

**THE SALMON YOUTH CENTRE
IN BERMONDSEY**

**Company Limited by Guarantee
Registered Charity**

**TRUSTEES' ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**

Company Registration Number 958986
Charity Registration Number 278979

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*"Inspiring all young people to fulfil their potential and contribute to the community
within a framework of Christian life and values"*

Company registration number: 958986

Charity registration number: 278979

Trustees: A.D.C. Greenwood (Chair)
M. Askwith (Retired 29 January 2022)
C. G Bauer
Dr. H.F. Crowe
R. S. Gleaves RICS
K. Kazim
P. Knight FCA (Honorary Treasurer)
S. Manwell
Rev. Dr. R.W. Mayo (Retired 10 October 2020)
M. Skelton

Finance Committee: P. Knight FCA (Chair)
A.D.C Greenwood
R. S. Gleaves RICS
In attendance:
S. Adofo (Director)
C. Bascom (Finance Director)

Company secretary: S. Adofo

Principal office and Registered office: 43 Old Jamaica Road
Bermondsey
London SE16 4TE

Auditors: Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place,
London EC4R 1AG

Bankers: Unity Trust Bank
Nine Brindleyplace
Birmingham
B1 2HB

Governing deed: Articles of Association

1. TRUSTEES' REPORT

The Trustees, who are also the Directors, present their report and the audited financial statements for the year ended 31 March 2021. The financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities', applicable law and the Charity's governing document. Reference and Administrative information is shown on page 1.

Public Benefit

The Trustees confirm that they have had regard to the Charity Commission's guidance on Public Benefit in planning the charity's aims, activities and future plans.

1.1 OBJECTIVES AND ACTIVITIES

Our Vision (describing what we seek to achieve and the difference we seek to make through our work)

At the Salmon Youth Centre, we aim to inspire all young people to fulfil their potential and contribute to their community within a framework of Christian values.

Our Mission (describing what we do)

At the Salmon Youth Centre, we:

- are open to and welcome all young people and their families;
- provide open-access, targeted and specialised youth work opportunities, which are safe, enjoyable, challenging and educational;
- strive to build long-term relationships that inspire young people to develop their ambition for learning and work, relevant skills and healthy lifestyles.

Our Activities

The Salmon Youth Centre has been reaching out to young people and their families in inner city London for 115 years from our site at 43 Old Jamaica Road.

We inspire young people to reach their potential and contribute to their communities. We promote positive change in young people and support their transition to adulthood in three key ways:

- Improving young people's **health and wellbeing**,
- Preparing young people for **education and work**,
- Involving young people in positive **community engagement**.

At Salmon, we provide **generic youth work** for young people from age 6 to 25 across sessions including adventure, art, dance, drama, music and sports.

Alongside this, we deliver **targeted youth work** provisions including:

- an **apprenticeship scheme**, offering young people the opportunity to study and work;
- Harmonies of Hope, our **youth music** empowerment programme;
- **Mentoring**, one-to-one support for young people, including our **disability befriending** schemes;
- Mixables and Mixters, our work with **young people with disabilities**;
- **work experience and student placements**, offering training opportunities in youth work;
- our **Young Leaders' programme**, young people volunteering at Salmon and working towards their Duke of Edinburgh Award.

1.2 ACHIEVEMENTS AND PERFORMANCE

The year to 31 March 2021 has been unlike any other with COVID affecting our lives in ways we could never have expected or imagined. Salmon was forced to close the Youth Centre for face-to-face youth work on 21st March 2020 and it remained closed until July 2020 when we re-opened briefly. Further periods of national lockdown required us to close again at the end of October 2020 through to the end of the financial year (apart from a brief respite over the Christmas period). Overall, we were only able to deliver 12 weeks of centre-based face to face youth work.

Most of the children and young people who come to the Salmon Youth Centre are disadvantaged and live on the surrounding council estates as well as in parts of Camberwell and Peckham. These areas are in the top 10 to 20% of the most deprived neighbourhoods in England.

Many of these young people are exposed to adverse childhood experiences (ACEs) in their homes. For example, they may experience domestic violence, have a parent with a mental health condition, be a victim of abuse (physical, sexual and/or emotional), be the victim of neglect (physical and emotional), or grow up in a household in which there are adults experiencing alcohol and drug problems.

Our task is to reduce the risk of vulnerable young people becoming socially excluded or marginalised. Our work is preventative, whereby we engage young people at the first sign that they need support. In this way we reduce risk and build resilience by ensuring that the key factors that young people need are available in their lives. The long-term nature of our work affords an in-depth understanding of local and social issues affecting children, young people and their families. We are often the best-placed organisation to provide positive early intervention and support for the most vulnerable children and young people.

Of the young people we support, around 47% are young carers, 15% are looked-after children or have recently left the care system and 80% have one or more ACEs. The vast majority are at high risk of becoming NEET (not in education, employment or training) or are already NEET.

We currently work intensively with approximately 120 young people aged 6 to 18, who are at high risk of engaging in crime or who are already caught up in crime.

The impact of Covid-19 on our young people

Despite lockdown and Covid disruption we delivered 528 hours of youth work sessions to a total of 594 young people, opening every night Monday through Friday.

