

**Company Number: 08341220**

**Charity Registration Number: 1151247**

**Wolverhampton Youth Zone**

**(A company limited by guarantee)**

**Trustees' Report and Financial Statements**

**For the year ended 31 March 2021**

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

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**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Officers, professional advisers and administrative information**

<b>Charity Registration number:</b>	1151247
<b>Company Registration number:</b>	8341220
<b>Registered Office:</b>	The Way Wolverhampton Youth Zone School Street Wolverhampton WV3 0NR
<b>Bankers:</b>	Barclays Bank plc Leicester Leicestershire LE87 2BB
<b>Auditor:</b>	Lancaster Haskins Limited Granville House 2 Tettenhall Road Wolverhampton WV1 4SB
<b>Trustees:</b>	V W Fairclough (Resigned 26 January 2021) J Gough A S Gough (Resigned 1 February 2021) D R Bernard (Resigned 14 April 2021) P J Horton (Resigned 2 November 2020) K R Manning A J Wolverson E Bennett P K Brigue A Benjamin M Howell K Griffiths (Appointed on 24 September 2021)
<b>Company secretary:</b>	P Horton (Resigned 29 September 2020) M Howell (Appointed 29 September 2020)

## **Wolverhampton Youth Zone** **(A company limited by guarantee)**

### **Trustees' Report**

The Trustees, who are also directors of the charity for the purpose of the Companies Act 2006, present their annual report and the audited financial statements for the year end 31 March 2021.

In addition to the requirements of the Companies Act 2006, the financial statements comply with the Charities Act 2011, The Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019).

### **Objectives**

Wolverhampton Youth Zone's objectives are to help, support and educate young people of all abilities, predominantly resident in the Wolverhampton area, through the provision of sports, arts and recreation activities, mentoring and employability support designed to provide them with the opportunities to fulfil their physical and spiritual potential, and to enable young people to raise their aspirations and confidence levels to create a happier and healthier generation.

In March 2020, the pandemic started in the UK. Due to this unexpected event, we have developed our offer in this financial period to best support the young people in Wolverhampton within the restrictions and guidelines as they emerged. This has enabled us to have the largest impact possible on young people and their families, as well as developing our income generation plans in these unprecedented times.

### **Our Vision**

To be the go-to place for young people in Wolverhampton.

### **Our Mission**

To invest in young people, aged 8-19, through safe, state of the art facilities, dedicated staff and quality, fun activities. We will engage with young people on a voluntary basis, supporting them to thrive, make positive decisions; creating growth and resilience for the future. Always putting young people first.

### **Our Values**

Who we are and how we work:

TOGETHER	We are committed to building positive, inclusive relationships with all. Individuals are respected and celebrated within The Way community.
HONEST	We are open and sincere. We act with integrity and transparency and are accountable for our words and actions.
ENERGETIC	We approach all we do with a 'can-do' attitude. We are positive, dynamic, and flexible and always give our best for Wolverhampton's young people.
WELCOMING	We create a safe, positive, and supportive atmosphere for all. We care for people and are passionate in all we do.
ASPIRATIONAL	We are constantly evolving and always seek to improve. We grow, progress, and develop as an organisation and as individuals. We lead by example and inspire others.
YOUTH-LED	We are needs-led and young person focused throughout our work.

### **Our Activities**

The charity delivers its objectives through a purpose-built Youth Zone building, branded 'The Way' which was built in the heart of the City in one of the most deprived areas of the West Midlands. It provides somewhere for young people to go and give them something to do and someone to talk to in a safe environment, providing a huge range of positive activities for a minimal charge per visit.

We are normally open 7-days a week, for 40 hours outside of school hours as a safe space for young people. During the pandemic we did some of our activity online and also offered a 5-day a week programme, where allowed.



**Wolverhampton Youth Zone**  
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**Trustees' Report (Continued)**

The experienced and skilled staff and volunteers at The Way engage with young people aged between 8 and 19, or up to 25 for young people with disabilities, by providing first-class sports, dance, music, media, arts and recreation activities, which empower them to build greater self-confidence and self-esteem, develop positive relationships, raise and achieve their aspirations, develop self-discipline, resilience and trust and live happier, healthier lives as per the objectives of the charity.

Facilities offered include:

- A multi-use outdoor all-weather sports pitch to host five-a-side football matches;
- A multi-use four-court sports hall;
- A performing arts studio for dance and theatre including, street, hip hop and contemporary dance, choreography, drama and dance leadership;
- A fully equipped fitness suite;
- A music studio offering recording, producing, mixing, singing, DJ Facilities and musical instrument coaching;
- An enterprise media suite and programme through which young people can get support looking for jobs and work experience placements as well as help writing their CVs or enhancing interview skills;
- A climbing wall;
- A training kitchen, giving young people essential life skills;
- A boxing gym;
- A 'Health and Wellbeing Room', offering a space for young girls and women and support with more challenging issues such as relationships and keeping safe;
- A café designed by the young people and offering home cooked food at discount prices;
- An extended arts room offering pottery, drawing, writing, fashion, textiles, and photography; and
- A newly refurbished sensory room – designed by our young people

Our story began back in 2012 when Wolverhampton City Council, in partnership with local business people, saw the OnSide Youth Zone model in other towns and cities and, as a result, wanted to give the young people of Wolverhampton access to a Youth Zone and the benefits it can bring for the whole community. Championed by successful entrepreneur, Steve Morgan CBE, and with additional backing from the Steve Morgan Foundation, The Queen's Trust, Garfield Weston Foundation and St James's Place Foundation. Construction began in 2014 and this once-in-a-lifetime project became a reality for the city's young people from Saturday 16th January 2016 when The Way officially opened its doors to young people.

The business model of Youth Zones is unique and is a public/private partnership. This model requires both the public sector (the Council and others) and the private sector (local patrons and businesses) to contribute financially to The Way on a continuing, long-term basis. If one side pulls out, there is no reason or justification for the other party to continue funding or support on its own.

This year represented the fifth full operational year for The Way.

## **Wolverhampton Youth Zone (A company limited by guarantee)**

### **Trustees' Report (Continued)**

#### **Objectives**

In last year's accounts we had five broad objectives. As noted last financial year, in 2020/2021 we refined our strategic objectives to three core priorities:

1. **High Quality Youth Work:** The place to-be for young people. Deliver high quality "relevant" universal youth programmes, through our core open-access offer and targeted work.
2. **Secure and Sustainable Funding:** Achieve financial stability and sustainability to deliver a high-quality youth work provision.
3. **Delivering Excellence:** A quality framework within The Way Youth Zone that demonstrates an evidenced need and impact.

