

MAHDLO (OLDHAM YOUTH ZONE)

England & Wales · Charity number 1134427

Details

Other names	OLDHAM YOUTH ZONE
Status	Registered
Legal form	Charitable company
Company number	06946098
Registered	2010-02-22
Register	View on the Charity Commission register

Contact

Address	Mahdlo Sir Norman Stoller Way Oldham OL1 3SE
Phone	01616240111
Email	info@mahdloyz.org
Website	www.mahdloyz.org

Activities

Objects: THE CHARITY'S OBJECTS ARE TO HELP AND EDUCATE CHILDREN AND YOUNG PEOPLE RESIDENT IN THE NORTH WEST OF ENGLAND THROUGH THEIR LEISURE TIME ACTIVITIES BY PROMOTING THEIR FULL PHYSICAL AND SPIRITUAL POTENTIAL IN ORDER THAT THEY MAY GROW TO FULL MATURITY AS INDIVIDUALS AND MEMBERS OF SOCIETY AND THAT THEIR CONDITIONS OF LIFE MAY IMPROVE.

Activities: The Youth Zone's principle activity is the provision of a purpose built, world class 21st century facility for sport and recreation in Oldham for young people aged between 8 and 21 years old. The Youth Zone will deliver a range of high quality universal youth work services, seven days a week, which will be accessed voluntarily by young people on a membership basis.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Advocacy/advice/information
- **What:** Education/training, Disability, Arts/culture/heritage/science, Amateur Sport
- **Who:** Children/young People, People With Disabilities

Geography

- **Area of benefit:** NORTH WEST OF ENGLAND
- Oldham

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,755,681	£1,861,220	£6,136,488	37
2024-03-31	£1,529,976	£1,680,535	£6,242,027	33
2023-03-31	£1,329,258	£1,645,442	£6,392,586	35
2022-03-31	£1,507,693	£1,514,207	£6,708,770	30
2021-03-31	£2,380,197	£1,499,086	£6,715,284	36

Trustees

Name	Role	Appointed
Christopher Wareing		2016-09-21
DAVID CHRISTOPHER BENSTEAD		2013-01-22
Deborah Darlington		2025-05-27
JANELLE MEUTH BARKER		2014-01-27
JOHN AINLEY		2012-10-30
Jake Ashley Ankers		2026-01-01
James Masraff		2025-03-25
Matthew Taylor		2025-03-25
TERENCE FLANAGAN		

MAHDLO (OLDHAM YOUTH ZONE)

England & Wales - Charity number 1134427

Accounts

Charity registration number 1134427 (England and Wales)

Company registration number 06946098

MAHDLO (OLDHAM YOUTH ZONE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

MAHDLO (OLDHAM YOUTH ZONE)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Deborah Darlington	(Appointed 27 May 2025)
	Jake Ankers	(Appointed 27 May 2025)
	Matthew Taylor	(Appointed 25 March 2025)
	James Masraff	(Appointed 25 March 2025)
	Paul Axon	
	Ann Ashton	
	Jonathan Lloyd	
	Chris Wareing	
	Janelle M Barker	
	Dave Benstead	
	John Ainley	
	Terry Flanagan	
Senior management	Lucy Lees	Chief Executive
Charity number (England and Wales)	1134427	
Company number	06946098	
Registered office	Egerton Street Oldham OL1 3SE	
Auditor	BK Plus Audit Limited Sterling House 501 Middleton Road Chadderton Oldham Lancashire OL9 9LY	
Bankers	NatWest 10 Yorkshire Street Oldham OL1 1QT	

MAHDLO (OLDHAM YOUTH ZONE)

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MAHDLO (OLDHAM YOUTH ZONE)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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)".

Message from CEO, Lucy Lees

As we reflect on the past twelve months, we are immensely proud of Mahdlo Youth Zone's achievements and the life-changing impact we continue to create across Oldham. In a year marked by growing challenges for young people and families, rising living costs, increasing isolation, and widening inequality, Mahdlo has remained a constant source of support, opportunity, and hope.

Objectives and activities

The charitable objectives as set out in the Memorandum and Articles are "to help and educate children in the North West of England through their leisure time activities by promoting their full physical and spiritual potential in order that they may grow to full maturity as individuals and members of society and that their conditions of life may improve".

Our mission is "to deliver high quality activities and experiences for young people from Oldham aged 8-19 (25 with a disability) to enhance the quality of their lives and provide support services for those who need additional help to achieve their potential."

We achieve this through our six programme areas:

Get Active – Young people's participation in a wide range of sports and physical activities at a 'try, train or team' level that promote good health, fitness and build self-esteem.

Get Creative – Utilising the specialist dance studio, music room and media suite young people can engage in a broad range of arts and media opportunities that develop creativity skills and confidence.

Get Outdoors – We give young people the chance to get out of their usual neighbourhood, experience outdoor adventure and reconnect with the environment promoting confidence, teamwork and social skills.

Get Sorted – Young people are able to access support around personal health and wellbeing issues. We link with existing services in the town to ensure we are supporting young people to access the information advice and guidance they really need. Through one-to-ones and group workshops, we promote healthy minds, lifestyles and positive choices.

Get Ahead – We recognise that getting the right skills and support is key to getting ahead. With the help of partners and local businesses, our team support young people to get on the right path for the future.

Get Connected – We want young people to play a real role in the running of Mahdlo and to have a clear and coherent voice in the wider community. We support them to be more connected through community projects and volunteering opportunities that promote citizenship and leadership skills.

The activities of the charity are undertaken to further its charitable purposes for public benefit and, in shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity (PB2)". The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

MAHDLO (OLDHAM YOUTH ZONE)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The provision of a high-quality facility for young people responds to a clear, ongoing demand from young people, parents and the wider community for more and better places for young people to go. Our universal services, mainly based around our Get Active, Get Creative and Get Outdoors offer, are open to all young people in Oldham. For those experiencing disadvantage or needing additional support we offer additional targeted services. Short-term outcomes are happier young people making healthier choices with increased social skills, achievements and enhanced aspirations. This has the wider impact of improved health and wellbeing, reduced crime, enhanced learning and employability and greater community cohesion.

MAHDLO (OLDHAM YOUTH ZONE)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

Significant activities and achievements against objectives

This year, Mahdlo Youth Zone continued to stand as a vital lifeline for Oldham's young people and families, responding to deepening social and economic challenges with compassion, innovation, and measurable impact.

In a borough where 44% of children live in poverty, and youth isolation and anxiety are among the highest in the region, Mahdlo's role has never been more critical. We have continued to provide a safe, inclusive, and inspiring environment, somewhere to go, something to do, and someone to talk to.

Over the past year, Mahdlo delivered 4,800 hours of sessions across its programmes, with 4,981 young people registered as members.

- 69% of members live in the most deprived communities.
- 44% identify as from BAME backgrounds.
- 20% have a disability or additional needs.
- 19% of Oldham's care-experienced young people attended Mahdlo.

Our youth work continues to deliver measurable outcomes:

- 78% of members reported increased or maintained self-confidence.
- 71% improved or maintained social skills.
- 68% increased or maintained mental wellbeing.
- 75% reported a stronger sense of belonging and community.

Recognising the ongoing cost-of-living pressures, Mahdlo continued its commitment to removing barriers to participation. We provided 19,976 free meals, ensuring that every young person accessing our services could do so without worrying about basic needs.

Creativity remained at the heart of our approach, nurturing self-expression and resilience through art, performance, and enterprise. Our enterprise projects enabled young artists to sell their work, with one young member's artwork raising £760 at the Mahdlo Ball, symbolising the transformative power of self-belief and opportunity.

From mentoring programmes that helped young people secure employment and education, to leadership pathways such as the 39 Young Leaders who volunteered within Mahdlo, we are creating a generation of confident, community-minded young adults.

The journey of Shaunnine, who progressed from young member to Youth Work Manager, exemplifies Mahdlo's investment in people, demonstrating how early engagement can lead to professional and personal success.

Our success is powered by dedicated staff and volunteers, who contributed 5,560 hours of their time this year. Mahdlo now employs 60 local residents, supported by an incredible network of 178 volunteers, patrons, and corporate partners.

Our partnerships with local schools, the council, and community organisations have enabled us to reach more young people than ever before, especially those experiencing poverty, isolation, and reduced access to leisure or educational opportunities.

MAHDLO (OLDHAM YOUTH ZONE)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Financial review

The statement of financial activities (page 14) shows an increase in total income, from £1.53m for FY2024 to £1.76m for FY2025. Details of the main income sources and the variances between the two years can be found in notes 3 to 9 of the financial statements. Total expenditure (note 8 & 9) has increased to £1.86m (FY2024: £1.68M), resulting in a deficit for the year of £105k compared with a deficit of £151k for FY2024. The effect of the deficit on the balance sheet (page 15) is that the charity's net assets have reduced from £6.24m as at 31 March 2024 to £6.14m as at 31 March 2025. Of that amount, £5.29m are restricted funds and £0.85m unrestricted.

Reserves policy

The Board of Directors of Mahdlo has established a reserves policy, in compliance with which it will annually review both the sum it wishes to hold in reserve in the unrestricted budget and the basis for that figure. The Directors continually strive to manage the charity's finances so that an adequate level of reserves can be maintained in compliance with the reserves policy.

Reserves to be maintained at a level, which ensures that at least 3 months of the organisation's core activity, could continue during a period of unforeseen difficulty.

- That these reserves are readily realisable unrestricted reserves and are in addition to funding the fixed assets.

This level of reserves has been agreed for the following reasons:

- To provide working capital to allow for retrospective funding and the associated time difference between expenditure and receipt of funds.
- Mahdlo's income sources (particularly the Patrons programme and fundraising activities) are vulnerable to changes in the economic situation and any notice period for loss of major donors could be relatively short.
- To support new service development to enable Mahdlo to be responsive to beneficiary needs and to facilitate improvements to the operational running of the organisation.
- To ensure that the building can be kept fully functional, well equipped and in a good state of repair and remains a major attraction and asset.
- To invest in staff and volunteer training and development to ensure quality of service delivery.
- To enable Mahdlo to meet its delivery commitments without interruption in times of economic hardship.
- To be seen as a responsible charity by the Charity Commission, our Funders, partners and the community that engage with Mahdlo.
- To avoid the creation or retention of unnecessary surpluses for which there is no planned requirement in line with the organisation's charitable aims.

Due to the type of funding Mahdlo can and is likely to access, which can take up to 6 months to secure, there is a need for a longer-term policy to increase reserves to an appropriate amount of working capital to fund these time delays. This will be achieved by:

- Developing a funding strategy that enables forward planning of income generation including targets over and above immediate running costs.
- Prioritising fundraising activities and events and ensuring a continual focus on fundraising not just in times of need.
- Appropriate accounting, including building into budgets, accounts and reports a sum for depreciation.
- Building Mahdlo's reputation as a quality charity, worthy of support and investment.

This reserves policy will be reviewed by the Chief Executive and the Board on an annual basis. It is the intention to increase reserve levels incrementally toward 6 months as the organisation's activity grows.

MAHDLO (OLDHAM YOUTH ZONE)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Investment policy

With having relatively low unrestricted reserves and a variable income stream, funds built up in advance of expenditure need to be reasonably liquid; however, some funds may be retained and invested for future use. To ensure such investments are safeguarded:

- Any decision about investments will be made by the Board (potentially having taken professional advice) considering the suitability and diversification of investments, including investments in deposit accounts, to ensure that the failure of one investment or institution does not have a major impact on Mahdlo.
- Investments will be made in line with Mahdlo's values and ethos.
- Investment performance will be regularly reviewed.
- Records will be maintained of all investments held (including details of all those sold or purchased) by the charity.
- Accounting controls will be fully implemented to ensure that all dividends or interest payments due are received and accounted for.

Plans for future periods

As we look ahead, Mahdlo will continue to expand its reach and relevance across Oldham's communities. Our priorities include:

- Extending access to those unable to attend our town centre facility through outreach and partnership-based delivery.
- Investing in our workforce, building capacity through training, development, and wellbeing support.
- Deepening impact measurement, using data and youth voice to continuously improve the quality and inclusivity of our offer.
- Strengthening sustainability, by broadening our base of patrons, donors, and corporate supporters in an increasingly competitive funding landscape.

Above all, we remain unwavering in our mission, to empower every young person in Oldham to thrive, discover their potential, and shape a brighter future for themselves and their community.

Structure, governance and management

The Board of Trustees

The Board comprises 12 Trustees including the Chair. Individual Trustees hold portfolios relevant to their professional backgrounds and interests. These include Finance, Fundraising, HR, Safeguarding and Facilities management.

Trustees can be nominated for a fixed period. One third of the Trustees will retire by rotation at each Annual General Meeting. Retiring Trustees can be reappointed. The Trustees meet on a bi-monthly basis.

MAHDLO (OLDHAM YOUTH ZONE)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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:

Deborah Darlington	(Appointed 27 May 2025)
Jake Ankers	(Appointed 27 May 2025)
Matthew Taylor	(Appointed 25 March 2025)
James Masraff	(Appointed 25 March 2025)
Paul Axon	
Ann Ashton	
Jonathan Lloyd	
Chris Wareing	
Janelle M Barker	
Dave Benstead	
John Ainley	
Terry Flanagan	
Fozia T Amin	(Resigned 5 March 2025)

Recruitment and appointment of trustees

New trustees will be recruited according to the needs of the charity and the suitability of possible candidates. The unanimous approval of existing Trustees would lead to their appointment.

The Memorandum and Articles of Association state that the number of members shall have no maximum and shall not be less than three.

Full details of the rules are contained in the company's Memorandum and Articles of Association which may be inspected at the registered office.

Induction of Trustees

Newly appointed trustees are provided with a comprehensive induction to Mahdlo through the provision of in-house training. This includes key information about the organisation and its development, governance and safeguarding. The Board undertakes annual strategy reviews. Individual appraisals between Trustees, the Chair and Chief Executive have been implemented to develop Board capacity.

Governance

Mahdlo (Oldham Youth Zone) is a charity and a company limited by guarantee without share capital. Mahdlo is registered under the Companies Act 1985, registration number 06946098. The company is governed by its Memorandum and Articles of Association, dated 27th June 2009. Management of the company's affairs is vested in the co-directors.

In the event of a winding-up, the present members and those who have ceased to be a member within one year of such an event have guaranteed the liabilities of the company to the sum not exceeding one pound each.

MAHDLO (OLDHAM YOUTH ZONE)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Organisational structure

Mahdlo is governed by its board of Trustees which retains overall responsibility for the strategic direction and the policy of the organisation. The Trustees carry the ultimate responsibility for the conduct of Mahdlo and for ensuring that the charity satisfies its legal and contractual obligations.

The Board approves the strategic plan, the 3 year plan and the annual Business Plan and scrutinises business performance including financial performance as well as providing advice to the Chief Executive on operational matters of importance.

A Chief Executive is appointed by the Board to manage the day-to-day operations. To facilitate effective operations the Chief Executive has delegated authority as approved by the Board for operational matters including finance, human resources and operational delivery allowing the Chief Executive to support the Board in developing and delivering strategy and ensuring the agreed Business Plan KPI's are met.

The senior management team has a range of qualifications and experiences including Accountancy, Youth Work, HR and Facilities management. The Board agreed the structure during annual Business Planning and are required to approve any substantial changes to the Senior Team.

All salaries are benchmarked by an independent HR specialist against other Youth Zones, Local Authority and the local labour market. The board agrees all pay increases as a result of cost of living during the Business Planning cycle. Any new post created at any level requires CEO, HR and Finance approval. Senior posts would be agreed by the Trustee with HR portfolio prior to presentation to Board.

All posts are subject to interview and are advertised internally and/or externally.

Mahdlo is part of the family of youth zones established by OnSide. We have a network agreement with OnSide, which allows us to be part of a large, trusted youth organisation, which has the ability to lobby government and access support from large funders, and share best practice within the network. A representative of OnSide operates as a Trustee on the Mahdlo Board ensuring a strategic communications link exists between Mahdlo and OnSide.

Risk Management

The Board fully accepts its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP). The Trustees have considered the major risks to which the charity is exposed and are committed to ensuring these are effectively managed.

The Chief Executive and senior managers have undertaken comprehensive risk assessments and established risk registers from an organisational and operational perspective and have established suitable risk management and control procedures which are reviewed regularly by the Board.

Key risks to the organisation include Financial, Reputational, Regulatory and Operational.

The Risk Register is updated quarterly and reported to Board with major risks highlighted and control measures discussed. Comprehensive financial accounts including cash flow, I&E and the Balance sheet are reported to Board bi-monthly.

The Key financial risks relate to funding shortfalls and uncontrolled expenditure. As with most charities, developing sustainable funding streams in order to deliver Mahdlo's objectives is of paramount importance. The overall strategy is to balance restricted funding from specific projects and grants with unrestricted funds primarily from Patrons, Donors and fundraising events. In the longer term, a key objective is to develop commercially viable income streams, which will underpin core delivery.

Expenditure is tightly managed with operational managers responsible for budgets relating to their operational responsibilities. Costs are monitored and managed by the CEO and the senior management team using the organisation's centralised staff management system.

Regulatory risk is the responsibility of the CEO, Finance manager and Facilities manager who manages Health and Safety and Fire and other statutory risk areas. The Board is appointed and reviewed within the context of Charities Commission guidelines, and new regulatory judgements will be reported to Board as required.

The key operational risks are managed through operational risk planning with a clear hierarchy of responsibility. Specific procedures exist to manage Safeguarding and Health and Safety.

MAHDLO (OLDHAM YOUTH ZONE)

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Statement of trustees responsibilities

The trustees, who are also the directors of Mahdlo (Oldham Youth Zone) 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Auditor

In accordance with the company's articles, a resolution proposing that BK Plus Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

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

The trustees report was approved by the Board of Trustees.



Chris Wareing
Chairman

Date:

MAHDLO (OLDHAM YOUTH ZONE)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE)

Opinion

We have audited the financial statements of Mahdlo (Oldham Youth Zone) (the 'charity') for the year ended 31 March 2025 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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

MAHDLO (OLDHAM YOUTH ZONE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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:

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

MAHDLO (OLDHAM YOUTH ZONE)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dominic Huxley ACA (Senior Statutory Auditor)

For and on behalf of BK Plus Audit Limited, Statutory Auditor

Chartered Certified Accountants

Sterling House

501 Middleton Road

Chadderton

Oldham

Lancashire

OL9 9LY

Date: 9 December 2025

MAHDLO (OLDHAM YOUTH ZONE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
Income and endowments from:							
Donations and legacies	3	505,735	-	505,735	608,437	-	608,437
Charitable activities	4	263,750	676,325	940,075	209,663	488,440	698,103
Other trading activities	5	298,777	-	298,777	214,577	-	214,577
Investments	6	9,866	-	9,866	8,859	-	8,859
Other income	7	-	1,228	1,228	-	-	-
Total income		1,078,128	677,553	1,755,681	1,041,536	488,440	1,529,976
Expenditure on:							
Raising funds	8	167,259	-	167,259	194,897	-	194,897
Charitable activities	9	938,432	755,529	1,693,961	867,025	618,613	1,485,638
Total expenditure		1,105,691	755,529	1,861,220	1,061,922	618,613	1,680,535
Net expenditure and movement in funds		(27,563)	(77,976)	(105,539)	(20,386)	(130,173)	(150,559)
Reconciliation of funds:							
Fund balances at 1 April 2024		876,083	5,365,944	6,242,027	896,469	5,496,117	6,392,586
Fund balances at 31 March 2025		848,520	5,287,968	6,136,488	876,083	5,365,944	6,242,027

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

MAHDLO (OLDHAM YOUTH ZONE)

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	15		5,298,066		5,417,266
Current assets					
Stocks	16	1,000		1,000	
Debtors	17	606,553		566,760	
Cash at bank and in hand		1,178,345		657,478	
		1,785,898		1,225,238	
Creditors: amounts falling due within one year	19	(947,476)		(400,477)	
Net current assets			838,422		824,761
Total assets less current liabilities			6,136,488		6,242,027
The funds of the charity					
Restricted income funds	21	5,287,968		5,365,944	
Unrestricted funds	22	848,520		876,083	
		6,136,488		6,242,027	

The financial statements were approved by the trustees on



04/12/2025

Matthew Taylor

Treasurer

Company registration number 06946098 (England and Wales)

MAHDLO (OLDHAM YOUTH ZONE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	26		541,186		97,168
Investing activities					
Purchase of tangible fixed assets		(30,185)		(30,802)	
Investment income received		9,866		8,859	
Net cash used in investing activities			(20,319)		(21,943)
Net cash generated from financing activities			-		-
Net increase in cash and cash equivalents			520,867		75,225
Cash and cash equivalents at beginning of year			657,478		582,253
Cash and cash equivalents at end of year			1,178,345		657,478

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Mahdlo (Oldham Youth Zone) is a private company limited by guarantee incorporated in England and Wales. The registered office is Egerton Street, Oldham, OL1 3SE.

The members of the company are drawn from throughout Oldham's civic, business, education and training, and voluntary sector communities. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 or grantors 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

Items of income are recognised and included in the accounts when the charity is legally entitled to the income, any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably. The following specific policies apply to categories of income:

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 receipt.

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

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.

Donated services or facilities are recognised 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 services and 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 for core funding, which do not impose performance related conditions, are recognised when received. Grants towards specific project costs are recognised based on the performance model, as the project is delivered.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Investment income

Investment income is recognised on a receivable basis.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. number of employees or estimated usage). Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in trading activities that raise funds.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.
- Governance costs, which are included within charitable activities, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

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.

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Individual fixed assets costing £500 or more are capitalised at cost and 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:

Leasehold land and buildings	2% straight line
Leasehold improvements	10% straight line
Fixtures and fittings	33.3% straight line
Motor vehicles	25% straight line
Club equipment	33.3% straight line
Office and electrical equipment	33.3% 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.

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 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

1.9 Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 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.

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income received falls within section 505 ICTA 1988 and section 256 CGTA 1992 and is applied to charitable purposes only.

1.12 Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees/directors for particular purposes.

1.13 Holiday pay

The holiday year end does not coincide with the financial year end and consequently, provision is made in the accounts for holidays accrued but not taken as at the end of the financial year.

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.