We opened 4 new clubs and expanded on our existing work supporting 6-11s (187 young people), 11-16s (109 young people), 4-19s (237 young people) and 19-25 age groups (61 young people). These included our disabled young people, Young Leaders and Apprentices. During the period we were open we delivered 256 youth work sessions and had a total of 4422 attendances.

Health and Wellbeing

The statistics show that between 4.00 pm and 7.00 pm, or after school, is the most dangerous time for young people to be on the streets where they are most at risk of becoming involved in knife crime. Gang grooming takes place outside fast-food shops when young people are hungry coming out of school.

In September 2020, Salmon adopted a new way of working by opening our Youth Centre at 4.00 pm (previously 6.00 pm) on 4 nights a week. On each evening, we provide our young people with a healthy meal (no charge) and a safe place to explore their skills and talents. Using our fantastic state of the art building, young people are able to explore healthy eating in our kitchen, use our art, dance and music studios to learn new skills to enhance their personal and social development. We extended our opening hours until 10.00 pm for our 14+ young people exploring, employability, healthy relationships and good health and wellbeing.

Addressing Poor Mental Health

During lockdown we spoke to many young people who were struggling with poor mental health, panic attacks, anxiety, self-harm and suicidal thoughts.

Salmon also provided training for staff to educate them on the effects of lockdown, to better enable them to get alongside those young people who were struggling with mental health issues. In some cases, Salmon provided 1-on-1 support and directed them towards the professional services that can provide further support.

Salmon continued to make a welcoming space available and provided workshops in the clubs for learning about the 5 steps to wellbeing: Be Active, Keep Learning, Give, Take Notice and Connect.

Addressing High Obesity Rates

Lockdown meant little or no exercise for many young people but with easy access to cheap and unhealthy fast-food obesity rates increased. Salmon provided 1,827 free healthy meals for club members and provided them with the opportunity of three to four hours a night of physical activity making use of our top-class sports hall, outdoor climbing wall and multi-gym. New sports such as wallball were introduced in this period, following appropriate staff training. Young people also had the opportunity to learn new skills in tennis, trampolining, climbing and adventure, basketball and football.

Education and Work

Homework Club

Young people's education also suffered during lockdown. Many have fallen behind with school work and those struggling in school often had little or no home schooling, therefore falling even further behind their peers. Not all parents have the time or capacity to support their child's education. Salmon provided a total of 82 homework clubs, hiring 8 new volunteers, to support young people in their studies and provide private tutoring.

One of the most urgent issues to be addressed post-lockdown is that disadvantaged young people in our area have lost so much schooling. Local schools tell us that they cannot make up for missed teaching time, but instead must focus on the next aspects of the curriculum. Although we understand this, we know that this approach could be potentially disastrous for many young people, most of whom, for reasons such as a lack of IT equipment, poverty, overcrowding and lack of parental support, have had little or no home schooling.

We fear, sadly, that this lack of schooling will play out as poor behaviour in the classroom disrupting other students' learning, leading to a spate of expulsions amongst disadvantaged young people. These expulsions will, in turn, lead to increased stress and pressure for struggling and vulnerable families and will increase the likelihood of young people being groomed by criminal gangs.

All these issues need to be understood and addressed together from the support that a young person needs to catch up in school to the types of interventions that Salmon can provide to support schools, through to managing family stress so that the likelihood of young people being drawn into crime is reduced.

Training Apprentices

Apprentices come to Salmon either because they specifically want to train as youth workers or, more commonly, because they have become disengaged from education or work and need direction. Many face multiple difficulties in their day-to-day lives, such as homelessness, separation from families, mental health issues, financial problems, discrimination, or involvement with the criminal justice system, disability, chaotic home lives and bereavement.

Salmon provides an environment in which our Apprentices can get involved with all the youth work sessions we deliver. They are a valuable part of our team and, being closer in age to our young people, are often able to relate to them in a different way.

We continue to tailor each Apprentice's experience to their likely future career direction by creating suitable training opportunities. We also enable our Apprentices to gain work experience outside Salmon and seek to develop their personal, social and life skills.

Considering the multiple difficulties that many of our Apprentices face, it is a great achievement that most of them move on into employment or further education after leaving Salmon. We continue to support those who are still looking for their next step.

During the year, Salmon supported 14 Apprentices from a diverse variety of backgrounds and situations.

Community Engagement

Open Access Clubs

- 19 6-11s sessions were delivered with 857 attendances.
- 53 11-16 sessions were delivered with 970 attendances.
- 31 14+ sessions were delivered with 738 attendances.
- 14 Disability sessions were delivered with 190 attendances.

Mentoring

During lockdown, we increased our mentoring provision in support of our most at-risk young people, 18 of whom received 1-to-1 mentoring outside club sessions. This was in addition to our regular mentoring provision within club sessions, where staff members spend 15 minutes each week with the same young person discussing personal development and support. We delivered 351 mentoring sessions involving 30 young people.

Residentials, Trips and Holiday Activities.

The Salmon Youth Centre re-opened in August 2020 with a four-week holiday provision during August. 141 6-13-year-olds and 196 young people aged 14+ participated in the 24 youth work sessions that were delivered.