Our achievements and performance in this period will be measured against these objectives as well as the impact of the pandemic and the changes to the programmes and activities this led to.

#### **Reserves policy**

It is the policy of the charity to maximise funds, to ensure enough funds are available to cover support and administration costs for the foreseeable future. Since the opening of the centre, and in line with other similar organisations, The Way has established a reserve policy which is reviewed annually. At the year end the free reserves were £597,143, compared to an expected amount per the policy of £200,000 when compared to the operational budget. This remains a priority for the Board and the Executive in 2021/2022.

#### **Going Concern**

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 21 of the financial statements.

#### **Directors and Trustees**

The Trustees who served during the year and thereafter are listed on page 1.

#### **Structure, Governance and Management**

##### **Governing Document**

Wolverhampton Youth Zone is a company limited by guarantee without share capital and registered under the Companies Act. The company is governed by its Memorandum and Articles of Association and management of the company's affairs is vested in the Trustees.

##### **Recruitment and appointment of Trustees**

New Trustees are to be recruited according to the needs of the charity and the suitability of possible candidates. This is being actively done at present, with openings for a legal Trustee, a HR Trustee and a Communications and Marketing Trustee as well as community Trustees with knowledge of Wolverhampton.

Following the opening of the facility the composition of the Board has changed to reflect people who are active in the local community. As such, Trustees have been appointed in relation to their integrity and probity and proven record in their chosen professional career. It is expected that the policy attaching to appointments will continue in that vein. The background of each appointee is such that formal training is not required. Newly appointed Trustees are provided with a comprehensive induction to The Way, through in-house meetings with the existing Trustees and the Chief Executive Officer. The rules of Trustee appointment are set out in the company's Memorandum and Articles of Association, which may be inspected at the registered office.

## **Wolverhampton Youth Zone (A company limited by guarantee)**

### **Trustees' Report (Continued)**

#### **Organisational Structure**

Wolverhampton Youth Zone is governed by its Board of Trustees, which is responsible for setting the strategic direction of the organisation and the policy of the charity. The Trustees carry the ultimate responsibility for the conduct of the Wolverhampton Youth Zone and for ensuring that the charity satisfies its legal and contractual obligations. The Trustees meet on a bimonthly basis.

Day-to-day management is delegated to the Chief Executive Officer, Carla Priddon. The Board of Trustees consider that along with the Board, who are also directors, the Chief Executive Officer comprise the key management personnel of the charity.

The pay of the Chief Executive Officer is reviewed annually by the Board of Trustees.

#### **Volunteers**

In addition to employing full and part time staff, The Way is also reliant on the support of approximately 10 regular volunteers (not including mentors, who number 80) who attend specific sessions to engage with young people across all our activities. We are incredibly thankful and appreciative to all our volunteers, and they are a vital part of our charitable work. We saw some natural drop-off of volunteers during this period due to Covid-19 and other reasons, so a priority in 2021/2022 is to increase this support back to pre-pandemic levels. We will be employing someone to support this initiative in early 2022.

#### **Wider Network**

Whilst Wolverhampton Youth Zone is an independent charity, it is closely affiliated with the charity OnSide Youth Zones, charity commission number 1125893. OnSide Youth Zones was set up to raise public and private funding to develop independent Youth Zones based on the model pioneered by Bolton Lads and Girls Club.

The development of the facilities at The Way has been funded by a collaboration of private and public sector bodies, please see note 19 for further details of related parties.

#### **Fund-Raising Standards Information**

Wolverhampton Youth Zone raises funds by approaching businesses and philanthropic individuals who have an interest in supporting young people. We also apply for grants and to Trusts that have the same interest. We have one major donor fund-raiser who does all of our fundraising. We do not outsource our fund-raising nor use consultants or contractors.

The charity is not currently a member of any voluntary scheme for regulating fund-raising.

As the charity only has one employed fund-raiser that works directly with people introduced to our cause on a one-to-one basis, we do not currently have a need to monitor fund-raising activities. During the period, the charity received no complaints regarding its fund-raising activities.

The charity does not street fund-raise nor door-to-door fund-raise so does not come into contact with vulnerable or other people who may feel intruded upon, unreasonably, persistently approached or have had undue pressure placed upon them.

#### **AUDITOR**

Each of the persons who are Trustees of the charitable company at the date of approval of this report confirms that:

- So far as the Trustee is aware there is no relevant audit information of which the charitable company auditor is unaware; and
- The Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S418 of the Companies Act 2006.

**Wolverhampton Youth Zone**  
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**Trustees' Report (Continued)**

**STRATEGIC REPORT**

**Achievements and Performance – 2020/2021 Impact**

**Sessions**

Senior Session Attendance: 6,236

Junior Session Attendance: 4,285

Holiday Club Attendance (Supported by Holiday Activity Fund, HAF): 485

**Engagement in specific activities**

Sports: 2,946

The Arts: 3,017

Life Skills: 3,529

Personal, Social, Emotional Development Activities: 3,085

Mentoring (1:1 and Group): 2,787

Welfare calls (circa. 100 per week): 3,428

**Community Outreach**

Breakfast Packs: 331

Data Packs: 200

Hot Lunches: 742

Food Parcels: 1125

**High Quality Youth Work:** The place to-be for young people. Deliver high quality “relevant” universal youth programmes, through our core open-access offer and targeted work.

The Way entered its fifth year of operation and is developing a strong track record of delivering high quality, innovative youth work to young people in Wolverhampton.

The Way Youth Zone has opened as outlined above and welcomes all young people aged 8-19 (up to 25 with a disability). In addition to the ‘universal’ and open-access youth club and sports provision, The Way provides a range of targeted projects for the city’s most vulnerable young people including employability and enterprise, mentoring and outreach. In December 2020, 14% of our members had an additional need and 54% BAME, reflecting the community we serve. Our members came from across the city and were split by gender 58.0% Male, 41.5% Female, 0.5% ‘Didn’t want to say’.

Since opening, there have been over circa 260,000 attendances by young people, typically, between 900-1,000 per week pre-pandemic. Reach during the pandemic has been outlined above. Young people have accessed a range of services offered by The Way. As an organisation, we offer opportunities that meet the changing needs of Wolverhampton’s children and young people and remain flexible and responsive. We will continue to consult with young people, both formally through the forum, and informally on sessions, to deliver what they want and need.

We also work with partners across the city to signpost where required and to ensure we are not duplicating work.