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

3 Income from donations and legacies

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Patrons programme and donations	205,735	229,020
Local authority grants	300,000	300,000
Gift Aid recoverable	-	11,917
BP funding Onside	-	67,500
	<u>505,735</u>	<u>608,437</u>

4 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Delivery income						
Performance related grants (project funding)	67,458	676,325	743,783	12,935	488,440	501,375
Service level agreements	19,684	-	19,684	43,597	-	43,597
Café and refreshments	28,506	-	28,506	38,721	-	38,721
Facility hire	109,835	-	109,835	83,112	-	83,112
Ancillary trading income	38,267	-	38,267	31,298	-	31,298
	<u>263,750</u>	<u>676,325</u>	<u>940,075</u>	<u>209,663</u>	<u>488,440</u>	<u>698,103</u>

5 Income from other trading activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising events	<u>298,777</u>	<u>214,577</u>

6 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	<u>9,866</u>	<u>8,859</u>

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Other income

	Restricted funds 2025 £	Restricted funds 2024 £
Other income	1,228	-

8 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Support costs		
Seeking donations, grants and legacies	3,799	2,902
Membership schemes and social lotteries	24,344	19,976
Stationery and administration	3,194	2,325
Telephone, data communication and computer	12,782	9,179
Professional services	8,535	34,931
Staff costs	74,586	88,738
	127,240	158,051
Trading costs		
Bank charges	2,804	1,578
Staff costs	20,605	20,087
Depreciation	16,610	15,181
	40,019	36,846
Total costs	167,259	194,897

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Expenditure on charitable activities

	Raising funds 2025 £	Youth projects and activities 2025 £	Total 2025 £	Raising funds 2024 £	Youth projects and activities 2024 £	Total 2024 £
Direct costs						
Staff costs	70,088	1,007,372	1,077,460	69,158	821,455	890,613
Depreciation and impairment	-	132,774	132,774	-	136,625	136,625
Recruitment and employee costs	-	16,737	16,737	-	11,610	11,610
Rent and property costs	-	196,569	196,569	-	179,782	179,782
Stationery and administration	-	5,492	5,492	-	20,927	20,927
Printing, promotions, advertising and publicity	2,404	1,031	3,435	6,130	1,696	7,826
Telephone, data communication and computer	-	24,718	24,718	-	27,537	27,537
Project delivery costs	-	143,144	143,144	-	143,173	143,173
Catering	-	25,864	25,864	-	35,793	35,793
Bad debts	-	-	-	-	(210)	(210)
Fundraising	55,968	-	55,968	22,482	-	22,482
	128,460	1,553,701	1,682,161	97,770	1,378,388	1,476,158
Share of support and governance costs (see note 10)						
Governance	11,800	-	11,800	9,480	-	9,480
	140,260	1,553,701	1,693,961	107,250	1,378,388	1,485,638
Analysis by fund						
Unrestricted funds	140,260	798,172	938,432	107,250	759,775	867,025
Restricted funds	-	755,529	755,529	-	618,613	618,613
	140,260	1,553,701	1,693,961	107,250	1,378,388	1,485,638

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

10 Support costs allocated to activities

	2025 £	2024 £
Governance costs	11,800	9,480
Analysed between:		
Audit	11,800	9,480

11 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	11,800	9,480
Depreciation of owned tangible fixed assets	149,384	151,806

12 Trustees

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

13 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Charitable activities	30	28
Generating funds	3	1
Administration and support	3	3
Governance	1	1
Total	37	33

Employment costs

	2025 £	2024 £
Wages and salaries	1,172,651	999,438

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£60,001 to £70,000	1	-

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Employees

(Continued)

Remuneration of key management personnel

The charity considers its key management personnel to comprise the trustees and the chief executive officer. The total employment benefits excluding employer pension contributions of the key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	67,332	43,317

14 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15 Tangible fixed assets

	Leasehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Club equipment £	Office and electrical equipment £	Total £
Cost							
At 1 April 2024	6,241,174	89,690	37,187	15,885	133,483	86,569	6,603,988
Additions	-	11,981	2,692	-	6,974	8,538	30,185
At 31 March 2025	6,241,174	101,671	39,879	15,885	140,457	95,107	6,634,173
Depreciation and impairment							
At 1 April 2024	888,637	48,278	36,898	13,899	119,707	79,304	1,186,723
Depreciation charged in the year	124,823	7,878	1,036	1,986	6,978	6,683	149,384
At 31 March 2025	1,013,460	56,156	37,934	15,885	126,685	85,987	1,336,107
Carrying amount							
At 31 March 2025	5,227,714	45,515	1,945	-	13,772	9,120	5,298,066
At 31 March 2024	5,352,537	41,412	289	1,987	13,776	7,265	5,417,266

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

16 Stocks

	2025 £	2024 £
Raw materials and consumables	1,000	1,000

17 Debtors

	2025 £	2024 £
Amounts falling due within one year:		
Trade debtors	208,135	112,734
Other debtors	375,400	426,875
Prepayments and accrued income	23,018	27,151
	606,553	566,760

18 Share capital

The company has no share capital, and the liability of members is limited by guarantee to £1 per member.

19 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Deferred income	20	624,340	184,902
Trade creditors		200,689	131,840
Other creditors		6,599	5,842
Accruals		115,848	77,893
		947,476	400,477

20 Deferred income

	2025 £	2024 £
Arising from trust income and events	624,340	184,902

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	624,340	184,902

Movements in the year:

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20 Deferred income

(Continued)

Deferred income at 1 April 2024	184,902	132,731
Released from previous periods	(184,902)	(132,731)
Resources deferred in the year	624,340	184,902
	<u>624,340</u>	<u>184,902</u>
Deferred income at 31 March 2025	<u>624,340</u>	<u>184,902</u>

21 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
Acquisition of property at Egerton Street, Oldham	3,443,718	-	(83,993)	3,359,725
Extension to property at Egerton Street, Oldham	1,904,107	-	(40,729)	1,863,378
Other fixed asset purchases	17,568	-	(4,639)	12,929
Fundraising event for purchase of new vehicle	551	-	(551)	-
Grants for projects	-	676,325	(624,389)	51,936
Others	-	1,228	(1,228)	-
	<u>5,365,944</u>	<u>677,553</u>	<u>(755,529)</u>	<u>5,287,968</u>
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
Acquisition of property at Egerton Street, Oldham	3,527,711	-	(83,993)	3,443,718
Extension to property at Egerton Street, Oldham	1,944,837	-	(40,730)	1,904,107
Other fixed assets purchases	21,914	1,800	(6,146)	17,568
Fundraising events for purchase of new vehicle	1,655	-	(1,104)	551
Grant for project delivery	-	476,866	(476,866)	-
Others	-	9,774	(9,774)	-
	<u>5,496,117</u>	<u>488,440</u>	<u>(618,613)</u>	<u>5,365,944</u>

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
General funds	876,083	1,078,128	(1,105,691)	848,520
Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	896,469	1,041,536	(1,061,922)	876,083

23 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Tangible assets	63,782	5,234,284	5,298,066
Current assets/(liabilities)	784,738	53,684	838,422
	848,520	5,287,968	6,136,488
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Tangible assets	51,322	5,365,944	5,417,266
Current assets/(liabilities)	824,761	-	824,761
	876,083	5,365,944	6,242,027

24 Contingent Liabilities

There is a contingent liability in connection with a grant relating to the charity's long leasehold property whereby if, during a period of 20 years from the date of the grant offer letter dated 28 February 2009, the charity shall be in breach of any of the grant conditions, the grant shall be repayable upon receipt of a written demand from The Secretary of State for Education. The amount of the grant was £4,994,577 and The Secretary of State for Education holds a legal charge over the charity's long leasehold property in respect of this potential liability.

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

25 Related party transactions

Transactions with related parties

During the year the charity received the following income from related parties without conditions. Donations received from trustees in the year were:

	2025	2024
	£	£
James Scott Accounting	4,670	-
North Ainley	2,789	3,267
Mr J Ainley (Trustee)	40	40
Mr J Lloyd (Trustee)	-	365
Mr T Flanagan (Trustee)	2,290	2,221
The Barker Foundation	25,208	25,000
Bedspace Resource Ltd	2,800	3,780
	<u>33,127</u>	<u>34,673</u>

As of 31 March 2025, the charity purchased goods and services for £430 (2024: £16,268) and there was balance of £nil (2024: £6,973) to PSO Trading Ltd which is a related party. There were also amounts owed by Bedspace Resources Ltd and The Mahdlo Endowment Trust for £nil (2024: £3,330) and £375,400 (2024: £425,400) respectively. Services totalling £1,125 were made to Monteros (UK) Ltd.

Mrs J Barker, a trustee/director of the charity, is a trustee of The Barker Foundation.

Mr J Ainley, a trustee/director of the charity, is a partner in North Ainley Solicitors.

Mr P Axon, a trustee/director of the charity is a director of PSO Trading Ltd.

Mr C Wareing is a trustee/director of the charity and a director of Bedspace Resources Ltd.

Matthew Taylor is a trustee/director of the charity is a partner of James Scott Accountants.

T Flanagan, is a trustee/director of the charity and a director of Monteros (UK) Ltd.

The Mahdlo Endowment Trust is a separate charity, whose objects are to support the charitable work of Mahdlo (Oldham Youth Zone). Mr J Ainley and Mrs J M Barker, trustees of Mahdlo (Oldham Youth Zone), are also trustees of The Mahdlo Endowment Trust.

MAHDLO (OLDHAM YOUTH ZONE)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

26	Cash generated from operations	2025 £	2024 £
	Deficit for the year	(105,539)	(150,559)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(9,866)	(8,859)
	Depreciation and impairment of tangible fixed assets	149,384	151,806
	Movements in working capital:		
	(Increase) in debtors	(39,792)	(2,336)
	Increase in creditors	107,561	54,945
	Increase in deferred income	439,438	52,171
	Cash generated from operations	541,186	97,168



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More Information

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MAHDLO (OLDHAM YOUTH ZONE)

England & Wales - Charity number 1134427

Accounts

Mahdlo (Oldham Youth Zone)

(a company limited by guarantee
and not having a share capital)

**FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2024**

Company number: 06946098

Registered Charity Number: 1134427

BK Plus Audit Limited

Chartered Certified Accountants

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Mahdlo (OldhamYouth Zone)

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Mahdlo (OldhamYouth Zone)
Reference and Administrative Information

President: Sir Norman Stoller CBE KSJ DL

Trustees at date report approved: Chris Wareing (Chair)
John Ainley
Fozia T Amin (appointed 30.05.23)
Dave Benstead
Philip Marsh
Ann Ashton
Janelle M Barker
Paul Axon
Terry Flanagan
Jonathan Lloyd

Other Trustees who served during year: Andrew Milnes (resigned 22.02.24)

Chief Executive: Lucy Lees

Registered Office: Egerton Street
Oldham
OL1 3SE

Business address: Egerton Street
Oldham
OL1 3SE

Auditors: BK Plus Audit Limited
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Bankers: Natwest
10 Yorkshire Street
Oldham
OL1 1QT

Company number: 06946098

Registered Charity number: 1134427

Mahdlo (Oldham Youth Zone)
Trustees Report for the year ended 31 March 2024

The Trustees, who are also Directors for the purpose of company law, present their report and the financial statements of the charity for the year ended 31st March 2024. The provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP (FRS102)) have been adopted in preparing the annual report and financial statements of the charity.

Message from CEO, Lucy Lees

As we reflect on the past twelve months, we are immensely proud of Mahdlo Youth Zone's achievements and the positive impact we have created within our community. Our commitment to supporting young people and their families remains stronger than ever, and this dedication has manifested through various initiatives and programs that alleviate pressures while opening doors for personal growth and development for all of the young people of Oldham.

Objectives and Activities

The charitable objectives as set out in the Memorandum and Articles are "to help and educate children in the North West of England through their leisure time activities by promoting their full physical and spiritual potential in order that they may grow to full maturity as individuals and members of society and that their conditions of life may improve".

Our mission is "to deliver high quality activities and experiences for young people from Oldham aged 8-19 (25 with a disability) to enhance the quality of their lives and provide support services for those who need additional help to achieve their potential."

We achieve this through our six programme areas:

Get Active – Young people's participation in a wide range of sports and physical activities at a 'try, train or team' level that promote good health, fitness and build self-esteem.

Get Creative – Utilising the specialist dance studio, music room and media suite young people can engage in a broad range of arts and media opportunities that develop creativity skills and confidence.

Get Outdoors – We give young people the chance to get out of their usual neighbourhood, experience outdoor adventure and reconnect with the environment promoting confidence, teamwork and social skills.

Get Sorted – Young people are able to access support around personal health and wellbeing issues. We link with existing services in the town to ensure we are supporting young people to access the information advice and guidance they really need. Through one-to-ones and group workshops, we promote healthy minds, lifestyles and positive choices.

Get Ahead – We recognise that getting the right skills and support is key to getting ahead. With the help of partners and local businesses, our team support young people to get on the right path for the future.

Get Connected – We want young people to play a real role in the running of Mahdlo and to have a clear and coherent voice in the wider community. We support them to be more connected through community projects and volunteering opportunities that promote citizenship and leadership skills.

The activities of the charity are undertaken to further its charitable purposes for public benefit and, in shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity (PB2)".

The provision of a high-quality facility for young people responds to a clear, ongoing demand from young people, parents and the wider community for more and better places for young people to go. Our universal services, mainly based around our Get Active, Get Creative and Get Outdoors offer, are open to all young people in Oldham. For those experiencing disadvantage or needing additional support

we offer additional targeted services. Short-term outcomes are happier young people making healthier choices with increased social skills, achievements and enhanced aspirations. This has the wider impact of improved health and wellbeing, reduced crime, enhanced learning and employability and greater community cohesion.

Key Achievements in 2023/2024

This past year, in response to the increasing challenges our community faces due to the rising cost of living, we introduced free membership, attendance, and hot meals for all members and their families throughout the winter months. By providing such essential support, we helped ease worries about basic needs, from hot meals to a safe and warm environment, as well as a trusted space where young people and families could share their concerns. The gratitude expressed by families affirmed the impact and necessity of this support, underscoring the importance of our role within the community.

Our commitment to empowering young people to explore their talents and passions continued to drive innovative programs. The "Artslam" events have become a highlight in Mahdlo's creative offerings, providing a vibrant platform for young artists and performers to showcase their skills. Our budding entrepreneurs also flourished, with some launching their own art shops, gaining valuable business skills in the process. Meanwhile, our sporting programs saw incredible success, particularly with our Senior Zone football team winning the OnSide Youth Zones Football League. England midfielder and Manchester United legend Paul Scholes celebrated their achievements by presenting medals and the league trophy, inspiring both our young women and Junior Zone members to form their own teams.

A significant highlight was the inspiring visit from Honorary Patron Professor Brian Cox CBE, who shared his knowledge of the universe with 1,100 young people from local schools and colleges. This event fostered a deep interest in science and discovery, with many young attendees describing it as a transformative experience.

These moments reflect just a few highlights from an outstanding year at Mahdlo. Each achievement is a testament to the collective efforts of our dedicated staff, volunteers, patrons, and, above all, our remarkable young people and their families. Together, we have built a supportive, safe, and thriving environment where young people are empowered to succeed and grow.

Key Statistics

- Welcomed seven new patrons to Mahdlo.
- Beneficiary of the Michael Josephson MBE Ball for the third consecutive year.
- Continued council funding at £300k, reflecting our robust relationship with local government.
- 52,820 visits over the past year.
- 2,899 unique members.
- 25,000+ free meals provided.
- 280 young people with disabilities in attendance, comprising 10% of our membership.
- 1,211 members from BAME backgrounds.
- 40% increase in Family Zone attendance.
- Tracked 1,100 young people's journeys through monitored evaluation.

Impact

Kayden's Journey to Confidence

Since joining Mahdlo in April 2022, Kayden has transformed from a shy attendee to a confident leader and Mahdlo buddy. Initially struggling to connect, Kayden's passion for the arts helped him build friendships and a sense of purpose. By 2023, he had become a welcoming face in Holiday Zone, where he continues to help new members feel at ease.

Leon's Incredible 11-Year Journey

Leon joined Mahdlo as a Junior Zone member in 2013 and has attended over 1,400 times since. He took on the role of Young Leader in 2022, where he volunteers and supports younger members with his passion for arts and creativity. As Leon's journey comes to a close in 2024, he leaves a legacy of positivity and mentorship for his peers and Mahdlo as a whole.

The coming year

The upcoming year will bring exciting developments, as we strive to meet the evolving needs of Oldham's young people and families. We will continue to connect with our community, ensuring that Mahdlo's services remain responsive and accessible to all, especially those unable to reach our town center facilities. Raising awareness is a priority to make sure every young person knows the opportunities available to them through Mahdlo.

In an increasingly competitive funding landscape, Mahdlo is committed to showcasing its indispensable value to the community, while also expanding our pool of supporters. We are deeply grateful for our existing patrons and donors, and we aim to grow this base to ensure sustainable, wide-reaching support for the future.

Supporting our team remains a priority, as we continue to provide development and training opportunities to foster a culture of excellence.

Financial Review

The statement of financial activities (page 12) shows an increase in total income, from £1.33m for FY2023 to £1.53m for FY2024. Details of the main income sources and the variances between the two years can be found in notes 2 to 6 of the financial statements. Total expenditure (note 7) has increased to £1.68m (FY2023: £1.65M), resulting in a deficit for the year of £151k compared with a deficit of £316k for FY2023. The effect of the deficit on the balance sheet (page 13) is that the charity's net assets have reduced from £6.39m as at 31 March 2023 to £6.24m as at 31 March 2024. Of that amount, £5.36m are restricted funds and £0.88m unrestricted.

Reserves Policy

The Board of Directors of Mahdlo has established a reserves policy, in compliance with which it will annually review both the sum it wishes to hold in reserve in the unrestricted budget and the basis for that figure. The Directors continually strive to manage the charity's finances so that an adequate level of reserves can be maintained in compliance with the reserves policy.

- Reserves to be maintained at a level, which ensures that at least 3 months of the organisation's core activity, could continue during a period of unforeseen difficulty.

- That these reserves are readily realisable unrestricted reserves and are in addition to funding the fixed assets.

This level of reserves has been agreed for the following reasons:

- To provide working capital to allow for retrospective funding and the associated time difference between expenditure and receipt of funds.
- Mahdlo's income sources (particularly the Patrons programme and fundraising activities) are vulnerable to changes in the economic situation and any notice period for loss of major donors could be relatively short.
- To support new service development to enable Mahdlo to be responsive to beneficiary needs and to facilitate improvements to the operational running of the organisation.
- To ensure that the building can be kept fully functional, well equipped and in a good state of repair and remains a major attraction and asset.
- To invest in staff and volunteer training and development to ensure quality of service delivery.
- To enable Mahdlo to meet its delivery commitments without interruption in times of economic hardship.
- To be seen as a responsible charity by the Charity Commission, our Funders, partners and the community that engage with Mahdlo.
- To avoid the creation or retention of unnecessary surpluses for which there is no planned requirement in line with the organisation's charitable aims.

Due to the type of funding Mahdlo can and is likely to access, which can take up to 6 months to secure, there is a need for a longer-term policy to increase reserves to an appropriate amount of working capital to fund these time delays. This will be achieved by:

- Developing a funding strategy that enables forward planning of income generation including targets over and above immediate running costs.
- Prioritising fundraising activities and events and ensuring a continual focus on fundraising not just in times of need.
- Appropriate accounting, including building into budgets, accounts and reports a sum for depreciation.
- Building Mahdlo's reputation as a quality charity, worthy of support and investment.

This reserves policy will be reviewed by the Chief Executive and the Board on an annual basis. It is the intention to increase reserve levels incrementally toward 6 months as the organisation's activity grows.

Investment Policy

With having relatively low unrestricted reserves and a variable income stream, funds built up in advance of expenditure need to be reasonably liquid; however, some funds may be retained and invested for future use. To ensure such investments are safeguarded:

- Any decision about investments will be made by the Board (potentially having taken professional advice) considering the suitability and diversification of investments, including investments in deposit accounts, to ensure that the failure of one investment or institution does not have a major impact on Mahdlo.
- Investments will be made in line with Mahdlo's values and ethos.
- Investment performance will be regularly reviewed.
- Records will be maintained of all investments held (including details of all those sold or purchased) by the charity.
- Accounting controls will be fully implemented to ensure that all dividends or interest payments due are received and accounted for.

Structure, Governance and Management

Mahdlo (Oldham Youth Zone) is a charity and a company limited by guarantee without share capital. Mahdlo is registered under the Companies Act 1985, registration number 06946098. The company is governed by its Memorandum and Articles of Association, dated 27th June 2009. Management of the company's affairs is vested in the co-directors.

In the event of a winding-up, the present members and those who have ceased to be a member within one year of such an event have guaranteed the liabilities of the company to the sum not exceeding one pound each.

Organisational Structure

Mahdlo is governed by its board of Trustees which retains overall responsibility for the strategic direction and the policy of the organisation. The Trustees carry the ultimate responsibility for the conduct of Mahdlo and for ensuring that the charity satisfies its legal and contractual obligations.

The Board approves the strategic plan and annual Business Plan and scrutinises business performance including financial performance as well as providing advice to the Chief Executive on operational matters of importance.

A Chief Executive is appointed by the Board to manage the day-to-day operations. To facilitate effective operations the Chief Executive has delegated authority as approved by the Board for operational matters including finance, human resources and operational delivery allowing the Chief Executive to support the Board in developing and delivering strategy and ensuring the agreed Business Plan KPI's are met.

The senior management team has a range of qualifications and experiences including Accountancy, Youth Work, HR and Facilities management. The Board agreed the structure during annual Business Planning and are required to approve any substantial changes to the Senior Team.

All salaries are benchmarked by an independent HR specialist against other Youth Zones, Local Authority and the local labour market. The board agrees all pay increases as a result of cost of living during the Business Planning cycle. Any new post created at any level requires CEO, HR and Finance approval. Senior posts would be agreed by the Trustee with HR portfolio prior to presentation to Board.

All posts are subject to interview and are advertised internally and/or externally.