Week one of the holiday provision was oversubscribed as we had to limit numbers to ensure compliance with Covid precautions. A number of our Young Leaders helped lead the sessions alongside Apprentices and Staff. Activities included trampolining, climbing, sports, arts and many team challenges. Each day there was a slot exploring the Christian faith. The highlight of the summer scheme was a visit to the London Zoo.

Young Leaders

Young Leaders is our leadership programme for young people aged 14+. They volunteer for at least one club session each week and attend weekly training meetings. The Young Leaders are a real asset to Salmon because they provide a vital bridge between our youth workers and the young people attending our sessions.

Family Work

Although advocating for young people and their families has always been an important part of our work, the need for advocacy became even more evident during lockdown. Having closed the Youth Centre, we maintained weekly contact with vulnerable young people and their families. Parents' appreciation of this weekly communication highlighted the positive view that parents have of SYC. We observed that the relational and non-judgmental nature of our work has earned us much trust and co-operation. Above all, it brought home to us the degree to which better advocacy for vulnerable families in our area is needed.

The pandemic has strengthened our commitment to deepen this aspect of our work, so that we can provide more and better early intervention, advocacy, mediation and referral to other agencies on behalf of vulnerable families.

Our family work intensified during the pandemic, supporting young people and families in many ways during a very difficult period, for example:

- We listened to a young person who was self-harming and, using the mental health first aid training, getting them the right support through their GP and then to CAMHS.
- We provided support for a family whose living conditions were unbearable by advocating for a change of housing until the flat was cleared of mould.
- We advocated on behalf of a young person who was in trouble with the law; his family needed the right legal advice and a solicitor to represent them.
- We were there to listen to young people when they couldn't stand being in the house anymore during lockdown; where parents were in hospital with Covid and in one very sad case where a parent had died.
- We also arranged food parcels for some families that were really struggling.

To achieve, we trained our staff in skills related to family intervention, whilst also partnering with other organisations who can provide more comprehensive support for families. This encompassed matters such as parenting classes and supporting parents whose children are involved in, or on the fringes of, criminal activities and the trappings of gang life. Through this approach we sought to bring together work that is usually done in silos in a way that is innovative and effective

Families instinctively know that the different issues they are facing are connected, and yet ordinarily they are addressed separately by agencies. Unfortunately, this unintentionally creates feelings amongst families that they are misunderstood and not properly supported by the very people who are seeking to help them. It also gives them the feeling that they are simply being moved from one agency to another and creates distrust.

CONCLUSION

The core funding provided by many funders and donors for our work with young people at Salmon has helped us to support the most vulnerable young people across a diverse range of activities, offering support where it is most needed and helping young people through whatever challenges they may be facing in their lives. Our programmes continue to go from strength to strength.

To all our funders (listed in Note 3 on page 19) and donors who play such an important role in making a positive difference to the lives of so many young people, we should like to convey our heartfelt gratitude for your support.

1.3 FINANCIAL REVIEW

Results to 31 March 2021

The results for the year are set out in the attached Financial Statements which have been prepared in accordance with FRS102 and the reporting requirements for charities under the Charities SORP 2015 FRS102 (second edition, effective 1 January 2019).

Our activities for the year to 31 March 2021 were severely impacted by the need to close our facilities for much of the year as a consequence of the Covid-19 pandemic. Despite these adverse circumstances, we reported a small deficit on General Funds of £15,864, compared with a surplus of £5,907 in the previous financial year.

Donations totalled £151,444 with notable increases in donations from both Churches and Corporates. Because of restrictions, we were unable to run a sponsored event during the year as we have done in previous years. In 2019/20 we raised £32,200 from sponsored events. That year also included three exceptional one-off donations totalling £152,333. Excluding these items from the comparison, donations from individuals in 2020/21 of £97,419 were more than 20% higher the previous year.

Grants received during the year amounted to £720,936 (2020: £444,431). Much of the increase was attributable to grants received (£203,641) under the HMRC Job Retention Scheme enabling us to retain staff placed on furlough. A further consequence of lockdown was our inability to complete in full the grant conditions attached to certain grants resulting in funds received during the year totalling £164,807 (2020: £34,340) being carried forward to future periods.

Income from other trading activities of £102,148 (2020: £143,953) for the year was 30% lower than the previous year, mainly as a consequence of lower income from letting our facilities to third parties.

Expenditure for the year excluding depreciation totalled £868,230 (2020: £853,983) an overall increase of 2% compared with a year earlier. Whilst there were some savings on charitable activities through reduced activity, we continued to pay full salaries to our staff during lockdown periods. However, such savings were more than off-set by the need to provide additional legal and professional fees to cover cladding matters as described on pages 7 and 8 below. The deficit for the year was deducted from our General Fund reserves which amounted to £278,482 at 31 March 2021.

Unrestricted Designated funds comprise the Jim Guild Legacy Fund and the Freehold Land and Buildings Fund. During the year, £14,400 (2020: £18,679) was released from the Jim Guild Legacy Fund as described

in Note 12 on page 23 and depreciation of freehold buildings of £182,078 was charged to the Freehold Land and Buildings Fund.

Cash balances at the year-end stood at £576,306 (2020: £456,369). Of this total, £229,126 (2020: £92,402) was held to meet our obligations to fulfil the terms of restricted grants in future periods.

Net worth decreased to £7,664,710 (2020: £7,740,328) mainly as a consequence of the accounting requirement to charge depreciation on freehold buildings, which is a non-cash item.

