
ADDISON YOUTH CLUB

ANNUAL REPORT & FINANCIAL STATEMENTS

31 MARCH 2021

Addison Youth Club, Charity number 1124045

Registered address: c/o London Youth, 47-49 Pitfield Street, London N1 6DA

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REFERENCE & ADMINISTRATIVE INFORMATION

| | |
|----------------------------|--|
| Charity: | Addison Youth Club Charity number 1124045, registered in England & Wales |
| Corporate Trustee: | Addison Youth Club has a corporate trustee, Addison Youth Club (Trustee) Limited. Company number 8018129, registered in England (dissolved September 2020) |
| Registered Address: | c/o London Youth 47-49 Pitfield Street London N1 6DA |
| Directors/Trustees: | Julian Beare (Chair) Patora Dyrma Jane Earle David Miller Poppy Scott Plummer James Waight Keith Ward |
| Banker: | National Westminster Bank plc Docklands South Quay Branch 54 Marsh Wall West India Quay London E14 6LJ |
| Auditor: | Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW |

STRUCTURE, GOVERNANCE & MANAGEMENT

Constitution

Addison Youth Club, a registered charity, was established in 1951 and registered with the Charity Commission through a Scheme on 4th February 2008 and updated on 11th December 2018.

During 2020 Addison Youth Club was governed by its corporate trustee, Addison Youth Club (Trustee) Limited until such time that application was made for voluntary strike-off of the company and confirmation of dissolution was received on 22 September 2020.

The charity is now governed by a Board of trustees. The trustees who served during the year and as at the report date are:

- > Julian Beare
- > Patora Dyrma
- > Jane Earle
- > David Miller
- > Poppy Scott Plummer
- > James Waight
- > Keith Ward

Governance

Trustees are elected for an unrestricted term and are appointed by the Trustees. There were no changes to the Trustee Board during the period under review.

Addison Youth Club has no staff. The decision making and management of the charity is carried out by the Trustees and the day to day administration of the charity is carried out by London Youth staff.

Related Parties

The Federation of London Youth Clubs (London Youth) [charity registration 303324, company registration 258577] has three trustees in common with the Addison Youth Club. All administration has been carried out by London Youth since 11th February 2019, however Addison Youth Club operates as a distinct independent charity. Addison Youth Club is a member of London Youth. London Youth (as a custodian trustee) previously held the Title Deeds for the property at 45 Redan Street on Trust on behalf of Addison Youth Club, which was disposed of in 2019 and replaced by a permanent endowment fund through which the charity commenced grant-making activities in the year under review.

OBJECTIVES, ACTIVITIES & FUTURE PLANS

The charitable objects of the Addison Youth Club are to promote the development of boys and girls resident in the London Borough of Hammersmith & Fulham and neighbouring areas in achieving their full physical, intellectual, social and spiritual potential.

This was previously achieved through running a youth club on the site at 45 Redan Street, London W14 0AB from 1951 to 2017, when the charity stopped operating as a youth club due to a number of problems, including a lack of funding, changing needs of young people in the immediate area, shortage of volunteers, and increasing costs of running an aging building.

During 2018 the Trustees of the Addison Youth Club undertook a review and established that running a youth club in the building at 45 Redan Street was not the most effective way to achieve the charitable objects and concluded that the best use of resources would be to support young people by making funding available to other youth projects in the local area.

As a result, in January 2019 the Trustees resolved to support youth organisations and young people in the Hammersmith and Fulham area by setting up an Endowment Fund from the sale proceeds of the property at 45 Redan Street. The property was previously held as a permanent endowment, created in the Trust Deed dated 27th May 1937 (as amended by Charity Commission Schemes in 1978 and 2008) and held on Trust by The Federation of London Youth Clubs for the sole use of Addison Youth Club and at the direction of the Addison Youth Club Trustees. The sale of the property realised net proceeds of £2,329,887 in late October 2019, from which the Endowment Fund of £2,300,000 was created.