Mahdlo is part of the family of youth zones established by OnSide. We have a network agreement with OnSide, which allows us to be part of a large, trusted youth organisation, which has the ability to lobby government and access support from large funders, and share best practice within the network. A representative of OnSide operates as a Trustee on the Mahdlo Board ensuring a strategic communications link exists between Mahdlo and OnSide.

The Board of Trustees

The Board comprises 11 Trustees including the Chair. Individual Trustees hold portfolios relevant to their professional backgrounds and interests. These include Finance, Fundraising, HR, Safeguarding and Facilities management.

Trustees can be nominated for a fixed period. One third of the Directors will retire by rotation at each Annual General Meeting. Retiring Directors can be reappointed.

The Trustees meet on a bi-monthly basis.

Recruitment and Appointment of Trustees

New trustees will be recruited according to the needs of the charity and the suitability of possible candidates. The unanimous approval of existing Trustees would lead to their appointment.

The Memorandum and Articles of Association state that the number of members shall have no maximum and shall not be less than three.

Full details of the rules are contained in the company's Memorandum and Articles of Association which may be inspected at the registered office.

Induction of Trustees

Newly appointed trustees are provided with a comprehensive induction to Mahdlo through the provision of in-house training. This includes key information about the organisation and its development, governance and safeguarding. The Board undertakes annual strategy reviews. Individual appraisals between Trustees, the Chair and Chief Executive have been implemented to develop Board capacity.

Risk Management

The Board fully accepts its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP). The Trustees have considered the major risks to which the charity is exposed and are committed to ensuring these are effectively managed.

The Chief Executive and senior managers have undertaken comprehensive risk assessments and established risk registers from an organisational and operational perspective and have established suitable risk management and control procedures which are reviewed regularly by the Board.

Key risks to the organisation include Financial, Reputational, Regulatory and Operational.

The Risk Register is updated quarterly and reported to Board with major risks highlighted and control measures discussed. Comprehensive financial accounts including cash flow, I&E and the Balance sheet are reported to Board bi-monthly.

The Key financial risks relate to funding shortfalls and uncontrolled expenditure. As with most charities, developing sustainable funding streams in order to deliver Mahdlo's objectives is of paramount importance. The overall strategy is to balance restricted funding from specific projects and grants with unrestricted funds primarily from Patrons, Donors and fundraising events. In the longer term, a key objective is to develop commercially viable income streams, which will underpin core delivery.

Expenditure is tightly managed with operational managers responsible for budgets relating to their operational responsibilities. Costs are monitored and managed by the CEO and the senior management team using the organisation's centralised staff management system.

Regulatory risk is the responsibility of the CEO, Finance manager and Facilities manager who manages Health and Safety and Fire and other statutory risk areas. The Board is appointed and reviewed within the context of Charities Commission guidelines, and new regulatory judgements will be reported to Board as required.

The key operational risks are managed through operational risk planning with a clear hierarchy of responsibility. Specific procedures exist to manage Safeguarding and Health and Safety.

Trustees' Responsibilities

The charity's Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice.

Company law requires the charity's Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the charity's incoming resources and applications of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;

- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume the charity will continue in operation.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving this report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take, as a director in order to make themselves aware of any relevant audit information and to establish that the auditors is aware of that information.

Compliance with accounting standards

The Trustees confirm that the financial statements comply with current statutory requirements, the requirements of the Company's Memorandum and Articles of Association and the requirements of the Charities SORP (FRS102).

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Directors on and signed on behalf of the board by:

Chris Wareing

Chair of the Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE)

Opinion

We have audited the financial statements of Mahdlo (Oldham Youth Zone) for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 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 charitable company 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 charitable company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE) (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters relating 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

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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE) (continued)

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Use of our report

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

Dominic Huxley (Senior statutory auditor)

For and on behalf of

BK Plus Audit Limited

Chartered Certified Accountants and
Statutory Auditor

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Date :

Mahdlo (Oldham Youth Zone)

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) : YEAR ENDED 31 MARCH 2024

		2024			2023		
	Note	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
INCOME							
Donations and legacies	2	608,437	-	608,437	510,922	-	510,922
Charitable activities:							
Delivery income	3	209,663	488,440	698,103	193,340	389,884	583,224
Other trading activities:							
Fundraising events	4	214,577	-	214,577	229,035	-	229,035
Investment income	5	8,859	-	8,859	3,139	-	3,139
Other income	6	-	-	-	2,938	-	2,938
Total incoming resources		1,041,536	488,440	1,529,976	939,374	389,884	1,329,258
EXPENDITURE							
Raising funds	7	97,770	-	97,770	99,950	-	99,950
Charitable activities:							
Youth projects and activities	7	934,585	618,613	1,553,198	988,461	530,565	1,519,026
Governance	7	29,567	-	29,567	26,466	-	26,466
Total expenditure	7	1,061,922	618,613	1,680,535	1,114,877	530,565	1,645,442
Net (outgoing) incoming resources before other recognised gains and losses		(20,386)	(130,173)	(150,559)	(175,503)	(140,681)	(316,184)
Other recognised gains and losses		-	-	-	-	-	-
Net movement in funds		(20,386)	(130,173)	(150,559)	(175,503)	(140,681)	(316,184)
Reconciliation of funds							
Total funds brought forward		896,469	5,496,117	6,392,586	1,071,972	5,636,798	6,708,770
Total funds carried forward	19	876,083	5,365,944	6,242,027	896,469	5,496,117	6,392,586

All incoming resources and resources expended are derived from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.

Mahdlo (Oldham Youth Zone)

BALANCE SHEET : AS AT 31 MARCH 2024

	<i>Note</i>	2024 £	2023 £
FIXED ASSETS			
Tangible assets	12	5,417,266	5,538,270
Total fixed assets		<u>5,417,266</u>	<u>5,538,270</u>
CURRENT ASSETS			
Stock	13	1,000	1,000
Debtors	14	566,760	564,424
Cash at bank and in hand	15	657,478	582,253
Total current assets		<u>1,225,238</u>	<u>1,147,677</u>
LIABILITIES:			
Creditors falling due within one year	16	400,477	293,361
Net current assets		<u>824,761</u>	<u>854,316</u>
Net assets	20	<u>6,242,027</u>	<u>6,392,586</u>
THE FUNDS OF THE CHARITY			
<i>Restricted income funds</i>	19	5,365,944	5,496,117
Unrestricted funds	19	876,083	896,469
Total charity funds	19	<u>6,242,027</u>	<u>6,392,586</u>

These accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The accounts were approved by the board on and signed on its behalf by

..... Trustee/Director

Chris Wareing

Registration number 06946098

The accompanying notes are an integral part of this balance sheet.

Mahdlo (Oldham Youth Zone)

STATEMENT OF CASH FLOWS : YEAR ENDED 31 MARCH 2024

	<i>Note</i>	2024 £	2023 £
Cash used in operating activities	24	<u>97,168</u>	<u>(93,912)</u>
Cash flows from investing activities			
Interest income		8,859	3,139
Purchase of tangible fixed assets		(30,802)	(4,990)
Sale of tangible fixed assets		-	-
Cash provided by (used in) investing activities		<u>(21,943)</u>	<u>(1,851)</u>
Increase/(decrease) in cash and cash equivalents in the year		75,225	(95,763)
Cash and cash equivalents at the beginning of the year		582,253	678,016
Total cash and cash equivalents at the end of the year		<u>657,478</u>	<u>582,253</u>

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Mahdlo (Oldham Youth Zone) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Company status

The charity is a company limited by guarantee. The members of the company are drawn from throughout Oldham's civic, business, education and training, and voluntary sector communities. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity was incorporated in England and the address of its registered office is Egerton Street, Oldham, OL1 3SE.

c) Income recognition policies

Items of income are recognised and included in the accounts when the charity is legally entitled to the income, any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably. The following specific policies apply to categories of income:

Grants for core funding, which do not impose performance related conditions, are recognised when received. Grants towards specific project costs are recognised based on the performance model, as the project is delivered.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Investment income is recognised on a receivable basis.

d) Donated services and facilities

Donated services or facilities are recognised 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 services and 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.

e) Pensions

The charity operates a defined contribution pension scheme. The annual contributions payable are charged to the SOFA in the year to which they relate. The assets of the scheme are held independently from those of the Charity.

1 Accounting policies continued

f) Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. number of employees or estimated usage). Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in trading activities that raise funds.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.
- Governance costs, which are included within charitable activities, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

g) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

h) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

i) Tangible fixed assets and depreciation

Individual fixed assets costing £500 or more are capitalised at cost and depreciated over their useful economic lives as follows:

Long leasehold property	2% Straight line
Property building works	10% Straight line
Club equipment	33.3% Straight line
Office and electrical equipment	33.3% Straight line
Furniture and fittings	33.3% Straight line
Motor vehicles	25% Straight line

j) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees/directors for particular purposes.

1 Accounting policies continued

k) Taxation

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income received falls within section 505 ICTA 1988 and section 256 CGTA 1992 and is applied to charitable purposes only.

l) Holiday pay

The holiday year end does not coincide with the financial year end and consequently, provision is made in the accounts for holidays accrued but not taken as at the end of the financial year.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

n) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions 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.

p) Assessment of going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and the accounts have been drawn up on the going concern basis which assumes that the charity will continue in operation for the foreseeable future.

q) Financial instruments

The charity only 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2024

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
2 <u>Income from donations and legacies</u>				
Patrons programme and donations	229,020	-	229,020	187,042
Gift Aid recoverable	11,917	-	11,917	23,880
BP funding Onside	67,500	-	67,500	-
Local authority grants	300,000	-	300,000	300,000
	<u>608,437</u>	<u>-</u>	<u>608,437</u>	<u>510,922</u>
3 <u>Income from charitable activities</u>				
<i>Delivery income:</i>				
Performance related grants (project funding)	12,935	488,440	501,375	404,065
Service level agreements	43,597	-	43,597	32,184
Café and refreshments	38,721	-	38,721	37,204
Facility hire	83,112	-	83,112	74,453
Membership, fees and sale of goods	31,298	-	31,298	35,318
	<u>209,663</u>	<u>488,440</u>	<u>698,103</u>	<u>583,224</u>
4 <u>Income from other trading activities</u>				
Fundraising events	214,577	-	214,577	229,035
	<u>214,577</u>	<u>-</u>	<u>214,577</u>	<u>229,035</u>
5 <u>Investment income</u>				
Bank deposit interest	8,859	-	8,859	3,139
	<u>8,859</u>	<u>-</u>	<u>8,859</u>	<u>3,139</u>
6 <u>Other income</u>				
Staff secondment	-	-	-	-
Other income	-	-	-	2,938
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,938</u>

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2024

7 Expenditure

	<u>Raising funds</u>	<u>Charitable activities</u>		<u>Total 2024 £</u>	<u>Total 2023 £</u>
		<u>Youth projects and activities</u>	<u>Governance</u>		
	<u>£</u>	<u>£</u>	<u>£</u>		
<i>Costs directly allocated to activities</i>					
Staff costs	69,158	821,455	-	890,613	835,786
Recruitment and employee costs	-	11,610	-	11,610	11,652
Rent and property costs	-	179,782	-	179,782	220,387
Stationery and administration	-	20,927	-	20,927	21,034
Printing, promotions, advertising and publicity	6,130	1,696	-	7,826	3,862
Telephone, data communication and computer	-	27,537	-	27,537	33,431
Depreciation	-	136,625	-	136,625	162,338
Project delivery costs	-	143,173	-	143,173	131,025
Catering	-	35,793	-	35,793	29,535
Bad debts	-	(210)	-	(210)	170
Fundraising	22,482	-	-	22,482	38,584
	<u>97,770</u>	<u>1,378,388</u>	<u>-</u>	<u>1,476,158</u>	<u>1,487,804</u>
<i>Support costs</i>					
Staff costs	-	88,738	20,087	108,825	73,069
Recruitment and employee costs	-	2,902	-	2,902	2,913
Rent and property costs	-	19,976	-	19,976	24,487
Stationery and administration	-	2,325	-	2,325	2,337
Telephone, data communication and computer	-	9,179	-	9,179	11,144
Professional services	-	34,931	-	34,931	12,437
Audit	-	-	9,480	9,480	9,560
Depreciation	-	15,181	-	15,181	18,038
Bank charges	-	1,578	-	1,578	3,653
	<u>-</u>	<u>174,810</u>	<u>29,567</u>	<u>204,377</u>	<u>157,638</u>
Total expenditure	<u>97,770</u>	<u>1,553,198</u>	<u>29,567</u>	<u>1,680,535</u>	<u>1,645,442</u>

Support costs have been apportioned using numbers of people per area of activity, or on a basis which is considered consistent with the use of the resources.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2024

	Total 2024 £	Total 2023 £
8 Staff costs		
Total staff emoluments for the year were as follows:		
Salaries	919,225	828,381
National Insurance	54,618	58,321
Pension	25,595	22,153
	<u>999,438</u>	<u>908,855</u>

9 Staff numbers

The average monthly head count was 67 staff (2023: 64) and the average monthly number of full-time equivalent employees during the year were as follows:

	2024 Number	2023 Number
Charitable activities	28	29
Generating funds	1	2
Administration and support	3	3
Governance	1	1
	<u>33</u>	<u>35</u>

No trustees were paid or reimbursed expenses during the year.

The company considers its key management personnel to comprise the trustees and the chief executive officer. The total employment benefits excluding employer pension contributions of the key management personnel were £43,317 (2023: £52,991).

No employee earned £60,000 per annum or more (2023: none)

10 Net movement in funds

	Total 2024 £	Total 2023 £
Net movement in funds is arrived at after charging /(crediting):		
Depreciation of tangible fixed assets - restricted	131,973	140,681
- unrestricted	19,833	39,695
Auditors remuneration:		
Audit of the financial statements	9,480	9,560
Operating lease rentals - Office equipment	3,825	5,308

11 Taxation

The company is a registered charity and no provision for taxation is considered necessary.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2024

12 Tangible fixed assets

	Long leasehold property	Leasehold improve- ments	Club Equipment	Office & electrical Equipment	Furniture & fittings	Motor vehicles	Total
Cost							
At 1 April 2023	6,241,174	76,831	120,225	81,884	37,187	15,885	6,573,186
Additions	-	12,859	13,258	4,685	-	-	30,802
Disposals	-	-	-	-	-	-	-
At 31 March 2024	<u>6,241,174</u>	<u>89,690</u>	<u>133,483</u>	<u>86,569</u>	<u>37,187</u>	<u>15,885</u>	<u>6,603,988</u>
Depreciation							
At 1 April 2023	763,813	42,215	114,662	72,452	31,847	9,927	1,034,916
Charge for the period	124,824	6,063	5,045	6,852	5,051	3,971	151,806
Disposals	-	-	-	-	-	-	-
At 31 March 2024	<u>888,637</u>	<u>48,278</u>	<u>119,707</u>	<u>79,304</u>	<u>36,898</u>	<u>13,898</u>	<u>1,186,722</u>
Net Book Value							
At 31 March 2024	<u>5,352,537</u>	<u>41,412</u>	<u>13,776</u>	<u>7,265</u>	<u>289</u>	<u>1,987</u>	<u>5,417,266</u>
At 31 March 2023	<u>5,477,361</u>	<u>34,616</u>	<u>5,563</u>	<u>9,432</u>	<u>5,340</u>	<u>5,958</u>	<u>5,538,270</u>

13 Stock

Café and kitchen stock

2024 £	2023 £
<u>1,000</u>	<u>1,000</u>

Mahdlo (Oldham Youth Zone)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
14 Debtors		
Trade debtors	112,734	98,088
Other debtors	425,400	425,400
Prepayments	27,151	40,936
Accrued income	1,475	-
	<u>566,760</u>	<u>564,424</u>

Other debtors includes £425,400 held by The Mahdlo Endowment Trust, a separate charity, whose objects are to support the charitable work of Mahdlo (Oldham Youth Zone). Those monies can be requested back from the trust as and when required at short notice.

15 Cash at bank and in hand

Cash at bank	657,410	581,643
Cash in hand	68	610
	<u>657,478</u>	<u>582,253</u>

16 Creditors : amounts falling due within one year

Trade creditors	131,840	80,008
Other creditors	5,842	5,671
Accruals	77,893	74,951
Deferred income	184,902	132,731
	<u>400,477</u>	<u>293,361</u>

Movements on deferred income account:

Brought forward	132,731	171,003
Released	(132,731)	(171,003)
Income deferred in current year	184,902	132,731
	<u>184,902</u>	<u>132,731</u>

17 Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

Office equipment leases which expire:

within one year	-	-
between two and five years	10,548	13,424
in over five years	-	-
	<u>10,548</u>	<u>13,424</u>

18 Share capital

The company has no share capital, and the liability of members is limited by guarantee to £1 per member.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2024

19 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2023 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2024 £
Unrestricted funds:					
General fund	896,469	1,041,536	(1,061,922)	-	876,083
Restricted funds:					
Acquisition of property at Egerton Street, Oldham	3,527,711	-	(83,993)	-	3,443,718
Extension to property at Egerton Street, Oldham	1,944,837	-	(40,730)	-	1,904,107
Other fixed asset purchases	21,914	1,800	(6,146)	-	17,568
Fundraising event for purchase of new vehicle	1,655	-	(1,104)	-	551
Grants for project delivery	-	476,866	(476,866)	-	-
Others	-	9,774	(9,774)	-	-
Total restricted funds	5,496,117	488,440	(618,613)	-	5,365,944
Total funds	6,392,586	1,529,976	(1,680,535)	-	6,242,027

20 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	51,322	-	5,365,944	5,417,266
Current assets	1,091,553	-	133,685	1,225,238
Current liabilities	(266,792)	-	(133,685)	(400,477)
Net assets 31 March 2024	876,083	-	5,365,944	6,242,027

21 Contingent liabilities

There is a contingent liability in connection with a grant relating to the charity's long leasehold property whereby if, during a period of 20 years from the date of the grant offer letter dated 26 February 2009, the charity shall be in breach of any of the grant conditions, the grant shall be repayable upon receipt of a written demand from The Secretary of State for Education. The amount of the grant was £4,994,577 and The Secretary of State for Education holds a legal charge over the charity's long leasehold property in respect of this potential liability.

Mahdlo (Oldham Youth Zone)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2024

22 Pension fund

The company operates a defined contribution pension scheme to which there is no commitment, the assets of which are held in a separately administered fund. Contributions to the pension scheme during the year amounted to £25,595 (2023: £22,153).

23 Related party transactions

During the year the charity received the following income from related parties without conditions:

	Donations Patrons programme & donations £	Charitable activities Facility hire and other £	Other trading activities Fundraising £	Total £
North Ainley	2,590	427	250	3,267
Mr J Ainley (Trustee)	40	-	-	40
Mr J Lloyd (Trustee)	-	-	365	365
Mr T Flanagan (Trustee)	-	-	2,221	2,221
The Barker Foundation	25,000	-	-	25,000
Bedspace Resource Ltd	-	-	3,780	3,780
	<u>27,630</u>	<u>427</u>	<u>6,616</u>	<u>34,673</u>

Also during the year the charity purchased goods and services from the following related parties:

PSO Trading Ltd	<u>£16,268</u>
-----------------	----------------

At 31 March 2024 the following unsecured amounts were owed by related parties:

Bedspace Resource Ltd	£3,330
The Mahdlo Endowment Trust	<u>£425,400</u>
	<u>£428,730</u>

At 31 March 2024 the following unsecured amounts were owed to related parties:

PSO Trading Ltd	<u>£6,973</u>
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Mrs J Barker, a trustee/director of the charity, is a trustee of The Barker Foundation.
Mr J Ainley, a trustee/director of the charity, is a partner in North Ainley Solicitors.
Mr P Axon, a trustee/director of the charity is a director of PSO Trading Ltd.
Mr C Wareing is a trustee/director of the charity and a director of Bedspace Resources Ltd.
The Mahdlo Endowment Trust is a separate charity, whose objects are to support the charitable work of Mahdlo (Oldham Youth Zone). Mr J Ainley and Mrs J M Barker, trustees of Mahdlo (Oldham Youth Zone), are also trustees of The Mahdlo Endowment Trust.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2024

24 Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net movement in funds	(150,559)	(316,184)
Add back depreciation charge	151,806	180,376
Deduct interest income shown in investing activities	(8,859)	(3,139)
Decrease/(increase) in stock	-	(1,000)
Decrease/(increase) in debtors	(2,336)	14,848
Increase/(decrease) in creditors	107,116	31,187
	<u>97,168</u>	<u>(93,912)</u>

Mahdio (Oldham Youth Zone)

The following pages do not form part of the statutory accounts.