Reserves Policy

The Trustees, having considered the financial risks, have set a reserves policy which aims to maintain free reserves at a level sufficient to cover a loss of 50% of grant income for a period of up to 12 months while replacement funding is sourced; this equates to approximately £250,000. The level of free reserves at 31 March 2021 on unrestricted funds of £492,683 (General funds of £278,482 and Legacy fund of £257,216, less other fixed assets of £43,015), is therefore sufficient to comply with this policy.

The restricted funds at the end of the year stood at £229,126 (2020: £92,402), representing grants received in 2020/21 and earlier years for specific charitable purposes for which the related expenditure will be incurred in a later financial year.

Plans for the Future

We plan to continue to respond to the needs of young people and their families in our community (as highlighted previously). Those needs have been compounded by the Covid-19 pandemic and have become more now urgent in view of the potentially significant, long-term consequences. Our aim is to continue to improve young people's physical and mental health, as well their engagement with education and work, but we are now starting from an adjusted baseline of worse physical and mental health and decreased engagement with education and work that the majority now find themselves at.

Contingent liability regarding Combustible Cladding

The Salmon Youth Centre owns the freehold land at 43 Old Jamaica Road, Bermondsey. As part of the Bermondsey Spa Regeneration Area, the SYC site was redeveloped between 2005 and 2010 in two distinct phases. Phase 1 comprised the new sports hall and accommodation for resident volunteers and was completed in 2008.

In 2008, SYC granted a 127- year lease to Hyde Housing Association Limited (Hyde) in consideration of their developing the Phase 2 building, which comprised further space for SYC youthwork on three lower floors above which a block of 26 flats (known as Davoll Court) was built.

Hyde procured the design and construction of the Phase 2 building between 2008 and 2010 using ROK Ltd as its contractor. ROK Ltd also built other blocks of flats in the area for Hyde as part of the Bermondsey Spa Regeneration Area, for which Hyde had been appointed Lead Developer by Southwark Council. ROK Ltd went into administration in 2010.

In summer 2020, Hyde, as head leaseholder, drew our attention to the existence of combustible cladding covering the Phase 2 building. This will have to be removed as it breaches fire safety regulations introduced following the Grenfell Tower fire in 2017. Hyde also pointed out that, since SYC had retained the freehold of the Phase 2 building, it was SYC's responsibility in law to arrange for the removal and replacement of the combustible cladding. SYC then proceeded, with Hyde's assistance, to register with the Building Safety Fund (BSF), which the Government had set up to provide funding for remedial cladding costs.

After confirming its legal position, SYC appointed building consultants, who commissioned specialist fire engineer reports. In March/April 2021 it was confirmed that the cladding on the Phase 2 building was indeed combustible and would need to be removed and replaced. The fire engineers also identified some combustible material on the Phase 1 building which will also need to be dealt with. SYC immediately supplied these reports to the BSF and applied for funding to cover the costs.

In September 2021, the BSF confirmed that the removal and replacement of all the cladding on the Phase 2 building and the combustible material on the Phase 1 building was eligible for funding. The BSF has offered

interim funding via a Pre-Tender Support Agreement (PTSA) which should be sufficient cover most of SYC's consultants' costs in proceeding to tender stage of awarding a contract. However, there is no assurance from the BSF that all remedial costs will be approved as eligible a grant by the BSF.

Before any remedial work can be undertaken, SYC must follow a formal consultation procedure with Hyde and the 26 individual sub-tenants under the provisions of Section 20 of the Landlord & Tenant Act 1985. This process is likely to take several months. It is, therefore, unlikely that SYC will be in a position to enter into any building contract until autumn 2022.

The Trustees will not enter into any building contract for the removal and replacement of the defective cladding unless and until they are irrevocably assured that all necessary funding is fully committed and that the committed funding will be sufficient to cover any cost over-runs and any other remedial work that might be incurred.

Going concern

Undoubtedly, the above situation, which is not of our making, is posing a very real threat to the future viability of SYC. There is considerable uncertainty over the timing and the extent, if any, of the liability that may accrue to SYC as a consequence of its obligation as freeholder to replace combustible cladding on Davoll Court, a building which was designed and constructed by the head leaseholder.

The Trustees have reviewed the budgets and cash flow forecasts for a least 12 months beyond the date of signing these financial statements. Taking into account the eligibility for funding from the BSF and the potential to recover any costs not funded by the BSF from the head leaseholder, the Trustees consider that it remains appropriate to prepare the financial statements on the basis that SYC continues as a going concern for the foreseeable future.

CONCRETE

CONCRETE is a separate youth work project hosted by Salmon and accounted for separately as a restricted fund. It works with and supports Christian youth workers nationally through a process of mutual development in the following areas:

Connect: Drawing Christian youth workers together to offer each other support and encouragement, whilst strengthening and maintaining good practice.

Think: Encouraging participation in 'Think Tanks' which cover a wide range of subjects, exploring the realities of work with young people, sharing good practice, reflecting on difficulties, accessing training and having opportunities to think creatively together. These spaces provide the opportunity and stimulus for the development of new ideas and pushing good practice forward.

