,028)</b>	<b>295,790</b>
Fund balances at 1 April 2022		1,157,072	77,440	323,452	1,557,964	1,262,174
<b>Fund balances at 31 March 2023</b>		<b>1,119,229</b>	<b>76,800</b>	<b>191,907</b>	<b>1,387,936</b>	<b>1,557,964</b>

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.

# STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

## Prior financial year

		Unrestricted funds	Endowment funds designated	Restricted funds	Total
	Notes	2022 £	2022 £	2022 £	2022 £
<b>Income from:</b>					
Donations and legacies	3	120,451	-	530,272	650,723
Charitable activities	4	4,700	-	-	4,700
Other trading activities	5	2,955	-	-	2,955
Investments	6	18	-	-	18
<b>Total income</b>		128,124	-	530,272	658,396
<b>Expenditure on:</b>					
Raising funds	7	12,782	-	4,382	17,164
Charitable activities	8	116,918	640	227,884	345,442
<b>Total expenditure</b>		129,700	640	232,266	362,606
<b>Net (outgoing)/incoming resources before transfers</b>		(1,576)	(640)	298,006	295,790
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(1,576)	(640)	298,006	295,790
Fund balances at 1 April 2021		1,158,648	78,080	25,446	1,262,174
<b>Fund balances at 31 March 2022</b>		1,157,072	77,440	323,452	1,557,964

# BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	14		1,239,562		1,232,321
<b>Current assets</b>					
Debtors	15	11,144		3,998	
Cash at bank and in hand		160,237		353,100	
		171,381		357,098	
<b>Creditors: amounts falling due within one year</b>	16	(23,007)		(31,455)	
Net current assets			148,374		325,643
<b>Total assets less current liabilities</b>			1,387,936		1,557,964
<b>Income funds</b>					
Restricted funds	19		191,907		323,452
Endowment funds - designated	20		76,800		77,440
<b>Unrestricted funds</b>					
Designated funds	21	1,140,718		1,115,923	
General unrestricted funds		(21,489)		41,149	
			1,119,229		1,157,072
			1,387,936		1,557,964

## BALANCE SHEET

AS AT 31 MARCH 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 18th September 2023



Ms H Durrant, Treasurer

Company registration number 05698045

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	25		(163,890)		405,588
<b>Investing activities</b>					
Purchase of tangible fixed assets		(28,990)		(117,215)	
Investment income received		17		18	
<b>Net cash used in investing activities</b>			(28,973)		(117,197)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(192,863)		288,391
Cash and cash equivalents at beginning of year			353,100		64,709
<b>Cash and cash equivalents at end of year</b>			160,237		353,100

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

#### Charity information

The Island N1 is a private company limited by guarantee incorporated in England and Wales. The registered office is Regus House, Oakdale Road, Tower Court, York, YO30 4XL.

#### 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, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 £.

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

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

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

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

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.

##### Donations

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

##### Legacies

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2023

##### Donated professional services

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

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market, a corresponding amount is then recognised in expenditure in the period of receipt.

##### Grants receivable

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.

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. When 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.

##### Volunteers

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

### 1.5 Expenditure

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

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 the statement of financial activities.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

The leasehold property relates to 1,2 Cloisters Mews, 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).

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

### 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.

### 1.12 Creditors and provisions

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

## 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 Trustee 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.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Donations and gifts	67,458	239,476	306,934	70,332	491,772	562,104
Grants recieved	18,775	-	18,775	19,747	38,500	58,247
Membership fees	945	-	945	-	-	-
Donated goods and services	8,678	-	8,678	30,372	-	30,372
	<u>95,856</u>	<u>239,476</u>	<u>335,332</u>	<u>120,451</u>	<u>530,272</u>	<u>650,723</u>
<b>Grants receivable for core activities</b>						
The Rank Foundation	-	-	-	-	25,000	25,000
Garfield Weston Foundation	-	-	-	-	12,500	12,500
Other	18,775	-	18,775	19,747	1,000	20,747
	<u>18,775</u>	<u>-</u>	<u>18,775</u>	<u>19,747</u>	<u>38,500</u>	<u>58,247</u>

Included in grants received is £Nil (2022: £11,049) relating to the Job Retention Scheme.

There are no unfulfilled conditions or other contingencies attached to these grants. The charity did not benefit directly from any other forms of government assistance.