DETAILED INCOME AND EXPENDITURE ACCOUNT : YEAR ENDED 31 MARCH 2024

	<i>Note</i>	2024 £	2023 £
DONATIONS AND LEGACIES	2	608,437	510,922
INCOME FROM CHARITABLE ACTIVITIES	3	698,103	583,224
INCOME FROM OTHER TRADING ACTIVITIES	4	214,577	229,035
INVESTMENT INCOME	5	8,859	3,139
OTHER INCOME	6	-	2,938
		<u>1,529,976</u>	<u>1,329,258</u>
LESS EXPENDITURE :			
Staffing costs			
Salaries, NI and Pension Contributions	8	999,438	908,855
Freelance workers		-	-
		<u>999,438</u>	<u>908,855</u>
Premises costs			
Utilities		81,332	119,509
Waste management		3,612	3,389
Security		3,564	4,442
Repairs, maintenance and materials		40,494	52,636
Cleaning		49,206	44,841
Insurances		21,550	20,058
Fixed assets depreciation		151,806	180,376
		<u>351,564</u>	<u>425,251</u>
Management costs			
Telephone		10,235	8,729
Computer costs		26,481	35,846
Professional fees		44,411	21,997
Bank charges		1,578	3,653
Bad debts		(210)	170
Licences and partnering arrangements		27,481	28,310
Staff recruitment, uniforms, travel and training		14,512	14,565
Marketing and communications		2,423	681
Administration		23,252	23,370
Patron programme/general events		5,403	3,181
Income generation events		21,750	36,296
Fundraising		732	2,288
		<u>178,048</u>	<u>179,086</u>
Delivery costs			
Weekly programme consumables		25,683	28,031
Celebration and promotion events		13,588	136
Volunteer expenses		220	376
Project delivery costs		74,633	71,647
Off site activity costs		1,568	2,525
Catering and retail supplies		35,793	29,535
		<u>151,485</u>	<u>132,250</u>
TOTAL EXPENDITURE		<u>1,680,535</u>	<u>1,645,442</u>
SURPLUS INCOME OVER EXPENDITURE		<u>(150,559)</u>	<u>(316,184)</u>

MAHDLO (OLDHAM YOUTH ZONE)

England & Wales - Charity number 1134427

Accounts

Mahdio (Oldham Youth Zone)

(a company limited by guarantee
and not having a share capital)

**FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023**

Company number: 06946098

Registered Charity Number: 1134427

BK Plus Audit Limited

Chartered Certified Accountants

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Mahdlo (OldhamYouth Zone)

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Mahdlo (Oldham Youth Zone)

Reference and Administrative Information

President:	Sir Norman Stoller CBE KStJ DL
Trustees at date report approved:	Christopher Wareing (Chair) John Ainley Fozia T Amin (appointed 30.05.23) Dave Benstead Philip Marsh (appointed 01.02.23) Ann Ashton Janelle M Barker Paul Axon (appointed 01.02.23) Terry Flanagan Andrew Milnes Jonathan Lloyd
Other Trustees who served during year:	Kashif Ashraf (resigned 28.03.23) Stephanie A Bolshaw (resigned 31.01.23) Adam J Poyner (resigned 31.01.23)
Chief Executive (interim):	Lucy Lees
Registered Office:	Egerton Street Oldham OL1 3SE
Business address:	Egerton Street Oldham OL1 3SE
Auditors:	BK Plus Audit Limited Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
Bankers:	Natwest 10 Yorkshire Street Oldham OL1 1QT
Company number:	06946098
Registered Charity number:	1134427

Mahdlo (Oldham Youth Zone)

Trustees Report for the year ended 31 March 2023

The Trustees, who are also Directors for the purpose of company law, present their report and the financial statements of the charity for the year ended 31st March 2023. The provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP (FRS102)) have been adopted in preparing the annual report and financial statements of the charity.

Message from Sir Norman Stoller CBE KStJ DL, President

It is truly remarkable and heart-warming to witness the dedication of Mahdlo Youth Zone, its team, and its members, as we continue to champion our mission to be a Centre of Excellence and deliver high quality youth work with unwavering belief and determination.

We stand strong, facing challenges head-on, ensuring that nothing stands in the way of progress for the incredible young people of Oldham. They deserve nothing but the best, and at Mahdlo, we are committed to making sure they achieve it.

Over the past decade, Mahdlo has touched the lives of over 26,000 young individuals, providing countless opportunities and personal support that has transformed lives as a result.

I am also delighted to learn that the impact extends beyond our Youth Zone, creating over 500 job and volunteer opportunities for Oldham residents, enriching careers and opening new doors. Together, our enterprise has brought over £22 million in investment to our town.

As we all continue this remarkable journey, I hope those who have been part of our story will stay by our side, while encouraging others to join in the joy of making a difference to so many.

Objectives and Activities

The charitable objectives as set out in the Memorandum and Articles are "to help and educate children in the North West of England through their leisure time activities by promoting their full physical and spiritual potential in order that they may grow to full maturity as individuals and members of society and that their conditions of life may improve".

Our mission is "to deliver high quality activities and experiences for young people from Oldham aged 8-19 (25 with a disability) to enhance the quality of their lives and provide support services for those who need additional help to achieve their potential."

We achieve this through our six programme areas:

Get Active – Young people's participation in a wide range of sports and physical activities at a 'try, train or team' level that promote good health, fitness and build self-esteem.

Get Creative – Utilising the specialist dance studio, music room and media suite young people can engage in a broad range of arts and media opportunities that develop creativity skills and confidence.

Get Outdoors – We give young people the chance to get out of their usual neighbourhood, experience outdoor adventure and reconnect with the environment promoting confidence, teamwork and social skills.

Get Sorted – Young people are able to access support around personal health and wellbeing issues. We link with existing services in the town to ensure we are supporting young people to access the information advice and guidance they really need. Through one-to-ones and group workshops, we promote healthy minds, lifestyles and positive choices.

Get Ahead – We recognise that getting the right skills and support is key to getting ahead. With the help of partners and local businesses, our team support young people to get on the right path for the future.

Get Connected – We want young people to play a real role in the running of Mahdlo and to have a clear and coherent voice in the wider community. We support them to be more connected through community projects and volunteering opportunities that promote citizenship and leadership skills.

The activities of the charity are undertaken to further its charitable purposes for public benefit and, in shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity (PB2)".

The provision of a high-quality facility for young people responds to a clear, ongoing demand from young people, parents and the wider community for more and better places for young people to go. Our universal services, mainly based around our Get Active, Get Creative and Get Outdoors offer, are open to all young people in Oldham. For those experiencing disadvantage or needing additional support we offer additional targeted services. Short-term outcomes are happier young people making healthier choices with increased social skills, achievements and enhanced aspirations. This has the wider impact of improved health and wellbeing, reduced crime, enhanced learning and employability and greater community cohesion.

Key Achievements in 2022/2023

This year celebrates young people and their voices by working across the borough, whether that be through our delivery in the hub, outreach programmes or sessions at a local level. We have used these sessions for our DoFE programme, activities in our Gym or Dance studio, to create amazing art and music and to provide high quality youth work, all of this is supporting young people to be the best they can be and ensuring that they have every opportunity for their voices to be heard.

2022/2023 has seen nearly 45,000 attendances by over 4,000 young people, 15% of which have additional needs and 46% are BAME. These young people have visited Mahdlo's hub in the town centre and our sessions across the five districts, and hundreds more have engaged with us on the streets and in the parks of Oldham.

Over the last year, the nation has grappled with the soaring cost of food, energy, and heating. This brings a completely new series of challenges for families with half of the wards of Oldham being in the 20% most deprived areas of England. Previously stretched budgets have come under increasing pressure, foodbank use is on the rise, and fun activities are taking a back seat.

We stepped up to provide even more opportunities for young people to try something new and support families to get by over winter. From September 2022 through to March 2023, we were able to provide all young people and their families with over 16,500 free hot meals thanks to external funding. We also launched our pilot "Mahdlo is Family" event, recording 650 attendances; this started a clothes-rehoming initiative, offering those in need the opportunity to call into our town centre provision to pick up clothes free of charge. These donated items also included school uniform, for which parents were incredibly grateful. During this time, we also offered free entry to our members, taking away any financial barriers to them accessing our offer.

This year we have focused on our "Get" Themes, growing our team and the number of activities we have to more than 50 per week.

Our Get Active offer has seen the introduction of several football and basketball training sessions. From these sessions, our young people have had the opportunity to play for Team Mahdlo representing the Youth Zone in the OnSide network leagues.

Our Get Creative offer has grown from strength to strength over the last 12 months. As young people have created so much incredible art, we have launched "Arts Slam," a quarterly showcase of our members' talent. Young people both performed and displayed their visual pieces to an audience of other youths, parents, carers, patrons and community members.

Young people's health and wellbeing has been at the forefront of our service delivery plans as they continue to recover from the effects of the COVID pandemic and navigate their way through the cost of living crisis, as well as experiencing the struggles young people face during their adolescent years. Our Get Sorted offer has seen an increase in one to one and group support, providing more young people with the opportunity to speak with a youth worker about issues affecting their lives.

With financial investment from UK Youth, members have been delivering their own social action projects, from teaching families how to grow their own vegetables to celebrating female empowerment. Our members have demonstrated to the community the power and enthusiasm young people have to make where they live a better place.

The coming year

In order to maintain our offer to Oldham's young people, 2023/2024 will see us focusing on the following themes:

- Deliver a quality offer that responds to young people's needs and interests.
- Evidence and share the impact of our work with young people.
- Create a strong team with Mahdio being the place to work.
- Increase our annual income and ensure efficient use of our resources.

Financial Review

The statement of financial activities (page 12) shows total income to have reduced from £1.5m for FY2022 to £1.3m for FY2023, which is due to a reduction in trust, grants and other income received. We have however seen an increase in income from our patrons and fundraising events. Further details of the various income sources can be found in notes 2 to 6 of the financial statements. Total expenditure has however increased by approximately £131k compared with FY2022 (note 7), resulting in a deficit for the year of £316k (FY2022: £6.5k deficit). The surplus achieved in FY2021 of £881k has funded the FY2023 deficit, this arose due to the timing of patron donations and COVID funding to support charities to return to full operational status.

The balance sheet (page 13) shows a net assets position at 31 March 2023 of £6.4m (2022: £6.7m), of which £5.5m are restricted funds and £0.9m unrestricted funds.

Reserves Policy

The Board of Directors of Mahdio has established a reserves policy, in compliance with which it will annually review both the sum it wishes to hold in reserve in the unrestricted budget and the basis for that figure. The Directors continually strive to manage the charity's finances so that an adequate level of reserves can be maintained in compliance with the reserves policy.

- Reserves to be maintained at a level, which ensures that at least 3 months of the organisation's core activity, could continue during a period of unforeseen difficulty.
- That these reserves are readily realisable unrestricted reserves and are in addition to funding the fixed assets.

This level of reserves has been agreed for the following reasons:

- To provide working capital to allow for retrospective funding and the associated time difference between expenditure and receipt of funds.
- Mahdio's income sources (particularly the Patrons programme and fundraising activities) are vulnerable to changes in the economic situation and any notice period for loss of major donors could be relatively short.
- To support new service development to enable Mahdio to be responsive to beneficiary needs and to facilitate improvements to the operational running of the organisation.
- To ensure that the building can be kept fully functional, well equipped and in a good state of repair and remains a major attraction and asset.
- To invest in staff and volunteer training and development to ensure quality of service delivery.
- To enable Mahdio to meet its delivery commitments without interruption in times of economic hardship.
- To be seen as a responsible charity by the Charity Commission, our Funders, partners and the community that engage with Mahdio.
- To avoid the creation or retention of unnecessary surpluses for which there is no planned requirement in line with the organisation's charitable aims.

Due to the type of funding Mahdlo can and is likely to access, which can take up to 6 months to secure, there is a need for a longer-term policy to increase reserves to an appropriate amount of working capital to fund these time delays. This will be achieved by:

- Developing a funding strategy that enables forward planning of income generation including targets over and above immediate running costs.
- Prioritising fundraising activities and events and ensuring a continual focus on fundraising not just in times of need.
- Appropriate accounting, including building into budgets, accounts and reports a sum for depreciation.
- Building Mahdlo's reputation as a quality charity, worthy of support and investment.

This reserves policy will be reviewed by the Chief Executive and the Board on an annual basis. It is the intention to increase reserve levels incrementally toward 6 months as the organisation's activity grows.

Investment Policy

With having relatively low unrestricted reserves and a variable income stream, funds built up in advance of expenditure need to be reasonably liquid; however, some funds may be retained and invested for future use. To ensure such investments are safeguarded:

- Any decision about investments will be made by the Board (potentially having taken professional advice) considering the suitability and diversification of investments, including investments in deposit accounts, to ensure that the failure of one investment or institution does not have a major impact on Mahdlo.
- Investments will be made in line with Mahdlo's values and ethos.
- Investment performance will be regularly reviewed.
- Records will be maintained of all investments held (including details of all those sold or purchased) by the charity.
- Accounting controls will be fully implemented to ensure that all dividends or interest payments due are received and accounted for.

Structure, Governance and Management

Mahdlo (Oldham Youth Zone) is a charity and a company limited by guarantee without share capital. Mahdlo is registered under the Companies Act 1985, registration number 06946098. The company is governed by its Memorandum and Articles of Association, dated 27th June 2009. Management of the company's affairs is vested in the co-directors.

In the event of a winding-up, the present members and those who have ceased to be a member within one year of such an event have guaranteed the liabilities of the company to the sum not exceeding one pound each.

Organisational Structure

Mahdlo is governed by its board of Trustees which retains overall responsibility for the strategic direction and the policy of the organisation. The Trustees carry the ultimate responsibility for the conduct of Mahdlo and for ensuring that the charity satisfies its legal and contractual obligations.

The Board approves the strategic plan and annual Business Plan and scrutinises business performance including financial performance as well as providing advice to the Chief Executive on operational matters of importance.

A Chief Executive is appointed by the Board to manage the day-to-day operations. To facilitate effective operations the Chief Executive has delegated authority as approved by the Board for operational matters including finance, human resources and operational delivery allowing the Chief Executive to support the Board in developing and delivering strategy and ensuring the agreed Business Plan KPI's are met.

The senior management team has a range of qualifications and experiences including Accountancy, Youth Work, HR and Facilities management. The Board agreed the structure during annual Business Planning and are required to approve any substantial changes to the Senior Team.

All salaries are benchmarked by an independent HR specialist against other Youth Zones, Local Authority and the local labour market. The board agrees all pay increases as a result of cost of living during the Business Planning cycle. Any new post created at any level requires CEO, HR and Finance approval. Senior posts would be agreed by the Trustee with HR portfolio prior to presentation to Board.

All posts are subject to interview and are advertised internally and/or externally.

Mahdlo is part of the family of youth zones established by OnSide. We have a network agreement with OnSide, which allows us to be part of a large, trusted youth organisation, which has the ability to lobby government and access support from large funders, and share best practice within the network. A representative of OnSide operates as a Trustee on the Mahdlo Board ensuring a strategic communications link exists between Mahdlo and OnSide.

The Board of Trustees

The Board comprises 11 Trustees including the Chair and a President. Individual Trustees hold portfolios relevant to their professional backgrounds and interests. These include Finance, Fundraising, HR, Safeguarding and Facilities management.

Trustees can be nominated for a fixed period. One third of the Directors will retire by rotation at each Annual General Meeting. Retiring Directors can be reappointed.

The Trustees meet on a monthly basis.

Recruitment and Appointment of Trustees

New trustees will be recruited according to the needs of the charity and the suitability of possible candidates. The unanimous approval of existing Trustees would lead to their appointment.

The Memorandum and Articles of Association state that the number of members shall have no maximum and shall not be less than three.

Full details of the rules are contained in the company's Memorandum and Articles of Association which may be inspected at the registered office.

Induction of Trustees

Newly appointed trustees are provided with a comprehensive induction to Mahdlo through the provision of in-house training. This includes key information about the organisation and its development, governance and safeguarding. The Board undertakes annual strategy reviews. Individual appraisals between Trustees, the Chair and Chief Executive have been implemented to develop Board capacity.

Risk Management

The Board fully accepts its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP). The Trustees have considered the major risks to which the charity is exposed and are committed to ensuring these are effectively managed.

The Chief Executive and senior managers have undertaken comprehensive risk assessments and established risk registers from an organisational and operational perspective and have established suitable risk management and control procedures which are reviewed regularly by the Board.

Key risks to the organisation include Financial, Reputational, Regulatory and Operational.

The Risk Register is updated quarterly and reported to Board with major risks highlighted and control measures discussed. Comprehensive financial accounts including cash flow, I&E and the Balance sheet are reported to Board monthly.

The Key financial risks relate to funding shortfalls and uncontrolled expenditure. As with most charities, developing sustainable funding streams in order to deliver Mahdlo's objectives is of paramount importance. The overall strategy is to balance restricted funding from specific projects and grants with unrestricted funds primarily from Patrons, Donors and fundraising events. In the longer term, a key objective is to develop commercially viable income streams, which will underpin core delivery.

Expenditure is tightly managed with operational managers responsible for budgets relating to their operational responsibilities. Costs are monitored and managed by the CEO and the senior management team using the organisation's centralised staff management system.

Regulatory risk is the responsibility of the CEO, Finance manager and Facilities manager who manages Health and Safety and Fire and other statutory risk areas. The Board is appointed and reviewed within the context of Charities Commission guidelines, and new regulatory judgements will be reported to Board as required.

The key operational risks are managed through operational risk planning with a clear hierarchy of responsibility. Specific procedures exist to manage Safeguarding and Health and Safety.

Trustees' Responsibilities

The charity's Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice.

Company law requires the charity's Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the charity's incoming resources and applications of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume the charity will continue in operation.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving this report:

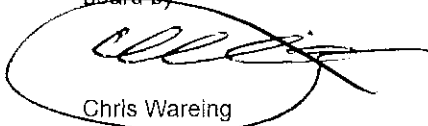
- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take, as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Compliance with accounting standards

The Trustees confirm that the financial statements comply with current statutory requirements, the requirements of the Company's Memorandum and Articles of Association and the requirements of the Charities SORP (FRS102).

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Directors on 28.11.2023 and signed on behalf of the board by:



Chris Wareing

Chair of the Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE)

Opinion

We have audited the financial statements of Mahdlo (Oldham Youth Zone) 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 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 charitable company 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 charitable company'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 directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE) (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters relating 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

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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE) (continued)

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Use of our report

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



Dominic Huxley (Senior statutory auditor)

For and on behalf of

BK Plus Audit Limited

Chartered Certified Accountants and
Statutory Auditor

Date: 15 December 2023

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Mahdlo (Oldham Youth Zone)

STATEMENT OF FINANCIAL ACTIVITIES

(including income and expenditure account) : YEAR ENDED 31 MARCH 2023

		2023			2022		
	Note	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
INCOME							
Donations and legacies	2	510,922	-	510,922	653,433	67,749	721,182
Charitable activities:							
Delivery income	3	193,340	389,884	583,224	134,476	464,722	599,198
Other trading activities:							
Fundraising events	4	229,035	-	229,035	143,850	-	143,850
Investment income	5	3,139	-	3,139	69	-	69
Other income	6	2,938	-	2,938	43,394	-	43,394
Total incoming resources		939,374	389,884	1,329,258	975,222	532,471	1,507,693
EXPENDITURE							
Raising funds	7	99,950	-	99,950	77,058	-	77,058
Charitable activities:							
Youth projects and activities	7	988,461	530,565	1,519,026	740,439	670,719	1,411,158
Governance	7	26,466	-	26,466	25,991	-	25,991
Total expenditure	7	1,114,877	530,565	1,645,442	843,488	670,719	1,514,207
Net (outgoing) Incoming resources before other recognised gains and losses		(175,503)	(140,681)	(316,184)	131,734	(138,248)	(6,514)
Other recognised gains and losses		-	-	-	-	-	-
Net movement in funds		(175,503)	(140,681)	(316,184)	131,734	(138,248)	(6,514)
Reconciliation of funds							
Total funds brought forward		1,071,972	5,636,798	6,708,770	940,238	5,775,046	6,715,284
Total funds carried forward	19	896,469	5,496,117	6,392,586	1,071,972	5,636,798	6,708,770

All Incoming resources and resources expended are derived from continuing activities.

The accompanying notes are an Integral part of this statement of financial activities.

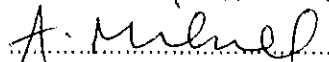
Mahdlo (Oldham Youth Zone)

BALANCE SHEET : AS AT 31 MARCH 2023

	<i>Note</i>	2023 £	2022 £
FIXED ASSETS			
Tangible assets	12	5,538,270	5,713,656
Total fixed assets		<u>5,538,270</u>	<u>5,713,656</u>
CURRENT ASSETS			
Stock	13	1,000	-
Debtors	14	564,424	579,272
Cash at bank and in hand	15	582,253	678,016
Total current assets		<u>1,147,677</u>	<u>1,257,288</u>
LIABILITIES:			
Creditors falling due within one year	16	293,361	262,174
Net current assets		<u>854,316</u>	<u>995,114</u>
Net assets	20	<u><u>6,392,586</u></u>	<u><u>6,708,770</u></u>
THE FUNDS OF THE CHARITY			
<i>Restricted income funds</i>	19	5,496,117	5,636,798
Unrestricted funds	19	896,469	1,071,972
Total charity funds	19	<u><u>6,392,586</u></u>	<u><u>6,708,770</u></u>

These accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The accounts were approved by the board on 28.11.23 and signed on its behalf by

 Trustee/Director
A Milnes

Registration number 06946098

The accompanying notes are an integral part of this balance sheet.

Mahdlo (Oldham Youth Zone)

STATEMENT OF CASH FLOWS : YEAR ENDED 31 MARCH 2023

	<i>Note</i>	2023 £	2022 £
Cash used in operating activities	24	<u>(93,912)</u>	<u>24,533</u>
Cash flows from investing activities			
Interest income		3,139	69
Purchase of tangible fixed assets		(4,990)	(22,483)
Sale of tangible fixed assets		-	-
Cash provided by (used in) investing activities		<u>(1,851)</u>	<u>(22,414)</u>
Increase/(decrease) in cash and cash equivalents in the year		(95,763)	2,119
Cash and cash equivalents at the beginning of the year		678,016	675,897
Total cash and cash equivalents at the end of the year		<u>582,253</u>	<u>678,016</u>

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Mahdio (Oldham Youth Zone) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Company status

The charity is a company limited by guarantee. The members of the company are drawn from throughout Oldham's civic, business, education and training, and voluntary sector communities. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity was incorporated in England and the address of its registered office is Egerton Street, Oldham, OL1 3SE.

c) Income recognition policies

Items of income are recognised and included in the accounts when the charity is legally entitled to the income, any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably. The following specific policies apply to categories of income:

Grants for core funding, which do not impose performance related conditions, are recognised when received. Grants towards specific project costs are recognised based on the performance model, as the project is delivered.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Investment income is recognised on a receivable basis.

d) Donated services and facilities

Donated services or facilities are recognised 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 services and 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.

e) Pensions

The charity operates a defined contribution pension scheme. The annual contributions payable are charged to the SOFA in the year to which they relate. The assets of the scheme are held independently from those of the Charity.

1 Accounting policies continued

f) Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. number of employees or estimated usage). Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in trading activities that raise funds.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.
- Governance costs, which are included within charitable activities, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

g) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

h) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

i) Tangible fixed assets and depreciation

Individual fixed assets costing £500 or more are capitalised at cost and depreciated over their useful economic lives as follows:

Long leasehold property	2% Straight line
Property building works	10% Straight line
Club equipment	33.3% Straight line
Office and electrical equipment	33.3% Straight line
Furniture and fittings	33.3% Straight line
Motor vehicles	25% Straight line

j) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees/directors for particular purposes.

