

Company no : 11309137
Charity no : 1179712

Empower Youth Zones Ltd

Trustees' Report and Financial Statements
For the year ended 31 March 2024

EMPOWER
MANCHESTER · SALFORD



HIDE
OUT
An **OnSide** Youth Zone

Empower Youth Zones Ltd

Trustees' Report and Financial Statements For the year ended 31 March 2024

CONTENTS

	Page
TRUSTEES' REPORT	
1 WHO WE ARE	2
2 STRATEGIC REPORT	
2.1 Objects and activities	3
2.2 Achievements during the period	3
2.3 Financial review	3
2.4 Risk Management	4
2.5 Principal Funding Sources and Fundraising Statement	4
2.6 Reserves Policy	4
2.7 Investment Policy	5
2.8 Future Plans & Covid Recovery	5
3 GOVERNANCE	
3.1 Reference and administrative details	6
3.2 Structure, governance and management	7
3.3 Volunteers' contribution	8
3.4 Public benefit	8
3.5 Statement of Trustees' responsibilities	9
FINANCIAL STATEMENTS	
Independent auditor's report	10
Statement of financial activities	13
Balance sheet	14
Statement of cashflows	15
Notes to the financial statements	16

Trustees' Report and Financial Statements (including Strategic Report)
For the year ended 31 March 2024

The Trustees (who are also the Directors for the purpose of Company Law) have pleasure in presenting their annual report and the financial statements for the year ended 31 March 2024. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

1 WHO WE ARE

Empower Youth Zones, operates purpose-built facilities for Manchester and Salford's young people aged 8 – 19, and up to 25 for those with additional needs.

The existing 'HideOut' Youth Zone site is located on Hyde Road in Gorton, Manchester and officially opened its door in September 2020. A second youth zone operated by Empower is due to open in early 2025.

Empower Youth Zones is part of a network of similar independent youth organisations that all share the same principles, developed by the charity OnSide Youth Zones (Reg No: 1125893). The Youth Zones provide a safe environment, where young people can spend their leisure time, helping each young person to raise their aspirations as well as improve their physical and mental health. Up to 20 different activities will take place each night, including football, boxing, dancing, climbing, creative arts, music, drama and employability training – all for just 50p per visit!

Our vision is that Children and Young People in Manchester and Salford are inspired to lead healthy, happy, safe and successful lives

Our mission is to ensure HideOut Youth Zone provides children and young people with somewhere safe to go, something positive to do and someone trusted to talk to.

To realise this vision, HideOut Youth Zone has worked towards 4 strategic goals in 2023/24:

1. **YOUNG PEOPLE** - Provide the highest-quality offer for all children and young people
2. **OUR PEOPLE** - Become an employer of choice for both existing and potential new employees
3. **SUSTAINABILITY** - Achieve longer term financial security which allows us to be ambitious and plan confidently into the future
4. **REPUTATION** - All stakeholders are aware of HideOut's vital impact and successes

Trustees' Report and Financial Statements (including Strategic Report)
For the year ended 31 March 2024

2 STRATEGIC REPORT

2.1 Objects and activities

Empower Youth Zone's charitable objects are to help and educate children and young people resident in the Cities of Manchester, Salford and surrounding areas through their leisure time activities by promoting their full physical and spiritual potential in order that they may grow to maturity as individuals and active members of society and their conditions of life may improve.

2.2 Achievements during the period

In 2023/24 the Charity's main achievements included:

- Securing planning permission for the new Salford Youth Zone development due to open in 2025.
- Starting the development of Salford Youth Zone, breaking ground in January 2024.
- Establishing a Young People Development Group for Salford Youth Zone which has enabled them to design and create a new name and brand for the youth zone and be involved in the exterior and interior design of the youth zone, participate in public events and develop their campaigning and public speaking skills.
- Growing our membership of children young people to over 8000, with over 3000 being active in the past 12 months. 44% of these identified as female vs 56% male. 19% identified as having additional needs. 90% are from the top 20% most deprived communities in the UK as per the IMD rankings (75% are in the top 10%)
- Providing on average over 400 meals per week with a total of just over 20,000 across the year. 100% of these meals were provided at no cost for some of our more vulnerable children and young people on free school meals.
- Securing over 1000 hours of corporate volunteering support.
- Growing our partnership offer in the year working with over 25 local partners across music, art, sports, employment and health. These partnerships continue to grow and enhance the offer and create further pathways for children and young people attending the Youth Zone.
- Facilitating 9 weeks of school holiday provision with over 50 Staff and Volunteers contributing to 65 activities, 2861 visits were recorded with over 4000 hot meals provided during the school holidays supported via 'Holiday Activity Fund' grants.
- Providing 144 formal training opportunities to staff and volunteers, including a new young leaders programme.
- 17 young people receiving their Duke of Edinburgh Bronze Award.
- 22 young people completing our Young Leaders Award.
- Hosting our third Annual Patrons Dinner with over 90 patrons and supporters attending. The evening was completely led by young people from the host, the catering, performances, tours, keynote speakers etc.

