

REGISTERED NUMBER: 14606941
Charity number: 1203633

PRESTON YOUTH ZONE LTD

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

**FOR THE PERIOD 20 JANUARY 2023 TO
31 MARCH 2024**

**DonnellyBentley
Chartered Accountants
Hazlemere
70 Chorley New Road
Bolton
BL1 4BY**

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PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	2
Trustees' report (including Directors' Report)	3 – 8
Independent auditors' report	9 – 11
Statement of financial activities (including Income and Expenditure Account)	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 24

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

Trustees

Guy Topping (Chair) (appointed 20 January 2023)
Michael Jonathan Gregory (appointed 12 March 2024)
Adrian Shaun Phillips (appointed 20 January 2023)
John George Chesworth (appointed 20 January 2023)
Fiona Louise Norcross (appointed 20 January 2023)
Venkata Dharma Kovvuri (appointed 4 September 2024)
Sarah Louise Page (appointed 4 September 2024)

Senior Management Team

Tim Jacques – Chief Executive

Company registered number

14606941

Charity registered number

1203633

Registered office

Suite Ge Atria, Spa Road, Bolton, UK, BL1 4AG

Independent auditors

DonnellyBentley, Hazlemere, 70 Chorley New Road, Bolton, BL1 4BY

Bankers

Handelsbanken, Edward VII Quay, Navigation Way, Preston, PR2 2YF

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

The Trustees, who are also Directors of the company, present their Directors' report for the purposes of section 417 of the Companies Act 2006 and Trustees' Annual Report for the purposes of section 162 of the Charities Act 2011 together with the Financial Statements of the Charity for the period 20 January 2023 to 31 March 2024.

Preston Youth Zone Ltd was incorporated on 20 January 2023 (Company registration number: 14606941) as a company limited by guarantee and registered as a Charity on 19 June 2023 (Charity registration number: 1203633).

Objectives and activities – who we are

Preston Youth Zone, recently named by young people as 'Vault', will be a purpose built facility for the city's young people aged 8 – 19, and up to 25 for those with disabilities.

The Youth Zone will be located in the city centre, on the corner of Tithebarn Street and Crooked Lane, and is expected to be completed in 2025. It is core component of a wider development funded by Preston Towns Fund which sees the development of several sites within the Harris Quarter. Together, these will create an entertainment, cultural and community hub in the heart of the City – bringing social and educational benefits to the local community. As well as the Youth Zone, once finished the Harris Quarter programme will include a new cinema and entertainment complex and the refurbishment of the Grade I listed Harris Museum, Art Gallery and Library.

Preston Youth Zone will join a network of similar independent youth organisations that all share the same principles, developed by the Charity OnSide Youth Zones, which is building 21st century youth facilities across the UK. Youth Zones are based upon a proven model, which has been established in several other towns and cities across the country, and young people from Preston will have access to a variety of fantastic activities for a cost of only £5 for an annual membership and 50p per visit. The Youth Zone will 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, such as football, boxing, dancing, climbing, creative arts, music, drama and employability training – all for just 50p per visit.

The OnSide Youth Zone model uses a unique partnership approach; drawing together the Local Authority, private sector businesses, young people and the wider local community. This partnership approach aims to establish the Youth Zone right in the heart of the community for the long term, whilst meeting the needs of young people today. Preparation for Preston Youth Zone has been taking place for a number of years, with all the capital funding in place to develop this amazing new facility, and an active revenue fundraising campaign underway this will provide the necessary funds required to operate the Youth Zone for the first three years. Towards the end of the financial period we gained access to the site to complete the tree removal which was followed by a successful archaeological survey. The contractor (Triton Construction) officially commenced their works on 06 Jul 2023 this was a significant milestone in the Youth Zone's development history. We look forward to construction works progressing at pace throughout 24/25 and official opening taking place in Autumn 2025 when Preston's young people can begin to benefit from their amazing new Youth Zone.