1 Accounting policies continued

k) Taxation

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income received falls within section 505 ICTA 1988 and section 256 CGTA 1992 and is applied to charitable purposes only.

l) Holiday pay

The holiday year end does not coincide with the financial year end and consequently, provision is made in the accounts for holidays accrued but not taken as at the end of the financial year.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

n) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions 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.

p) Assessment of going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and the accounts have been drawn up on the going concern basis which assumes that the charity will continue in operation for the foreseeable future.

q) Financial instruments

The charity only 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2023

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
2 <u>Income from donations and legacies</u>				
Patrons programme and donations	187,042	-	187,042	174,719
Gift Aid recoverable	23,880	-	23,880	-
Covid-19 support grants	-	-	-	178,714
BBC Children in Need grant	-	-	-	67,749
Local authority grants	300,000	-	300,000	300,000
	<u>510,922</u>	<u>-</u>	<u>510,922</u>	<u>721,182</u>
3 <u>Income from charitable activities</u>				
<i>Delivery Income:</i>				
Performance related grants (project funding)	14,181	389,884	404,065	464,722
Service level agreements	32,184	-	32,184	13,342
Café and refreshments	37,204	-	37,204	28,300
Facility hire	74,453	-	74,453	62,055
Membership, fees and sale of goods	35,318	-	35,318	30,779
	<u>193,340</u>	<u>389,884</u>	<u>583,224</u>	<u>599,198</u>
4 <u>Income from other trading activities</u>				
Fundraising events	229,035	-	229,035	143,850
	<u>229,035</u>	<u>-</u>	<u>229,035</u>	<u>143,850</u>
5 <u>Investment Income</u>				
Bank deposit interest	3,139	-	3,139	69
	<u>3,139</u>	<u>-</u>	<u>3,139</u>	<u>69</u>
6 <u>Other Income</u>				
Coronavirus job retention scheme grant	-	-	-	19,804
Staff secondment	-	-	-	13,820
Other income	2,938	-	2,938	9,770
	<u>2,938</u>	<u>-</u>	<u>2,938</u>	<u>43,394</u>

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2023

7 Expenditure

	Charitable activities				
	Raising funds	Youth projects and activities	Governance	Total 2023	Total 2022
	£	£	£	£	£
Costs directly allocated to activities					
Staff costs	57,981	777,805	-	835,786	799,703
Recruitment and employee costs	-	11,652	-	11,652	14,814
Rent and property costs	-	220,387	-	220,387	194,143
Stationery and administration	-	21,034	-	21,034	9,074
Printing, promotions, advertising and publicity	3,385	477	-	3,862	13,174
Telephone, data communication and computer	-	33,431	-	33,431	24,353
Depreciation	-	162,338	-	162,338	174,135
Project delivery costs	-	131,025	-	131,025	77,809
Catering	-	29,535	-	29,535	31,822
Bad debts	-	170	-	170	220
Fundraising	38,584	-	-	38,584	15,875
	99,950	1,387,854	-	1,487,804	1,355,122
Support costs					
Staff costs	-	56,163	16,906	73,069	83,751
Recruitment and employee costs	-	2,913	-	2,913	3,703
Rent and property costs	-	24,487	-	24,487	21,572
Stationery and administration	-	2,337	-	2,337	1,008
Telephone, data communication and computer	-	11,144	-	11,144	8,118
Professional services	-	12,437	-	12,437	8,519
Audit	-	-	9,560	9,560	9,200
Depreciation	-	18,038	-	18,038	19,348
Bank charges	-	3,653	-	3,653	3,866
	-	131,172	26,466	157,638	159,085
Total expenditure	99,950	1,519,026	26,466	1,645,442	1,514,207

Support costs have been apportioned using numbers of people per area of activity, or on a basis which is considered consistent with the use of the resources.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2023

	Total 2023 £	Total 2022 £
8 <u>Staff costs</u>		
Total staff emoluments for the year were as follows:		
Salaries	828,381	808,583
National Insurance	58,321	53,809
Pension	22,153	21,062
	<u>908,855</u>	<u>883,454</u>

9 Staff numbers

The average monthly head count was 64 staff (2022: 63) and the average monthly number of full-time equivalent employees during the year were as follows:

	2023 Number	2022 Number
Charitable activities	29	25
Generating funds	2	1
Administration and support	3	3
Governance	1	1
	<u>35</u>	<u>30</u>

No trustees were paid or reimbursed expenses during the year.

The company considers its key management personnel to comprise the trustees and the chief executive officer. The total employment benefits excluding employer pension contributions of the key management personnel were £52,991 (2022: £54,427).

No employee earned £60,000 per annum or more (2022: none)

10 Net movement in funds

	Total 2023 £	Total 2022 £
Net movement in funds is arrived at after charging /(crediting):		
Depreciation of tangible fixed assets - restricted	140,681	143,708
- unrestricted	39,695	49,775
Auditors remuneration:		
Audit of the financial statements	9,560	9,200
Operating lease rentals - Office equipment	5,308	3,541

11 Taxation

The company is a registered charity and no provision for taxation is considered necessary.

12 Tangible fixed assets

	Long leasehold property	Leasehold improve- ments	Club Equipment	Office & electrical Equipment	Furniture & fittings	Motor vehicles	Total
<u>Cost</u>							
At 1 April 2022	6,241,174	76,831	119,265	77,854	37,187	15,885	6,568,196
Additions	-	-	960	4,030	-	-	4,990
Disposals	-	-	-	-	-	-	-
At 31 March 2023	<u>6,241,174</u>	<u>76,831</u>	<u>120,225</u>	<u>81,884</u>	<u>37,187</u>	<u>15,885</u>	<u>6,573,186</u>
<u>Depreciation</u>							
At 1 April 2022	638,989	36,150	91,482	60,178	21,785	5,956	854,540
Charge for the period	124,824	6,065	23,180	12,274	10,062	3,971	180,376
Disposals	-	-	-	-	-	-	-
At 31 March 2023	<u>763,813</u>	<u>42,215</u>	<u>114,662</u>	<u>72,452</u>	<u>31,847</u>	<u>9,927</u>	<u>1,034,916</u>
<u>Net Book Value</u>							
At 31 March 2023	<u>5,477,361</u>	<u>34,616</u>	<u>5,563</u>	<u>9,432</u>	<u>5,340</u>	<u>5,958</u>	<u>5,538,270</u>
At 31 March 2022	<u>5,602,185</u>	<u>40,681</u>	<u>27,783</u>	<u>17,676</u>	<u>15,402</u>	<u>9,929</u>	<u>5,713,656</u>

13 Stock

Café and kitchen stock

2023
£

2022
£

1,000
-

Mahdio (Oldham Youth Zone)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
14 Debtors		
Trade debtors	98,088	129,065
Other debtors	425,400	425,610
Prepayments	40,936	17,097
Accrued income	-	7,500
	<u>564,424</u>	<u>579,272</u>

Other debtors includes £425,400 held by The Mahdio Endowment Trust, a separate charity, whose objects are to support the charitable work of Mahdio (Oldham Youth Zone). Those monies can be requested back from the trust as and when required at short notice.

15 Cash at bank and in hand

Cash at bank	581,643	677,809
Cash in hand	610	207
	<u>582,253</u>	<u>678,016</u>

16 Creditors : amounts falling due within one year

Trade creditors	80,008	4,905
Other creditors	5,671	1,959
Accruals	74,951	84,307
Deferred income	132,731	171,003
	<u>293,361</u>	<u>262,174</u>

Movements on deferred income account:

Brought forward	171,003	166,235
Released	(171,003)	(166,235)
Income deferred in current year	132,731	171,003
	<u>132,731</u>	<u>171,003</u>

17 Operating lease commitments

	2023 £	2022 £
The total future minimum lease payments under non-cancellable operating leases are as follows:		
Office equipment leases which expire:		
within one year	-	577
between two and five years	13,424	4,796
in over five years	-	-
	<u>13,424</u>	<u>5,373</u>

18 Share capital

The company has no share capital, and the liability of members is limited by guarantee to £1 per member.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2023

19 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2022 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2023 £
Unrestricted funds:					
General fund	1,071,972	939,374	(1,114,877)	-	896,469
Restricted funds:					
Acquisition of property at Egerton Street, Oldham	3,611,704	-	(83,993)	-	3,527,711
Extension to property at Egerton Street, Oldham	1,985,567	-	(40,730)	-	1,944,837
Other fixed asset purchases	36,768	-	(14,854)	-	21,914
Fundraising event for purchase of new vehicle	2,759	-	(1,104)	-	1,655
Grants for project delivery	-	381,215	(381,215)	-	-
Others	-	8,669	(8,669)	-	-
Total restricted funds	5,636,798	389,884	(530,565)	-	5,496,117
Total funds	6,708,770	1,329,258	(1,645,442)	-	6,392,586

20 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	42,153	-	5,496,117	5,538,270
Current assets	1,031,046	-	116,631	1,147,677
Current liabilities	(176,730)	-	(116,631)	(293,361)
Net assets 31 March 2023	896,469	-	5,496,117	6,392,586

21 Contingent liabilities

There is a contingent liability in connection with a grant relating to the charity's long leasehold property whereby if, during a period of 20 years from the date of the grant offer letter dated 26 February 2009, the charity shall be in breach of any of the grant conditions, the grant shall be repayable upon receipt of a written demand from The Secretary of State for Education. The amount of the grant was £4,994,577 and The Secretary of State for Education holds a legal charge over the charity's long leasehold property in respect of this potential liability.

Mahdlo (Oldham Youth Zone)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2023

22 Pension fund

The company operates a defined contribution pension scheme to which there is no commitment, the assets of which are held in a separately administered fund. Contributions to the pension scheme during the year amounted to £22,153 (2022: £21,062).

23 Related party transactions

During the year the charity received the following income from related parties without conditions:

	Donations Patrons programme & donations £	Charitable activities Facility hire and other £	Other trading activities Fundraising £	Total £
North Ainley	-	376	2,109	2,485
Mr J Ainley (Trustee)	5	-	-	5
Mr J Lloyd (Trustee)	20	-	-	20
Mr A Milnes (Trustee)	100	-	-	100
Mr T Flanagan (Trustee)	3,020	-	2,492	5,512
Mrs J Barker (Trustee)	-	-	1,200	1,200
The Barker Foundation	25,000	-	-	25,000
Mr C Wareing (Trustee)	393	-	-	393
St Annes ARLFC Ltd	-	-	620	620
Bedspace Ltd	1,500	1,920	590	4,010
	<u>30,038</u>	<u>2,296</u>	<u>7,011</u>	<u>39,345</u>

Also during the year the charity purchased goods and services from the following related parties:

PSO Trading Ltd	<u>£30,154</u>
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At 31 March 2023 the following unsecured amounts were owed by related parties:

Bedspace Ltd	£250
North Ainley	£1,000
The Mahdlo Endowment Trust	<u>£425,400</u>
	<u>£426,650</u>

Mrs J Barker, a trustee/director of the charity, is a trustee of The Barker Foundation.

Mr J Ainley, a trustee/director of the charity, is a partner in North Ainley Solicitors.

Ms S Bolshaw, a trustee/director of the charity is a director of PSO Trading Ltd.

Mr C Wareing is a trustee/director of the charity and a director of Bedspace Ltd., and St Annes ARLFC Ltd.

The Mahdlo Endowment Trust is a separate charity, whose objects are to support the charitable work of Mahdlo (Oldham Youth Zone). Mr J Ainley and Mrs J M Barker, trustees of Mahdlo (Oldham Youth Zone), are also trustees of The Mahdlo Endowment Trust.

Mahdio (Oldham Youth Zone)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2023

24 Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net movement in funds	(316,184)	(6,514)
Add back depreciation charge	180,376	193,483
Deduct interest income shown in investing activities	(3,139)	(69)
Decrease/(increase) in stock	(1,000)	-
Decrease/(increase) in debtors	14,848	(16,690)
Increase/(decrease) in creditors	31,187	(145,677)
	<u>(93,912)</u>	<u>24,533</u>

Mahdio (Oldham Youth Zone)

The following pages do not form part of the statutory accounts.

DETAILED INCOME AND EXPENDITURE ACCOUNT : YEAR ENDED 31 MARCH 2023

	<i>Note</i>	2023 £	2022 £
DONATIONS AND LEGACIES	2	510,922	721,182
INCOME FROM CHARITABLE ACTIVITIES	3	583,224	599,198
INCOME FROM OTHER TRADING ACTIVITIES	4	229,035	143,850
INVESTMENT INCOME	5	3,139	69
OTHER INCOME	6	2,938	43,394
		<u>1,329,258</u>	<u>1,507,693</u>
LESS EXPENDITURE :			
Staffing costs			
Salaries, NI and Pension Contributions	8	908,855	883,454
Freelance workers		-	-
		<u>908,855</u>	<u>883,454</u>
Premises costs			
Utilities		119,509	52,367
Waste management		3,389	3,307
Security		4,442	11,567
Repairs, maintenance and materials		52,636	93,431
Cleaning		44,841	36,916
Insurances		20,058	18,127
Fixed assets depreciation		180,376	193,483
		<u>425,251</u>	<u>409,198</u>
Management costs			
Telephone		8,729	10,718
Computer costs		35,846	21,752
Professional fees		21,997	17,719
Bank charges		3,653	3,866
Bad debts		170	220
Licences and partnering arrangements		28,310	23,614
Staff recruitment, uniforms, travel and training		14,565	18,517
Marketing and communications		681	11,307
Administration		23,370	10,082
Patron programme/general events		3,181	1,867
Income generation events		36,296	15,154
Fundraising		2,288	721
		<u>179,086</u>	<u>135,537</u>
Delivery costs			
Weekly programme consumables		28,031	1,774
Celebration and promotion events		136	1,252
Volunteer expenses		376	54
Project delivery costs		71,647	48,293
Off site activity costs		2,525	2,823
Catering and retail supplies		29,535	31,822
		<u>132,250</u>	<u>86,018</u>
TOTAL EXPENDITURE		<u>1,645,442</u>	<u>1,514,207</u>
SURPLUS INCOME OVER EXPENDITURE		<u>(316,184)</u>	<u>(6,514)</u>

MAHDLO (OLDHAM YOUTH ZONE)

England & Wales - Charity number 1134427

Accounts

Mahdio (Oldham Youth Zone)
(a company limited by guarantee
and not having a share capital)

**FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

Company number: 06946098

Registered Charity Number: 1134427

WRIGLEY PARTINGTON

Chartered Accountants
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Mahdlo (OldhamYouth Zone)

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Mahdio (OldhamYouth Zone)

Reference and Administrative Information

President:	Sir Norman Stoller CBE KStJ DL
Trustees at date report approved:	Christopher Wareing (Chair) John Ainley Kashif Ashraf Dave Benstead Stephanie A Bolshaw Ann Ashton (Appointed 29.06.21) Janelle M Barker Adam J Poyner (appointed 25.05.21) Terry Flanagan Andrew Milnes Jonathan Lloyd
Other Trustees who served during year:	Lindsay Walsh (resigned 25.05.21) Kathryn A Morley (resigned 25.05.21)
Chief Executive (interim):	Lucy Lees
Registered Office:	Egerton Street Oldham OL1 3SE
Business address:	Egerton Street Oldham OL1 3SE
Auditors:	Wrigley Partington Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
Bankers:	Natwest 10 Yorkshire Street Oldham OL1 1QT
Company number:	06946098
Registered Charity number:	1134427

Mahdlo (Oldham Youth Zone)

Trustees Report for the year ended 31 March 2022

The Trustees, who are also Directors for the purpose of company law, present their report and the financial statements of the charity for the year ended 31st March 2022. The provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP (FRS102)) have been adopted in preparing the annual report and financial statements of the charity.

Objectives and Activities

The charitable objectives as set out in the Memorandum and Articles are "to help and educate children in the North West of England through their leisure time activities by promoting their full physical and spiritual potential in order that they may grow to full maturity as individuals and members of society and that their conditions of life may improve".

Our mission is "to deliver high quality activities and experiences for young people from Oldham aged 8-19 (25 with a disability) to enhance the quality of their lives and provide support services for those who need additional help to achieve their potential"

We achieve this through our 6 programme areas:

Get Active – Young people's participation in a wide range of sports and physical activities at a 'try, train or team' level that promote good health, fitness and build self-esteem.

Get Creative – Utilising the specialist dance studio, music room and media suite young people can engage in a broad range of arts and media opportunities that develop creativity skills and confidence.

Get Outdoors – We give young people the chance to get out of their usual neighbourhood, experience outdoor adventure and reconnect with the environment promoting confidence, teamwork and social skills.

Get Sorted – Young people are able to access support around personal health and wellbeing issues. We link with existing services in the town to ensure we are supporting young people to access the information advice and guidance they really need. Through one-to-ones and group workshops we promote healthy minds, lifestyles and positive choices.

Get Ahead – We recognise that getting the right skills and support is key to getting ahead. With the help of partners and local businesses our team support young people to get on the right path for the future.

Get Connected – We want young people to play a real role in the running of Mahdlo and to have a clear and coherent voice in the wider community. We support them to be more connected through community projects and volunteering opportunities that promote citizenship and leadership skills.

The activities of the charity are undertaken to further its charitable purposes for public benefit and, in shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity (PB2)".

The provision of a high quality facility for young people responds to a clear, ongoing demand from young people, parents and the wider community for more and better places for young people to go. Our universal services, mainly based around our Get Active, Get Creative and Get Outdoors offer, are open to all young people in Oldham. For those experiencing disadvantage or needing additional support we offer additional targeted services. Short term outcomes are happier young people making healthier choices with increased social skills, achievements and enhanced aspirations. This has the wider impact of improved health and wellbeing, reduced crime, enhanced learning and employability and greater community cohesion.

Structure, Governance and Management

Mahdlo (Oldham Youth Zone) is a charity and a company limited by guarantee without share capital. Mahdlo is registered under the Companies Act 1985, registration number 06946098. The company is

governed by its Memorandum and Articles of Association, dated 27th June 2009. Management of the company's affairs is vested in the co-directors.

In the event of a winding-up, the present members and those who have ceased to be a member within one year of such an event have guaranteed the liabilities of the company to the sum not exceeding one pound each.

Organisational Structure

Mahdlo is governed by its board of Trustees which retains overall responsibility for the strategic direction and the policy of the organisation. The Trustees carry the ultimate responsibility for the conduct of Mahdlo and for ensuring that the charity satisfies its legal and contractual obligations.

The Board approves the strategic plan and annual Business Plan and scrutinises business performance including financial performance as well as providing advice to the Chief Executive on operational matters of importance.

A Chief Executive is appointed by the Board to manage the day-to-day operations. To facilitate effective operations the Chief Executive has delegated authority as approved by the Board for operational matters including finance, human resources and operational delivery allowing the Chief Executive to support the Board in developing and delivering strategy and ensuring the agreed Business Plan KPI's are met.

The senior management team has a range of qualifications and experiences including Accountancy, Youth Work, HR and Facilities management. The Board agreed the structure during annual Business Planning and are required to approve any substantial changes to the Senior Team.

All salaries are benchmarked by a retained independent HR specialist against other Youth Zones, Local Authority and the local labour market. The board agrees all pay increases as a result of cost of living during the Business Planning cycle. Any new post created at any level requires CEO, HR and Finance approval. Senior posts would be agreed by the Trustee with HR portfolio prior to presentation to Board.

All posts are subject to interview and are advertised internally and/or externally.

Mahdlo is part of the family of youth zones established by OnSide. We have a network agreement with OnSide which allows us to be part of a large, trusted youth organisation which has the ability to lobby government and access support from large funders and share best practice within the network. A representative of OnSide operates as a Trustee on the Mahdlo Board ensuring a strategic communications link exists between Mahdlo and OnSide.

The Board of Trustees

The Board comprises 11 Trustees including the Chair and a President. Individual Trustees hold portfolios relevant to their professional backgrounds and interests. These include Finance, Fundraising, HR, Safeguarding and Facilities management.

Trustees can be nominated for a fixed period of time. One third of the Directors will retire by rotation at each Annual General Meeting. Retiring Directors can be reappointed.

The Trustees meet on a monthly basis.

Recruitment and Appointment of Trustees

New trustees will be recruited according to the needs of the charity and the suitability of possible candidates. The unanimous approval of existing Trustees would lead to their appointment.

The Memorandum and Articles of Association state that the number of members shall have no maximum and shall not be less than three.

Full details of the rules are contained in the company's Memorandum and Articles of Association which may be inspected at the registered office.

Induction of Trustees

Newly appointed trustees are provided with a comprehensive induction to Mahdlo through the provision of in-house training. This includes key information about the organisation and its development, governance and safeguarding. The Board undertakes annual strategy reviews. Individual appraisals between Trustees, the Chair and Chief Executive have been implemented to develop Board capacity.

Financial Review

The statement of financial activities (page 12) shows total income to have reduced from £2.4m for FY2021 to £1.5m for FY2022, which is due to a reduction in donations received, although that has been partly offset by increases in delivery income and income from fundraising events. Further details of the various income sources can be found in notes 2 to 6 of the financial statements. Total expenditure has however increased by approximately £15k compared with FY2021 (note 7), resulting in a deficit for the year of £6.5k (2021: £881k surplus).

The balance sheet (page 13) shows a similar net assets position to last year, at approximately £6.7m, of which £5.6m are restricted funds and £1.1m unrestricted funds.

Risk Management

The Board fully accepts its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP). The Trustees have considered the major risks to which the charity is exposed and are committed to ensuring these are effectively managed.

The Chief Executive and senior managers have undertaken comprehensive risk assessments and established risk registers from an organisational and operational perspective and have established suitable risk management and control procedures which are reviewed regularly by the Board.

Key risks to the organisation include Financial, Reputational, Regulatory and Operational.

The Risk Register is updated quarterly and reported to Board with major risks highlighted and control measures discussed. Comprehensive financial accounts including cash flow, I&E and the Balance sheet are reported to Board monthly.

The Key financial risks relate to funding shortfalls and uncontrolled expenditure. As with most charities, developing sustainable funding streams in order to deliver Mahdlo's objectives is of paramount importance. The overall strategy is to balance restricted funding from specific projects and grants with unrestricted funds primarily from Patrons, Donors and fundraising events. In the longer term, a key objective is to develop commercially viable income streams, which will underpin core delivery.