2.3 Financial review

Financial summary

A summary of the results is shown below :

	2024	2023
	£	£
Incoming resources	3,980,455	1,665,864
Outgoing resources	(1,604,410)	(1,419,706)
Net incoming resources (before investment gains and losses)	2,376,045	246,158

Income for the year was £3,980,455 (2023: £1,665,864). Restricted income for the Salford Capital Project for the year total £2,587,645. Patron income (including Gift Aid) for the year totalled £470,865 (2023: £761,592) and £200,000 (2023: £200,000) was received from Manchester City Council towards the ongoing running costs of the Charity. During the year £117,466 (2023: £133,382) was received in the form of Grants.

Expenditure for the year increased to £1,604,410 (2023: £1,419,706), with £1,083,251 (2023: £849,669) being spent on salaries. This was still less than the original budget due to vacancies.

At the end of the period Unrestricted Reserves were £3,662,337 (2023: £3,636,050).

**Trustees' Report and Financial Statements (including Strategic Report)
For the year ended 31 March 2024**

2.4 Risk Management

The Trustees have considered the major risks to which the Charity is exposed and have established suitable risk management and control procedures. At present the primary risks identified relate to:

- **Fundraising** - increasing the number of patrons and maintaining a high-quality stewardship experience with existing Patrons remains a high risk due to ongoing gaps in our Fundraising Team. The appointment of our new Director of Fundraising and Comms will help to mitigate this risk
- **Staffing and Operations** - relating to the recruitment, retention and development of key delivery staff and volunteers as well as operations

Regulatory Risk is the responsibility of the CEO, Director of Operations and Building and Facilities Manager who manage Health and Safety, Fire and other statutory risk areas. The CEO has developed a full risk register including mitigation and control measures which is shared regularly with the board.

2.5 Principal Funding Sources and Fundraising Statement

The Directors wish to record their thanks to Mr Fred Done, Manchester City Council (MCC) and Salford City Council (SCC) for their ongoing support to the Charity. The Directors also thank the following individuals and businesses who have also pledged to support the revenue campaign (in 2023/24); ANS Group, Paul Shannon, Godel Technologies, Theo Paphitis Foundation, Bruntwood, The JD Foundation, Beyond Corporate and the This Is Manchester Awards, Steve Malone and family, Robbie Hargreaves and family, One Manchester, Eric Wright Charitable Trust, Together Money, AO Foundation, Mission Mars, Houlihan Lokey, David M Robinson Ltd, Lendlease, Penelope Cheshire Foundation, Onside Foundation, The Manchester Ball, LivingBridge, Inflexion, ATPI Group, Raheem Sterling Foundation, SIS, Zochonis Charitable Trust, Waterland, Bank of New York, JLL and Mr Investa.

The fundraising priority this year has focused on diversifying the income portfolio for HideOut Youth Zone and launching the Founder Patron campaign for Salford Youth Zone. To support this, a senior Philanthropy Manager and a Corporate Fundraising Manager were recruited. The charity's Director of Fundraising and Communications works closely with the CEO and Chair of Empower Youth Zones to plan activity and monitor performance relating to this campaign through a Fundraising Sub Board Committee. Empower Youth Zones is registered with the Fundraising Regulator and complies with the Fundraising Code of Practice.

The Charity does not use external fundraisers and there have been no complaints made to the Charity about its fundraising methods.

2.6 Reserves Policy

The Board of Trustees of Empower Youth Zones has established a reserves policy which appropriately reflects the risks to which the Charity is exposed.