Further, it was agreed by the Trustees that, following the sale of the property which would greatly reduce the risks and liabilities of the charity, that the Addison Youth Club Trustee Ltd company would be dissolved and Trustees of the charity recorded individually with the Charity Commission. Accordingly, at their meeting in January 2020, the Trustees approved the resolution to strike-off Company No. 08018129, Addison Youth Club (Trustee) Limited.

The application for strike-off was acknowledged by Companies House on 20 February 2020 and the first gazette notice of voluntary strike-off was issued on 18 February. However, in March 2020, Companies House introduced temporary easement measures to suspend voluntary strike off action in response to coronavirus (COVID-19). Companies House confirmation of dissolution was subsequently received on 22 September 2020 following the termination of the temporary easement measures.

The objective of the charity was to move to becoming a grant-making charity by 31 March 2021, through the use of the permanent endowment fund established through proceeds from the sale of 45 Redan Street.

GRANT-MAKING ACTIVITIES IN THE PERIOD TO 31 MARCH 2021

In moving the charity from an operational youth club to a grant-making charity, the Trustees set up a website www.addisonyouth.org in late 2020 and set out the eligibility criteria as follows:

- Grants would cover children and young people between the ages of 8 to 25 in the Hammersmith & Fulham area.
- Applications from members of London Youth and from members of Young Hammersmith and Fulham Foundation would be prioritised.
- The minimum grant size would be £5,000 up to a maximum of £25,000.
- All applicants to be a charity registered with the Charity Commission, OR a CIC, with a relevant asset lock status, where no more than one director is receiving remuneration from the company.
- The purpose for which funds were being sought should be consistent with the applicant organisation's charitable objects.
- Applications would be considered for both restricted programmes or unrestricted funding to support general operational activity.
- The applicant organisation would be required to meet a reasonable level of due diligence requirements, relative to the size of the grant being sought.

Supported by London Youth and the Young Hammersmith & Fulham Foundation, the Trustees reached out across youth networks in the borough and surrounding areas. A total of 18 grant applications were received by calendar year end 2020 and were shortlisted through relevant due diligence criteria. The Board made the decision to award 8 grants in total; 6 of which were in respect of unrestricted/core activity; noting the need to provide this type of funding within the community during ongoing lockdown.

The total value of grants awarded was £100,746 and formal Grant Agreements issued to each of the grantee organisations. The smallest grant awarded was £7,000, with the largest grant being £20,000. A total of £58,266 was paid out in 2021; the remainder, £42,480 to be awarded in September 2021, following a July review. In setting out a monitoring and evaluation framework for the grantee organisations, the Trustees were mindful to take a proportionate approach, relevant to the size of the grant issued.

Of the £100,746 committed in grant funding, £55,000 (approx. 55%) was targeted towards unrestricted activities – including delivery of regular programmes and hot meals for young people - and £45,746 (approx. 45%) to support specific programmes, such as providing therapeutic outreach and creative media projects dealing with issues such as mental health, gangs and violence; running regular weekly youth clubs and providing youth mentoring and providing residential breaks for young people outside of London.

Addison Youth Club Trustees' Report
Year ended 31 March 2021

The list of organisations who received funding commitments from the charity in the period to 31 March 2021 are as follows:

| Club Name | TOTAL Grant Awarded |
|-----------------------------------|--------------------------------|
| Action on Disability | £ 16,500 |
| Baraka Community Association | £ 14,600 |
| Masbro Youth Club | £ 20,000 |
| St Albans Fulham | £ 7,000 |
| The Brunswick Club | £ 7,680 |
| The Harrow Club | £ 8,248 |
| The Sulgrave Club | £ 8,218 |
| The Violence Intervention Project | £ 18,500 |
| | £ 100,746 |

The aim of the charity is to continue to provide a level of much-needed support in the Hammersmith & Fulham community by developing strong links with local organisations who are delivering front-line services to young people in the area. The charity aims to develop its remit and expertise as a grant-making charity and help build capacity within the local community through the ongoing use of the permanent endowment.