## **Wolverhampton Youth Zone** **(A company limited by guarantee)**

### **Trustees' Report (Continued)**

**Mentoring:** The Way's Mentoring Programme, now in its fourth year and entirely supported by the Steve Morgan Foundation, gives young people structured and individualised 1 to 1 support to make sure they reach personal goals relevant to them. Alongside the 1 to 1 support of a mentor, young people will be given the opportunity to take part in group work sessions, trips, and activities. We will also be hosting awards evenings. In this period, we have worked with over 100 young people. The majority of those referred have come from Strengthening Families Hubs, Social Services and the Looked After Children and Young People team. We will have worked with over 300 young people in 5 years.

We also continued group and peer mentoring in this period as a direct response to the needs and requests of young people and partners. This programme is particularly for those young people who do not require a full mentoring programme but would benefit from more short-term engagement.

**Inclusion:** We have two funded projects from Children in Need. One is a main grant and the other is a small grant. Our main grant focuses on developing independence, confidence, building self-esteem and developing family relationships, as well as providing new opportunities such as wheelchair basketball. Our smaller grant focuses on developing physical health and fitness and confidence in taking part in activities across the zone. Some of this work was deferred as some of the young people were not able to attend the Youth Zone even when we reopened due to their medical needs. This work will continue until March 2022.

**Secure and Sustainable Funding:** Achieve financial stability and sustainability to deliver a high-quality youth work provision.

During this accounting period we have been working with existing Founder Patrons and seeking new patrons to support our vital work. We continued working with potential new companies and individuals. We continued to receive grants and support from a range of charitable trusts, with a focus on local, family trusts. We also received funding from the National Lottery Community Fund. We have also employed a new post, Fundraising Officer, who has been supporting with events, community engagement and corporate fundraising.

The CEO's focus has been to continue building strategic partnerships across the city and working with existing high-value donors whilst there has been a vacancy in the fundraising team. This was filled in June 2020.

In addition, the CEO has been focusing on commercial income by hiring out the facility during the day to like-minded organisations. The income from commercial streams has risen by over 200% and partnerships include two pupil referral units, DWP and various smaller organisations as space is available.

We also work in partnership with organisations and individuals, ensuring relevant and quality delivery and to increase opportunities for young people at shared costs. We work with over 50 organisations across the city to ensure a complete service for the City's young people and we sign-post, as necessary. These relationships continue to develop, and new ones are being actively sought. Some examples include Embrace, Youth Offending Team, and Wolverhampton College.

From an income perspective, due to unexpected funding from the Government (Community Match Funding), Onside Foundation and National Lottery to deliver in Sept 2020-March 2021 we were given a strong grounding as we moved into 2020/2021 as we were able to allocate some of our unrestricted income into reserves. This has helped us during the period of uncertainty of this financial year and, looking forward, we remain in a strong financial position.

**Capital Development:** Due to Covid-19 there was a delay in completing our sensory room. The money was raised in March 2020 via a crowdfunding programme. The room opened in early 2021 and we are thankful to the community for supporting this project. Many young people are enjoying the special room which includes a 'cave,' sensory technology, games, lighting tubes and soft mats. Young people were consulted during the room design and even chose the colour scheme.

## **Wolverhampton Youth Zone (A company limited by guarantee)**

### **Trustees' Report (Continued)**

**Delivering Excellence:** A quality framework within The Way Youth Zone that demonstrates evidenced need and impact.

To deliver our services well we need to ensure all of our systems, processes and governance are excellent. During this year we have completed an audit of the board to review performance and developed new systems and processes as required. A scheme of delegation has been agreed. We are also seeking to recruit new board members.

We have also completed an 'Excellence Framework' review via OnSide which has given us areas of work to develop and focus on. A large part of this objective is the management of staff and volunteers, including developing policies and recruitment, which will be a priority in 2021/2022.

We continue to respond to needs via consultation and partnership working and to monitor our impact and reach via our CRM system, Salesforce, Impact Stories and seeking feedback. We plan to continue to develop this next year, including using the handbook created for us by King's College London with a grant from the Youth Endowment Fund.

### **Impact Stories**

#### **Senior Club Members**

*"The youth zone helps me suffer school and makes me feel like there are people in my life who I CAN trust and who I CAN turn to."*

*"I'm so happy that I get to come here and participate in different sports. When the new lockdown happened, I was worried that I wouldn't be able to do any sports, but luckily The Way contacted me, so I was able to."*

*"I feel so much better for talking and getting things off my chest. If we were in the building I would have just spoken to you but it's harder now we are online so I'm glad we are going to have these weekly chats. There are some things I don't want to talk to my mom and dad about."*

A., a member of The Way told us about his anxieties around COVID-19 and his own health. He explained that because he is at higher risk, he has been reluctant to leave his house and go out and do the "fun" things he enjoys like playing football with his friends. A. said that one of the main challenges that he has had has been because he hasn't been able to continue to play football or exercise regularly, he feels less healthy, and he isn't as confident in himself as he used to be. He has been a regular attendee, taking part in lots of different physical activities. A. has explained that he wants to continue to come and participate in football as long as he can. A. has become happier and has the confidence to come to The Way because he feels we are doing a good job to fight against COVID-19. A. has been a regular attendee in football sessions, continues to engage online via our social media channels and has also been to play some organised sports outside of The Way too. *"I love playing football so I'm glad I can come to The Way and participate there safely"*. We were in regular contact with A. throughout the pandemic, via messages on our social media platforms and by phone so that we were able to stay connected. This meant A. had someone to talk to about any issues or concerns that he may have had.

#### **Z (Junior Member)**

Z. loves to play football and cricket and is a general lover of sports. Football and family give Z. the most joy in life. He enjoys playing FIFA with his friends and he, also, plays for a local football team with his friends and generally likes to be busy.

When Z. first started coming to The Way he was not very confident in himself. He was not confident talking to adults and potentially meeting new young people. Z. also joined during the 2nd lockdown period of 2020. He was sad because he was unable to play sports with his friends and enjoy himself with football and sports.

Since the lockdown has been relaxed, Z. has been attending The Way and participating in different sports and football activities with his friends that he met in online activities. He has been involved in different activities with new young people that he does not know. He has been able to talk to different staff members and get to know them and other young people.

## **Wolverhampton Youth Zone** **(A company limited by guarantee)**

### **Trustees' Report (Continued)**

Z. has said that he has felt an increase in his confidence both mentally and physically in himself. He has noticed that he is happier and that he feels comfortable talking to older people and adults.