The current appropriate reserve range is determined by considering:

- The current level of planned expenditure as we grow to have 2 youth zones fully operational from 2025. The current annual expenditure is circa £2.3m set to increase to £3.2m when Salford Youth Zone opens in 2025. The Trustees consider that the appropriate reserves range should be in the region of a multiple in the range of 1-1.5 years' worth of the overheads i.e. £3m to £4.5m. This will create a level of endowment fund that could be invested to generate considerable amounts of annual income from these investment portfolios to reduce reliance on short-term funding sources.
- Specific designated contingencies. The Trustees will consider various risks that will impact the appropriate level of reserves to hold, these currently include:
 - 'Year 4 risk' - As a new Youth Zone, many Founder Patrons have pledged a 4-year commitment with many of these initial commitments due to expire at the same time. While the Trustees hope that all Founder Patrons will continue their support, to recognise the risk that not all are able to in the current economic climate and to ensure there is time to secure replacement funding, the Trustees wish to hold a specific contingency related to this risk. This reserve is calculated as multiple of Founder Patrons that are due to renew each year, and this can be amended as Founder Patrons commit beyond their initial term, and/or as the risk of future non-commitment changes. The Trustees currently wish to hold a designated reserve of £500k against this risk, equating to 12 Founder Patron gifts of £25k, plus £200k in annual pledged support from the Local Authority.
 - Capital reserve - The Trustees appreciate that as a new Youth Zone the current capital equipment that is installed in the Youth Zone is of an excellent standard. In order to maintain that standard, the Trustees believe that a designated capital reserve should be held, to be called up to ensure that any equipment that is in need of repair or replacement can be done so on a timely basis and to the desired standard. The level of this reserve will be regularly reviewed. The Trustees currently feel that a designated capital reserve of £250k is appropriate.
- General contingency. The Trustees currently feel that a general reserve of £375k to cover a minimum of 3 months operating costs is appropriate.

Given the aforementioned reserve requirements, the Trustees believe that total reserves in a range of £1.5m to £4.125m is appropriate. This will be reviewed at least once per annum by the Trustees.

Trustees' Report and Financial Statements (including Strategic Report)
For the year ended 31 March 2024

2.7 Investment Policy

Under the memorandum and articles of association, the charitable company has the power to make any investment which the Trustees see fit. Investments are made where required to further the aims and objects of the Charity.

In 2023/24 HideOut Youth Zone continued to hold investment portfolios totalling £2,750,658 with Brewin Dolphin and Goldentree Financial Services PLC. The Charity holds 3 investment portfolios across both organisations (2 with Brewin Dolphin and 1 with GoldenTree) and as at 31st March 2023 the value of the investment was £2,559,216.

2.8 Future Plans & Covid Recovery

Going into 2024/25 which is the final year of the current strategic plan period (2022-25) we will continue to work towards our 4 strategic objectives:

YOUNG PEOPLE - Provide the highest-quality offer for all children and young people

We will:

- Build on our Duke of Edinburgh and AQA unit programmes to offer certificates of achievement, bronze and silver awards.
- Continue to deliver at least 35 hours of open access universal provision weekly.
- Maintain active membership of 2000 young people with an average of 900 weekly visits, average of 113 young people per session.
- Deliver at least 9 weeks of school holiday provision during the day with up to 50 places offered free for those on FSM.
- Continue to work with local partners to maintain an integrated and engaging offer.
- Build on our strategic position with regards to local partnership and safeguarding forums.
- Facilitate at least 3 overnight residential experiences for Juniors, Seniors and Inclusion members.

OUR PEOPLE - Become an employer of choice for both existing and potential new employees

We will:

- Progress to a 'Member' of the GM Good Employment charter.
- Facilitate at least 2 all staff and volunteer values/development days.
- Secure an average of 200 volunteer hours per month.
- Offer at least 2 staff/volunteers a level 2 youth work qualification.
- Support at least 2 staff to complete management training.
- Launch new HR Kronos System.
- Implement new HR and H&S advisory service with Peninsula.
- Provide 2x apprenticeships.
- Recruit new People and Business Manager and Training Manager.