Amplify: Sharing what is learnt through the Connecting and Thinking in order to influence good practice for Christians working with young people throughout the UK and thereby, ultimately, strengthening and improving the way youth work is carried out nationally.

CONCRETE has networking relationships with several other charities and organisations, notably 48 parishes within the Diocese of London.

During 20/21, the Covid restrictions curtailed much of the planned work as staff were on furlough for much of the year. The impact of the pandemic has affected young people in many different ways and we are assessing how we can best respond to this changing situation.

1.4 STRUCTURE, GOVERNANCE AND MANAGEMENT

Objects

The objects for which The Salmon Youth Centre in Bermondsey is established are to benefit the public by *'the promotion of the Christian faith and the organisation and support of Christian youth clubs, principally in the London Borough of Southwark, in each case consistent with the evangelical principles of the Church of*

England, and the advancement of the education, training and development of mission workers and youth leaders'.

Governing Document

The organisation, founded in 1906, is a charitable company limited by guarantee and governed by its Articles of Association. It changed its name in 1995 to The Salmon Youth Centre in Bermondsey, formerly being known as the Cambridge University Mission (CUM Trust Limited). New Articles of Association were adopted in October 2014. In the event of being wound up, members may be required to contribute an amount not exceeding £1 each.

Organisational Structure

The Trustees normally meet 6 times a year. There is one formal subcommittee, namely the Finance Committee, which aims to meet three times a year to review the financial position in detail. The Finance Committee is chaired by the Honorary Treasurer.

Recruitment, appointment and election of Trustees

Trustees are elected and re-elected at the Annual General Meeting ("AGM"). A third of existing Trustees must retire by rotation at each AGM. New Trustees can be appointed during the year, but they must then be elected at the next AGM.

In searching for new Trustees, the Trustees, whilst recognising diversity issues, look for people who are committed to the Christian ethos of the organisation, who have relevant skills and experience as well as the time to fulfil the duties effectively. At present the Trustees are seeking to appoint new trustees with business, commercial and fundraising experience, human resources management experience and connections with the City of London. Induction, training and other forms of support are offered to new and existing Trustees, both specific to the organisation and relating to the general duties of charitable trustees.

Council of Reference

This is the informal name given to the members of the charitable company. They are admitted into membership by the Trustees. They have the right to attend and vote at the AGM. There are twelve members of the Council of Reference, in addition to those nine who are Trustees. The Articles of Association restrict the maximum number of members of the company to 30 (or such greater number as the Trustees may resolve). Members of the company must support and continue to support the objects of the company.

Employee remuneration

The pay of the Charity's staff including the Director is reviewed annually and linked to National Joint Council (NJC) and Joint Negotiating Committee (JNC) pay scales. All increases are directly linked to the NJC and JNC pay awards. In view of the nature of the Charity, the Trustees consider that this is appropriate.

Fundraising

Salmon does not receive a significant proportion of its income from public fundraising. However, the Trustees aim to follow best practice wherever possible.

Risk management

In line with best practice, the Trustees review the major risks to which the organisation is exposed at least once a year and keep the risk register under regular review. The major risks facing Salmon that could affect its ability to maintain its operations at the current level are:

- Buildings risk – financial loss arising from the obligation to replace combustible cladding (referred to on pages 7 and 8 above)
- Financial risk – loss of funding from grants (many of which are of short-term duration) without replacement;
- Human Resources risk – shortages of appropriately qualified staff and volunteers;
- Reputational risk – failure of child protection and safeguarding policies.

We seek to mitigate the financial risk by implementing agreed quality controls with regular reporting to funders. Regular staff appraisals and targeted training mitigate the human resources risk and strict procedures on safeguarding, including DBS checks for all Trustees, staff and volunteers, mitigate the reputational risk.

Code of Governance

The Trustees aim to comply, as appropriate, with the principles set out in the Charity Governance Code. A comprehensive set of policies and procedures is maintained and reviewed on a cyclical basis.

1.5 STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of The Salmon Youth Centre for the purposes of company law) are responsible for preparing this 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 Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable activities for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP, make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 company will continue in operation.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Small Companies Provisions

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Board

A.D.C. Greenwood
A.D.C. Greenwood
Chair – on behalf of the Trustees

43 Old Jamaica Road
London SE16 4TE

5 April 2022

2. INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of The Salmon Youth Centre in Bermondsey for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2021 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

Emphasis of matter: contingent liability regarding combustible cladding

We draw attention to the contingent liability regarding combustible cladding, which is described in note 19 (Contingent Liability) on page 26. Our opinion is not modified in respect of this matter.

Other information

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

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 the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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 (which incorporates 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 by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors 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 for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, 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:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to safeguarding regulations, employment law, the use of restricted funds and Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Charities Act 2011 and Charities SORP.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income. Audit procedures performed by the engagement team included:

- Inspecting minutes of Trustees' meetings;

- Reviewing allocations and disclosures relating to restricted funds;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities; and
- Identifying and testing journals, in particular journal entries posted with unusual account combinations or with unusual descriptions, and those posted around the financial year end.

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.