He says, *"I love to participate in sports. I am so grateful that I have still been able to take part in sports even when everything has stopped and have loved the sessions getting busier. It has made me feel confident in myself."*

#### **Feedback from one of our youth workers, L.**

Whilst making welfare calls and filling out evaluations, I had L's mom on the phone and she had this to say about The Way, *"...we're not from around here, so when we moved him to a new school and youth zone, he really enjoyed it and enjoys coming. He was really looking forward to coming back, then lockdown happened again, and he made a lot of new friends there. Yeah, he is looking forward to going back."* She cannot wait to send him back to the youth zone, once we re-open and is ready to send a new addition from the family, member L's younger brother who is now old enough to join The Way.

#### **Special visitors**

In partnership with Wolverhampton City Council, Community Lottery Fund and Headstart, HRHs the Duke and Duchess of Cambridge came to visit The Way Youth Zone. This was the highlight of the year and enabled us to showcase the work we have been doing during lockdown and what we are planning in the next 12-24 months for young people in the city of Wolverhampton.

### **Financial Review**

#### **Financial Performance**

	2021	2020
	£	£
A summary of the income and expenditure is as follows:		
Total income	1,508,419	1,232,270
Total expenditure (excluding depreciation charges)	(992,977)	(1,161,907)
Net income before depreciation charges	515,442	70,363
Depreciation charges	(124,148)	(132,937)
Net income/(expenditure) for the year	391,294	(62,574)

#### **Adapting to Covid-19**

Covid-19 has naturally had an impact on our income and delivery.

This has been central to our charitable delivery in this financial period. Both unexpected and unplanned for, the team worked hard to continue to provide support to the most vulnerable young people in Wolverhampton in a variety of ways.

Initially, once we received the directive from central Government to close in March 2020, we pivoted to online delivery in just a weekend. Due to the skills of our staff and volunteers, we were able to offer many of the activities and programmes we do from the youth zone but online. However, we recognised that not all of our members, especially those that may be more vulnerable, or unable to access wi-fi facilities, would be able to access this provision, therefore, we were keen to offer other face to face or practical support wherever possible.



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**Trustees' Report (Continued)**

Ultimately, we were able to deliver the following for a large part of the year:

1. 5 nights per week online activity programme for both Junior and Senior members, covering arts programmes, dance and music, chat and chill, gaming, quizzes, interactive games and sport and fitness. We will also present live sessions on Facebook and Instagram and develop some series of activities on Reels and IGTV (This is new for us)!
2. Sports Mentoring continued online.
3. Extended health and wellbeing support for small groups with a focus on anxiety, low mood, coping strategies, relationships and as well as anything as it arises for our members (including 1:1 and potentially small F2F groups as lockdowns allowed).
4. Weekly welfare calls to those members who are unable to join in our activities.
5. Food parcel distribution for those facing food poverty.
6. Joint activities where possible such as with the Wolves Foundation & Headstart.
7. Data packages distributed to improve connectivity to online services for those facing internet poverty, vulnerability and to support online education (we had 200 x 3 months' worth to give away).
8. Wellbeing and breakfast packs – doorstep delivery for wellbeing support and those facing food poverty – we also worked with a partner, Actifit - to increase our reach and impact.
9. Hot lunch delivery – allowing a check in with our most vulnerable young people and supporting, where families again maybe facing food poverty or poverty in general.
10. Talk to us - 4-5pm Monday to Friday for young people to drop in and get support if they are facing mental health challenges and/or vulnerabilities and really need someone to talk to.
11. As soon as we were able to open, enabled by a grant from the Steve Morgan Foundation which provided equipment to help us socially distance, we did so in group bubbles and via a booking system, which was then removed as restrictions were relaxed.

During this financial period and then between May and September 2021 approximately 91% of the team were furloughed or part-furloughed once it was apparent that we would not be able to deliver face to face activities for the foreseeable future. This enabled us to be careful with our financial resources whilst fundraising was uncertain and future income unknown.

**Plans for next year and strategic objectives**

Our strategic plan has been reviewed as our existing organisational strategy ends in 2021. It is being developed and refreshed in line with changing priorities across Wolverhampton, including key issues arising from Covid-19 that may have affected young people in Wolverhampton.

Specific areas of need for young people are being developed and agreed in the next few months, based on local need and existing internal evidence and data, which will form the basis for reporting against next year.

Broadly, over the next 12 months, The Way will continue to play a significant role in the delivery of universal youth services to the young people of Wolverhampton.

To continue to do this effectively, The Way will continue to work alongside other voluntary sector providers of youth services as well as with statutory providers.

There are several other ways, identified last year, that we are incorporating into how we work across the City:

- Sharing Resources – including marketing, facilities for conferences, free holiday club places for those in care/with social work support.
- Continued partnerships with DWP and Pupil referral Units (PRUs.) who use our facilities during the day and also provide opportunities for our members.



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**Trustees' Report (Continued)**

- Working with key statutory directorates and teams within the council more closely, including schools, looked after children, troubled families, early intervention and safeguarding. This work has begun and has occurred since 2017 but there remain steps that can be taken to ensure all the key people know about what we do and encourage young people within the city to attend The Way.
- Exploring commissioning opportunities across statutory bodies and their strategic objectives to ensure we can submit applications for key and relevant upcoming issues, such as mental health and wellbeing and employability. We have recruited a consultant specifically for this purpose.
- Building further relationships with schools across the city, including SEND schools so that we can share our new sensory room and facilities with all young people.
- Considering community and events fundraising and being more recognised as a 'charity' in the local community.

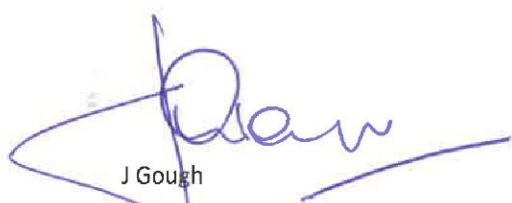
**Risk Management**

The Trustees have considered the principal risks to which the charity is exposed and consider these to be;

- Failure to secure budgeted income from private and public funders and fundraising activities.
- On-going impact of Covid-19 and the impact on income and services required, especially regarding additional safeguarding needed for the young people.

A significant level of support has already been given and continues to be generated from several local and national benefactors and along with funding from Wolverhampton City Council, and from entry and membership fees being provided by users of the facilities, this is expected to cover the revenue costs of operation. We are entering year six of our charity which means a renewal of existing donors, who originally committed for either 3 or 6 years, they will be asked to renew their support which will potentially be a challenge to funding. This is being mitigated by a diversification of our income portfolio including the planned appointment of a Trusts and Grants Manager and the work of our new Fundraising Officer.