#### Donated goods and services

Donated goods, facilities and services comprises architect services, which are provided free of charge to the Charity. A corresponding amount is included within tangible asset additions.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 4 Charitable activities

	2023 £	2022 £
Services provided under contract	3,008	1,400
Charitable rental income	<u>400</u>	<u>3,300</u>
	<u>3,408</u>	<u>4,700</u>

#### 5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Fundraising events	<u>2,251</u>	<u>2,955</u>

#### 6 Investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Interest receivable	<u>17</u>	<u>18</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

### 7 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023 £	2023 £	2023 £	2022 £	2022 £	2022 £
Fundraising and publicity	7,603	9,078	16,681	12,782	4,382	17,164
Staging fundraising events	7,603	9,078	16,681	12,782	4,382	17,164

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

### 8 Charitable activities

	Mentoring Services 2023 £	Mentoring Services 2022 £
Staff costs	292,836	208,707
Depreciation and impairment	640	640
Staff travel	539	1,112
Club expenses	9,197	2,400
Staff training	3,887	4,485
Mentor travel and activity costs	25,456	9,911
Team building, mentor training and DBS costs	6,549	5,432
School based mentoring costs	-	265
Bridlington costs	16,348	11,375
Hamper of Hope costs	4,570	423
Tuition	1,358	-
Therapy	593	-
	<u>361,973</u>	<u>244,750</u>
Share of support costs (see note 9)	90,284	40,676
Share of governance costs (see note 9)	42,098	60,016
	<u>494,355</u>	<u>345,442</u>
<b>Analysis by fund</b>		
Unrestricted funds	269,599	116,918
Endowment funds - designated	640	640
Restricted funds	224,116	227,884
	<u>494,355</u>	<u>345,442</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

### 9 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Depreciation	21,107	-	21,107	20,389	-	20,389
Irrecoverable VAT	16,565	-	16,565	8,819	-	8,819
Postage and stationery	9,335	-	9,335	2,970	-	2,970
Telephone	2,797	-	2,797	1,177	-	1,177
Insurance	3,560	-	3,560	2,964	-	2,964
Advertising	3,953	-	3,953	2,023	-	2,023
Bank charges	279	-	279	228	-	228
Computer costs	7,144	-	7,144	2,106	-	2,106
Office costs	25,544	-	25,544	-	-	-
Audit fees	-	3,850	3,850	-	3,576	3,576
Accountancy	-	2,150	2,150	-	-	-
Legal and professional New Lane, Huntingdon professional costs	-	15,598	15,598	-	20,101	20,101
	-	20,500	20,500	-	36,339	36,339
	90,284	42,098	132,382	40,676	60,016	100,692
Analysed between Charitable activities	90,284	42,098	132,382	40,676	60,016	100,692

### 10 Auditor's remuneration

#### Fees payable to the charity's auditor and associates:

2023  
£

2022  
£

Audit of the charity's annual accounts	3,850	3,500
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### 11 Trustees

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

No Trustees were reimbursed any expenses incurred for services provided to the Charity.

### 12 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
15	10

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

### Employment costs

2023  
£

2022  
£

Wages and salaries	292,836	208,707
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The average number of full-time equivalent employees during the year was 9.17 (2022: 7.28).

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

### 13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

### 14 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2022	1,117,917	80,000	14,566	57,576	1,270,059
Additions	26,292	-	2,698	-	28,990
At 31 March 2023	1,144,209	80,000	17,264	57,576	1,299,049
<b>Depreciation and impairment</b>					
At 1 April 2022	1,995	2,560	6,796	26,389	37,740
Depreciation charged in the year	1,496	640	5,217	14,394	21,747
At 31 March 2023	3,491	3,200	12,013	40,783	59,487
<b>Carrying amount</b>					
At 31 March 2023	1,140,718	76,800	5,251	16,793	1,239,562
At 31 March 2022	1,115,923	77,440	7,771	31,187	1,232,321

### 15 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	150	-
Prepayments and accrued income	10,994	3,998
	11,144	3,998

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

### 16 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		9,982	5,268
Deferred income	17	4,922	12,500
Trade creditors		664	6,816
Accruals and deferred income		7,439	6,871
		<u>23,007</u>	<u>31,455</u>

### 17 Deferred income

	2023 £	2022 £
Other deferred income	<u>4,922</u>	<u>12,500</u>

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	<u>4,922</u>	<u>12,500</u>
Movements in the year:		
Deferred income at 1 April 2022	12,500	-
Released from previous periods	(12,500)	-
Resources deferred in the year	<u>4,922</u>	<u>12,500</u>
Deferred income at 31 March 2023	<u>4,922</u>	<u>12,500</u>

Deferred income comprises grants which the donor has specified must be used in future accounting periods.