Jane Askew (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London EC4R 1AG



14 April 2022

STATEMENT OF FINANCIAL ACTIVITIES

INCOME AND EXPENDITURE		Unrestricted funds		Restricted funds	2021	2020
	Note	General £	Designated £	£	£	£
Income from						
Donations and legacies	2	151,444	-	-	151,444	276,474
Charitable activities	3	184,427	-	536,509	720,936	444,431
Other trading activities	4	102,148	-	-	102,148	143,953
Other		162	-	-	162	829
Total income		438,181	-	536,509	974,690	865,687
Expenditure on						
Raising funds		74,880	-	-	74,880	35,853
Charitable activities		65,417	-	727,933	793,350	818,130
Building depreciation		-	182,078	-	182,078	182,078
Total expenditure	8	140,297	182,078	727,933	1,050,308	1,036,061
Net income/(expenditure)		297,884	(182,078)	(191,424)	(75,618)	(170,374)
Transfers between funds	12	(313,748)	(14,400)	328,148	-	-
Net movement in funds		(15,864)	(196,478)	136,724	(75,618)	(170,374)
Fund balances brought forward at 1 April 2020		294,346	7,353,580	92,402	7,740,328	7,910,702
Fund balances carried forward at 31 March 2021		£278,482	£7,157,102	£229,126	£7,664,710	£7,740,328

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

The accompanying notes form part of these financial statements.

Full comparative figures for the year ended 31 March 2020 are shown in Note 18.

BALANCE SHEET AT 31 MARCH 2021

Company No: 958986

	Note	£	2021	£	£	2020	£
FIXED ASSETS							
Freehold land and buildings	9			6,899,886			7,081,964
Other fixed assets	9			43,015			60,125
				<u>6,942,901</u>			<u>7,142,089</u>
CURRENT ASSETS							
Debtors	10	220,965			181,490		
Cash at bank and in hand		576,306			456,369		
				<u>797,271</u>		<u>637,859</u>	
CREDITORS: amounts falling due within one year	11	(75,462)			(39,620)		
Net Current Assets				<u>721,809</u>			<u>598,239</u>
NET ASSETS				<u><u>£7,664,710</u></u>			<u><u>£7,740,328</u></u>
FUNDS							
Restricted funds	13			229,126			92,402
Unrestricted funds:							
Land and Buildings fund		6,899,886			7,081,964		
Jim Guild Legacy fund		257,216			271,616		
General funds	12	278,482			294,346		
				<u>7,735,584</u>		<u>7,647,926</u>	
				<u><u>£7,664,710</u></u>		<u><u>£7,740,328</u></u>	

Approved and authorised for issue by the Trustees on 5 April 2022 and signed on its behalf:

A.D.C. Greenwood

A.D.C. Greenwood
Chair of Board of Trustees

Peter Knight

Peter Knight
Honorary Treasurer

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

	2021 £	2020 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities	120,916	(62,993)
Cash flows from investing activities:		
Interest income	162	829
Adjustment to/(purchase of) fixed assets	(1,141)	841
Net cash used in investing activities	<u>(979)</u>	<u>1,670</u>
Change in cash and cash equivalents in the reporting period	119,937	(61,323)
Cash and cash equivalents at the beginning of the reporting period	456,369	517,692
Cash and cash equivalents at the end of the reporting period	<u><u>£576,306</u></u>	<u><u>£456,369</u></u>

NOTES TO THE CASH FLOW STATEMENT

	2021 £	2020 £
Reconciliation of net income to net cash flow from operating activities		
Net expenditure for the reporting period	(75,618)	(170,374)
Adjustments for:		
Increase in debtors	(39,476)	(79,581)
Increase/(decrease) in creditors	35,843	(15,445)
Interest income	(162)	(829)
Depreciation charges	200,329	203,236
Net cash provided by/(used in) operating activities	<u><u>£120,916</u></u>	<u><u>£(62,993)</u></u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	<u><u>£576,306</u></u>	<u><u>£456,369</u></u>

1. NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Salmon Youth Centre 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 note(s).

Preparation of financial statements on a going concern basis

The Trustees have reviewed the budgets and cash flow forecasts for at least 12 months beyond the date of signing these financial statements. Having reviewed the cash flow forecasts and budgets for the year to 31 March 2023, and for the reasons given in the Trustees' Report on pages 7 and 8, the Trustees consider it appropriate to prepare these financial statements on the basis that the Charity continues as a going concern for the foreseeable future.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. 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.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits and are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Restricted funds comprise grants received for, and their use restricted to, specific purposes, as specified by the donor.

Income recognition

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

Donations and legacies

Donations and gifts are recognised in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Grants

Grants are recognised in full in the Statement of Financial Activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

Income from charitable activities

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods or services are provided.

Expenditure

Expenditure is accounted for on an accruals basis and includes irrecoverable VAT which is reported as part of the expenditure to which it relates. Costs of raising funds are those costs incurred to raise voluntary income and costs of trading activities for the purpose of raising funds.

Charitable expenditure relates to costs incurred in delivering the charity's activities and services to its beneficiaries. Governance costs are costs incurred in meeting the constitutional and statutory requirements of the charity.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from inception.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives using the following rates:

Freehold buildings	- 2% straight line basis
Fixtures and fittings	- 15% to 33 1/3% straight line basis
Motor vehicles	- 25% straight line basis

Freehold land is not depreciated.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Employee benefits:

- **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

- **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

- **Pensions**

The charity operates a defined contribution pension scheme. Contributions are charged to the statement of financial activities as they become payable in accordance with the rules of the scheme.