Approved by the Board of Trustees on 17th December 2021 and signed on behalf of the Board:



J Gough

Chair to the Board of Trustees

**Wolverhampton Youth Zone**  
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**Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Wolverhampton Youth Zone for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON YOUTH ZONE**

### **Opinion**

We have audited the financial statements of Wolverhampton Youth Zone (the 'charitable company') for the year ended 31<sup>st</sup> March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31<sup>st</sup> March 2021, 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 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 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 12 months from when the financial statements are authorised for issue.

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

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 material 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON YOUTH ZONE**

**(Continued)**

### **Opinions on other matters 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' Annual Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report or the Strategic 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 from the requirement to prepare a strategic report.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 10, the Trustees are responsible for the preparation of financial statements which 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 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:

- We have obtained an understanding of the legal and regulatory frameworks that are applicable to the charity. The key laws and regulations we considered are ongoing compliance with the Companies Act 2006, the Charities Act 2011, employment law, health and safety, pension legislation and working with children regulations.
- We gained an understanding of how the charity is complying with those frameworks through discussion with management and the Trustees and review of the charity's documented policies and procedures.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON YOUTH ZONE**  
**(Continued)**

- We assessed the susceptibility of the charity's financial statements to material misstatement including fraud by considering the key risks impacting the financial statements. The key risks considered applicable to charities were identified as fraud risks with respect to management override, timing of recognition of income, manipulation of results to budget and going concern. We noted no issues in relation to these key risks. We sample tested journal entries to supporting documentation and the recognition of project income. We obtained and evaluated the Trustees' going concern assessment and assessed the key assumptions and forecasts driving the Trustees' assessment, including their assessment of liquidity and the operational resilience of the charity.
- Based on our understanding we designed our audit procedures to identify non-compliance with such laws and regulations.
- We have reviewed that the charity's control environment is adequate for the size of the charity. We have considered the impact of COVID-19 on internal controls and how the change in staff, responsibilities and remote working may increase the risk of fraud.
- We communicated identified laws and regulations throughout our team and remain alert to any indication of non-compliance throughout the audit.

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](http://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.



**Chris Birchell FCA (Senior Statutory Auditor)**  
**For and on behalf of Lancaster Haskins Ltd**  
**Wolverhampton, WV1 4SB**

.....20/12/2021.....

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Statement of financial activities (including income and expenditure account)**  
**For the year ended 31 March 2021**

	Note	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021 £	Total Funds 2020 £
<b>INCOME</b>					
Income from:					
Donations and legacies	2	634,837	870,597	1,505,434	1,086,567
Other trading activities	3	700	-	700	53,854
Charitable activities	4	2,285	-	2,285	91,850
<b>TOTAL INCOME</b>		<b>637,822</b>	<b>870,597</b>	<b>1,508,419</b>	<b>1,232,271</b>
<b>EXPENDITURE ON</b>					
Raising funds	5	30,524	24,649	55,173	35,895
Charitable activities	6	228,728	833,224	1,061,952	1,258,950
<b>TOTAL EXPENDITURE</b>		<b>259,252</b>	<b>857,873</b>	<b>1,117,125</b>	<b>1,294,845</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>					
Transfers between funds	16	-	-	-	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>378,570</b>	<b>12,724</b>	<b>391,294</b>	<b>(62,574)</b>
<b>Total funds at 1 April 2020</b>		<b>4,784,036</b>	<b>33,800</b>	<b>4,817,836</b>	<b>4,880,410</b>
<b>TOTAL FUNDS AT 31 March 2021</b>		<b>5,162,606</b>	<b>46,524</b>	<b>5,209,130</b>	<b>4,817,836</b>

The above results are derived from continuing operations.

All gains and losses recognised in the period are included above.

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Balance sheet**  
**As at 31 March 2021**

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	12	4,639,341	4,713,788
<b>CURRENT ASSETS</b>			
Stock		1,140	1,344
Debtors	13	93,996	57,672
Cash at bank and in hand		607,808	219,804
<b>TOTAL CURRENT ASSETS</b>		702,944	278,820
<b>CREDITORS – Amounts falling due within one year</b>	14	(133,155)	(174,772)
<b>NET CURRENT ASSETS</b>		569,789	104,048
<b>TOTAL ASSETS LESS CURRENT LIABILITIES /NET ASSETS</b>		5,209,130	4,817,836
<b>FUNDS OF THE CHARITY</b>			
Unrestricted funds	16	5,162,606	4,784,036
Restricted funds	16	46,524	33,800
<b>TOTAL FUNDS</b>		5,209,130	4,817,836

The financial statements of Wolverhampton Youth Zone, charity number 1151247 and company number 8341220, were approved by the Board of Trustees on 17<sup>th</sup> December 2021, and signed on its behalf by:



John Gough  
Chair to the Board of Trustees



Michelle Howell  
Company Secretary & Trustee



**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Statement of Cash Flows**  
**For the year ended 31 March 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Surplus/(Deficit) for the year		391,294	(62,574)
Adjustments for:			
Depreciation of tangible fixed assets		124,148	132,937
Profit on disposal of fixed assets		-	(460)
Changes in:			
Stock		204	1,836
Trade debtors and other debtors		(36,324)	(21,571)
Trade creditor and other creditors		(41,617)	30,654
<b>Cash used in operating activities</b>		<b>437,705</b>	<b>80,822</b>
Purchase of tangible fixed assets		(49,701)	(3,705)
Sale of tangible fixed assets		-	1,510
<b>Cash used in investing activities</b>		<b>(49,701)</b>	<b>(2,195)</b>
Increase/(Decrease) in cash and cash equivalents in the year		388,004	78,627
Cash and cash equivalents at the beginning of the year		219,804	141,177
<b>Total cash and cash equivalents at the end of year</b>		<b>607,808</b>	<b>219,804</b>



**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2021**

**1. ACCOUNTING POLICIES**

**Company and charitable status**

Wolverhampton Youth Zone, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. There are currently eight Trustees who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 1.

**Basis of accounting**

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 2019), the Charities Act 2011 and Companies Act 2006. The presentation currency is £ Sterling.

The preparation of the financial statements requires management to make judgements, estimates and assumption that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

The significant accounting policies adopted by the Trustees are described below. These policies have been consistently applied to all years presented unless otherwise stated.

**Going Concern**

The charity's activities, together with the factors likely to affect its future development, performance and position are set out in the Trustees' Annual Report, which also describes the financial position of the Charity including its cash and reserves policy. The Charity forecast and projections, taking account of reasonably possible changes in grants and donation income and other uncertainties, show that the charity should be able to operate with the current level of reserves it has. The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Income**

All income is recognised in the statement of financial activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably:

*Income from donations and legacies*

Voluntary income is received by the way of donations and gifts and is included in full in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it's probable that the income will be received and the amount can be measured reliably.