The charity does not undertake any fundraising activity.

FINANCIAL REVIEW

The 2-year period to 31 March 2020 marked a transitional period at the charity, due to cessation of youth club activities and sale of the property at 45 Redan Street, London W14 0AB, which was concluded in late October 2019; realising net sale proceeds of £2,329,888. The sum of £2,300,000 was invested by the Trustees as a permanent endowment in early November 2019 from which to commence grant-making activities.

Early investment gains were impacted by the Covid-19 pandemic and the investment recorded losses of just over 10% or £233,365 by 31 March 2020. However, 2020-21 saw a reversal of this position and investment gains of £410,679 were recorded.

The *Statement of Financial Position* as at 31 March 2021 shows the Total Fund at £2,558,563 (2020: £2,183,925), of which the permanent endowment fund comprises £2,477,314 (2020: £2,066,635). The value of the General Fund, as at 31 March 2021, is £81,249 (2020: £117,290).

The *Statement of Financial Activity* shows General Income of £nil (2020: £3,400), the 2020 income representing rental income which ceased with the property sale, and Investment Income of £75,007 (2020: £18,502), which represents an uplift of almost 450% compared to 2019-20. General Expenditure rose to £7,433 (2020: £4,513), due to full year fees paid to London Youth and the setting up of the website www.addisonyouth.org. Governance Costs in 2020-21 are £2,870, compared to £2,231 in 2020.

The Cash at Bank position, as at 31 March 2021 was £129,121 (2020: £120,494); the net Current Asset position (Cash at Bank net of Debtors/Creditors) as at 31 March is £81,249 (2020: £117,291).

INVESTMENTS

The sum of £2,300,000 was invested in early November 2019 with a total return approach in a Charities Ethical Investment Fund held by CCLA, one of the UK's largest charity fund managers who manage investments for charities, religious organisations and the public sector.

The value of the market fell considerably during the Covid-19 crisis, resulting in investment losses of £233,365 at the charity. However, 2020-21 has seen a market turnaround, resulting in investment gains of £410,679 for the period to 31 March 2021; the total value of the portfolio having risen from £2,066,635 in March 2020 to £2,477,314 by March 2021.

RESERVES POLICY

The transition from an operational youth club to a grant-making organisation with no overhead or employees considerably lowered the need to carry reserves. However, given the level of grant commitments now being made, the Trustees reviewed their Reserves Policy in early 2021.

The fund held as listed investments within the permanent endowment fund ensures the charity has sufficient resources to carry on making grants as the Trustees think fit, with due regard to the level of investment income available to fund such grants.

Grant payments may be varied by the charity in accordance with income earned on investments. Trustees will take a view as to the value of grant funding they make available each year, particularly where income earned on investments is insufficient to cover actual losses incurred.

The Trustees, having reviewed the Reserves Policy, therefore consider that the level of reserves held should be the equivalent of six months' of unrestricted expenditure – which includes the discretionary grant target of £100k per annum plus approx. £10k through which to discharge the charity's governance requirements. Having reviewed the policy in light of such commitments, the Trustees are satisfied that adequate funds are available via the General Fund balance of £81,249 as at 31 March 2021.

RISK MANAGEMENT

The Trustees receive a regular flow of information about both the finances and operations of the Trust. The Trustees have assessed the major risks to which the Trust is exposed through their risk management policy. These are:

- *Investment risk* – the Trust's assets are comprised of investments, which are used to generate its income. An investment policy is in place to mitigate risks associated with management of these assets and the performance of the investments, which are professionally managed, is regularly reviewed by the Trustees.

In light of unprecedented events arising from the Covid-19 pandemic and subsequent market effects, the Trustees will continue to work with its investment managers to mitigate, where possible, any ongoing negative impact of this crisis on investment performance.