Expenditure is tightly managed with operational managers responsible for budgets relating to their operational responsibilities. Costs monitored and managed by the CEO and the senior management team using the organisations centralised staff management system.

Regulatory risk is the responsibility of the CEO, Finance manager and Facilities manager who manages Health and Safety and Fire and other statutory risk areas. The Board is appointed and reviewed within the context of Charities Commission guidelines, and new regulatory judgements will be reported to Board as required.

The key operational risks are managed through operational risk planning with a clear hierarchy of responsibility. Specific procedures exist to manage Safeguarding and Health and Safety.

Reserves Policy

The Board of Directors of Mahdlo has established a reserves policy, in compliance with which it will annually review both the sum it wishes to hold in reserve in the unrestricted budget and the basis for that figure. The Directors continually strive to manage the charity's finances so that an adequate level of reserves can be maintained in compliance with the reserves policy.

- Reserves to be maintained at a level which ensures that at least 3 months of the organisation's core activity could continue during a period of unforeseen difficulty.
- That these reserves are readily realisable unrestricted reserves and are in addition to funding the fixed assets.

This level of reserves has been agreed for the following reasons:

- To provide working capital to allow for retrospective funding and the associated time difference between expenditure and receipt of funds.
- Mahdlo's income sources (particularly the Patrons programme and fundraising activities) are vulnerable to changes in the economic situation and any notice period for loss of major donors could be relatively short.
- To support new service development to enable Mahdlo to be responsive to beneficiary needs and to facilitate improvements to the operational running of the organisation.
- To ensure that the building can be kept fully functional, well equipped and in a good state of repair and remains a major attraction and asset.
- To invest in staff and volunteer training and development to ensure quality of service delivery.
- To enable Mahdlo to meet its delivery commitments without interruption in times of economic hardship.
- To be seen as a responsible charity by the Charity Commission, our Funders, partners and the community that engage with Mahdlo.
- To avoid the creation or retention of unnecessary surpluses for which there is no planned requirement in line with the organisation's charitable aims.

Due to the type of funding Mahdlo can and is likely to access can take up to 6 months to secure, there is a need for a longer term policy to increase reserves to an appropriate amount of working capital to fund these time delays. This will be achieved by:

- Developing a funding strategy that enables forward planning of income generation including targets over and above immediate running costs.
- Prioritising fundraising activities and events and ensuring a continual focus on fundraising not just in times of need.
- Appropriate accounting, including building into budgets, accounts and reports a sum for depreciation.
- Building Mahdlo's reputation as a quality charity, worthy of support and investment.

This reserves policy will be reviewed by the Chief Executive and the Board on an annual basis. It is the intention to increase reserve levels incrementally toward 6 months as the organisation's activity grows.

Investment Policy

With having relatively low unrestricted reserves and a variable income stream, funds built up in advance of expenditure need to be reasonably liquid; however, some funds may be retained and invested for future use. To ensure such investments are safeguarded:

- any decision about investments will be made by the Board (potentially having taken professional advice) considering the suitability and diversification of investments, including investments in deposit accounts, to ensure that the failure of one investment or institution does not have a major impact on Mahdlo;

- investments will be made in line with Mahdlo's values and ethos;
- investment performance will be regularly reviewed;
- records will be maintained of all investments held (including details of all those sold or purchased) by the charity; and
- accounting controls will be fully implemented to ensure that all dividends or interest payments due are received and accounted for.

Key Achievements in 2021/2022

As we celebrate our 10th anniversary, we reflect on our achievements since opening and look ahead to the next ten years at Mahdlo Youth Zone and our aspirations for Oldham's young people.

Since opening our doors in 2012, Mahdlo Youth Zone has provided a world of opportunities and support for thousands of young people in Oldham. This year has been no exception. As we began to remobilise our services early in the year, we took the opportunity to step back and reflect, consult and engage to ensure we continued to meet the needs and wants of Oldham's community.

We were honoured to host Hope Hack, run by The Hope Collective, to unite young people, explore critical issues, and give them a voice in addressing those issues. Called *Changing the Conversation*, the Hack at Mahdlo Youth Zone saw a diverse range of young teenagers take to the stage to talk openly about their mental health in what was the second in a series of five initiatives staged in major cities around the UK. Following the Hack, Senior Zone member Molly was invited to 10 Downing Street to meet government policymakers and discuss these issues that formed part of a report authored by the Damilola Taylor Trust, UK Youth, NCS, 20/20 Change, OnSide, the Rio Ferdinand Foundation, and the London VRU.

The Snow Camp project enables young people to live experiences and receive opportunities that are not typically available. The opportunity to ski abroad is truly once in a lifetime and unique in terms of outcomes for a project. From the very start of the project, members were encouraged to mix with other youth zones and were challenged to look vulnerable in front of each other as they took their first steps onto the slope. The life skills portion of the project goes beyond skiing and snowboarding and helps young people identify the tools they have within them that will help them succeed in any walk of life, not just the snow sports arena. Young people are challenged to think about themselves in ways they may not have done before and can learn what their strengths are and where their areas are for development. Young people transition from complete beginners to having the confidence to teach others in less than a year. A transformation such as this gives our young people the belief that they can achieve big things if they apply themselves. They are more confident, self-aware, sociable and have gained many new skills. This year's residential after the programme was the first time our young people have been out of the country. Snow Camp has done wonders in broadening horizons and making our young people realise that the world is bigger than their local area.

At Northern Roots, a charity supported by Oldham Council and local businesses based at Alexandra Park, they're developing an urban farm and eco-park based on residents' vision across the borough. Mahdlo members aged as young as eight have been involved in the planning, design and development of areas of the site, including the new visitor centre, learning centre and location of walking trails. Their vision has meant a plan for the future has been submitted in a planning application, a plan that will be built for the community to enjoy for many years.

Opportunity doesn't always mean the chance to go somewhere or achieve something. For many young people being able to relax, have fun with their friends and try new things is an opportunity they don't get anywhere else. In 2021 we celebrated the new school year, Halloween, Christmas and more with parties. We held football, basketball and cricket competitions and invited young people to show their creativity in the performing arts with a musical performed for our valued Patrons.

Investing in another 10 years of youth work at Mahdlo.

When BBC Children in Need announced the first phase of the Department for Digital, Culture, Media and Sport's Youth Investment Fund for capital projects, we saw the opportunity to celebrate not only with

parties, balls and events but by celebrating one of our most significant assets: our building. More than 20,000 young people have set foot in our sports hall, and it was starting to look a bit tired. We consulted our members and visited other youth zones, and the answer was clear; our sports hall needed an update to bring it into 2022! Dynamik Sports Flooring laid a brand new light grey floor, paired with recently repainted walls; the sports hall is brighter, modern and accessible for young people for years to come. Along with new flooring throughout the building, a complete repaint focusing on our Get theme colours and a plan to refresh the cafe area following member feedback, the building is ready to provide opportunities until 2032 and beyond.

Every year, well-known entrepreneur Michael Josephson MBE hosts a charity ball, an event that's rapidly become one of the biggest and most glamorous fundraising galas on the Manchester calendar. 2021 saw Mahdlo chosen as one of four beneficiary charities, alongside Variety, Teenage Cancer Trust and fellow OnSide youth zone, Wigan Youth Zone. A quarter of a million pounds was raised on the night.

In July, more than 240 people completed the Three Peaks of Saddleworth Challenge, raising more than £15,000 for the charity. The event has been running since 2016, and the walk last year saw participants taking on Indian's Head, Pots and Pans and Wharmton Hill landmarks providing walkers with incredible views of Oldham and beyond.

Plans for the future

The board of trustees and the team have started to develop our business plan for 2023 – 2024, as well as identify priorities to take us to March 2023.

In order to continue to deliver a quality offer for the young people of Oldham, we will be further embedding outcomes in all activities and programmes that we offer. Youth workers will be able to support young people to recognise their achievements and identify how their new skill, knowledge or experience will be beneficial in life post-19.

Membership now stands at 2,746, which is more than the previous year. The team are striving to gain more members through various promotional activities. Within the business plan, we have made action plans to continue to increase membership and regular attendance, working towards pre-COVID statistics.

Over the next 18 months, there will be a focus on creating a workplace that has a culture of equity, equality, diversity and inclusion. We will also be working towards an employer-of-choice accreditation. In doing so, we are hoping to attract more people to work for Mahdlo to ensure we have a full staff complement.

In order to ensure financial sustainability, we have shifted our focus within fundraising to seek more patrons. We will continue to run our most impactful event as well as build on both our community fundraising and facility hire.

Trustees' Responsibilities

The charity's Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and the United Kingdom Generally Accepted Accounting Practice.

Company law requires the charity's Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the charity's incoming resources and applications of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and

- Prepare the financial statements on the going concern basis unless it is inappropriate to assume the charity will continue in operation.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving this report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Compliance with accounting standards

The Trustees confirm that the financial statements comply with current statutory requirements, the requirements of the Company's Memorandum and Articles of Association and the requirements of the Charities SORP (FRS102).

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Directors on and signed on behalf of the board by:

Chris Wareing

Chair of the Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE)

Opinion

We have audited the financial statements of Mahdlo (Oldham Youth Zone) for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 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 charitable company 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 charitable company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE) (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters relating 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

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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE) (continued)

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Use of our report

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

David Ducie (Senior statutory auditor)

For and on behalf of

Wrigley Partington

Chartered Accountants and

Statutory Auditor

Date :

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Mahdlo (Oldham Youth Zone)

STATEMENT OF FINANCIAL ACTIVITIES

(Including income and expenditure account) : YEAR ENDED 31 MARCH 2022

		2022			2021		
	Note	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
INCOME							
Donations and legacies	2	653,433	67,749	721,182	962,582	633,343	1,595,925
Charitable activities:							
Delivery income	3	134,476	464,722	599,198	25,294	407,138	432,432
Other trading activities:							
Fundraising events	4	143,850	-	143,850	5,484	-	5,484
Investment income	5	69	-	69	157	-	157
Other income	6	43,394	-	43,394	345,699	500	346,199
Total incoming resources		975,222	532,471	1,507,693	1,339,216	1,040,981	2,380,197
EXPENDITURE							
Raising funds	7	77,058	-	77,058	78,631	-	78,631
Charitable activities:							
Youth projects and activities	7	740,439	670,719	1,411,158	433,819	953,690	1,387,509
Governance	7	25,991	-	25,991	32,946	-	32,946
Total expenditure	7	843,488	670,719	1,514,207	545,396	953,690	1,499,086
Net (outgoing) incoming resources before other recognised gains and losses		131,734	(138,248)	(6,514)	793,820	87,291	881,111
Other recognised gains and losses		-	-	-	-	-	-
Net movement in funds		131,734	(138,248)	(6,514)	793,820	87,291	881,111
Reconciliation of funds							
Total funds brought forward		940,238	5,775,046	6,715,284	146,418	5,687,755	5,834,173
Total funds carried forward	19	1,071,972	5,636,798	6,708,770	940,238	5,775,046	6,715,284

All incoming resources and resources expended are derived from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.

Mahdlo (Oldham Youth Zone)

BALANCE SHEET : AS AT 31 MARCH 2022

	<i>Note</i>	2022 £	2021 £
FIXED ASSETS			
Tangible assets	12	5,713,656	5,884,656
Total fixed assets		<u>5,713,656</u>	<u>5,884,656</u>
CURRENT ASSETS			
Stock	13	-	-
Debtors	14	579,272	562,582
Cash at bank and in hand	15	678,016	675,897
Total current assets		<u>1,257,288</u>	<u>1,238,479</u>
LIABILITIES:			
Creditors falling due within one year	16	262,174	407,851
Net current assets		<u>995,114</u>	<u>830,628</u>
Net assets	20	<u>6,708,770</u>	<u>6,715,284</u>
THE FUNDS OF THE CHARITY			
<i>Restricted income funds</i>	19	5,636,798	5,775,046
Unrestricted funds	19	1,071,972	940,238
Total charity funds	19	<u>6,708,770</u>	<u>6,715,284</u>

These accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The accounts were approved by the board on and signed on its behalf by

..... Trustee/Director

A Milnes

Registration number 06946098

The accompanying notes are an integral part of this balance sheet.

Mahdlo (Oldham Youth Zone)

STATEMENT OF CASH FLOWS : YEAR ENDED 31 MARCH 2022

	<i>Note</i>	2022 £	2021 £
Cash used in operating activities	24	<u>24,533</u>	<u>586,335</u>
Cash flows from investing activities			
Interest income		69	157
Purchase of tangible fixed assets		(22,483)	(244,823)
Sale of tangible fixed assets		-	11,620
Cash provided by (used in) investing activities		<u>(22,414)</u>	<u>(233,046)</u>
Increase/(decrease) in cash and cash equivalents in the year		2,119	353,289
Cash and cash equivalents at the beginning of the year		675,897	322,608
Total cash and cash equivalents at the end of the year		<u>678,016</u>	<u>675,897</u>

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Mahdlo (Oldham Youth Zone) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Company status

The charity is a company limited by guarantee. The members of the company are drawn from throughout Oldham's civic, business, education and training, and voluntary sector communities. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity was incorporated in England and the address of its registered office is Egerton Street, Oldham, OL1 3SE.

c) Income recognition policies

Items of income are recognised and included in the accounts when the charity is legally entitled to the income, any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably. The following specific policies apply to categories of income:

Grants for core funding, which do not impose performance related conditions, are recognised when received. Grants towards specific project costs are recognised based on the performance model, as the project is delivered.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Investment income is recognised on a receivable basis.

d) Donated services and facilities

Donated services or facilities are recognised 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 services and 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.

e) Pensions

The charity operates a defined contribution pension scheme. The annual contributions payable are charged to the SOFA in the year to which they relate. The assets of the scheme are held independently from those of the Charity.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

1 Accounting policies continued

f) Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. number of employees or estimated usage). Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in trading activities that raise funds.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.
- Governance costs, which are included within charitable activities, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

g) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

h) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

i) Tangible fixed assets and depreciation

Individual fixed assets costing £500 or more are capitalised at cost and depreciated over their useful economic lives as follows:

Long leasehold property	2% Straight line
Property building works	10% Straight line
Club equipment	33.3% Straight line
Office and electrical equipment	33.3% Straight line
Furniture and fittings	33.3% Straight line
Motor vehicles	25% Straight line

j) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees/directors for particular purposes.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

1 Accounting policies continued

k) Taxation

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income received falls within section 505 ICTA 1988 and section 256 CGTA 1992 and is applied to charitable purposes only.

l) Holiday pay

The holiday year end does not coincide with the financial year end and consequently, provision is made in the accounts for holidays accrued but not taken as at the end of the financial year.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

n) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions 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.

p) Assessment of going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and the accounts have been drawn up on the going concern basis which assumes that the charity will continue in operation for the foreseeable future.

q) Financial instruments

The charity only 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Mahdio (Oldham Youth Zone)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
2 Income from donations and legacies				
Patrons programme and donations	174,719	-	174,719	751,784
DCMS grant re: Community Match Challenge project	-	-	-	436,076
Gift Aid recoverable	-	-	-	8,065
Covid-19 support grants	178,714	-	178,714	-
BBC Children in Need grant	-	67,749	67,749	-
Local authority grants	300,000	-	300,000	400,000
	<u>653,433</u>	<u>67,749</u>	<u>721,182</u>	<u>1,595,925</u>
3 Income from charitable activities				
<i>Delivery income:</i>				
Performance related grants (project funding)	-	464,722	464,722	407,138
Service level agreements	13,342	-	13,342	12,800
Café and refreshments	28,300	-	28,300	(418)
Facility hire	62,055	-	62,055	6,904
Membership, fees and sale of goods	30,779	-	30,779	6,008
	<u>134,476</u>	<u>464,722</u>	<u>599,198</u>	<u>432,432</u>
4 Income from other trading activities				
Fundraising events	143,850	-	143,850	5,484
	<u>143,850</u>	<u>-</u>	<u>143,850</u>	<u>5,484</u>
5 Investment income				
Bank deposit interest	69	-	69	157
	<u>69</u>	<u>-</u>	<u>69</u>	<u>157</u>
6 Other Income				
Coronavirus job retention scheme grant	19,804	-	19,804	325,936
Staff secondment	13,820	-	13,820	-
Profit on fixed asset disposal	-	-	-	11,620
Other income	9,770	-	9,770	8,643
	<u>43,394</u>	<u>-</u>	<u>43,394</u>	<u>346,199</u>

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

7 Expenditure

	<u>Raising funds</u>	<u>Charitable activities</u>		Total 2022	Total 2021
		Youth projects and activities	Governance		
	£	£	£	£	£
<i>Costs directly allocated to activities</i>					
Staff costs	55,924	743,779	-	799,703	898,812
Recruitment and employee costs	-	14,814	-	14,814	5,463
Rent and property costs	-	194,143	-	194,143	118,163
Stationery and administration	-	9,074	-	9,074	8,207
Printing, promotions, advertising and publicity	5,259	7,915	-	13,174	16,477
Telephone, data communication and computer	-	24,353	-	24,353	37,562
Professional services	-	-	-	-	-
Depreciation	-	174,135	-	174,135	136,742
Loss on fixed asset disposal	-	-	-	-	-
Project delivery costs	-	77,809	-	77,809	88,918
Catering	-	31,822	-	31,822	9,647
Bad debts	-	220	-	220	-
Fundraising	15,875	-	-	15,875	3,086
	77,058	1,278,064	-	1,355,122	1,323,077
<i>Support costs</i>					
Staff costs	-	66,960	16,791	83,751	114,539
Recruitment and employee costs	-	3,703	-	3,703	1,366
Rent and property costs	-	21,572	-	21,572	13,129
Stationery and administration	-	1,008	-	1,008	911
Telephone, data communication and computer	-	8,118	-	8,118	12,521
Professional services	-	8,519	-	8,519	8,226
Audit	-	-	9,200	9,200	8,800
Depreciation	-	19,348	-	19,348	15,194
Loss on fixed asset disposal	-	-	-	-	-
Bank charges	-	3,866	-	3,866	1,323
	-	133,094	25,991	159,085	176,009
Total expenditure	77,058	1,411,158	25,991	1,514,207	1,499,086

Support costs have been apportioned using numbers of people per area of activity, or on a basis which is considered consistent with the use of the resources.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

8 Staff costs	Total 2022 £	Total 2021 £
Total staff emoluments for the year were as follows:		
Salaries	808,583	936,160
National Insurance	53,809	57,927
Pension	21,062	19,264
	<u>883,454</u>	<u>1,013,351</u>

9 Staff numbers

The average monthly head count was 63 staff (2021: 79) and the average monthly number of full-time equivalent employees during the year were as follows:

	2022 Number	2021 Number
Charitable activities	25	30
Generating funds	1	1
Administration and support	3	4
Governance	1	1
	<u>30</u>	<u>36</u>

No trustees were paid or reimbursed expenses during the year.

The company considers its key management personnel to comprise the trustees and the chief executive officer. The total employment benefits excluding employer pension contributions of the key management personnel were £54,427 (2021: £48,574).

No employee earned £60,000 per annum or more (2021: none)

10 Net movement in funds

	Total 2022 £	Total 2021 £
Net movement in funds is arrived at after charging /(crediting):		
Depreciation of tangible fixed assets - restricted	143,708	111,548
- unrestricted	49,775	40,387
Auditors remuneration:		
Audit of the financial statements	9,200	8,800
Operating lease rentals - Office equipment	3,541	4,214

11 Taxation

The company is a registered charity and no provision for taxation is considered necessary.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

12 Tangible fixed assets

	Long leasehold property	Leasehold improve- ments	Club Equipment	Office & electrical Equipment	Furniture & fittings	Motor vehicles	Total
Cost							
At 1 April 2021	6,241,174	67,531	114,252	72,282	34,589	15,885	6,545,713
Additions	-	9,300	5,013	5,572	2,598	-	22,483
Disposals	-	-	-	-	-	-	-
At 31 March 2022	<u>6,241,174</u>	<u>76,831</u>	<u>119,265</u>	<u>77,854</u>	<u>37,187</u>	<u>15,885</u>	<u>6,568,196</u>
Depreciation							
At 1 April 2021	514,166	30,162	64,128	39,879	10,737	1,985	661,057
Charge for the period	124,823	5,988	27,354	20,299	11,048	3,971	193,483
Disposals	-	-	-	-	-	-	-
At 31 March 2022	<u>638,989</u>	<u>36,150</u>	<u>91,482</u>	<u>60,178</u>	<u>21,785</u>	<u>5,956</u>	<u>854,540</u>
Net Book Value							
At 31 March 2022	<u>5,602,185</u>	<u>40,681</u>	<u>27,783</u>	<u>17,676</u>	<u>15,402</u>	<u>9,929</u>	<u>5,713,656</u>
At 31 March 2021	<u>5,727,008</u>	<u>37,369</u>	<u>50,124</u>	<u>32,403</u>	<u>23,852</u>	<u>13,900</u>	<u>5,884,656</u>

13 Stock

Café and kitchen stock

2022
£

2021
£

-

-

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
14 Debtors		
Trade debtors	129,065	61,699
Other debtors	425,610	425,400
Prepayments	17,097	27,218
Accrued income	7,500	48,265
	<u>579,272</u>	<u>562,582</u>

Other debtors includes £425,400 held by The Mahdlo Endowment Trust, a separate charity, whose objects are to support the charitable work of Mahdlo (Oldham Youth Zone). Those monies can be requested back from the trust as and when required at short notice.