Donated services, facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable.

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**1. ACCOUNTING POLICIES (Continued)**

**Expenditure and allocation of costs**

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 the following headings:

The charities operating costs include staff costs and other related costs. Such costs are allocated between cost of raising funds and charitable expenditure. Staff costs are allocated according to the costs of staff working directly in the relevant activity and property costs are allocated according to the space used by each activity.

*Costs of raising funds*

The costs associated with fundraising activities and expenditure incurred during fundraising events.

*Charitable expenditure*

Costs of activities in the furtherance of the charity's objects include all expenditure directly related to the objects of the charity.

*Support costs*

Support costs are those functions that assist the work of the charity but do not directly undertake direct charitable activities. Support costs include back office costs, such as administration costs which support The Way's programmes and activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Where costs are not directly attributable to any activity, they have been apportioned using an appropriate basis.

**Fund accounting**

The charity maintains various types of funds as follows:

*Unrestricted funds*

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

*Designated funds*

Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside for a specific purpose.

*Restricted funds*

Restricted funds are funds which have been given for a particular purpose or project.

**Government grants**

Government grants relating to revenue are recognised on a systematic basis over the periods in which the entity recognised the related costs for which the grant is intended to compensate.

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**1. ACCOUNTING POLICIES (Continued)**

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation which is provided in equal annual instalments over estimated useful lives of the assets. No depreciation is charged on freehold land or assets in the course of construction. Assets under construction are not depreciated. Depreciation will be charged when the asset is brought into operational use.

The following rates of depreciation are applied:

Leasehold property	- over 50 years
Equipment	- 25% straight line

**Stock**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Debtors**

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

**Creditors**

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.

**Financial instruments**

The charity only has financial assets and 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.

**Employee benefits – pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign operating lease are similarly spread on a straight-line basis over the lease term.

The charity leases the freehold land from Wolverhampton City Council at a peppercorn rent for 125 years. The fair value of the freehold peppercorn rent is not valued due to the prohibitive cost of doing so.

**Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**2. DONATIONS AND LEGACIES**

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Donations	217,549	-	217,549	174,031
Grants	386,788	870,597	1,257,385	909,612
Gift Aid	30,500	-	30,500	2,924
	<hr/>	<hr/>	<hr/>	<hr/>
	634,837	870,597	1,505,434	1,086,567
	<hr/>	<hr/>	<hr/>	<hr/>

In 2020, out of the total income of £1,086,567, £587,519 was unrestricted and £499,048 was restricted.

**3. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Fund raising events	20	-	20	29,625
Room hire	680	-	680	24,229
	<hr/>	<hr/>	<hr/>	<hr/>
	700	-	700	53,854
	<hr/>	<hr/>	<hr/>	<hr/>

The decrease in income from other trading activities was as a direct result of the impact of the Covid-19 pandemic.

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
<u>Operations of The Way Youth Zone</u>				
Membership fees	480	-	480	7,134
Session fees	1,743	-	1,743	41,008
Catering income	62	-	62	43,708
	<hr/>	<hr/>	<hr/>	<hr/>
	2,285	-	2,285	91,850
	<hr/>	<hr/>	<hr/>	<hr/>

The decrease in income from other charitable activities was as a direct result of the impact of the Covid-19 pandemic.

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**5. EXPENDITURE ON RAISING FUNDS**

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Fund raising events	-	-	-	1,862
Wages and salaries	30,524	24,649	55,173	34,033
	<hr/>	<hr/>	<hr/>	<hr/>
	30,524	24,649	55,173	35,895
	<hr/>	<hr/>	<hr/>	<hr/>

**6. ANALYSIS OF CHARITABLE EXPENDITURE BY ACTIVITY**

	Activities undertaken 2021 £	Support costs 2021 £	Total 2021 £	Total 2020 £
Operation of The Way Youth Zone	850,205	211,748	1,061,952	1,258,950
	<hr/>	<hr/>	<hr/>	<hr/>

Expenditure on charitable activities was £1,061,952 (2020: £1,258,950) of which £228,728 was unrestricted (2020: £736,136) and £833,224 was restricted (2020: £522,814).

**7. EXPENDITURE ON DIRECT CHARITABLE ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Wages and salaries	-	514,918	514,918	741,220
Youth Project Delivery Expenses	8,358	75,689	84,047	64,630
Travel Expenses	460	1,250	1,710	2,193
IT	4,682	7,495	12,176	14,063
Catering	3,050	10,504	13,554	46,499
Premises Cost	16,216	70,685	86,901	90,481
Onside Youth Zone Services	12,750	-	12,750	17,000
Depreciation	124,148	-	124,148	132,937
Profit on disposal	-	-	-	(460)
	<hr/>	<hr/>	<hr/>	<hr/>
	169,664	680,541	850,205	1,108,563
	<hr/>	<hr/>	<hr/>	<hr/>

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**8. SUPPORT COSTS**

	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Wages and salaries	-	60,825	60,825	68,572
Recruitment	1,889	4,591	6,480	-
DBS checks	1,179	1,172	2,351	628
Staff training	6,381	17,696	24,077	8,136
Travel expenses	635	-	635	2,350
IT	2,149	-	2,149	2,482
Postage, stationery & telephone	7,504	7,504	15,007	12,581
Premises costs	11,659	3,676	15,335	15,967
Licences	3,777	468	4,245	8,715
Marketing	-	7,748	7,748	96
Professional fees	5,922	38,148	44,070	7,916
Bank charges	787	787	1,574	2,782
Bad debts	4,674	-	4,674	-
Sundry expenses	7,709	5,269	12,978	12,362
Governance costs	4,800	4,800	9,600	7,800
	59,064	152,684	211,748	150,387

Governance costs included in support costs above relate to the cost of the annual audit of £9,600 (2020: £7,200).

Professional fees included one off costs of £30,905 this year relating to a research project undertaken by King's College, studying the impact of The Way's work on its young people and the development of an operational toolkit. This research was funded by the Youth Endowment Fund.

Support costs are allocated to the one charitable activity, the operation of The Way. Support costs are not allocated to trading activities nor fund raising activities as these are incidental to its charitable activity.

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**9. NET INCOME/(EXPENDITURE)**

This is stated after charging:	2021	2020
	£	£
Depreciation of tangible fixed assets:		
- Owned by the charity	124,148	132,937
Auditor's remuneration	9,600	7,800

**10. STAFF COSTS**

Staff costs were as follows:	2021	2020
	£	£
Wages and salaries	567,764	772,304
Social security costs	29,132	39,389
Other pension costs	34,020	42,304
	630,916	853,997

The average monthly number of employees during the year was as follows:	2021	2020
	No	No
Raising funds	2	2
Charitable activities	43	72
	45	74

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the Charity are listed on page 5. The total remuneration (including pension contributions and including social security costs) of the key management personnel of the Charity for the year totalled £60,019 (2020: £59,431).