The Trust can also mitigate the risk of income variation by varying or ceasing its grant payment programme, which constitutes its principal expenditure, in order to conserve funds.

- *Financial risk* – the risk of financial mismanagement or fraud – the charity's financial transactions will comprise of receipt of income from investment managers, and expenditure related to its grant-making activities; with some small expenditure incurred which will relate to bank charges and governance costs. Accountancy services are carried out on behalf of the charity by qualified staff employed by London Youth; these staff are employed under that organisation's recruitment practices, which are understood to be thorough. The financial information for the Trust is held separately from that of London Youth.

- *Grant-making activities* – the charity has put rigorous due diligence processes in place to ensure that funds are appropriately granted to relevant organisations in the Hammersmith and Fulham area to reach the targeted cohort of young people, in line with their respective charitable objectives. Processes have also been put in place – which include monitoring and evaluation frameworks - to provide stewardship and oversight of grants to ensure that they are being spent in line with agreed aims and objectives. The Trustees will monitor the potential for financial/reputational risk closely as a result of its grant-making activities.
- *Conflict of interest* – the charity works closely with London Youth, who holds the permanent endowment in trust on their behalf. The potential conflict arising as a result of two of the Trustees of the Addison Youth Club also being the Deputy Chair and Treasurer of London Youth, has been mitigated by the appointment of an independent Trustee to the Addison Board and the retirement of the Chair of the Addison Board from his role as Chair of London Youth in April 2020. A conflict of interest policy is in place to manage any risk of conflict.
- *Child protection risk* – this risk is mitigated by the fact that the charity no longer operates as a youth club working directly with children and young people and its future activities will be limited to grant-making activities. In relation to its grant-making activities, the charity has published a statement of its safeguarding expectations of grantee organisations and reviews the safeguarding arrangements in place by grant-applicants as part of its due diligence process for making a grant award.

GOING CONCERN

The charity reported a net Cash Flow from operating activities of £2,327,544 in 2019-20, due to the sale of 45 Redan Street net sale proceeds £2,329,888. The year ending 31 March 2021 has not seen the impact of investment losses demonstrated in 2019-20 as a result of Covid-19 on investment markets; net Cash Flow used in operating activities in 2020-21 was £66,432, with Cash Flows from investing activities of £75,007 (2020: £18,503).

However, should the market continue to be impacted by the pandemic or other factors, the Trustees may consider a delay to grant-making activities in 2021-22 and/or a restructure of the fund, if deemed necessary. The investment fund is now performing well, having secured investment gains of £410,679, compared to losses of £233,365 in 2020; the value of the fund as at 31 March 2021 stands at £2,477,314.

The general fund ratio to average annual expenditure of 8:1 is deemed sufficient to cover operating costs for 2021-22.

The Trustees have assessed the ability of the Trust to continue as a going concern. Informing this conclusion, a period of at least 12 months from the date of signing the financial statements has been considered. The COVID-19 pandemic has not had a significant immediate impact on the Trust's operations.

The Trust holds a permanent endowment fund on which it received investment income to fund grants. A key area of uncertainty relating to the market turmoil in 2019-20 on the valuation of investments and returns now appears to have been resolved. Investment losses in year totalled £233,265 as at 31 March 2020, as a direct result of Covid-19 impact on the markets. Investment gains of £410,679 as at 31 March 2021 have restored the fund to a figure in excess of its opening balance position of £2,300,000 at £2,477,314. As there is flexibility in the level of discretionary grants approved, such variances can be accommodated within the reserves.

Therefore, the Trustees have concluded that the Trust has a reasonable expectation that there are adequate reserves to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on a going concern basis.