Structure, governance and management

Governing Document

Preston Youth Zone is a company limited by guarantee without share capital and registered under the Companies Act 2006, registration number 14606941. The company is governed by its Memorandum and Articles of Association dated 20 January 2023. Management of the company's affairs is vested in the co-Directors. It is a Charity registered with the Charity Commission on 19 June 2023.

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.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

The directors/trustees who served during the period are :

Guy Topping (Chair) (appointed 20 January 2023)
Michael Jonathan Gregory (appointed 12 March 2024)
Adrian Shaun Phillips (appointed 20 January 2023)
John George Chesworth (appointed 20 January 2023)
Fiona Louise Norcross (appointed 20 January 2023)

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 Directors 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 20 January 2023, which may be inspected at the Preston Youth Zone registered office.

A pay review will be conducted annually by the Chief Executive each January/February with a proposal being brought to the Nomination & Remuneration Committee. The CEO remains responsible for the proposal of the Organisation's employees remuneration with oversight from the Committee. The Committee shall be consulted on the CEO's proposed total planned aggregate employee costs for the next financial year, including the proposed standard annual salary uplift, prior to the setting of the annual budget. A number of scenarios may be presented to the Committee which consider economic conditions, individual performance and the financial security of the Organisation.

Once agreed, this will be presented for discussion and endorsement by the Directors with any applicable changes implemented from the 1 April.

There is no commitment to a perpetual annual increase, however due consideration will be taken each year. Any consideration around re-grading jobs will involve a review of the pay structure to ensure decisions are being made fairly across the Organisation's staff team. The CEO will seek approval of the Chair in response to mid-year regrading or salary uplift requests. The Nomination & Remuneration Committee in collaboration with the Chair of the board is responsible for setting the salary and remuneration of the Chief Executive.

Organisational Structure

Preston Youth Zone 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 Preston Youth Zone and for ensuring that the Charity satisfies its legal and contractual obligations. Trustees meet approximately 5 times a year 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.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

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.

Risk management

The Trustees have considered the major risks to which the Charity is exposed and have established suitable risk management and control procedures.

Related party transactions

Are disclosed in Note 17 to the financial statements.

Objective and activities

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

Achievements during the period

We are indebted to the capital funders who have committed to support the Youth Zone. Preston Towns Fund and the Government's Youth Investment Fund have committed their support to the capital project along with strategic funders BAE Systems and the Eric Wright Charitable Trust; together these funders have provided all of the finances needed for the construction and fit out of the facility provide all the remaining capital funding required and have been instrumental in driving the project forward. Preston City Council, Preston Towns Fund, the Youth Investment Fund have also pledged revenue support during the pre-opening phase and early years of the Youth Zone's operation.

The Founder Patron campaign, which provides a significant proportion of the operating revenue for the Youth Zone, aims to secure a total of £3.4m to support the first four years of running costs of the Youth Zone; this will come from a combination of supporters at Founder Patron (£100k over four years) and Cornerstone Patron levels (£400k over four years). We are pleased to report that we have already confirmed pledges of support from BAE Systems, the Eric Wright Charitable Trust, Bespoke Healthcare, and Pringle Homes. This group is growing, and we are moving positively towards our target of securing 34 Founder Patrons prior to opening, alongside other funders who have committed to supporting the Youth Zone.

In the lead up to incorporation and throughout 2023/24, the Charity's Trustees and partners have worked tirelessly to ensure the project remains on course despite delays experienced historically. We are grateful for the resolute support of all the Youth Zone's funders, supporters and champions who have remained committed to our work with young people. Thankfully, we reach the end of the current financial period in a positive position, able to report a start to construction and just a short period remaining before we are able to bring this incredible facility to life.

Preston Youth Zone enjoys the support of OnSide Youth Zones (charity number 1125893) in its development and will become a member of the growing OnSide network of Youth Zones.