15 Cash at bank and in hand

Cash at bank	677,809	675,474
Cash in hand	207	423
	<u>678,016</u>	<u>675,897</u>

16 Creditors : amounts falling due within one year

Trade creditors	4,905	110,745
Other creditors	1,959	-
Accruals	84,307	130,871
Deferred income	171,003	166,235
	<u>262,174</u>	<u>407,851</u>

Movements on deferred income account:

Brought forward	166,235	193,130
Released	(166,235)	(193,130)
Income deferred in current year	171,003	166,235
	<u>171,003</u>	<u>166,235</u>

17 Operating lease commitments

	2022 £	2021 £
The total future minimum lease payments under non-cancellable operating leases are as follows:		
Office equipment leases which expire:		
within one year	577	224
between two and five years	4,796	8,690
in over five years	-	-
	<u>5,373</u>	<u>8,914</u>

18 Share capital

The company has no share capital, and the liability of members is limited by guarantee to £1 per member.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

19 Analysis of charitable funds

Analysis of fund movements:

	At 1 April 2021 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2022 £
Unrestricted funds:					
General fund	940,238	975,222	(843,488)	-	1,071,972
Restricted funds:					
Acquisition of property at Egerton Street, Oldham	3,695,697	-	(83,993)	-	3,611,704
Extension to property at Egerton Street, Oldham	2,026,297	-	(40,730)	-	1,985,567
Other fixed asset purchases	49,189	5,460	(17,881)	-	36,768
Fundraising event for purchase of new vehicle	3,863	-	(1,104)	-	2,759
Funding from BBC Children In Need towards new flooring and other costs	-	67,749	(67,749)	-	-
Grants for project delivery	-	454,008	(454,008)	-	-
Others	-	5,254	(5,254)	-	-
Total restricted funds	5,775,046	532,471	(670,719)	-	5,636,798
Total funds	6,715,284	1,507,693	(1,514,207)	-	6,708,770

20 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	76,858	-	5,636,798	5,713,656
Current assets	1,136,689	-	120,599	1,257,288
Current liabilities	(141,575)	-	(120,599)	(262,174)
Net assets 31 March 2022	1,071,972	-	5,636,798	6,708,770

21 Contingent liabilities

There is a contingent liability in connection with a grant relating to the charity's long leasehold property whereby if, during a period of 20 years from the date of the grant offer letter dated 26 February 2009, the charity shall be in breach of any of the grant conditions, the grant shall be repayable upon receipt of a written demand from The Secretary of State for Education. The amount of the grant was £4,994,577 and The Secretary of State for Education holds a legal charge over the charity's long leasehold property in respect of this potential liability.

Mahdlo (Oldham Youth Zone)**NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022****22 Pension fund**

The company operates a defined contribution pension scheme to which there is no commitment, the assets of which are held in a separately administered fund. Contributions to the pension scheme during the year amounted to £21,062 (2021: £19,264).

23 Related party transactions

During the year the charity received the following income from related parties without conditions:

	Donations Patrons programme & donations	Charitable activities Facility hire and other	Other trading activities Fundraising	Total
	£	£	£	£
North Ainley	-	327	1,410	1,737
Mr A Milnes (Trustee)	-	-	1,000	1,000
Mr T Flanagan (Trustee)	3,000	-	800	3,800
Mr M Flanagan	6,000	-	-	6,000
Greengate Metals Ltd	-	-	320	320
Bedspace Ltd	-	400	3,280	3,680
	<u>9,000</u>	<u>727</u>	<u>6,810</u>	<u>16,537</u>

Also during the year the charity purchased goods and services from the following related parties:

PSO Trading Ltd	<u>£12,974</u>
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At 31 March 2022 the following unsecured amounts were owed by related parties:

Bedspace Ltd	£3,000
North Ainley	£1,250
Mr A Milnes (Trustee)	£1,000
Mr T Flanagan (Trustee)	£800
The Mahdlo Endowment Trust	<u>£425,400</u>
	<u>£431,450</u>

Mr J Ainley, a trustee/director of the charity, is a partner in North Ainley Solicitors.

Ms S Bolshaw, a trustee/director of the charity is a director of PSO Trading Ltd.

Mr C Wareing is a trustee/director of the charity and a director of Bedspace Ltd.

Mr M Flanagan is the son of Mr T Flanagan (Trustee)

Mr L Walsh, a trustee/director is a director and shareholder of Greengate Metals Ltd

The Mahdlo Endowment Trust is a separate charity, whose objects are to support the charitable work of Mahdlo (Oldham Youth Zone). Mr J Ainley and Mrs J M Barker, trustees of Mahdlo (Oldham Youth Zone), are also trustees of The Mahdlo Endowment Trust.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2022

24 Reconciliation of net movement in funds to net cash flow from operating activities

	2022	2021
	£	£
Net movement in funds	(6,514)	881,111
Add back depreciation charge	193,483	151,935
Add back (profit)/loss on fixed asset disposal	-	(11,620)
Deduct interest income shown in investing activities	(69)	(157)
Decrease/(increase) in stock	-	1,501
Decrease/(increase) in debtors	(16,690)	(422,336)
Increase/(decrease) in creditors	(145,677)	(14,099)
	<u>24,533</u>	<u>586,335</u>

Mahdlo (Oldham Youth Zone)

The following pages do not form part of the statutory accounts.

DETAILED INCOME AND EXPENDITURE ACCOUNT : YEAR ENDED 31 MARCH 2022

	<i>Note</i>	2022 £	2021 £
DONATIONS AND LEGACIES	2	653,433	1,595,925
INCOME FROM CHARITABLE ACTIVITIES	3	666,947	432,432
INCOME FROM OTHER TRADING ACTIVITIES	4	143,850	5,484
INVESTMENT INCOME	5	69	157
OTHER INCOME	6	43,394	346,199
		<u>1,507,693</u>	<u>2,380,197</u>
LESS EXPENDITURE :			
Staffing costs			
Salaries, NI and Pension Contributions	8	883,454	1,013,351
Freelance workers		-	-
		<u>883,454</u>	<u>1,013,351</u>
Premises costs			
Utilities		52,367	39,441
Waste management		3,307	2,276
Security		11,567	6,848
Repairs, maintenance and materials		93,431	40,865
Cleaning		36,916	23,553
Insurances		18,127	18,310
Loss on fixed asset disposal		-	-
Fixed assets depreciation		193,483	151,935
		<u>409,198</u>	<u>283,228</u>
Management costs			
Telephone		10,718	14,502
Computer costs		21,752	35,580
Professional fees		17,719	17,026
Bank charges		3,866	1,323
Bad debts		220	-
Licences and partnering arrangements		23,614	17,444
Staff recruitment, uniforms, travel and training		18,517	6,829
Marketing and communications		11,307	16,477
Administration		10,082	9,119
Patron programme/general events		1,867	-
Income generation events		15,154	2,374
Fundraising		721	712
		<u>135,537</u>	<u>121,386</u>
Delivery costs			
Weekly programme consumables		1,774	29,977
Celebration and promotion events		1,252	15,171
Volunteer expenses		54	90
Project delivery costs		48,293	23,513
Off site activity costs		2,823	2,723
Catering and retail supplies		31,822	9,647
		<u>86,018</u>	<u>81,121</u>
TOTAL EXPENDITURE		<u>1,514,207</u>	<u>1,499,086</u>
SURPLUS INCOME OVER EXPENDITURE		<u>(6,514)</u>	<u>881,111</u>

MAHDLO (OLDHAM YOUTH ZONE)

England & Wales - Charity number 1134427

Accounts

Mahdlo (Oldham Youth Zone)
(a company limited by guarantee
and not having a share capital)

**FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021**

Company number: 06946098

Registered Charly Number: 1134427

WRIGLEY PARTINGTON

Chartered Accountants
Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Mahdlo (Oldham Youth Zone)

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Mahdlo (OldhamYouth Zone)

Reference and Administrative Information

President:	Sir Norman Stoller CBE KSJ DL
Trustees at date report approved:	Christopher Wareing (Chair) John Ainley Kashif Ashraf Dave Benstead Stephanie A Bolshaw Ann Ashton (Appointed 29.06.21) Janelle M Barker Adam J Poyner (appointed 25.05.21) Terry Flanagan Andrew Milnes Jonathan Lloyd
Other Trustees who served during year:	Lindsay Walsh (resigned 25.05.21) Kathryn A Morley (resigned 25.05.21)
Chief Executive (Interim):	Lucy Lees
Registered Office:	Egerton Street Oldham OL1 3SE
Business address:	Egerton Street Oldham OL1 3SE
Auditors:	Wrigley Parlington Sterling House 501 Middleton Road Chadderton Oldham OL9 9LY
Bankers:	Natwest 10 Yorkshire Street Oldham OL1 1QT
Company number:	06946098
Registered Charity number:	1134427

Mahdlo (Oldham Youth Zone)

Trustees Report for the year ended 31 March 2021

The Trustees, who are also Directors for the purpose of company law, present their report and the financial statements of the charity for the year ended 31st March 2021. The provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP (FRS102)) have been adopted in preparing the annual report and financial statements of the charity.

Objectives and Activities

The charitable objectives as set out in the Memorandum and Articles are "to help and educate children in the North West of England through their leisure time activities by promoting their full physical and spiritual potential in order that they may grow to full maturity as individuals and members of society and that their conditions of life may improve".

Our mission is "to deliver high quality activities and experiences for young people from Oldham aged 8-19 (25 with a disability) to enhance the quality of their lives and provide support services for those who need additional help to achieve their potential"

We achieve this through our 6 programme areas:

Get Active – Young people's participation in a wide range of sports and physical activities at a 'try, train or team' level that promote good health, fitness and build self-esteem.

Get Creative – Utilising the specialist dance studio, music room and media suite young people can engage in a broad range of arts and media opportunities that develop creativity skills and confidence.

Get Outdoors – We give young people the chance to get out of their usual neighbourhood, experience outdoor adventure and reconnect with the environment promoting confidence, teamwork and social skills.

Get Sorted – Young people are able to access support around personal health and wellbeing issues. We link with existing services in the town to ensure we are supporting young people to access the information advice and guidance they really need. Through one-to-ones and group workshops we promote healthy minds, lifestyles and positive choices.

Get Ahead – We recognise that getting the right skills and support is key to getting ahead. With the help of partners and local businesses our team support young people to get on the right path for the future.

Get Connected – We want young people to play a real role in the running of Mahdlo and to have a clear and coherent voice in the wider community. We support them to be more connected through community projects and volunteering opportunities that promote citizenship and leadership skills.

The activities of the charity are undertaken to further its charitable purposes for public benefit and, in shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance "public benefit: running a charity (PB2)".

The provision of a high quality facility for young people responds to a clear, ongoing demand from young people, parents and the wider community for more and better places for young people to go. Our universal services, mainly based around our Get Active, Get Creative and Get Outdoors offer, are open to all young people in Oldham. For those experiencing disadvantage or needing additional support we offer additional targeted services. Short term outcomes are happier young people making healthier choices with increased social skills, achievements and enhanced aspirations. This has the wider impact of improved health and wellbeing, reduced crime, enhanced learning and employability and greater community cohesion.

Structure, Governance and Management

Mahdlo (Oldham Youth Zone) is a charity and a company limited by guarantee without share capital. Mahdlo is registered under the Companies Act 1985, registration number 06946098. The company is

governed by its Memorandum and Articles of Association, dated 27th June 2009. Management of the company's affairs is vested in the co-directors.

In the event of a winding-up, the present members and those who have ceased to be a member within one year of such an event have guaranteed the liabilities of the company to the sum not exceeding one pound each.

Organisational Structure

Mahdlo is governed by its board of Trustees which retains overall responsibility for the strategic direction and the policy of the organisation. The Trustees carry the ultimate responsibility for the conduct of Mahdlo and for ensuring that the charity satisfies its legal and contractual obligations.

The Board approves the strategic plan and annual Business Plan and scrutinises business performance including financial performance as well as providing advice to the Chief Executive on operational matters of importance.

A Chief Executive is appointed by the Board to manage the day-to-day operations. To facilitate effective operations the Chief Executive has delegated authority as approved by the Board for operational matters including finance, human resources and operational delivery allowing the Chief Executive to support the Board in developing and delivering strategy and ensuring the agreed Business Plan KPI's are met.

The senior management team has a range of qualifications and experiences including Accountancy, Youth Work, HR and Facilities management. The Board agreed the structure during annual Business Planning and are required to approve any substantial changes to the Senior Team.

All salaries are benchmarked by a retained independent HR specialist against other Youth Zones, Local Authority and the local labour market. The board agrees all pay increases as a result of cost of living during the Business Planning cycle. Any new post created at any level requires CEO, HR and Finance approval. Senior posts would be agreed by the Trustee with HR portfolio prior to presentation to Board.

All posts are subject to interview and are advertised internally and/or externally.

Mahdlo is part of the family of youth zones established by OnSide. We have a network agreement with OnSide which allows us to be part of a large, trusted youth organisation which has the ability to lobby government and access support from large funders and share best practice within the network. A representative of OnSide operates as a Trustee on the Mahdlo Board ensuring a strategic communications link exists between Mahdlo and OnSide.

The Board of Trustees

The Board comprises 11 Trustees including the Chair and a President. Individual Trustees hold portfolios relevant to their professional backgrounds and interests. These include Finance, Fundraising, HR, Safeguarding and Facilities management.

Trustees can be nominated for a fixed period of time. One third of the Directors will retire by rotation at each Annual General Meeting. Retiring Directors can be reappointed.

The Trustees meet on a monthly basis.

Recruitment and Appointment of Trustees

New trustees will be recruited according to the needs of the charity and the suitability of possible candidates. The unanimous approval of existing Trustees would lead to their appointment.

The Memorandum and Articles of Association state that the number of members shall have no maximum and shall not be less than three.

Full details of the rules are contained in the company's Memorandum and Articles of Association which may be inspected at the registered office.

Induction of Trustees

Newly appointed trustees are provided with a comprehensive induction to Mahdlo through the provision of in-house training. This includes key information about the organisation and its development, governance and safeguarding. The Board undertakes annual strategy reviews. Individual appraisals between Trustees, the Chair and Chief Executive have been implemented to develop Board capacity.

Financial Review

The statement of financial activities (page 13) shows a reduction in income, from £2.9m for FY2020 to £2.4m for FY2021 because of the covid pandemic. Further details of the various income sources can be found in notes 2 to 6 of the financial statements. Expenditure has also reduced however, resulting in a surplus for the year of £881k (2020: £926k), of which £87k was restricted and £794k unrestricted, which in the circumstances we are pleased with.

The balance sheet (page 14) shows the net assets of the charity to have increased from £5.8m as at 31 March 2020 to £6.7m as at 31 March 2021. Of that amount, £5.8m are restricted funds and £0.9m unrestricted.

Risk Management

The Board fully accepts its responsibilities under the Charity Commission's Statement of Recommended Practice (SORP). The Trustees have considered the major risks to which the charity is exposed and are committed to ensuring these are effectively managed.

The Chief Executive and senior managers have undertaken comprehensive risk assessments and established risk registers from an organisational and operational perspective and have established suitable risk management and control procedures which are reviewed regularly by the Board.

Key risks to the organisation include Financial, Reputational, Regulatory and Operational.

The Risk Register is updated quarterly and reported to Board with major risks highlighted and control measures discussed. Comprehensive financial accounts including cash flow, I&E and the Balance sheet are reported to Board monthly.

The Key financial risks relate to funding shortfalls and uncontrolled expenditure. As with most charities, developing sustainable funding streams in order to deliver Mahdlo's objectives is of paramount importance. The overall strategy is to balance restricted funding from specific projects and grants with unrestricted funds primarily from Patrons, Donors and fundraising events. In the longer term, a key objective is to develop commercially viable income streams, which will underpin core delivery.

Expenditure is tightly managed with operational managers responsible for budgets relating to their operational responsibilities. Costs monitored and managed by the CEO and the senior management team using the organisation's centralised staff management system.

Regulatory risk is the responsibility of the CEO, Finance manager and Facilities manager who manages Health and Safety and Fire and other statutory risk areas. The Board is appointed and reviewed within the context of Charities Commission guidelines, and new regulatory judgements will be reported to Board as required.

The key operational risks are managed through operational risk planning with a clear hierarchy of responsibility. Specific procedures exist to manage Safeguarding and Health and Safety.

Reserves Policy

The Board of Directors of Mahdlo has established a reserves policy, in compliance with which it will annually review both the sum it wishes to hold in reserve in the unrestricted budget and the basis for that figure. The Directors continually strive to manage the charity's finances so that an adequate level of reserves can be maintained in compliance with the reserves policy.

- Reserves to be maintained at a level which ensures that at least 3 months of the organisation's core activity could continue during a period of unforeseen difficulty.
- That these reserves are readily realisable unrestricted reserves and are in addition to funding the fixed assets.

This level of reserves has been agreed for the following reasons:

- To provide working capital to allow for retrospective funding and the associated time difference between expenditure and receipt of funds.
- Mahdlo's income sources (particularly the Patrons programme and fundraising activities) are vulnerable to changes in the economic situation and any notice period for loss of major donors could be relatively short.
- To support new service development to enable Mahdlo to be responsive to beneficiary needs and to facilitate improvements to the operational running of the organisation.
- To ensure that the building can be kept fully functional, well equipped and in a good state of repair and remains a major attraction and asset.
- To invest in staff and volunteer training and development to ensure quality of service delivery.
- To enable Mahdlo to meet its delivery commitments without interruption in times of economic hardship.
- To be seen as a responsible charity by the Charity Commission, our Funders, partners and the community that engage with Mahdlo.
- To avoid the creation or retention of unnecessary surpluses for which there is no planned requirement in line with the organisation's charitable aims.

Due to the type of funding Mahdlo can and is likely to access can take up to 6 months to secure, there is a need for a longer term policy to increase reserves to an appropriate amount of working capital to fund these time delays. This will be achieved by:

- Developing a funding strategy that enables forward planning of income generation including targets over and above immediate running costs.
- Prioritising fundraising activities and events and ensuring a continual focus on fundraising not just in times of need.
- Appropriate accounting, including building into budgets, accounts and reports a sum for depreciation.
- Building Mahdlo's reputation as a quality charity, worthy of support and investment.

This reserves policy will be reviewed by the Chief Executive and the Board on an annual basis. It is the intention to increase reserve levels incrementally toward 6 months as the organisation's activity grows.

Investment Policy

With having relatively low unrestricted reserves and a variable income stream, funds built up in advance of expenditure need to be reasonably liquid; however, some funds may be retained and invested for future use. To ensure such investments are safeguarded:

- any decision about investments will be made by the Board (potentially having taken professional advice) considering the suitability and diversification of investments, including investments in deposit accounts, to ensure that the failure of one investment or institution does not have a major impact on Mahdlo;

- investments will be made in line with Mahdlo's values and ethos;
- investment performance will be regularly reviewed;
- records will be maintained of all investments held (including details of all those sold or purchased) by the charity; and
- accounting controls will be fully implemented to ensure that all dividends or interest payments due are received and accounted for.

Key Achievements in 2020/2021

The overwhelming spirit of our community has provided a strength that has pulled our team and the people we support through the last 12 months, making our contribution so much more valuable.

For many families across Oldham, this year has been incredibly tough, taking a significant toll on the health and wellbeing of young people. Being there for our community has been our number one priority, and whilst we could not provide our normal service, Mahdlo committed to extend its efforts to help those struggling during the pandemic.

During the pandemic, Mahdlo continued to support around 2,000 members. Throughout the year we had 18,739 session visits working with 8,485 young people. The charity provided remote support through online interactions and phone calls, as well as home visits across the borough of Oldham to support vulnerable young people and families.

Lockdown saw Mahdlo adapt to change how it supported young people, moving sessions online and finding new ways to keep them engaged. To keep our offer as relevant as possible, we launched a new TikTok account, becoming one of the first OnSide Youth Zones to do so. We started to build a following with fun videos from the team, showing behind the scenes and at home, as we jumped in with challenges, duets and viral dances.

Throughout the pandemic we delivered 148 one to one sessions that required more intense support. We delivered 311 outreach sessions in the communities across the borough.

The pandemic created a shift in the way we have been able to deliver youth work. With many community venues shut or at limited building capacity, our District Team put their concentration into delivering outreach. This provided a unique opportunity for regular interaction with families and young people in their communities, giving a more rounded picture of what the daily challenges were.

As a result the Team was able to tailor its offer to deliver:

- Early intervention – working with Year 6 and 7 pupils at risk of getting involved in crime with a focus on those that are extremely vulnerable due to lack of transition support
- A 12-week early intervention project aimed at girls (aged 11-13) at risk of criminal offending and/or sexual exploitation
- Established an LGBTQ drop-in session for young people
- Trained 23 mentors, with a total of 14 active matches

This year the OnSide Network President's Cup took place as a virtual competition, encouraging young people to compete in a series of online challenges over a period of 4 weeks in a bid to battle the boredom of lockdown isolation. From celebrity judges to amazing challenges and of course awesome submissions from Mahdlo members, it was great to see the Network come together.

A staggering £51,260 was raised through a unique campaign delivered last year, where a group of loyal friends pledged to match every £1 donated by the local community. From mountains climbed to bake sales and half marathons being completed in gardens, the money raised was put towards helping young people "Get Back In the Zone" and access the activities and support they vitally needed. It also enabled us to replace our much-loved minibus that was stolen last year.

Another focus during the pandemic was to support families and young people who were struggling to put food on the table, after our 'Don't Go Hungry This Half Term' campaign in October was so well received, Mahdlo pledged to provide packed lunches to Oldham's young people during every school holiday for the remainder of the academic year.

To date 2,500 packed lunches have been distributed during the school holidays:

"We cannot thank you enough for all you have done over the past few weeks. Our families were so grateful, and your impact did not go unnoticed throughout our community." – Shan Potts, Holy Rosary School.

397 Christmas hampers were given out locally, benefitting 2,200 people

"Thank you so much for your hamper. It's just lovely. It's the little kindnesses that have the biggest impact on people right now." – Parent of Mahdlo member

Over 495 food parcels containing over 13,500 meals and 600 breakfast and meal pots at the weekends have been shared

"On Friday I received a food parcel from you.... I'd just like to say it's greatly appreciated. This year I've been furloughed and then had my hours cut at work. We're really struggling at the moment and your food parcel has really raised our spirits. It's so different this year as every year I donate to food banks and usually a charity, but to be on the receiving end has been hard for me, but from the bottom of our hearts thank you. Now my son has a present to open on Christmas morning and food in the cupboard. Thank you so much to everyone involved for their generosity and kindness." Parent

Last year we were able to secure an internship for a young person on our Get a Job programme with Manchester Camerata – the award-winning orchestra – that delivered amazing results, despite being in lockdown. Being part of this fantastic experience has seen the young person's confidence, ambition and entrepreneurial spirit grow.

"I Have to be Patient" is an inspirational music video, created as part of the project: Positive Oldham Music Cultures, which started in late 2019. Funded by the Heritage Lottery, the aim of the project was to promote cohesion and better understanding of diversity through music.