STATEMENT OF TRUSTEES' RESPONSIBILITIES


The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts 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 of the charity for that period. In preparing these accounts, the Trustees are required to:

- > select suitable accounting policies and then apply them consistently;
- > observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP FRS 102);
- > make judgements and estimates that are reasonable and prudent;
- > state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- > prepare the accounts 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 are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Signed on behalf of the Trustees:



Julian Beare

Chair

Approved by the Trustees on 26 July 2021

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Addison Youth Club for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 charity'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 Charities Act 2011.

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 trustee's 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 trustees are responsible for the other information contained within the annual report.

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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.

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 and proper accounting records have not been kept by the charity; or
- > the financial statements are not in agreement with the accounting records and returns; or
- > we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees 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 charity 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 151 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant expenditure and override of controls by management. Our audit procedures to respond to these risks

included enquiries of management, and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Crowe U.K. LLP

Statutory Auditor

London

Date: 4th August 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Addison Youth Club Financial Statements
Year ended 31st March 2021

STATEMENT OF FINANCIAL ACTIVITY

Including consolidated income and expenditure account for year ending 31st March 2021

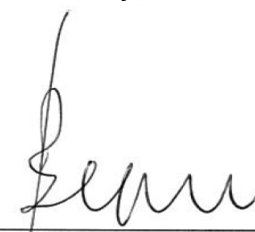
| | Note | Unrestricted Funds £ | Endowment Funds £ | Total Funds 2021 £ | Total Funds 2020 £ |
|--|------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| Income | | | | | |
| Rental Income | | - | - | - | 3,400 |
| Net proceeds Sale of Asset | 1 | | - | - | 2,329,888 |
| Investment Income and Interest | 1 | 75,007 | - | 75,007 | 18,502 |
| Total Income | | 75,007 | - | 75,007 | 2,351,790 |
| Expenditure | | | | | |
| Raising Funds | | - | - | - | 145 |
| Charitable Expenditure | 2 | 111,049 | - | 111,049 | 6,744 |
| Total Expenditure | | 111,049 | - | 111,049 | 6,889 |
| Net gains/(losses) on Investments | 3 | - | 410,679 | 410,679 | (233,365) |
| Net income/(expenditure) | | (36,042) | 410,679 | 374,637 | 2,111,536 |
| Reconciliation of funds | | | | | |
| Total Funds brought forward | | 117,291 | 2,066,635 | 2,183,926 | 72,390 |
| Total funds carried forward | | 81,249 | 2,477,314 | 2,558,563 | 2,183,926 |

Addison Youth Club Financial Statements
Year ended 31st March 2021

STATEMENT OF FINANCIAL POSITION


| | Note | Unrestricted Funds £ | Endowment Funds £ | Total Funds 2021 £ | Total Funds 2020 £ |
|-------------------------------------|------|----------------------------|-------------------------|-----------------------------|-----------------------------|
| Fixed Assets | | | | | |
| Property | | - | - | - | - |
| Investments | 3 | - | 2,477,314 | 2,477,314 | 2,066,635 |
| Total Fixed Assets | | - | 2,477,314 | 2,477,314 | 2,066,635 |
| Current Assets | | | | | |
| Cash at Bank | | 129,121 | - | 129,121 | 120,495 |
| Debtors | 5 | 321 | - | 321 | 346 |
| Total Current Assets | | 129,442 | - | 129,442 | 120,841 |
| Creditors | | | | | |
| Amounts falling due within one year | 6 | (48,193) | - | (48,193) | (3,550) |
| Net current assets | | 81,249 | - | 81,249 | 117,291 |
| TOTAL NET ASSETS | | 81,249 | 2,477,314 | 2,558,563 | 2,183,926 |
| Funds | 7 | | | | |
| Unrestricted Funds | | 81,249 | - | 81,249 | 87,403 |
| Endowment Funds | | - | 2,477,314 | 2,477,314 | 2,096,523 |
| TOTAL FUNDS | | 81,249 | 2,477,314 | 2,558,563 | 2,183,926 |