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 city centre 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, Preston Youth Zone will focus on attendance and participation by young members across the entire community 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 antisocial behavior. Longer term public benefits will include improved health, reduced crime, enhanced learning and employability and greater community cohesion.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

The Trustees of Preston Youth Zone believe they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

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, but occasionally were significantly more.

Investment Activities

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. Currently, the Charity does not currently hold any investments other than cash on deposit with Handelsbanken plc.

Financial review

A summary of the results is shown below:

	£
Incoming resources	1,531,166
Outgoing resources	(172,708)
Net incoming resources	1,358,458

Total reserves at 31 March 2024 were £1,358,458.

The charity is still in its early life with grants and donations being received to fund the design and construction of the Youth Zone. The charity continues to cultivate further donations to support future revenue expenses from a variety of sources as outlined above (see "achievements in the period").

Reserves Policy

The Charity has secured the funding to complete the construction of the Youth Zone and the Founder Patron (revenue) campaign is well underway. The Trustees have prepared projections of the operating costs once completed. The Board of Trustees of Preston Youth Zone has established a reserves policy which appropriately reflects the risks to which the Charity is exposed. Once the Youth Zone is operating and in compliance with such policy, it will review regularly both the sum it wishes to hold in reserves in the unrestricted budget and the basis for that figure. The reserves policy does not consider expenditure which is linked to restricted projects and therefore covered by restricted funds.

In reviewing the potential costs that could arise should a significant reduction in income be incurred, the Trustees have determined that unrestricted, 'free', reserves should be maintained at approximately 3 months running costs. This is based on the running costs when the Youth Zone is fully operational and is not therefore based on the expenditure in these accounts. The Trustees manage Preston Youth Zone's finances so that an adequate level of reserves can be maintained in compliance with the reserves policy. At 31 March 2024 this was £347,140, this amounts to approximately 3.5 months' cover of operational costs once we are fully operational.

Total reserves at 31 March 2024 were £1,358,458 of which £1,011,318 are restricted reserves and £347,140 are unrestricted reserves. £1,012,049 of total reserves can only be realised by disposing of fixed assets.

Principal Funding Sources

The Directors wish to record their thanks to all those individuals and companies who have made donations or pledged their support to the work of the Charity; this includes all those listed above plus other anonymous donors.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

We cannot overstate the importance of the Founder Patrons who have committed their support to Preston Youth Zone so far. BAE Systems, Eric Wright Charitable Trust, Bespoke Healthcare and Pringle Homes have shown incredible enthusiasm and generosity toward the project, and their involvement will only aid to the credibility of our work, helping to draw further support from the local business and philanthropic community.

Future plans

With all parties fully committed to the completion of Preston Youth Zone, work is continuing to execute the construction of an incredible facility, with plans to elevate in the interior to provide a welcoming, high spec and attractive impression to all visiting young people. As construction progresses, the Youth Zone will look to significantly increase the size of the team employed; with just 4 members of staff in place, the Chief Executive will lead on this exercise, creating a large delivery and support team to include both paid staff and volunteers, who will be recruited and inducted ready for opening.

At the same time, the campaign will continue to grow the Youth Zone's family of Founder Patrons with a target of ensuring that the Youth Zone's preopening and first three years of running costs are fully funded.

Preston Youth Zone already benefits from a Board of experienced and committed Trustees. To build on this, and in preparation for full operation, the organisation will continue to expand the Board of Directors / Trustees including portfolios for finance, legal, safeguarding, People, etc. who will provide effective governance, oversight and support across the full spectrum of Youth Zone operations and activities.

Statement of Trustees' responsibilities

The Trustees (who are also the Directors of Preston Youth Zone 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 financial statements comply with current statutory requirements, the company's Memorandum and Articles of Association and the Charities SORP.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024**

Statement as to Disclosure to our Auditors

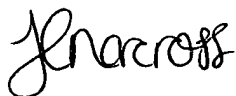
In so far as the Trustees are aware at the time of approving this report;

- There is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- The trustees have taken all steps that they ought to have taken to make themselves aware of relevant audit information and to establish that the auditor is aware of this information.