SUSTAINABILITY - Achieve longer term financial security which allows us to be ambitious and plan confidently into the future

We will:

- Add capacity by recruiting to the existing Fundraising team to include a Data Insights Manager shared with Wigan Youth Zone.
- Establish a 3-year income generation strategy.
- Maintain and grow the current Patron supporter group for both Salford and HideOut Youth Zones.
- Launch new corporate giving programme.
- Continue to review investment portfolios to ensure unrestricted reserves are adding value and are being protected against growing interest rates.
- Recruit FT Senior Finance Manager that will oversee Empower's financial management functions across both sites.

REPUTATION - All stakeholders are aware of HideOut's vital impact and successes

We will:

- Establish youth-led communications and marketing which celebrates young people's successes & achievements.
- Secure 1-2 media opportunities each month.
- Plan and deliver at least 4 youth-led campaigns that elevate their voices.
- Grow following, interactions and engagements across all social media platforms via targeted and generic communication campaigns.
- Secure 4-5 Award nominations.

SALFORD YOUTH ZONE

- Host groundbreaking and first look events with key stakeholders and supporters.
- Practical completion by the end of April 2025.
- Create year-round opportunities for the Young People's development group to influence and shape decision making relating to facilities design, recruitment, fundraising and partners engagement.
- Build on existing and develop new key relationships with VCS, Public and Private sector partners across Salford.
- Secure 20 new patrons by April 2025.

**Trustees' Report and Financial Statements (including Strategic Report)
For the year ended 31 March 2024**

3 GOVERNANCE

3.1 Reference and administrative details

Empower Youth Zones was incorporated on 13 April 2018 (Company registration number: 11309137) as a company limited by guarantee and registered as a charity on 29 August 2018 (Charity registration number: 1179712).

Trading names

Empower Youth Zones
HideOut Youth Zone
Salford Youth Zone

Registered office

1 Queen's Avenue
Manchester
M12 5PX

Directors & Trustees

The Directors and Trustees of the Charity who served during the period and were:

J Whittaker	Chair
P Kirszanek	
T Pepper	
J Masraff	
P Medicott	
B Sheikh	
V Braddock	
J Atkins	

Chief Executive

A Farricker

Auditor

Michael Garrett FCA
Xeinadin Audit Limited
100 Barbirolli Square
Manchester
M2 3BD

Web-site

www.hideoutyouthzone.org

Bankers

Handelsbanken
Manchester Spinningfields Branch
4th Floor, 15 Quay Street
Manchester
M3 3HN

Barclays
1 Churchill Place
London
E14 5HP

**Trustees' Report and Financial Statements (including Strategic Report)
For the year ended 31 March 2024**

3.2 Structure, governance and management***Governing Document***

Empower Youth Zones is a company limited by guarantee without share capital and registered under the Companies Act 1985, registration number 11309137. The company is governed by its Memorandum and Articles of Association dated 21 March 2018 and update in January 2023. Management of the company's affairs is vested in the co-Directors. It is a Charity registered with the Charity Commission on 29 August 2018.

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 ten pounds each.

Recruitment and appointment of Trustees (Directors)

The first Directors were the subscribers to the memorandum as notified to Companies House as the first Directors of the Charity. A person appointed as a Director thereupon becomes a Member of the Charity and a Director who ceases to hold office for any reason thereupon ceases to be a Member of the Charity. Directors have the power to appoint, by ordinary resolution, any person to be a Director who is willing to act as such. New Directors will be recruited according to the needs of the Charity and the suitability of possible candidates. A unanimous approval of existing Directors would lead to their appointment.

The Memorandum and Articles of Association states that the number of members (Directors) shall have no maximum and shall not be less than three. At the first Annual General Meeting all Directors must retire and seek re-election. At each subsequent Annual General Meeting one third of the Directors are required to retire by rotation and seek re-appointment if they wish to continue.

The Members of the Charity are its Directors for the time being and the only persons eligible to be Members of the Charity are its Directors.

Full details of the rules are contained in the company's Memorandum and Articles of Association, dated on incorporation on 21 March 2018, which may be inspected at the Empower Youth Zones registered office.

Trustees induction and training

All trustees receive a full induction and training inclusive of, safeguarding, risk management, fundraising, role of a trustee and sustainability ahead of formal appointment. All key policies, the organisation structure and articles of association are shared. Training and development needs are reviewed at least annually and as and when any trustees are appointed or resign.