Approved by the trustees on 26 July 2021 and signed on their behalf by:



Julian Beare

Chair



Keith Ward

Treasurer

Notes 1 to 11 form part of these accounts

STATEMENT OF CASH FLOWS

| | <u>2021</u> £ | <u>2020</u> £ | |
|--|--------------------------|--------------------------|----------------|
| Cash flows from operating activities: | | | |
| Net cash provided by (used in) operating activities | (66,432) | 2,327,914 | |
| Cash flows from investing activities: | | | |
| Net dividends and interest from investments | 75,007 | 18,502 | |
| Proceeds from sale of investments | - | - | |
| Purchase of investments | - | (2,300,000) | |
| Net cash provided by (used in) investing activities | 75,007 | (2,281,498) | |
| Change in cash and cash equivalents in the reporting year | 8,626 | 46,416 | |
| Cash and cash equivalents at the beginning of the reporting year | 120,495 | 74,079 | |
| Cash and cash equivalents at the end of the reporting year | 129,121 | 120,495 | |
| Cash and cash equivalents | | | |
| | 01/04/20 | Cashflow | 31/03/21 |
| | £ | £ | £ |
| Cash at bank and in hand | 120,495 | 8,626 | 129,121 |
| Cash held as investments | - | - | - |
| Total cash and cash equivalents | 120,495 | 8,626 | 129,121 |
| Reconciliation of net income (expenditure) to net cash flow from operating activities | <u>2021</u> £ | <u>2020</u> £ | |
| Net income/(expenditure) for the reporting period as per the statement of financial activities | 374,637 | 2,111,536 | |
| Loss/(Gains) on investments | (410,679) | 233,365 | |
| Dividends and interest from investments | (75,007) | (18,502) | |
| Decrease in debtors | (26) | 185 | |
| Increase / (decrease) in creditors | 44,643 | 1,330 | |
| Net cash provided by (used in) operating activities | (66,432) | 2,327,914 | |

BASIS OF PREPARATION OF THE ACCOUNTS

The accounts (financial statements) have been prepared on the basis of historical cost convention adjusted for fair value of investments, in accordance with the Charities SORP (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK generally Accepted Practice.

The Addison Youth Club meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going Concern Statement

The Trust holds a permanent endowment fund on which it received investment income to fund grants. A key area of uncertainty relates to the current market turmoil on the valuation of investments and returns.

Net Cash Flows from investing activities have returned to pre-pandemic levels at £75,007 (2020: £18,502), which are more than adequate to cover the level of non-grant expenditure of £10,303. Investment losses of £233,265 in 2019-20 have been reversed and the investments made gains of £410,679 as at 31 March 2021.

Where the impact of the pandemic or other market disruption has potential to continue to undermine the value of the permanent endowment to the level of the initial contribution of £2,300,000, a pause in grant-making activities in 2021-22 may be implemented by the Trustees.

The Trustees have assessed the ability of the Trust to continue as a going concern. Informing this conclusion, a period of at least 12 months from the date of signing the financial statements has been considered. The COVID-19 pandemic has not had a significant immediate impact on the Trust's operations and the Trustees have concluded that the Trust has a reasonable expectation that there are adequate reserves to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on a going concern basis.

Income Policy

All income is credited to the statement of financial activities when there is entitlement, it can be measured and receipt is probable.

Investment income is credited to the statement of financial activities in the period in which the Trust is entitled to receipt and the amount can be measured with reasonable certainty.

Expenditure

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. The cost of generating funds includes the fees paid to investment managers in connection with the Trust's listed investments.
- b. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all related conditions.
- c. Governance costs comprise those costs directly attributable to compliance with statutory requirements.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the Trust at the discretion of the Trustees.

An Endowment Fund of £2,300,000 was set up, following the sale of the property at 45 Redan Street which the Youth Club formerly operated from. The Endowment was created as a permanent endowment in the Trust Deed dated 27th May 1937 (as amended by Charity Commission Schemes in 1978 and 2008) and is held on Trust by The Federation of London Youth Clubs for the sole use of Addison Youth Club and at the direction of the Addison Youth Club Trustees.