Small company exemption

In preparing this report the directors have taken advantage of the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The Trustees report was approved and was signed on behalf of the Trustees by:



Fiona Norcross
Company Director and Trustee

15 October 2024

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTON YOUTH ZONE LTD

Opinion

We have audited the financial statements of Preston Youth Zone Ltd (the 'charitable company') for the period ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cashflows 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 incoming resources and application of resources, including 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 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.

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 themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTON YOUTH ZONE LTD

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) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters 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 obtained an understanding of the legal and regulatory framework applicable to the company and the sector in which it operates and considered the risk of non-compliance with applicable laws or regulations.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRESTON YOUTH ZONE LTD

We determined that the following laws and regulations were most significant: the Companies Act 2006, the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial and Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS102), those that relate to safeguarding and child protection and those that relate to employment law. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, for example, forgery or intentional misrepresentations, or through collusion.

We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making enquiries of the management. We corroborated our enquiries through our review of board minutes.

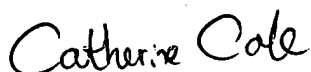
Our tests also included agreeing the financial statements disclosures to underlying supporting documentation. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the management or trustees that represented a risk of material misstatement due to fraud.

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

Use of our report

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



Catherine Cole FCA (Senior Statutory Auditor)

for and on behalf of
Donnelly Bentley Limited
Chartered Accountants
Statutory Auditors
Hazlemere
70 Chorley New Road
Bolton
BL1 4BY

15 October 2024

PRESTON YOUTH ZONE LTD**(A company limited by guarantee)****STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024**

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
INCOME FROM:				
Donations and legacies	2	347,695	1,179,500	1,527,195
Other trading activities	3	1,779	-	1,779
Investments	4	2,192	-	2,192
TOTAL INCOME		351,666	1,179,500	1,531,166
EXPENDITURE ON:				
Charitable activities	5	4,526	168,182	172,708
TOTAL EXPENDITURE		4,526	168,182	172,708
NET INCOME BEFORE TRANSFERS		347,140	1,011,318	1,358,458
Transfers between Funds		-	-	-
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		347,140	1,011,318	1,358,458
NET MOVEMENT IN FUNDS		347,140	1,011,318	1,358,458
RECONCILIATION OF FUNDS:				
Total funds brought forward		-	-	-
TOTAL FUNDS CARRIED FORWARD		347,140	1,011,318	1,358,458

The notes on pages 15 to 24 form part of these financial statements.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

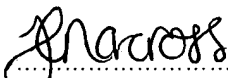
PRESTON YOUTH ZONE LTD

(A company limited by guarantee)
REGISTERED NUMBER: 14606941

**BALANCE SHEET
AS AT 31 MARCH 2024**

	Note	2024 £	£
FIXED ASSETS			
Tangible assets	8		1,012,049
CURRENT ASSETS			
Debtors	9	276,042	
Cash at bank and in hand		<u>963,781</u>	
		1,239,823	
CREDITORS: amounts falling due within one year	10	<u>(893,414)</u>	
NET CURRENT ASSETS			<u>346,409</u>
NET ASSETS			<u>1,358,458</u>
CHARITY FUNDS			
Restricted funds	11		1,011,318
Unrestricted funds	11		<u>347,140</u>
TOTAL FUNDS			<u>1,358,458</u>

The financial statements were approved and authorised for issue by the Trustees on 15 October 2024 and signed on their behalf, by:



.....
Fiona Norcross
Company Director and Trustee

The notes on pages 15 to 24 form part of these financial statements.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024**