Organisational Structure

Empower Youth Zones is governed by its Trustee Board 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 Empower Youth Zones and for ensuring that the Charity satisfies its legal and contractual obligations. Trustees meet approximately every two months and may delegate the implementation of their decisions or day-to-day operation of the organisation to senior management, any employee of the Charity, person or committee as they see fit. Any committee must include at least one Trustee. The Trustee Board is independent from management.

Decisions are determined by a simple majority of votes. In the case of an equality of votes the Chairman of the meeting has the casting vote.

Related party transactions

Transactions with related parties are disclosed in note 15 to the financial statements and in accordance with paragraph 163 of the SORP (Accounting and reporting by charities: Statement of Recommended Practice (SORP 2005)).

Remuneration Policy

The Directors consider the board of Directors, who are the Charity's trustees, and the senior management team comprise the key management personnel of the Youth Zone in charge of directing and controlling, running and operating the Charity on a day-to-day basis. All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in Note 18 to the accounts.

The pay of the full staff team is reviewed annually and, if financial resources allow, normally increased in accordance with projected Government inflation rates taking into account CPI and RPI. In view of the nature of the charity, the Directors benchmark against pay levels in other similar charities in the voluntary sector, as well as across the OnSide Youth Zone Network.

3.3 Volunteers' contribution

Throughout the period all members of the Board of Trustees made invaluable voluntary contributions to the Charity's work in terms of governance, professional and business experience, financial planning, fundraising and leading initiatives across the project. Such contributions were, on average, equivalent to two full days each calendar month. 15 registered volunteers have been trained, inducted and active within the period providing on average 150 hours of volunteering per month.

3.4 Public benefit

All the activities of the Charity (as summarised above) were undertaken to further its charitable purposes for public benefit. The provision of a high-quality, centrally located facility for young people responds to a clear, ongoing demand from young people, parents and wider communities for more and better places for young people to go. Although providing a service to all young people, Empower Youth Zones will focus on attendance and participation by young members of disadvantaged communities who will be able to enjoy affordable access to all the opportunities that the facilities will provide. This will lead to improved achievements and enhanced aspirations amongst young members of the local community. They will be happier, healthier and make more constructive use of their leisure time which consequently will help reduce nuisance and anti-social behaviour. Longer term public benefits will include improved health, reduced crime, enhanced learning and employability and greater community cohesion.

**Trustees' Report and Financial Statements (including Strategic Report)
For the year ended 31 March 2024**

3.5 Statement of Trustees' responsibilities

The Trustees (who are also the Directors of Empower Youth Zones for the purpose 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).

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 income and expenditure, of the charitable company 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, subject to any material departures disclosed and explained in the financial statements;
- 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 on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- There is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Charity's auditor is unaware; and
- The Trustees, having made enquiries of fellow Directors and the Charity's 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

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, the company has prepared a strategic report, which includes information that would previously been included in the Trustees' Report.

The financial statements comply with current statutory requirements, the company's Memorandum and Articles of Association and the Charities SORP.

Auditors

A proposal to reappoint Xeinadin Audit Limited as auditor of the Charity will be put to the Annual General Meeting.

The Trustees Report, including the Strategic Report, was approved and was signed on behalf of the Trustees by :



J Whittaker
Chair, Company Director and Trustee

Date : 24 October 2024

**Independent Auditor's Report to the Members
For the year ended 31 March 2024**

We have audited the financial statements of Empower Youth Zone (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, 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 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 2024 and of its income and expenditure, for the period 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 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 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' 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.

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' report, which includes the Directors' report prepared for company law purposes, 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 (continued)
For the year ended 31 March 2024

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 Trustees' report.

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

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the Charitable Company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.
- 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 set out on page 9, 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 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:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations we have considered the following:

- The nature of the industry and sector, control environment and business performance including the Charitable Company's remuneration policies;
- Results of the enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we have identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: income recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Independent Auditor's Report to the Members (continued)
For the year ended 31 March 2024

We also obtained an understanding of the legal and regulatory frameworks that the Charitable Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Charities Act, Health and Safety Laws and Environmental Regulations.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's 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 Charity'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 Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Garrett (Senior Statutory Auditor)
For and on behalf of Xeinadin Audit Limited
100 Barbirolli Square
Manchester
M2 3BD