Financial instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

2 DONATIONS AND LEGACIES	2021 £	2020 £
Consists of donations from:		
Individuals	97,419	265,143
Churches	12,826	8,330
Corporate and Events	24,999	3,001
Legacies	16,200	
	<u>£151,444</u>	<u>£276,474</u>

3 CHARITABLE ACTIVITIES

	2021 £	2020 £
Restricted income:		
Big Lottery – Young Leaders Programme	97,576	95,517
GLA Young Londoners Peer Research	-	11,620
Jack Petchey Foundation	2,249	6,500
Jerusalem Trust	20,000	30,000
Alan & Babette Sainsbury Trust	18,000	20,000
Southwark Council – Young People with Disabilities	38,686	77,000
Southwark Council – Youthwork Commissioning	30,962	45,296
Mayor's Young Londoners' Fund	9,832	18,878
United St Saviours	45,000	45,142
Southwark Council – Summer Programme	-	10,500
Charterhouse in Southwark	-	8,000
Bernard Sunley Charitable Trust	5,500	10,000
St James Charitable Trust	-	10,000
BBC Children in Need	18,124	-
Headstart Action	52,889	-
Mayor of London	47,500	-
Southwark Community Response Fund	21,500	-
The Julia and Hans Rausing Trust	75,000	-
Other grants	10,477	15,293
 Grants for 'Concrete' project:		
London Diocese	24,000	16,000
Jerusalem Trust	-	20,000
Church Army	-	1,935
HMRC Job Retention Scheme	19,214	-
	<hr/> 536,509	<hr/> 441,681
Unrestricted income:		
Other grants	-	2,750
HMRC Job Retention Scheme	184,427	
	<hr/> £720,936	<hr/> £444,431

The Big Lottery Fund grant funded the 'Young Leaders' programme, the Apprentices and the Clubs Development Manager. The Jerusalem Trust partly funded the role of the Director. The BBC Children in Need grant funded homework clubs and employability workshops.

London Diocese funded the 'Concrete' project supporting youth workers nationally through a process of mutual development.

Southwark Council Young People with Disabilities grant funded staff and activity costs for the 'Young people with mild to moderate disabilities' programme. Southwark Council Commissioning grant funds the work of a number of youthwork clubs and activities. The Southwark Community Response grant funded various youthwork activities.

The Julia and Hans Rausing Trust, United St Saviours, Alan & Babette Sainsbury Trust grants funded core administration and staff costs.

The HMRC Job Retention Scheme grant contributed towards the cost of retaining staff on furlough.

We also acknowledge with grateful thanks grants from the Jack Petchey Foundation and the Bernard Sunley Charitable Foundation.

4 OTHER TRADING ACTIVITIES	2021 £	2020 £
Lettings	69,228	111,237
Resident volunteers' accommodation	32,920	30,916
Club subscriptions	-	1,800
	<u>£102,148</u>	<u>£143,953</u>
5 STAFF COSTS AND NUMBERS	2021 Number	2020 Number
The weekly average number of employees was:		
Full-time	8	5
Part-time	6	8
	<u>14</u>	<u>13</u>
Staff costs were as follows:	£	£
Wages and salaries	297,621	289,192
Social security costs	33,184	26,824
Pension	12,443	11,074
	<u>£343,248</u>	<u>£327,090</u>

No employee received emoluments exceeding £60,000 in the year (2020: none).

The Charity's key management are considered to be the Trustees, the Director, the Assistant Director and the Clubs Development Manager. The total employee benefits of the key management personnel of the Charity were £135,417 (2020: £138,668).

6 TRUSTEES' REMUNERATION AND RELATED PARTY TRANSACTIONS

No trustees received any remuneration for their services nor any reimbursed expenses during the year. Trustees donated £14,240 to Salmon during the year (2020: £136,240).

The spouse of a Trustee provided electrical services during the year amounting to £2,060 (2020: £2,946). There were no other related party transactions in either year.

7 ANALYSIS OF EXPENDITURE	Staff costs £	Other £	2021 Total £
Raising funds	40,817	34,063	74,880
Charitable activities	302,431	490,919	793,350
Building depreciation	-	182,078	182,078
	<u>£343,248</u>	<u>£707,060</u>	<u>£1,050,308</u>
Comparative analysis	Staff costs £	Other £	2020 Total £
Raising funds	837	35,016	35,853
Charitable activities	326,253	491,877	818,130
Building depreciation	-	182,078	182,078
	<u>£327,090</u>	<u>£708,971</u>	<u>£1,036,061</u>