	Note	2024 £
Cash flows from operating activities		
Net cash provided by operating activities	13	<u>1,973,892</u>
Cash flows from investing activities:		
Bank interest received		2,192
Purchase of tangible fixed assets		<u>(1,012,303)</u>
Net cash used in investing activities		<u>(1,010,111)</u>
Net increase in cash and cash equivalents in the period		963,781
Cash and cash equivalents brought forward		<u>-</u>
Cash and cash equivalents carried forward	14	<u>963,781</u>

The notes on pages 15 to 24 form part of these financial statements.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Preston Youth Zone Ltd meets the definition of a public benefit entity under FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The company is a company limited by guarantee incorporated in England and Wales. The members of the company are the Trustees named on page 2. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company. The address of the registered office is Suite Ge Atria, Spa Road, Bolton, UK, BL1 4AG.

1.3 Income

All income is included in the Statement of Financial Activities (SOFA) once the company has entitlement to the income, after any performance conditions have been met, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are any 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.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the company where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services or facilities are recognised when the company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 Grants

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.6 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the company.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's charitable operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment - 33% straight line

The property is currently under construction and will not be depreciated until construction has been completed.

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 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.

1.10 Cash at bank and in hand

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

1.11 Provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

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

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

1.14 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the note to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs 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.

1.15 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the test 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.

1.16 Judgements and key sources of estimation uncertainty

The preparation of these financial statements require certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1.17 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.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Donations	347,695	-	347,695
Government grants	-	1,179,500	1,179,500
Total donations and legacies	347,695	1,179,500	1,527,195

PRESTON YOUTH ZONE LTD.

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024**

3. FUNDRAISING INCOME

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Events income	1,779	-	1,779

4. INVESTMENT INCOME

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Bank interest received	2,192	-	2,192

5. SUPPORT COSTS

	Charitable Activities costs £	Total 2024 £
Office costs	13,582	13,582
Insurance	620	620
Other staff costs	1,916	1,916
Audit fees	4,250	4,250
Accountancy fees	2,450	2,450
Marketing	8,643	8,643
Onside management charges	120,462	120,462
Young People Development Group activity costs	1,326	1,326
Wages and salaries	18,669	18,669
Pension cost	327	327
Depreciation - computers	254	254
Bank charges	209	209
	172,708	172,708

Costs of £168,182 are attributable to restricted funds and costs of £4,526 are attributable to unrestricted funds.

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2024 £
Depreciation of tangible fixed assets	254
Auditor's remuneration	4,250

PRESTON YOUTH ZONE LTD**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024****7. STAFF COSTS**

Staff costs were as follows:

	2024
	£
Wages and salaries	18,669
Pension costs	327
	<u>18,996</u>

The average number of persons employed by the company during the period was as follows:

	2024
	No.
Administration	1
Delivery	2
	<u>3</u>

Key management personnel are considered to be the Chief Executive. The total amount of employee benefits paid to the key management personnel for the period was £5,845.

There are no employees who received total employee benefits of more than £60,000.

8. TANGIBLE FIXED ASSETS

	Preston Youth Zone building under construction	Computer Equipment	Total
	£	£	£
Cost			
Additions	1,008,021	4,282	1,012,303
Disposals	-	-	-
At 31 March 2024	<u>1,008,021</u>	<u>4,282</u>	<u>1,012,303</u>
Depreciation			
Charge for the period	-	254	254
Eliminated on disposal	-	-	-
At 31 March 2024	<u>-</u>	<u>254</u>	<u>254</u>
Net book value			
At 31 March 2024	<u>1,008,021</u>	<u>4,028</u>	<u>1,012,049</u>

Preston Youth Zone has entered into a 125 year lease with Preston City Council to lease the land on which the building is being constructed.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024**

9. DEBTORS

	2024
	£
Other debtors	275,846
Prepayments and accrued income	196
	<u>276,042</u>

10. CREDITORS: Amounts falling due within one year

	2024
	£
Trade creditors	71,815
Other taxation and social security	1,640
Accruals and deferred income	812,628
Other creditors	7,331
	<u>893,414</u>