Date : 24 October 2024

Statement of Financial Activities (including Income and Expenditure Report)
For the year ended 31 March 2024

	Note	Unrestricted 2024 £	Restricted 2024 £	TOTAL 2024 £	TOTAL 2023 £
INCOME FROM					
- Donations and legacies	3	1,079,294	2,587,645	3,666,939	1,404,996
- Charitable activities	4	174,782	-	174,782	197,598
- Investments	5	138,734	-	138,734	63,270
Total income		1,392,810	2,587,645	3,980,455	1,665,864
EXPENDITURE					
<i>Expenditure on Charitable Activities</i>					
- Operating costs	6	1,275,893	320,687	1,596,580	1,413,066
- Governance costs		7,830	-	7,830	6,640
Total Expenditure		1,283,723	320,687	1,604,410	1,419,706
Net income (expenditure) before gains on investments		109,087	2,266,958	2,376,045	246,158
Net gains (losses) on investments	13	146,306	-	146,306	(138,018)
Net income (expenditure)	7	255,393	2,266,958	2,522,351	108,140
Fund balance at 31 March 2023		3,636,050	6,287,327	9,923,377	9,815,237
Fund balance at 31 March 2024	16	3,891,443	8,554,285	12,445,728	9,923,377

The statement of financial activities includes all gains and losses in the period.

All income and expenditure derive from continuing activities.

Balance Sheet
As at 31 March 2024

Company no : 11309137
Charity no : 1179712

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	8,496,034	6,842,016
Current assets			
Stock		1,435	2,384
Debtors	14	327,155	120,439
Investments	13	2,750,658	2,559,216
Cash at bank and in hand		2,512,061	1,862,283
		5,591,309	4,544,322
Creditors : amounts falling due within one year	15	(1,641,615)	(1,462,961)
Net current assets		3,949,694	3,081,361
Net assets		12,445,728	9,923,377
FUNDS			
Unrestricted funds	17	3,891,443	3,636,050
Restricted funds	17	8,554,285	6,287,327
		12,445,728	9,923,377

The financial statements on pages 13 to 21 were approved and authorised for issue by the Board of Trustees and signed on its behalf by:



J Whittaker
Chair, Company Director and Trustee

Date : 24 October 2024

Statement of Cashflows
For the year ended 31 March 2024

	2024 £	2023 £
Cash flow from operating activities	2,283,289	1,645,584
Cash flow from investing activities		
Interest received	54,067	8,824
Investment income	84,667	54,446
Purchase of investments	(776,699)	(1,131,415)
Disposal of investments	731,563	1,094,762
Payments to acquire tangible fixed assets	(1,745,599)	(665,505)
Increase in cash and cash equivalents	631,288	1,006,696
 Cash and cash equivalents at 1 April 2023	 1,920,351	 913,655
Cash and cash equivalents at 31 March 2024	2,551,639	1,920,351
 Cash and cash equivalents consists of:		
Short term deposits	39,578	58,068
Cash at bank and in hand	2,512,061	1,862,283
	2,551,639	1,920,351
 Reconciliation of net income to net cash flow from operating activities	 2024	 2,023
	£	£
Net income for the year	2,522,351	108,140
Depreciation	91,581	112,623
(Gains) / losses on investments	(146,306)	138,018
Investment income	(138,734)	(63,270)
Decrease / (increase) in stock	949	(661)
(Increase) / decrease in debtors	(225,206)	20,759
Increase in creditors	178,654	1,329,975
Net cash flow from operating activities	2,283,289	1,645,584

Notes to the Financial Statements
For the year ended 31 March 2024

1 General information

Empower Youth Zone, formerly known as Manchester Youth Zone - East, is a charitable company limited by guarantee in the United Kingdom. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity. The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are to build, deliver and sustain a Youth Zone in the East Manchester area.

The Charity constitutes a public benefit entity as defined by FRS 102. 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 Standards applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

2 Accounting policies**i. Basis of preparation**

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the Charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

ii. Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

iii. Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Investment income represents amounts receivable in respect of the period. Accrued income is recognised on investments up to the balance sheet date.

Grants in connection with the job retention scheme are recognised in the period to which the underlying staff costs relate to.

iv. Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable expenditure

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

Governance costs 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.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Notes to the Financial Statements
For the year ended 31 March 2024

v. **Tangible fixed assets**

Fixed assets costing more than £250 are capitalised and included on the balance sheet at cost. These reflect the initial planning and development costs of the asset under construction.