Young people from a mix of backgrounds across Oldham were given access to practical music and musical heritage activities. Due to COVID the project had to be redesigned with lots of "Mahdlo at Home" elements. A partnership with the Royal Northern College of Music (RNCM) was created, which was originally intended to be vocal lessons became the development of three original songs. These songs were developed by RNCM and a gospel artist, introducing the young people to aspects of song writing and gospel structure composition.

"I Have to be Patient" is one of those tracks! This song in particular cemented the bond between four diverse members through lockdown, developing their skills, their knowledge and their friendships.

A unique production entitled; 'As Time Goes By' has been created by the Mahdlo Ability Productions Group. Shaped by the pandemic and personal loss, this creation has pushed the group to develop their skills in a way that they haven't encountered before. The focus is about creating a world where no-one wants to touch anyone or go outside. This is a very poignant piece and as it's been produced, we got the chance to catch up backstage with the Group to talk about the project and their experiences throughout lockdown, which have ultimately shaped the production.

The Mahdlo family lost a dear friend and faithful colleague, Mike Doran, our Chief Executive. The loss has been felt by many, but Mike's memory remains strong within the Youth Zone culture of excellence, which he spearheaded. Tightly interwoven within the fabric of our service offer for young people, we live and breathe his values of: Passion, Respect, Innovation, Dependability and Excellence.

Plans for the future

The board of trustees and the team have developed our strategic plan for 2021 – 2025. As we continue to strive for excellence for youth-led provision in Oldham, our strategy will focus on the ability to:

- Deliver quality youth work to increase regular attendances.
- Ensure young people's voices are central to the provision.
- Evidence our Impact through effective monitoring and evaluation.
- Develop our employee brand.
- Maximise and value resources.
- Ensure long-term financial stability.
- Grow the Mahdlo brand through effective marketing.

Looking to the future there will be a drive to remobilise our service delivery, increasing membership while continuing to maintain the focus of the strategy to ensure that the offer remains attractive to young people and that the level of retention continues to improve. Membership now stands at 2,183, which is less than the previous year, but the focus has been to support our most vulnerable young people. Within the business plan, we have made action plans to increase membership and regular attendance, working towards pre COVID statistics.

In order to demonstrate our impact and secure financial investment we aim to develop and embed effective systems and processes to monitor and evaluate our work, delivering training to the whole team.

In order to ensure financial sustainability, we aim to establish a diverse range of income streams and embed an innovative approach to income generation. Throughout the year we aim to deliver 4 community campaigns, bringing in more funds through community fundraising as well as raising our profile as a charity.

To ensure we can deliver on all of the above plans, having a strong, happy workforce is essential. Throughout the year we aim to encourage a healthy workforce through various different methods including the introduction of a new employee benefit, promoting free use of the onsite gym and reminding team members of our Mediacash health care benefit.

Trustees' Responsibilities

The charity's Trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the charity's Trustees to prepare financial statements for each financial year that give a true and fair view of the state of the charity's incoming resources and applications of resources during the year and of its state of affairs at the end of the year. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume the charity will continue in operation.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving this report:

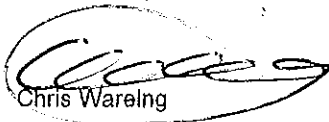
- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- The trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Compliance with accounting standards

The Trustees confirm that the financial statements comply with current statutory requirements, the requirements of the Company's Memorandum and Articles of Association and the requirements of the Charities SORP (FRS102).

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

This report was approved by the Board of Directors at the Annual General Meeting on 30th November 2021 and signed on behalf of the board by:



Chris Wareing

Chair of the Board

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE)

Opinion

We have audited the financial statements of Mahdlo (Oldham Youth Zone) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its 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 charitable company 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 charitable company'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 directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matter prescribed by the Companies Act 2006.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE) (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters relating 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

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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHDLO (OLDHAM YOUTH ZONE) (continued)

Based on our understanding of the charitable company, we identified that the principal risks of non-compliance related to those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and the Charities SORP (FRS 102). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates. Appropriate audit procedures were performed to address those risks including testing journal entries and challenging assumptions and judgements made by management in their significant accounting estimates. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Use of our report

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



David Ducie (Senior statutory auditor)

For and on behalf of

Wrigley Partington

Chartered Accountants and

Statutory Auditor

Sterling House
501 Middleton Road
Chadderton
Oldham
OL9 9LY

Date: 14th December 2021

Mahdlo (Oldham Youth Zone)

STATEMENT OF FINANCIAL ACTIVITIES

(Including Income and expenditure account) : YEAR ENDED 31 MARCH 2021

		2021			2020		
	Note	Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
INCOME							
Donatons and legacies	2	982,582	633,343	1,595,925	634,384	1,333,032	1,967,416
Charitable activities:							
Delivery income	3	25,294	407,138	432,432	204,148	668,933	873,081
Other trading activities:							
Fundraising events	4	5,484	-	5,484	70,479	-	70,479
Investment income	5	157	-	157	1,163	-	1,163
Other income	6	345,699	500	346,199	26,072	4,868	30,940
Total incoming resources		1,339,216	1,040,981	2,380,197	936,246	2,006,833	2,943,079
EXPENDITURE							
Raising funds	7	78,631	-	78,631	113,298	-	113,298
Charitable activities:							
Youth projects and activlties	7	433,819	953,690	1,387,509	1,097,401	764,372	1,861,773
Governance	7	32,946	-	32,946	41,744	-	41,744
Total expenditure	7	545,396	953,690	1,499,086	1,252,443	764,372	2,016,815
Net (outgoing) Incoming resources before other recognised gains and losses		793,820	87,291	881,111	(316,197)	1,242,461	926,264
Other recognised gains and losses		-	-	-	-	-	-
Net movement in funds		793,820	87,291	881,111	(316,197)	1,242,461	926,264
Reconciliation of funds							
Total funds brought forward		146,418	5,687,755	5,834,173	462,615	4,445,294	4,907,909
Total funds carried forward	19	940,238	5,775,046	6,715,284	146,418	5,687,755	5,834,173

All incoming resources and resources expended are derived from continuing activities.

The accompanying notes are an integral part of this statement of financial activities.

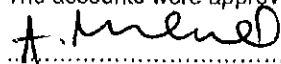
Mahdio (Oldham Youth Zone)

BALANCE SHEET : AS AT 31 MARCH 2021

	<i>Note</i>	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	5,884,656	5,791,768
Total fixed assets		<u>5,884,656</u>	<u>5,791,768</u>
CURRENT ASSETS			
Stock	13	-	1,501
Debtors	14	562,582	140,246
Cash at bank and in hand	15	675,897	322,608
Total current assets		<u>1,238,479</u>	<u>464,355</u>
LIABILITIES:			
Creditors falling due within one year	16	407,851	421,950
Net current assets		<u>830,628</u>	<u>42,405</u>
Net assets	20	<u><u>6,715,284</u></u>	<u><u>5,834,173</u></u>
THE FUNDS OF THE CHARITY			
<i>Restricted income funds</i>	19	5,775,046	5,687,755
Unrestricted funds	19	940,238	146,418
Total charity funds	19	<u><u>6,715,284</u></u>	<u><u>5,834,173</u></u>

These accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The accounts were approved by the board on 30th November 2021 and signed on its behalf by



..... Trustee/Director

A Milnes

Registration number 06946098

The accompanying notes are an integral part of this balance sheet.

Mahdlo (Oldham Youth Zone)

STATEMENT OF CASH FLOWS : YEAR ENDED 31 MARCH 2021

	<i>Note</i>	2021 £	2020 £
Cash used in operating activities	24	<u>586,335</u>	<u>1,181,050</u>
Cash flows from investing activities			
Interest income		157	1,163
Purchase of tangible fixed assets		(244,823)	(1,438,587)
Sale of tangible fixed assets		11,620	-
Cash provided by (used in) investing activities		<u>(233,046)</u>	<u>(1,437,424)</u>
Increase/(decrease) in cash and cash equivalents in the year		353,289	(256,374)
Cash and cash equivalents at the beginning of the year		322,608	578,982
Total cash and cash equivalents at the end of the year		<u>675,897</u>	<u>322,608</u>

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2021

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Mahdio (Oldham Youth Zone) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Company status

The charity is a company limited by guarantee. The members of the company are drawn from throughout Oldham's civic, business, education and training, and voluntary sector communities. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The charity was incorporated in England and the address of its registered office is Egerton Street, Oldham, OL1 3SE.

c) Income recognition policies

Items of income are recognised and included in the accounts when the charity is legally entitled to the income, any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered probable and the amount can be measured reliably. The following specific policies apply to categories of income:

Grants for core funding, which do not impose performance related conditions, are recognised when received. Grants towards specific project costs are recognised based on the performance model, as the project is delivered.

Income relating to contracts is deferred where the services have only been partially performed at the year end.

Investment income is recognised on a receivable basis.

d) Donated services and facilities

Donated services or facilities are recognised 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 services and 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.

e) Pensions

The charity operates a defined contribution pension scheme. The annual contributions payable are charged to the SOFA in the year to which they relate. The assets of the scheme are held independently from those of the Charity.

1 Accounting policies continued

f) Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (eg. number of employees or estimated usage). Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in trading activities that raise funds.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services, and include both the direct costs and support costs relating to these activities.
- Governance costs, which are included within charitable activities, include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

g) Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

h) Operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

i) Tangible fixed assets and depreciation

Individual fixed assets costing £500 or more are capitalised at cost and depreciated over their useful economic lives as follows:

Long leasehold property	2% Straight line
Property building works	10% Straight line
Club equipment	33.3% Straight line
Office and electrical equipment	33.3% Straight line
Furniture and fittings	33.3% Straight line
Motor vehicles	25% Straight line

j) Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the trustees/directors in furtherance of the general objectives of the Charity and that have not been designated for other purposes.

Restricted funds are funds subject to restrictions imposed by the donor or by the specific terms of the appeal under which the funds are raised.

Designated funds comprise unrestricted funds that have been put aside at the discretion of the trustees/directors for particular purposes.

1 Accounting policies continued

k) Taxation

The company is a registered charity and as such is entitled to the exemption from tax to the extent that the income received falls within section 505 ICTA 1988 and section 256 CGTA 1992 and is applied to charitable purposes only.

l) Holiday pay

The holiday year end does not coincide with the financial year end and consequently, provision is made in the accounts for holidays accrued but not taken as at the end of the financial year.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

n) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions 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.

p) Assessment of going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern and the accounts have been drawn up on the going concern basis which assumes that the charity will continue in operation for the foreseeable future.

q) Financial Instruments

The charity only 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 their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2021

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
2 <u>Income from donations and legacies</u>				
Patrons programme and donations	554,517	197,267	751,784	1,556,814
DCMS grant re: Community Match Challenge project	-	436,076	436,076	-
Gift Aid recoverable	8,065	-	8,065	10,602
Legacies	-	-	-	-
Local authority grants	400,000	-	400,000	400,000
	<u>962,582</u>	<u>633,343</u>	<u>1,595,925</u>	<u>1,967,416</u>
3 <u>Income from charitable activities</u>				
<i>Delivery income:</i>				
Performance related grants (project funding)	-	407,138	407,138	668,933
Service level agreements	12,800	-	12,800	34,854
Café and refreshments	(418)	-	(418)	58,945
Facility hire	6,904	-	6,904	58,958
Membership, fees and sale of goods	6,008	-	6,008	51,391
	<u>25,294</u>	<u>407,138</u>	<u>432,432</u>	<u>873,081</u>
4 <u>Income from other trading activities</u>				
Fundraising events	5,484	-	5,484	70,479
	<u>5,484</u>	<u>-</u>	<u>5,484</u>	<u>70,479</u>
5 <u>Investment income</u>				
Bank deposit interest	157	-	157	1,163
	<u>157</u>	<u>-</u>	<u>157</u>	<u>1,163</u>
6 <u>Other income</u>				
Coronavirus job retention scheme grant	325,936	-	325,936	7,954
Profit on fixed asset disposal	11,620	-	11,620	-
Other income	8,143	500	8,643	22,986
	<u>345,699</u>	<u>500</u>	<u>346,199</u>	<u>30,940</u>

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2021
7 Expenditure

	<u>Raising funds</u>	<u>Charitable activities</u>		Total 2021	Total 2020
		Youth projects and activities	Governance		
	£	£	£	£	£
<i>Costs directly allocated to activities</i>					
Staff costs	70,602	828,210	-	898,812	1,183,876
Recruitment and employee costs	-	5,463	-	5,463	18,761
Rent and property costs	-	118,163	-	118,163	148,527
Stationery and administration	-	8,207	-	8,207	15,322
Printing, promotions, advertising and publicity	4,943	11,534	-	16,477	19,145
Telephone, data communication and computer	-	37,562	-	37,562	31,256
Professional services	-	-	-	-	-
Depreciation	-	136,742	-	136,742	97,081
Loss on fixed asset disposal	-	-	-	-	663
Project delivery costs	-	88,918	-	88,918	162,606
Catering	-	9,647	-	9,647	55,724
Bad debts	-	-	-	-	14,798
Fundraising	3,086	-	-	3,086	31,099
	78,631	1,244,446	-	1,323,077	1,778,868
<i>Support costs</i>					
Staff costs	-	90,393	24,146	114,539	158,555
Recruitment and employee costs	-	1,366	-	1,366	4,690
Rent and property costs	-	13,129	-	13,129	16,503
Stationery and administration	-	911	-	911	1,702
Telephone, data communication and computer	-	12,521	-	12,521	10,418
Professional services	-	8,226	-	8,226	26,300
Audit	-	-	8,800	8,800	8,313
Depreciation	-	15,194	-	15,194	10,787
Loss on fixed asset disposal	-	-	-	-	74
Bank charges	-	1,323	-	1,323	615
	-	143,063	32,946	176,009	237,957
Total expenditure	78,631	1,387,509	32,946	1,499,086	2,016,815

Support costs have been apportioned using numbers of people per area of activity, or on a basis which is considered consistent with the use of the resources.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2021

	Total 2021 £	Total 2020 £
8 Staff costs		
Total staff emoluments for the year were as follows:		
Salaries	936,160	1,230,117
National Insurance	57,927	82,464
Pension	19,264	29,850
	<u>1,013,351</u>	<u>1,342,431</u>

9 Staff numbers

The average monthly head count was 79 staff (2020: 93) and the average monthly number of full-time equivalent employees during the year were as follows:

	2021 Number	2020 Number
Charitable activities	30	46
Generating funds	1	2
Administration and support	4	5
Governance	1	1
	<u>36</u>	<u>53</u>

No trustees were paid or reimbursed expenses during the year.

The company considers its key management personnel to comprise the trustees and the chief executive officer. The total employment benefits excluding employer pension contributions of the key management personnel were £48,574 (2020: £69,000).

The number of employees whose total employee benefits exceeded £60,000 were as follows:

	2021 Number	2020 Number
£60,001 to £70,000	-	1

10 Net movement in funds

	Total 2021 £	Total 2020 £
Net movement in funds is arrived at after charging /(crediting):		
Depreciation of tangible fixed assets - restricted	111,548	90,670
- unrestricted	40,387	17,298
Auditors remuneration:		
Audit of the financial statements	8,800	8,313
Operating lease rentals - Office equipment	4,214	6,355

11 Taxation

The company is a registered charity and no provision for taxation is considered necessary.

Mahdio (Oldham Youth Zone)

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Long leasehold property	Leasehold improve- ments	Club Equipment	Office & electrical Equipment	Furniture & fittings	Motor vehicles	Total
<u>Cost</u>							
At 1 April 2020	6,043,868	67,531	107,173	61,084	21,234	25,444	6,326,334
Additions	197,306	-	7,079	11,198	13,355	15,885	244,823
Disposals	-	-	-	-	-	(25,444)	(25,444)
At 31 March 2021	<u>6,241,174</u>	<u>67,531</u>	<u>114,252</u>	<u>72,282</u>	<u>34,589</u>	<u>15,885</u>	<u>6,545,713</u>
<u>Depreciation</u>							
At 1 April 2020	419,965	25,027	37,299	22,415	4,416	25,444	534,566
Charge for the period	94,201	5,135	26,820	17,464	6,321	1,985	151,935
Disposals	-	-	-	-	-	(25,444)	(25,444)
At 31 March 2021	<u>514,166</u>	<u>30,162</u>	<u>64,128</u>	<u>39,879</u>	<u>10,737</u>	<u>1,985</u>	<u>661,057</u>
<u>Net Book Value</u>							
At 31 March 2021	<u>5,727,008</u>	<u>37,369</u>	<u>50,124</u>	<u>32,403</u>	<u>23,852</u>	<u>13,900</u>	<u>5,884,656</u>
At 31 March 2020	<u>5,623,903</u>	<u>42,504</u>	<u>69,874</u>	<u>38,669</u>	<u>16,818</u>	<u>-</u>	<u>5,791,768</u>

13 Stock

	2021 £	2020 £
Café and kitchen stock	<u>-</u>	<u>1,501</u>

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
14 Debtors		
Trade debtors	61,699	48,863
Other debtors	425,400	-
Prepayments	27,218	44,705
Accrued income	48,265	46,678
	<u>562,582</u>	<u>140,246</u>

Other debtors relates to payments made to The Mahdlo Endowment Trust, a separate charity, whose objects are to support the charitable work of Mahdlo (Oldham Youth Zone). Those monies can be requested back from the trust as and when required at short notice.

15 Cash at bank and in hand

Cash at bank	675,474	320,388
Cash in hand	423	2,220
	<u>675,897</u>	<u>322,608</u>

16 Creditors : amounts falling due within one year

Trade creditors	110,745	121,700
Other creditors	-	2,083
Accruals	130,871	105,037
Deferred Income	166,235	193,130
	<u>407,851</u>	<u>421,950</u>

Movements on deferred income account:

Brought forward	193,130	92,148
Released	(193,130)	(92,148)
Income deferred in current year	166,235	193,130
	<u>166,235</u>	<u>193,130</u>

17 Operating lease commitments

	2021 £	2020 £
The total future minimum lease payments under non-cancellable operating leases are as follows:		
Office equipment leases which expire:		
within one year	224	1,140
between two and five years	8,690	11,398
in over five years	-	-
	<u>8,914</u>	<u>12,538</u>

18 Share capital

The company has no share capital, and the liability of members is limited by guarantee to £1 per member.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2021
19 Analysis of charitable funds
Analysis of fund movements:

	At 1 April 2020 £	Incoming resources £	Resources expended £	Gains (losses) £	At 31 March 2021 £
Unrestricted funds:					
General fund	146,418	1,339,216	(545,396)	-	940,238
Restricted funds:					
Acquisition of property at Egerton Street, Oldham	3,779,690	-	(83,993)	-	3,695,697
Extension to property at Egerton Street, Oldham	1,891,988	192,267	(10,182)	-	2,074,073
Other fixed asset purchases	11,662	6,572	(16,821)	-	1,413
Fundraising event for purchase of new vehicle	4,415	-	(552)	-	3,863
DCMS grant re: the Community Match Challenge project	-	436,076	(436,076)	-	-
Grants for project delivery	-	400,566	(400,566)	-	-
Others	-	5,500	(5,500)	-	-
Total restricted funds	5,687,755	1,040,981	(953,690)	-	5,775,046
Total funds	5,834,173	2,380,197	(1,499,086)	-	6,715,284

20 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	109,610	-	5,775,046	5,884,656
Current assets	1,055,415	-	183,064	1,238,479
Current liabilities	(224,787)	-	(183,064)	(407,851)
Net assets 31 March 2021	940,238	-	5,775,046	6,715,284

21 Contingent liabilities

There is a contingent liability in connection with a grant relating to the charity's long leasehold property whereby if, during a period of 20 years from the date of the grant offer letter dated 26 February 2009, the charity shall be in breach of any of the grant conditions, the grant shall be repayable upon receipt of a written demand from The Secretary of State for Education. The amount of the grant was £4,994,577 and The Secretary of State for Education holds a legal charge over the charity's long leasehold property in respect of this potential liability.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2021

22 Pension fund

The company operates a defined contribution pension scheme to which there is no commitment, the assets of which are held in a separately administered fund. Contributions to the pension scheme during the year amounted to £19,264 (2020: £29,850).

23 Related party transactions

During the year the charity received the following income from related parties without conditions:

	<u>Donations Patrons programme & donations</u>	<u>Charitable activities Facility hire and other</u>	<u>Other trading activities Fundraising</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
The Barker Foundation	50,000	-	-	50,000
Bedspace Ltd	-	-	3,770	3,770
	<u>50,000</u>	<u>-</u>	<u>3,770</u>	<u>53,770</u>

Also during the year the charity purchased goods and services from the following related parties:

PSO Trading Ltd	<u>£38,310</u>
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At 31 March 2021 the following unsecured amounts were owed by related parties:

Bedspace Ltd	£820
The Mahdlo Endowment Trust	<u>£425,400</u>
	<u>£426,220</u>

At 31 March 2021 the following unsecured amounts were owed to related parties:

PSO Trading Ltd	<u>£19,673</u>
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Mrs J M Barker, a trustee/director of the charity, is a trustee of The Barker Foundation.
 Ms S Bolshaw, a trustee/director of the charity is a director of PSO Trading Ltd.
 Mr C Wareing is a trustee/director of the charity and a director of Bedspace Ltd.
 The Mahdlo Endowment Trust is a separate charity, whose objects are to support the charitable work of Mahdlo (Oldham Youth Zone). Mr J Ainley and Mrs J M Barker, trustees of Mahdlo (Oldham Youth Zone), are also trustees of The Mahdlo Endowment Trust.

NOTES TO THE FINANCIAL STATEMENTS : YEAR ENDED 31 MARCH 2021

24 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	881,111	926,264
Add back depreciation charge	151,935	107,868
Add back (profit)/loss on fixed asset disposal	(11,620)	737
Deduct interest income shown in investing activities	(157)	(1,163)
Decrease/(increase) in stock	1,501	2
Decrease/(increase) in debtors	(422,336)	20,096
Increase/(decrease) in creditors	(14,099)	127,246
	<u>586,335</u>	<u>1,181,050</u>

Mahdio (Oldham Youth Zone)

The following pages do not form part of the statutory accounts.