
ADDISON YOUTH CLUB

ANNUAL REPORT & FINANCIAL STATEMENTS

31 MARCH 2023

Addison Youth Club, Charity number 1124045

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

CONTENTS

REFERENCE AND ADMINISTRATIVE INFORMATION	<u>3</u>
STRUCTURE, GOVERNANCE AND MANAGEMENT	<u>4</u>
OBJECTIVES, ACTIVITIES AND FUTURE PLANS	<u>5</u>
GRANT-MAKING ACTIVITIES	<u>6</u>
FINANCIAL REVIEW	<u>9</u>
STATEMENT OF TRUSTEES' RESPONSIBILITIES	<u>13</u>
INDEPENDENT EXAMINER'S REPORT	<u>14</u>
STATEMENT OF FINANCIAL ACTIVITY	<u>15</u>
STATEMENT OF FINANCIAL POSITION	<u>16</u>
STATEMENT OF CASHFLOWS	<u>17</u>
BASIS OF PREPARATION OF THE ACCOUNTS	<u>18</u>
NOTES TO THE ACCOUNTS	<u>21</u>

REFERENCE & ADMINISTRATIVE INFORMATION

Charity:	Addison Youth Club Charity number 1124045, registered in England & Wales
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
Independent Examiner:	Mrs Amy Healey FCA CTA DChA Lindeyer Francis Ferguson Limited Chartered Accountants and Chartered Tax Advisors North House 189 High Street Tonbridge Kent TN9 1BE

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 one trustee in common with the Addison Youth Club.

All administration has been carried out by London Youth since 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.

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 neighboring 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 charity achieved its objective of 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 and the first round of grant-making activities commenced in the financial year ending 31 March 2021.

The governing document for Addison is being updated to reflect these changes.

GRANT-MAKING ACTIVITIES IN THE PERIOD TO 31 MARCH 2023

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 which 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.

Addison Youth has been supported by London Youth and the Young Hammersmith & Fulham Foundation in reaching out across youth networks in the borough and surrounding areas. As in prior years, a total of 18 grant applications were received by the end of December 2022 and were shortlisted through relevant due diligence criteria. Although in previous years, grants had been made to pilot projects, the Trustees resolved that their grantmaking activities in 2022-23 would focus on *'open access clubs meeting the basic needs of young people in the Hammersmith and Fulham area'*.

The Board made the decision to award eight grants in total (2022: nine), which reflected the aspiration of the Trustees in 2022 to provide support to young people struggling with cost of living challenges against a backdrop of wellbeing and mental health issues.

The total value of grants awarded in 2022-23 was £98,308 (2022: £100,973) and formal Grant Agreements issued to each of the grantee organisations. The smallest grant awarded was £5,000 (2022: £5,000), with the largest grant being £15,000 (2022: £20,869).

All grant monies totalling £98,308 (2022: £100,973) were paid out by year-end 31 March 2023. Mid-year and final project reviews are scheduled for July 2023 and January 2024 respectively. 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.

As in previous years, the response to the second round of grant funding issued in 2022 was overwhelmingly positive and included the following feedback:

"We are excited to continue building partnerships in Hammersmith and this funding is enabling us to do so".

Eat Club – programme to develop the relationship young people have with food and each other.

"Thank you, Addison Youth, for supporting Hammersmith and Fulham's children through early intervention. Together we are breaking the cycle of inequality and ensuring that all children have the support and opportunities they deserve".

The Kids Network – mentoring programme for 8-11 year olds who face multiple disadvantages to increase their (i) developmental experiences, (ii) social and emotional development, and (iii) educational engagement).

"It has been great to see that the young people have grown so much through this programme, and they have been willing to do different activities they haven't done before. With your support, we have been able to make links with organisations and groups".

Mother and Child Welfare – Youth Recovery Programme targeted at young people aged 11-18 years old who are trying to restore their education; looking for quiet spaces and trusted advice.