**11. INFORMATION REGARDING EMPLOYEES AND TRUSTEES**

No emoluments have been received by the Trustees of the charity in either year. No expenses, in either year, were incurred by the Trustees.

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**12. TANGIBLE FIXED ASSETS**

	Leasehold Property £	Equipment £	Total £
<b>Cost</b>			
As at 1 April 2020	5,084,603	190,086	5,274,689
Additions	-	49,701	49,701
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 March 2021	5,084,603	239,787	5,324,390
<b>Depreciation</b>			
As at 1 April 2020	417,448	143,453	560,901
Charge for the year	101,692	22,456	124,148
Eliminated on disposal	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 March 2021	519,140	165,909	685,049
<b>Net book value</b>			
As at 31 March 2020	<hr/> 4,667,155	<hr/> 46,633	<hr/> 4,713,788
As at 31 March 2021	<hr/> 4,565,463	<hr/> 73,878	<hr/> 4,639,341
<b>13. DEBTORS</b>		2021 £	2020 £
Trade debtors		1,192	45,392
Prepayments and accrued income		89,994	10,388
Other debtors		2,810	1,892
		<hr/> 93,996	<hr/> 57,672
All balances shown above are due within one year.			
<b>14. CREDITORS – amounts falling due within one year</b>		2021 £	2020 £
Trade creditors		88,148	21,068
Other taxation and social security		8,406	8,946
Other creditors		2,291	3,307
Accruals		15,149	23,579
Deferred income		19,161	117,872
		<hr/> 133,155	<hr/> 174,772



**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

<b>15.DEFERRED INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Balance brought forward	117,872	60,087
Amount released to income in the year	(117,872)	(60,087)
Amount deferred in the year	19,161	117,872
<b>Balance carried forward</b>	<b>19,161</b>	<b>117,872</b>

Deferred income relates to donations that have been received in advance of the financial period which they relate to, in accordance with the terms of the donor, and grant income that has been received in advance of the related funding objectives, in accordance with the terms of the grant.

**16.MOVEMENTS**  
**IN FUNDS**

	<b>At</b>				<b>At</b>
	<b>1 April</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>31 March</b>
	<b>2020</b>				<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted funds</b>					
General funds – all funds	116,881	637,822	(157,560)	-	597,143
Designated fund – Building project	4,667,155	-	(101,692)	-	4,565,463
	<u>4,784,036</u>	<u>637,822</u>	<u>(259,252)</u>	<u>-</u>	<u>5,162,606</u>
<b>Restricted funds</b>					
BBC Children in Need	(1,921)	23,895	(26,204)	-	(4,230)
Football Foundation	-	9,248	(9,248)	-	-
Youth Investment	9,134	41,334	(50,468)	-	-
Mentoring	23,584	120,000	(98,913)	-	44,671
Awards for All	3,738	-	-	-	3,738
Council Holiday Club	-	8,302	(8,302)	-	-
Sensory Room	(1,039)	10,439	(9,400)	-	-
Outreach - Council Project	304	-	(304)	-	-
Youth Endowment Fund	-	50,000	(47,655)	-	2,345
George Henry Collins	-	1,000	(1,000)	-	-
National Lottery	-	236,516	(236,516)	-	-
Onside CMC	-	115,000	(115,000)	-	-
SMF CMC	-	100,000	(100,000)	-	-
Job Retention Scheme	-	154,863	(154,863)	-	-
	<u>33,800</u>	<u>870,597</u>	<u>(857,873)</u>	<u>-</u>	<u>46,524</u>
<b>Total funds</b>	<b>33,800</b>	<b>870,597</b>	<b>(857,873)</b>	<b>-</b>	<b>46,524</b>

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**16. MOVEMENT IN FUNDS (Continued)**

**Summary of funds**

General funds	116,881	637,822	(157,560)	-	597,143
Designated funds	4,667,155	-	(101,692)	-	4,565,463
Restricted funds	33,800	870,597	(857,873)	-	46,524
	<u>4,817,836</u>	<u>1,508,419</u>	<u>(1,117,125)</u>	<u>-</u>	<u>5,209,130</u>

**MOVEMENTS  
IN FUNDS –  
PRIOR YEAR**

	At 1 April 2019 £	Income £	Expenditure £	Transfers £	At 31 March 2020 £
<b>Unrestricted funds</b>					
General funds – all funds	53,997	733,222	(670,338)	-	116,881
Designated fund – Building project	4,768,847	-	(101,692)	-	4,667,155
	<u>4,822,844</u>	<u>733,222</u>	<u>(772,030)</u>	<u>-</u>	<u>4,784,036</u>
<b>Restricted funds</b>					
BBC Children in Need	7,560	47,481	(56,962)	-	(1,921)
Football Foundation	-	9,976	(9,976)	-	-
Youth Investment	40,419	237,561	(268,846)	-	9,134
Mentoring	7,058	110,000	(93,474)	-	23,584
Awards for All	876	7,634	(4,772)	-	3,738
Henry Smith	-	2,170	(2,170)	-	-
Council Holiday Club	-	30,000	(30,000)	-	-
Windrush Lottery	-	8,001	(8,001)	-	-
Sensory Room	-	713	(1,752)	-	(1,039)
Bailey Thomas	-	5,000	(5,000)	-	-
CB & HH Taylor	903	-	(903)	-	-
Rowley Trust	750	-	(750)	-	-
Outreach - Council Project	-	31,923	(31,619)	-	304
West Midlands Police	-	5,000	(5,000)	-	-
Active Citizens Fund	-	3,589	(3,589)	-	-
	<u>57,566</u>	<u>499,048</u>	<u>(522,814)</u>	<u>-</u>	<u>33,800</u>
<b>Total funds</b>	<u>57,566</u>	<u>499,048</u>	<u>(522,814)</u>	<u>-</u>	<u>33,800</u>

**Wolverhampton Youth Zone**  
(A company limited by guarantee)

**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**16. MOVEMENT IN FUNDS (Continued)**

**Summary of funds**

General funds	53,997	733,222	(670,338)	-	116,881
Designated funds	4,768,847	-	(101,692)	-	4,667,155
Restricted funds	57,566	499,048	(522,814)	-	33,800
	<u>4,880,410</u>	<u>1,232,270</u>	<u>(1,294,844)</u>	<u>-</u>	<u>4,817,836</u>

**17. ANALYSIS OF NET ASSETS  
BETWEEN FUNDS**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	73,878	4,565,463	-	4,639,341
Current assets	656,420	-	46,524	702,944
Current liabilities	(133,155)	-	-	(133,155)
	<u>597,143</u>	<u>4,565,463</u>	<u>46,524</u>	<u>5,209,130</u>

**ANALYSIS OF NET ASSETS  
BETWEEN FUNDS –  
PRIOR YEAR**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	46,633	4,667,155	-	4,713,788
Current assets	245,020	-	33,800	278,820
Current liabilities	(174,772)	-	-	(174,772)
	<u>116,881</u>	<u>4,667,155</u>	<u>33,800</u>	<u>4,817,836</u>

**18. TAXATION**

The charity's activities are potentially exempt from taxation under Part 11 of the Corporation Tax Act 2010. No tax charge has arisen in the period.