### 18 Retirement benefit schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

### 19 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:

	Movement in funds			Movement in funds			Transfers	Balance at
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	£	31 March 2023 £
Hampers of Hope	3,944	-	(3,944)	-	4,480	(4,480)	-	-
Nimbuscare	-	-	-	-	1,950	(1,950)	-	-
York Children's Trust	-	2,772	(2,520)	252	-	(252)	-	-
Minibus fund	18,502	-	(16,788)	1,714	-	(1,714)	-	-
Two Ridings	2,000	6,000	(2,451)	5,549	-	(4,607)	-	942
Legal costs	-	-	-	-	931	(931)	-	-
Fundraising and mentoring costs	-	34,500	(34,500)	-	50,074	(42,412)	-	7,662
Equipment contribution	1,000	-	-	1,000	7,541	(8,541)	-	-
Huntington development	-	210,000	-	210,000	-	-	(137,827)	72,173
Core costs	-	160,000	(103,750)	56,250	140,000	(102,217)	-	94,033
Sainsbury's Helping Everyone Eat Better Grant	-	1,000	(417)	583	-	(583)	-	-
North Yorkshire Police	-	1,000	(813)	187	-	(187)	-	-
Beverley House costs	-	115,000	(67,083)	47,917	-	(47,917)	-	-
Digital marketing coordinator	-	-	-	-	25,000	(7,903)	-	17,097
Bridlington flat	-	-	-	-	2,925	(2,925)	-	-
Foxwood youth club	-	-	-	-	6,575	(6,575)	-	-
	<u>25,446</u>	<u>530,272</u>	<u>(232,266)</u>	<u>323,452</u>	<u>239,476</u>	<u>(233,194)</u>	<u>(137,827)</u>	<u>191,907</u>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 19 Restricted funds

(Continued)

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

York Children's 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 towards Mentoring Service Manager.

Fundraising and mentoring - Grants for 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 - Donations to be applied for the purchase of freehold land on the north side of Thornfield Farm, New Lane, Huntington, York, YO32 9TA and the subsequent development. The transfer in 2023 reflects the funds used for the subsequent development with a corresponding transfer to fixed assets.

Core costs - Grants and donations to support the charity's core costs.

Sainsbury's - Neighbourly grant towards "helping everyone eat better".

North Yorkshire Police - Grant towards resourcing our Group activities for young people.

Beverley House costs - Grants to support additional costs associated with providing services to benefit young people at Beverley House.

Digital marketing coordinator - Grant to support the employment of a Digital Marketing Coordinator.

Bridlington flat - Grant towards the cost of 15 families to stay in the Bridlington Escape flat.

Foxwood youth club - Grant towards the costs of running on open access youth club for young people aged 13 to 18 years at the Foxwood Community Centre.

Nimbuscare - Grant towards the one-to-one mentoring costs for 6 vulnerable young people.

Legal costs - Grant to cover legal costs relating to a visa situation of a potential employee.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 20 Endowment funds - designated

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

	Balance at 1 April 2021 £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Resources expended £	Balance at 31 March 2023 £
Bridlington Flat	78,080	(640)	-	77,440	(640)	76,800

#### 21 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 2021 £	Resources expended £	Transfers £	Balance at 1 April 2022 £	Transfers £	Balance at 31 March 2023 £
Huntington build development	80,119	(10,639)	1,046,443	1,115,923	24,795	1,140,718
	80,119	(10,639)	1,046,443	1,115,923	24,795	1,140,718

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:								
Tangible assets	22,043	1,217,519	-	1,239,562	38,958	1,193,363	-	1,232,321
Current assets/(liabilities)	(43,533)	-	191,907	148,374	2,191	-	323,452	325,643
	<u>(21,490)</u>	<u>1,217,519</u>	<u>191,907</u>	<u>1,387,936</u>	<u>41,149</u>	<u>1,193,363</u>	<u>323,452</u>	<u>1,557,964</u>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

#### 23 Operating lease commitments

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

	2023 £	2022 £
Within one year	<u>9,010</u>	<u>-</u>

#### 24 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>59,224</u>	<u>48,439</u>

There were no disclosable related party transactions during the year (2021: none).

#### 25 Cash generated from operations

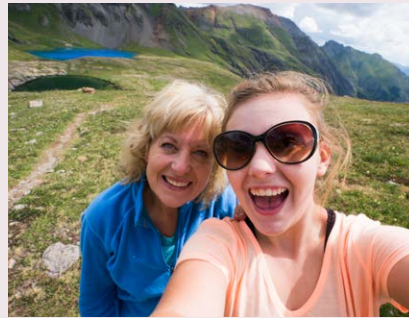
	2023 £	2022 £
(Deficit)/surplus for the year	(170,028)	295,790
Adjustments for:		
Investment income recognised in statement of financial activities	(17)	(18)
Depreciation and impairment of tangible fixed assets	21,747	21,029
Movements in working capital:		
(Increase)/decrease in debtors	(7,146)	68,203
(Decrease)/increase in creditors	(868)	8,084
(Decrease)/increase in deferred income	(7,578)	12,500
<b>Cash (absorbed by)/generated from operations</b>	<u>(163,890)</u>	<u>405,588</u>

#### 26 Analysis of changes in net funds

The charity had no debt during the year.



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