"We provided a lot of activities which young people enjoyed, and which kept them positively engaged during their holidays. The scheme contributed to a increase in young people's confidence, helped improve their relationships with others, and introduced them to new experiences - all of which they say has made them want to do new things. And they clearly had a good time. We are therefore extremely grateful to Addison Youth (and other funders) for making this holiday scheme possible. Thank you".

The Brunswick Club – holiday activity scheme for young people aged 11-17 years old.

Other programmes funded or co-funded by Addison Youth included:

- Support sessions for young women to address concerns about exploitation, grooming, and physical, mental and sexual coercion (The Harrow Club)
- Anti-knife crime workshops for under 18 year olds (Key4Life)
- Junior 'transition group' programme for young people aged between 8-11 (Masbro Youth Club)
- A pilot project targeting refugee and migrant young people aged 16-25 who are unemployed, recovering from addiction, domestic violence or mental health crisis (Refugee Access)

Although many of these programmes were co-funded, they could not have taken place without the contribution from Addison Youth. The full list of organisations who have received funding from the charity since its inaugural funding round are as follows:

Addison Youth Club Trustees' Report
Year ended 31 March 2023

Addison Youth Grant Rounds issued 2022 to 2023			
Club/organisation	Grant funds (£) 2022-23	Grant funds (£) 2021-22	Grant funds (£) 2020-21
Action on Disability	£15,000	-	£16,500
Baraka Community Association	£14,472	-	£14,600
Eat Club	£8,820	£7,410	-
Key4Life	-	£20,869	-
Masbro Youth Club	£15,000	£15,000	£20,000
Mother & Child Welfare	-	£10,000	-
Refugee Access	-	£5,000	-
St. Alban's Fulham	-	-	£7,000
The Brunswick Club	£15,000	£9,108	£7,680
The Harrow Club	£10,016	£15,000	£8,248
The Kid's Network	-	£8,586	-
The Sulgrave Club	£15,000	£10,000	£8,218
The Violence Intervention Project	-	-	£18,500
Wac Arts	£5,000	-	-
	£98,308	£100,973	£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 continues 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 have been impacted by the pandemic and subsequent market volatility. Although the period to 31 March 2022 saw a reversal of earlier losses, with gains of £210,237 being recorded, the year to 31 March 2023 has seen further losses of £132,872.

Although, the original investment of £2,300,000 has grown to £2,554,679 by 31 March 2023, demonstrating net gains of £254,679, the *Statement of Financial Position* as at 31 March 2023 shows the Total Fund at £2,568,325 (2022: £2,732,936); a reduction of £164,611 overall.

Total Funds are represented by the value of the Endowment Fund of £2,554,679 (2022: £2,687,551) and General Fund of £13,646 (2022: £45,385).

The *Statement of Financial Activity* shows Investment Income of £78,091 (2022: £76,610). Grant expenditure in year was £98,308 (2022: £100,973) covering activity and reporting periods from 1 April 2023 to 31 March 2024. General Expenditure was £6,334 (2022: £8,725) and Governance Costs were £5,188 (2022: £2,776); the increase in the latter driven by additional independent examiner fees incurred in respect of prior year of £2,580.

The Cash at Bank position, as at 31 March 2023 was £16,610 (2022: £147,963); the net Current Asset position (Cash at Bank net of Debtors/Creditors) as at 31 March 2023 was £13,646 (2022: £45,385).

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 investments fell in the period to 31 March 2020 as the market was impacted by the pandemic, resulting in investment losses of £233,365 at the charity. However, although the period to 31 March 2021 saw a relative market turnaround resulting in investment gains of £410,679; the period since then has been more volatile with reduced gains of £210,237 recorded for the period to 31 March 2022 and further losses of £132,872 reported for the period ending 31 March 2023.

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 maintain their Reserves Policy under review and are confident that their assumptions remain valid for 2023.

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.

Total Expenditure in 2023 was £109,830 (2022: £112,474), comprising Grant Expenditure of £98,308 (2022: £100,973) and General/Governance Expenditure of £11,522 (2022: £11,501). The Trustees, having reviewed the Reserves Policy, are satisfied that adequate funds are available via the General Fund balance of £13,646 (2022: £45,385) as at 31 March 2023 to sustain General/Governance expenditure; all grants in relation to 2022-23 having been discharged in full to eligible grantees.