Fixed assets are depreciated so as to write off the cost or valuation, less anticipated residual value, over their anticipated useful lives, subject to annual review, as follows:

Leasehold property	0.8% based on a lease of 125 years
Fixtures and fittings	25% reducing balance
Computer equipment	33% straight line
Gym equipment	20% straight line
Catering equipment	33% straight line
Plant & machinery	25% reducing balance

vi. **Investments**

Listed investments are shown at market value at the balance sheet date.

vii. **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

viii. **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.

ix. **Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

x. **Pensions**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

3 **Income from Donations and Legacies**

	Unrestricted 2024	Restricted 2024	TOTAL 2024	TOTAL 2023
	£	£	£	£
Donations - capital	24	2,214,550	2,214,574	141,628
Donations - other	274,239	373,095	647,334	132,092
Grants, trusts & foundations	117,466	-	117,466	133,382
OnSide Foundation - DCMS Community Matched Funding	-	-	-	30
Local Authority	206,700	-	206,700	200,000
Founder patrons	470,865	-	470,865	761,592
Gift Aid	10,000	-	10,000	36,272
	1,079,294	2,587,645	3,666,939	1,404,996

Notes to the Financial Statements
For the year ended 31 March 2024

4 Income from Charitable Activities	Unrestricted	Restricted	TOTAL	TOTAL
	2024	2024	2024	2023
	£	£	£	£
Young People's activity sessions	106,541	-	106,541	110,985
Facility hire	68,241	-	68,241	86,613
	174,782	-	174,782	197,598
5 Investment Income	Unrestricted	Restricted	TOTAL	TOTAL
	2024	2024	2024	2023
	£	£	£	£
Bank interest received	54,067	-	54,067	8,824
Income from investments	84,667	-	84,667	54,446
	138,734	-	138,734	63,270
6 Operating costs	Unrestricted	Restricted	TOTAL	TOTAL
	2024	2024	2024	2023
	£	£	£	£
Staff wages & salaries	938,229	145,022	1,083,251	849,699
Staff travel expenses	5,695	149	5,844	1,493
Freelance and Agency staff	6,005	-	6,005	5,532
Fundraising & Events	8,349	693	9,042	6,910
Staff and Volunteers DBS checks	3,080	-	3,080	1,535
Staff Uniform	991	-	991	1,643
Telephone	3,306	-	3,306	1,931
Stationery	2,706	-	2,706	3,582
Hospitality	824	-	824	1,342
Computer costs	33,883	11,511	45,394	29,683
Office supplies	(33,035)	-	(33,035)	33,035
Donations	21,876	3,124	25,000	25,000
Sundry Expenses	5,585	-	5,585	3,893
Insurance	26,786	-	26,786	17,585
Marketing costs	2,191	1,250	3,441	4,811
Legal & professional	20,230	56,673	76,903	16,982
Licences	6,827	-	6,827	5,313
Training	8,314	1,080	9,394	8,585
Trips and Residential	8,608	365	8,973	4,602
Youth Work costs	23,618	664	24,282	37,362
Catering Supplies	42,092	-	42,092	44,536
Catering Equipment	196	-	196	160
Recruitment	13,055	8,574	21,629	20,438
Premises Costs	124,511	-	124,511	173,735
Depreciation	-	91,581	91,581	112,623
Bank charges	1,972	-	1,972	1,056
	1,275,893	320,687	1,596,580	1,413,066

Notes to the Financial Statements
For the year ended 31 March 2024

7 Net income (expenditure)	2024	2023
	£	£

Net income / movement in funds is stated after charging :

Depreciation	91,581	112,623
Audit Fee	7,830	6,640

8 Taxation

Empower Youth Zone is a registered Charity. All the company's income is applied to its charitable objectives and the Company is therefore exempt under current legislation from most forms of taxation.