**19. RELATED PARTY TRANSACTIONS**

Mr V W Fairclough is a Trustee of The Steve Morgan Foundation which has provided funding of £239,150 (2020: £247,500) for the Wolverhampton Youth Zone.

Ms E Bennett is a director and Mr A J Wolverson and Ms M Howell are employees of Wolverhampton City Council which has provided funding of £211,766 (2020: £219,404) to the charity during the period.

Mr K R Manning is a director of Wolverhampton Homes which has provided funding of £24,808 (2020: £25,080) to the charity during the period.

Mr P J Horton is a partner of FBC Manby Bowdler which has provided funding of £10,000 (2020: £10,000) to the charity during the period.

Ms A Benjamin is an employee of OnSide Youth Zones which has provided funding of £229,837 (2020: £46,965) to the charity during the period.

Mr J Gough is a director of William Gough Limited which has provided funding of £25,000 (2020: £Nil) to the charity during the period.

**Wolverhampton Youth Zone**  
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**Notes to the financial statements (Continued)**  
**For the year ended 31 March 2021**

**19. RELATED PARTY TRANSACTIONS (CONTINUED)**

Individual Trustees have provided funding of £Nil in aggregate (2020: £20,000) to the charity during the period.

**20. FINANCIAL COMMITMENTS**

There were no financial commitments at the year-end (2020: £Nil).

**21. GOING CONCERN**

At the beginning of the calendar year 2020, the United Kingdom began to be impacted by the Covid-19 pandemic, and the country entered into a national lockdown on 23 March 2020. Since then and prior to the lifting of restrictions on 19 July 2021 the country has been subject to new social distancing measures, a geographical tiered system of restrictions and a second and third lockdown. This has had a significant impact on the operation of and the support provided by The Way. Most restrictions have now been lifted, however, certain safety measures remain in place and operation at The Way is still being impacted by Covid-19, with uncertainty over potential re-introduction of additional restrictions, due to the new 'Omicron' variant.

The board of Trustees have considered the potential ongoing impact of Covid-19 on the charity, and whether this would change the current going concern assessment. The Trustees believe that the charity would continue as a going concern even in the face of the current and ongoing climate. The Trustees continue to adopt the going concern basis of accounting after considering the following key facts,

- Following a comprehensive working capital efficiency exercise in July 2019, the overhead cost base for the charity has been significantly reduced, limiting the impact on the charity's reserves during periods of lockdown.
- Through the significant efforts of all members of the team at The Way, the charity has been able to continue to provide a level of support to its members throughout periods of lockdown and social restrictions via a combination of live and recorded virtual support programmes, safe support activities and triage services to support our most vulnerable members, extended outreach programmes to support the wider community and operating a limited programme of in-person support and activities, when permissible to do so, in our Covid Secure premises.
- The Way has received ongoing support from the Government by way of the Coronavirus Job Retention Scheme and from the Community Match Funding programme, which has enabled the charity to meet its current obligations.
- The ongoing support of current patrons, donors and community and project partners along with the generosity of new donors and increased grant funding support has enabled The Way to exceed its target of achieving an unrestricted funds reserve policy equivalent to six months working capital by the end of the financial year 31 March 2021, safeguarding its ability to continue to meet its charitable objectives for the foreseeable future.

**22. CONTINGENT LIABILITIES**

During the year ended 31 March 2021 a claim was lodged by a past employee against the charity. The charity is challenging this claim and has obtained legal advice. The matter is ongoing.

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Detailed Statement of financial activities**  
**For the year ended 31 March 2021**

	2021 £	2020 £
<b>INCOME</b>		
<b>DONATIONS AND LEGACIES</b>		
Donations	217,549	194,170
Grants	1,257,385	909,612
Gift Aid	30,500	2,924
<b>OTHER TRADING ACTIVITIES</b>		
Fund raising events	20	9,486
Room hire	680	24,229
<b>CHARITABLE ACTIVITIES</b>		
Membership fees	480	7,134
Sessions fees	1,743	41,008
Catering income	62	43,708
<b>TOTAL INCOME</b>	<b>1,508,419</b>	<b>1,232,271</b>
<b>EXPENDITURE</b>		
<b>RAISING FUNDS</b>		
Fund raising events	-	1,862
Wages and salaries	55,173	34,033
<b>DIRECT CHARITABLE ACTIVITIES</b>		
Wages and salaries	514,918	741,220
Youth Project Delivery Expenses	84,047	64,630
Travel Expenses	1,710	2,193
IT	12,176	14,063
Catering	13,554	46,499
Premises Cost	86,901	90,481
Onside Youth Zone Services	12,750	17,000
Depreciation	124,148	132,937
Profit on disposal	-	(460)
<b>SUPPORT COSTS</b>		
Wages and salaries	60,825	68,572
Recruitment	6,480	-
DBS checks	2,351	628
Staff training	24,077	8,136
Travel expenses	635	2,350
Carried forward	999,745	1,224,144

This page does not form part of the statutory financial statements

**Wolverhampton Youth Zone**  
**(A company limited by guarantee)**

**Detailed Statement of financial activities (Continued)**  
**For the year ended 31 March 2021**

**SUPPORT COSTS**

Brought forward	999,745	1,224,144
IT	2,149	2,482
Postage, stationery & telephone	15,007	12,581
Premises costs	15,335	15,967
Licences	4,245	8,715
Marketing	7,748	96
Professional fees	44,070	7,916
Bank charges	1,574	2,782
Bad debts	4,674	-
Sundry expenses	12,978	12,362
Governance costs	9,600	7,800

**TOTAL EXPENDITURE**

1,117,125	1,294,845
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**NET INCOME / (EXPENDITURE)**

391,294	(62,574)
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