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 during the pandemic and post-pandemic period, 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. Support services are carried out on behalf of the charity by qualified staff employed by London Youth and 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, which holds the permanent endowment in trust on its behalf. The potential conflict arising as a result of one of the Trustees of the Addison Youth Club also being the Deputy Chair 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

Net Cash Flow used in operating activities in 2022-23 was £209,401 (2022: £57,642), with Cash Flows from investing activities of £78,091 (2022: £76,610).

However, should market volatility continue to negatively impact on Investment Income, the Trustees may consider a delay to grant-making activities in 2023-24 and/or a restructure of the fund, if deemed necessary. Although the investment fund recorded losses of £132,872 for the year ended 31 March 2023 (2022: Gains of £210,237), the value of the fund has increased from the value originally invested of £2,300,000 to £2,554,679.

Although the general fund ratio to average annual non-grant expenditure has decreased from its 2022 value of 4:1, it is deemed sufficient to cover operating costs for 2023-24, based on prior year values.

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, with neither the pandemic, nor post-pandemic economic landscape has not had a significant immediate impact on the Trust's operations.

The Trust holds a permanent endowment fund on which it receives investment income to fund grants. A key area of uncertainty relates to ongoing market volatility on the valuation of investments, with investment values oscillating during and post-pandemic. Despite these fluctuations in the value of the fund, the overall value of the fund has increased by £254,679 in the period since it was invested in 2019 from £2,300,000 to £2,554,679.

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:

SIGNED BY AJ BEARE

Chair

Approved by the Trustees on 11 December 2023

Independent Auditor's Report to the Trustees of Addison Youth Club
Year ended 31 March 2023

INDEPENDENT Examiner's REPORT

I report to the trustees on my examination of the accounts of the Addison Youth Club for the year ended 31 March 2023 which are set out on pages 15-25.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011. My independent examiner's work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity, the charity's members as a body and the charity's trustees as a body for my independent examiner's work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

SIGNED BY A HEALEY

Mrs Amy Healey FCA CTA DChA
Lindeyer Francis Ferguson Limited
Chartered Accountants and Chartered Tax Advisors

Addison Youth Club Financial Statements
Year ended 31 March 2023

STATEMENT OF FINANCIAL ACTIVITY

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Income					
Other Income*	1	78,091	-	78,091	76,610
Total Income		78,091	-	78,091	76,610
Expenditure					
Charitable Expenditure	2	109,830	-	109,830	112,474
Total Expenditure		109,830	-	109,830	112,474
Net gains/(losses) on Investments	3	-	(132,872)	(132,872)	210,237
Net income/(expenditure)		(31,739)	(132,872)	(164,611)	174,373
Reconciliation of funds					
Total Funds brought forward		45,385	2,687,551	2,732,936	2,558,563
Total funds carried forward		13,646	2,554,679	2,568,325	2,732,936

*Prior year Investment Income and Interest has been reclassified as Other Income to show like-for-like presentation.

All of the above activities are derived from continuing operations during the above two financial years. The notes on pages 21 to 25 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	Unrestricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Fixed Assets					
Investments	3	-	2,554,679	2,554,679	2,687,551
Total Fixed Assets		-	2,554,679	2,554,679	2,687,551
Current Assets					
Cash at Bank		16,610	-	16,610	147,963
Debtors	5	336	-	336	315
Total Current Assets		16,946	-	16,946	148,278
Creditors					
Amounts falling due within one year	6	(3,300)	-	(3,300)	(102,893)
Net current assets		13,646	-	13,646	45,385
TOTAL NET ASSETS		13,646	2,554,679	2,568,325	2,732,936
Funds	7				
Unrestricted Funds		13,646	-	13,646	45,385
Endowment Funds		-	2,554,679	2,554,679	2,687,551
TOTAL FUNDS		13,646	2,554,679	2,568,325	2,732,936