Volunteers

The Trust has no volunteers except for its Trustees.

Financial Instruments

The charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand. Financial liabilities held at amortised cost comprise trade creditors and accruals.

Investments, including bonds held as part of an investment portfolio, are held at fair (market) value at the Balance Sheet date. Realised and unrealised gains and losses are credited, or debited, to the statement of financial activities in the year in which they arise.

At the balance sheet date, the charity held financial assets at fair value of £2,477,314 (2020: £2,066,635); assets at amortised cost of £129,442 (2020: £120,841) and financial liabilities at amortised cost of £48,193 (2020: £3,550).

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies which are described above, Trustees are required to make judgements, estimates and assumption about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

NOTES TO THE ACCOUNTS

1. Income

| | 2021 £ | 2020 £ |
|--|---------------|------------------|
| Income from Profit on the Sale of Assets (2019) | | |
| Sale Proceeds, 45 Redan Street, London W14 0AB | - | 2,410,000 |
| Less Costs of Sale: | | |
| Brokerage fees | - | (44,785) |
| Solicitor's fees | - | (18,005) |
| Marketing fees | - | (7,157) |
| Other (Insurance, Rates, Utilities, etc.) | - | (10,165) |
| Net Sale Proceeds | - | 2,329,888 |
| | | |
| | 2021 £ | 2020 £ |
| Income Earned on Investment/Deposits | | |
| Investment Income | 75,007 | 18,502 |
| Income Earned on Deposits | - | - |
| Total | 75,007 | 18,502 |

2. Expenditure on Charitable Activities

| | 2021 £ | 2020 £ |
|---------------------------------------|----------------|--------------|
| Grants to Organisations | 100,746 | - |
| | 100,746 | - |
| Governance Costs | | |
| Accountancy and Audit Fees | 2,170 | 1,550 |
| Insurance | 665 | 649 |
| Bank Charges | 35 | 32 |
| | 2,870 | 2,231 |
| Other Costs | | |
| Management Fees | 6,000 | 4,500 |
| Domain registry/Website Set-up (2021) | 1,433 | 13 |
| | 7,433 | 4,513 |
| Total | 111,049 | 6,744 |
| | | |
| Auditors Remuneration | | |
| Audit Fees | 1,550 | 1,550 |
| Non-audit Fees | - | - |
| Total | 1,550 | 1,550 |

3. Investments

| | 2021 £ | 2020 £ |
|--|----------------------|----------------------|
| Listed Investments | | |
| Opening Market Value | 2,066,635 | - |
| Additions at cost | - | 2,300,000 |
| Disposals at carrying value | - | - |
| Net investment gains/(losses) | 410,679 | (233,365) |
| Market value at 31 March 2021 | 2,477,314 | 2,066,635 |
| Cash held by investment managers for reinvestment | - | - |
| | 2,477,314 | 2,066,635 |
| Cost of listed investments at 31 March 2021 | 2,300,000 | 2,300,000 |
| Listed Investments held at 31 March 2021 comprised: | | |
| Overseas Equities | 1,669,710 | 1,246,181 |
| UK Equities | 242,777 | 254,196 |
| Property/Other Assets | 442,944 | 433,993 |
| Cash | 121,883 | £132,265 |
| TOTAL | 2,477,314 | 2,066,635 |

4. Staff Costs

Addison Youth Club does not have any employees. Accountancy and Company Secretarial services are provided by London Youth at a fee of £1,500 per quarter.