11. STATEMENT OF FUNDS

STATEMENT OF FUNDS – FOR THE PERIOD

	Balance on Incorporation	Income	Expenditure	Transfers Between Funds	Balance at 31 March 2024
	£	£	£	£	£
Unrestricted Funds					
General Funds	-	351,666	(4,526)	-	347,140
	-	351,666	(4,526)	-	347,140
Restricted Funds					
Restricted Funds	-	1,179,500	(168,182)	-	1,011,318
	-	1,179,500	(168,182)	-	1,011,318
Total of Funds	-	1,531,166	(172,708)	-	1,358,458

PRESTON YOUTH ZONE LTD**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024****Restricted Funds**

	Balance on Incorporation	Income	Expenditure	Fund Transfers	Balance at 31 March 2024
	£	£	£	£	£
Youth Investment Fund – revenue grant	-	167,928	(167,928)	-	-
Youth Investment Fund – capital grant	-	404,994	(254)	-	404,740
Ministry of Housing, Communities and Local Government (formerly Dept. for Levelling Up - capital grant	-	606,578	-	-	606,578
Total	-	1,179,500	(168,182)	-	1,011,318

The restricted funds relate to monies received to fund the initial construction and fitting out of the building and the operating costs of Preston Youth Zone.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	731	1,011,318	1,012,049
Current assets	1,239,823	-	1,239,823
Creditors due within one year	(893,414)	-	(893,414)
	347,140	1,011,318	1,358,458

13. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £
Net income/(expenditure) for the period (as per Statement of Financial Activities)	1,358,458
Adjustment for:	
Depreciation charges	254
Bank interest received	(2,192)
(Increase)/decrease in debtors	(276,042)
(decrease)/increase in creditors	893,414
Net cash provided by operating activities	1,973,892

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024

14. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2024
	£
Cash at bank and in hand	<u>963,781</u>
Total	<u>963,781</u>

15. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £327. There was £174 of outstanding employer pension contributions at 31 March 2024.

16. TRANSACTIONS WITH DIRECTORS

During the period, no trustees received any remuneration.
During the period, no trustees received any benefits in kind.
During the period, no trustees received any reimbursement of expenses.

17. RELATED PARTY TRANSACTIONS

Fiona Norcross, who is a director of Preston Youth Zone, is a member of the key management personnel of OnSide. During the period to 31 March 2024, Preston Youth Zone Ltd paid £585,120 to OnSide by way of a Project Services fee. This fee is charged in relation to OnSide's responsibility for the development and delivery of all aspects of Preston Youth Zone including; fundraising, planning, construction and fit out of the building, development of partnerships and community engagement, recruitment and training of staff and volunteers and securing the first 3 years of revenue funding.

During the period the charitable company received donations that amounted to £72,000 from Directors/Trustees of the charitable company or other companies with a shared Director

John Chesworth, who is a director of Preston Youth Zone, is the independent chair of the City of Preston Town Fund Board. Adrian Phillips, who is a director of Preston Youth Zone, is the chief executive of Preston City Council. Preston City Council is the accountable body for a Town's Fund grant from the Ministry of Housing, Communities and Local Government (formerly Department for Levelling Up, Housing and Communities). The role of the Town Fund Board is to determine the allocation of this grant and to oversee the preparation and implementation of the Town Investment Plan. During the period to 31 March 2024, Preston Youth Zone received £606,578.

Preston Youth Zone has entered into a 125 year lease with Preston City Council to lease the land on which the Youth Zone building is being constructed. Preston Youth Zone has not been charged any rent in the period to 31 March 2024.

PRESTON YOUTH ZONE LTD

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 20 JANUARY 2023 TO 31 MARCH 2024**

18. CONTROLLING PARTY

There is no controlling party.