Approved by the trustees and signed on their behalf by:

SIGNED BY AJ BEARE

SIGNED BY KD WARD

Julian Beare
Chair

Keith Ward
Treasurer

on 11 December 2023

The notes on pages 21 to 26 form part of these financial statements

STATEMENT OF CASH FLOWS

	<u>2023</u> £	<u>2022</u> £
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(209,401)	(57,642)
Cash flows from investing activities:		
Net dividends and interest from investments	78,091	76,610
Proceeds from sale of investments	-	-
Net cash provided by (used in) investing activities	78,091	76,610
Change in cash and cash equivalents in the reporting year	(131,353)	18,842
Cash and cash equivalents at the beginning of the reporting year	147,963	129,121
Cash and cash equivalents at the end of the reporting year	16,610	147,963
Cash and cash equivalents		
	01/04/22 £	Cashflow £
Cash at bank and in hand	147,963	(131,353)
Cash held as investments	-	-
Total cash and cash equivalents	147,963	(131,353)
Reconciliation of net income (expenditure) to net cash flow from operating activities	<u>2023</u> £	<u>2022</u> £
Net income/(expenditure) for the reporting period as per the statement of financial activities	(164,611)	174,373
Loss/(Gains) on investments	132,872	(210,237)
Dividends and interest from investments	(78,091)	(76,610)
(Increase) / decrease in debtors	(21)	6
Increase / (decrease) in creditors	(99,593)	54,700
Net cash provided by (used in) operating activities	(209,444)	(57,768)

The notes on pages 21 to 26 form part of these financial statements

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 prevailing market turmoil on the valuation of investments and returns.

Net Cash Flows from investing activities have returned to pre-pandemic levels at £78,091 (2022: £76,610), which are more than adequate to cover the level of non-grant expenditure of £11,522 (2022: £11,501). However, although 2021-22 saw investment gains of £210,237; the year ended 31 March 2023 has seen the trend reverse again with investment losses of £132,872.

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 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. Neither the pandemic or post-pandemic economic environment has 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.

Expenditure comprises 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 27 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.

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 £2,554,679 (2022: £2,687,551); assets at amortised cost of £16,946 (2022: £148,278) and financial liabilities at amortised cost of £3,300 (2022: £102,893).

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

	2023 £	2022 £
Income Earned on Investment/Deposits		
Other Income – transfer from Unapplied Total Return	78,091	76,610
Income Earned on Deposits	-	-
Total	78,091	76,610

2. Expenditure on Charitable Activities

	2023 £	2022 £
Grants to Organisations	98,308	100,973
	98,308	100,973
Governance Costs		
Accountancy & Audit Fees	1,800	1,980
Additional Accountancy & Audit Fees incurred in year in respect of prior year	2,580	-
Insurance	785	761
Trustees' Expenses	21	-
Bank Charges	2	35
	5,188	2,776
Other Costs		
Management Fees	6,000	6,000
Youth Panel facilitation and expenses	-	2,600
Subscriptions	334	125
	6,334	8,725
Total	109,830	112,474
Independent Examiner's Remuneration		
2022-23 Fees	1,500	1,600
Additional Fees incurred in year in respect of prior year	3,750	-
Total	5,250	1,600

3. Investments

	2023 £	2022 £
Listed Investments		
Opening Market Value	2,687,551	2,477,314
Disposals at carrying value	-	-
Net investment gains/(losses)	(132,872)	210,237
Market value at 31 March 2023	2,554,679	2,687,551
Cash held by investment managers for reinvestment	-	-
	2,554,679	2,687,551
 Cost of listed investments at 31 March 2023	 2,300,000	 2,300,000
 Listed Investments held at 31 March 2023 comprised:		
Overseas Equities	1,524,121	1,725,676
UK Equities	249,081	240,805
Property/Other Assets	523,709	477,309
Cash	257,256	243,761
TOTAL	2,554,769	2,687,551