5. Debtors

| | 2021 £ | 2020 £ |
|--------------|------------|------------|
| Debtors | - | - |
| Prepayments | 321 | 346 |
| Total | 321 | 346 |

6. Creditors

| | 2021 £ | 2020 £ |
|------------------------|---------------|--------------|
| Trade Creditors | - | - |
| Grant payments accrued | 42,480 | - |
| Other Accruals | 5,713 | 3,550 |
| Total | 48,193 | 3,550 |

7. Funds

| | As at 1 April 2020 £ | Incoming £ | Expenditure £ | Gains/ (Losses) £ | Transfers £ | As at 31 March 2021 £ |
|--------------|-------------------------------|---------------|------------------|-------------------------|----------------|--------------------------------|
| Funds | | | | | | |
| Unrestricted | 117,291 | 75,007 | (111,049) | - | - | 81,249 |
| Endowment | 2,066,635 | - | - | 410,679 | - | 2,477,314 |
| | 2,183,926 | 75,007 | (111,049) | 410,679 | - | 2,558,563 |

| | As at 1 April 2019 £ | Incoming £ | Expenditure £ | Gains/ (Losses) £ | Transfers £ | As at 31 March 2020 £ |
|--------------|-------------------------------|------------------|------------------|-------------------------|--------------------|--------------------------------|
| Funds | | | | | | |
| Unrestricted | 72,390 | 2,351,790 | (6,889) | - | (2,300,000) | 117,291 |
| Endowment | - | 2,300,000 | - | (233,365) | | 2,066,635 |
| | 72,390 | 4,651,790 | (6,889) | (233,365) | (2,300,000) | 2,183,926 |

The sum of £2,300,000 was invested from the sale of the property at 45 Redan Street in November 2019 to move the charity from an operational youth club to a grant-making charity. The property was previously held in trust as a permanent endowment, the historic cost of which was £nil.

8. Analysis of Net Assets between Funds

| | General Fund | Endowment Fund | TOTAL 2021 |
|--|---------------|------------------|------------------|
| Fund balances at 31 March 2021 | | | |
| Represented by: | £ | £ | £ |
| Investments | - | 2,477,314 | 2,477,314 |
| Current assets | 129,442 | - | 129,442 |
| Creditors: amounts falling due within one year | (48,193) | - | (48,193) |
| Total Net Assets | 81,249 | 2,477,314 | 2,558,563 |

| | General Fund | Endowment Fund | TOTAL 2020 |
|--|----------------|------------------|------------------|
| Fund balances at 31 March 2020 | | | |
| Represented by: | £ | £ | £ |
| Investments | - | 2,066,635 | 2,066,635 |
| Current assets | 120,841 | - | 120,841 |
| Creditors: amounts falling due within one year | (3,550) | - | (3,550) |
| Total Net Assets | 117,291 | 2,066,635 | 2,183,926 |

9. Post Balance Sheet Events

The Covid-19 pandemic has not had a significant immediate impact on the charity's operations as set out in the going concern assessment in the accounting policies. Although the value of the investment portfolio was impacted in 2019-20 by losses of £233,365, the value of the investment has since recovered, with the value of the fund being £2,477,314 as at financial year end 31 March 2021.

The Trustees have transitioned the charity to a grant making charity in the financial year 2020-21 and, given the substantive reversal of losses incurred on investments in 2021, will continue to work towards fully delivering on this aim by 31 March 2022.

10. Trustees' Remuneration

None of the Trustees received any remuneration for any work carried out from the charity during the financial year ended 2020-21 (2020: £nil). The amount paid to Trustees for expenses during the financial year ended 2020-21 was £nil (2020: £nil).

11. Related Parties

Addison Youth Club is a member of The Federation of London Youth Clubs (T/A “London Youth”). London Youth is a custodian Trustee of Addison Youth Club and holds the Endowment Fund generated from the sale of 45 Redan Street, London W14 0AB in Trust on behalf of Addison Youth Club.

During the year under review, Addison Youth Club paid the sum of £6,000 to London Youth in respect of Management Fees, of which £3,500 remained outstanding at financial year end.

ADDISON YOUTH CLUB

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