9 Staff costs and numbers	2024	2023
	£	£

Wages	1,008,543	789,439
Social security	61,453	48,473
Pensions	13,255	11,787
	1,083,251	849,699

No employee earned more than £71,500 in the year (2023: £64,583)

	2024	2023
	Number	Number
Average number of employees	63	58

The aggregate remuneration of the Key Management Personnel, comprising the Chief Executive, Business Administration Manager, Head of Youth Work & Head of Fundraising was £215,244 (2023: £166,100)

10 Trustee remuneration and expenses

Expenses of £Nil have been paid to the Trustees during this period (2023: £14)

11 Tangible fixed assets

	<i>Assets Under Construction</i>	<i>Leasehold Land & Buildings</i>	<i>Computer Equipment</i>	<i>Fixtures & Equipment</i>	<i>Motor Vehicles</i>	<i>TOTAL</i>
	£	£	£	£	£	£
Cost						
At 1 April 2023	-	6,816,346	61,692	249,944	10,000	7,137,982
Additions	-	1,745,599	-	-	-	1,745,599
Reclassification	2,214,550	(2,214,550)	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 March 2024	2,214,550	6,347,395	61,692	249,944	10,000	8,883,581
Depreciation						
At 1 April 2023	-	127,012	57,186	108,094	3,674	295,966
Charge for the year	-	50,874	4,506	34,197	2,004	91,581
Disposals	-	-	-	-	-	-
At 31 March 2024	-	177,886	61,692	142,291	5,678	387,547
Net book value						
At 31 March 2024	2,214,550	6,169,509	-	107,653	4,322	8,496,034
At 1 April 2023	-	6,689,334	4,506	141,850	6,326	6,842,016

Notes to the Financial Statements
For the year ended 31 March 2024

12 Capital commitments	2024	2023		
	£	£		
Contracted for	10,030,838	-		
13 Investments	2024	2023		
	£	£		
The Charity has invested surplus funds as follows:				
Interest bearing deposits	500,000	500,000		
Listed investments	2,250,658	2,059,216		
	2,750,658	2,559,216		
	2024	2023		
	£	£		
At 1 April 2023	2,559,216	2,660,581		
Additions	776,699	1,131,415		
Disposals	(731,563)	(1,094,762)		
Change in market value	146,306	(138,018)		
At 31 March 2024	2,750,658	2,559,216		
14 Debtors	2024	2023		
	£	£		
Trade debtors	56,324	16,401		
Prepayments and accrued income	270,831	45,970		
	327,155	62,371		
15 Creditors : amounts falling due within one year	2024	2023		
	£	£		
Trade creditors	626,045	73,316		
Other creditors	99,662	79,914		
Accruals	28,833	53,731		
Deferred Income	887,075	1,256,000		
	1,641,615	1,462,961		
16 Movement in funds				
The movement in funds for the year is as follows:				
	<i>Opening Balance</i>	<i>Income</i>	<i>Expenditure</i>	<i>Closing Balance</i>
	£	£	£	£
Unrestricted Funds	3,636,050	1,539,116	(1,283,723)	3,891,443
Restricted funds				
- Restrictd Funds - Fixed assets	6,287,327	2,587,645	(320,687)	8,554,285
	6,287,327	2,587,645	(320,687)	8,554,285
	9,923,377	4,126,761	(1,604,410)	12,445,728

i. All of the fixed assets restricted funds represent amounts received for the construction and development of the new Youth Zone facilities.

Notes to the Financial Statements
For the year ended 31 March 2024

16 Movement in funds (continued)

The movement in funds for the prior year is as follows:

	<i>Opening Balance</i>	<i>Income</i>	<i>Expenditure</i>	<i>Closing Balance</i>
	£	£	£	£
Unrestricted Funds	3,483,287	1,459,846	(1,307,083)	3,636,050
Restricted funds	6,331,950	68,000	(112,623)	6,287,327
	9,815,237	1,527,846	(1,419,706)	9,923,377

17 Analysis of net assets between funds

	<i>Unrestricted funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Total funds 2024 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	-	8,496,034	8,496,034	6,842,016
Net current assets	3,891,443	58,251	3,949,694	3,081,361
	3,891,443	8,554,285	12,445,728	9,923,377

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Total funds 2023 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	-	6,842,016	6,842,016	6,289,134
Net current assets	3,636,050	(554,689)	3,081,361	3,526,103
	3,636,050	6,287,327	9,923,377	9,815,237

18 Related party transactions

There were no Related Party transactions during the year (2023: Nil)

19 Control

There is no ultimate controlling party.