4. Staff Costs

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

5. Debtors

	2023 £	2022 £
Debtors	-	-
Prepayments	336	315
Total	336	315

6. Creditors

	2023 £	2022 £
Trade Creditors	-	-
Grant payments accrued	-	100,973
Other Accruals	3,300	1,920
Total	3,300	102,893

7. Funds

	As at 1 April 2022 £	Incoming £	Expenditure £	Gains/ (Losses) £	Transfers £	As at 31 March 2023 £
Funds						
Unrestricted	45,385	78,091	(109,830)	-	-	13,646
Endowment	2,687,551	-	-	(132,872)	-	2,554,679
	2,732,936	78,091	(109,830)	(132,872)	-	2,568,325

	As at 1 April 2021 £	Incoming £	Expenditure £	Gains/ (Losses) £	Transfers £	As at 31 March 2022 £
Funds						
Unrestricted	81,249	76,610	(112,474)	-	-	45,385
Endowment	2,477,314	-	-	210,237	-	2,687,551
	2,558,563	76,610	(112,474)	210,237	-	2,732,936

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

Fund balances at 31 March 2023

Represented by:	£	£	£
Investments	-	2,554,679	2,554,679
Current assets	16,946	-	16,946
Creditors: amounts falling due within one year	(3,300)	-	(3,300)
Total Net Assets	13,646	2,554,679	2,568,325

	General Fund	Endowment Fund	TOTAL 2022
Fund balances at 31 March 2022			
Represented by:	£	£	£
Investments	-	2,687,551	2,687,551
Current assets	148,278	-	148,278
Creditors: amounts falling due within one year	(102,893)	0	(102,893)
Total Net Assets	45,385	2,687,551	2,732,936

9. Trustees' Remuneration

None of the Trustees received any remuneration for any work carried out from the charity during the financial year ended 2022-23 (2022: £nil). The amount paid to Trustees for expenses during the financial year ended 2022-23 was £21 (2022: £nil) in respect of one (2022: no) Trustee(s).

10. 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 £6,100 to London Youth in respect of Management Fees (2022: £6,000) and subscription Fees £100 (2022: £125), of which £1,500 (2022: £nil) remained outstanding at the financial year end.

11. Permanent Endowment investment and total return

Addison has adopted Total Return Accounting for its permanent endowed funds which were originally established in late 2019 following the sale of the Redan Street building. Trustees have chosen to maintain the capital of the permanent endowed funds in real terms by making a transfer from the Unapplied Total Return equal to the increase in Consumer Price Index (CPI) from the base point (1 November 2019) to the Balance Sheet date. Any amounts remaining after this transfer in the Unapplied Total Return will be applied to income funds or retained as the Trustees see fit. Any income funds not disbursed in the financial year are retained as Unapplied Total Return. Should any year experience a negative return, a negative balance will be held in the Unapplied Total Return Fund until such time as future returns on the investments are able to recoup it. As a result of the investment portfolio's negative return during the year to 31 March 2023, the unapplied total return fund balance was negative at £ 97,803. This will be held in the fund until future returns on the investments eliminate it.

Addison Youth Club: Annual Report and Accounts FYE 31 March 2023
Notes to the Accounts

	Endowed for Investment	Unapplied Total Return	Total Endowed
At start date: 1 April 2022			
Gift component of permanent endowment	2,687,551		2,687,551
Unapplied Total Return		0	0
	2,687,551	0	2,687,551
Movements:			
Recoupment of trust for investment*	43,022	(43,022)	0
Dividend return (net of costs)		78,091	78,091
Investment losses		(132,872)	(132,872)
	43,022	(97,803)	(54,781)
Unapplied total return allocated to Income	0	(78,091)	(78,091)
Net movements in reporting period	43,022	(175,894)	(132,872)
Totals	2,730,573	(175,894)	2,554,679
Unapplied total return retained		(97,803)	(97,803)

*This represents the sum elected to maintain the real capital value of the endowed funds by offsetting the impact of inflation.

ADDISON YOUTH CLUB

Charity number 1124045

c/o London Youth
47-49 Pitfield Street
London N1 6DA

info@addisonyouthclub.org.uk