8	ANALYSIS OF EXPENDITURE	Direct costs £	Allocated costs £	Total 2021 £	
8a	Direct and allocated costs				
	Raising funds	55,070	19,810	74,880	
	Charitable activities	401,437	391,913	793,350	
	Building depreciation	-	182,078	182,078	
		<u>£456,507</u>	<u>£593,801</u>	<u>£1,050,308</u>	
	Comparative analysis	Direct costs £	Allocated costs £	Total 2020 £	
	Direct and allocated costs				
	Raising funds	19,041	16,812	35,853	
	Charitable activities	486,081	332,049	818,130	
	Building depreciation	-	182,078	182,078	
		<u>£505,122</u>	<u>£530,939</u>	<u>£1,036,061</u>	
8b	Analysis of allocated costs	Management £	Governance £	Premises £	Total 2021 £
	Raising funds	11,646	627	7,538	19,811
	Charitable activities	248,750	12,322	130,840	391,912
	Building depreciation	-	-	182,078	182,078
		<u>£260,396</u>	<u>£12,949</u>	<u>£320,456</u>	<u>£593,801</u>
	Comparative analysis	Management £	Governance £	Premises £	Total 2020 £
	Raising funds	7,403	703	8,706	16,812
	Charitable activities	167,179	13,827	151,043	332,049
	Building depreciation	-	-	182,078	182,078
		<u>£174,582</u>	<u>£14,530</u>	<u>£341,827</u>	<u>£530,939</u>
8c	Governance cost			2021 £	2020 £
	Governance costs include:				
	Staff costs			1,429	3,490
	Auditor's remuneration:				
	Audit fee			11,520	11,040
				<u>£12,949</u>	<u>£14,530</u>

9	TANGIBLE ASSETS	Freehold land	Freehold Buildings	Fixtures & fittings	Motor vehicles	Total
	Cost	£	£	£	£	£
	1 April 2020	119,838	9,103,894	229,980	66,192	9,519,904
	Additions	-	-	1,141	-	1,141
	Disposals	-	-	-	(66,192)	(66,192)
	31 March 2021	<u>£119,838</u>	<u>£9,103,894</u>	<u>£231,121</u>	<u>£ -</u>	<u>£9,454,853</u>
	Depreciation					
	1 April 2020	-	2,141,768	169,855	66,192	2,377,815
	Charge for the year	-	182,078	18,251	-	200,329
	Disposals	-	-	-	(66,192)	(66,192)
	31 March 2021		<u>£2,323,846</u>	<u>£188,106</u>	<u>£ -</u>	<u>£2,511,952</u>
	Net book value					
	31 March 2021	<u>£119,838</u>	<u>£6,780,048</u>	<u>£43,015</u>	<u>£ -</u>	<u>£6,942,901</u>
	31 March 2020	<u>£119,838</u>	<u>£6,962,126</u>	<u>£60,125</u>	<u>£ -</u>	<u>£7,142,089</u>

Sport England, the Big Lottery Fund and the London Borough of Southwark, hold legal charges over the freehold building at 43 Old Jamaica Road, London SE16 4TE.

10	DEBTORS	2021	2020
		£	£
	Grants receivable	173,729	63,269
	Gift aid tax recoverable	2,816	4,779
	Accrued income	37,340	104,425
	Sundry debtors and prepayments	7,080	9,017
		<u>£220,965</u>	<u>£181,490</u>
11	CREDITORS: amounts falling due within one year	2021	2020
		£	£
	Accrued expenses and other creditors	54,073	23,281
	Grants in advance	12,924	9,050
	Tax and social security	8,465	7,289
		<u>£75,462</u>	<u>£39,620</u>

12 UNRESTRICTED FUNDS	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers between Funds £	Balance at 31 March 2021 £
Designated funds					
Land and Buildings (a)	7,081,964	-	(182,078)	-	6,899,886
Jim Guild Legacy (b)	271,616	-	-	(14,400)	257,616
General funds	294,346	438,181	(140,297)	(313,748)	278,482
	<u>£7,647,926</u>	<u>£438,181</u>	<u>£(322,375)</u>	<u>£(328,148)</u>	<u>£7,435,584</u>
Comparative movement	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers between Funds £	Balance at 31 March 2020 £
Designated funds					
Land and Buildings (a)	7,264,042	-	(182,078)	-	7,081,964
Jim Guild Legacy (b)	290,295	-	-	(18,679)	271,616
General funds	288,439	424,006	(83,364)	(334,735)	294,346
	<u>£7,842,776</u>	<u>£424,006</u>	<u>£(265,442)</u>	<u>£(353,414)</u>	<u>£7,647,926</u>

Note (a). Represents the extent to which funds are invested in freehold land and buildings for use by the Charity and therefore are not available for any other purpose.

Note (b). The Jim Guild Legacy Fund is being / will be applied towards (i) youth work, by funding a youth worker for the 6-9's club and providing for the cost of trips and residentials for young people; (ii) fundraising, by funding additional fundraising support to secure additional sources of grant funding, and (iii) upgrading the facilities at the Salmon Youth Centre on capital projects that will reduce running costs in future years.

The transfer from General Funds to Restricted Funds represents Salmon's financial contribution to project expenditure to the extent that such expenditure is not covered by restricted grant income.

13	RESTRICTED FUNDS	Balance at 1 April 2020 £	Income £	Expenditure £	Transfer Between Funds £	Balance at 31 March 2021 £
	Youthwork projects	34,340	493,295	(690,976)	328,148	164,807
	'Concrete' project	58,062	43,214	(36,957)	-	64,319
	Restricted Funds	£92,402	£536,509	£(727,933)	£328,148	£229,126
	Comparative movement	Balance at 1 April 2019 £	Income £	Expenditure £	Transfer Between Funds £	Balance at 31 March 2020 £
	Youthwork projects	-	403,746	(722,820)	353,414	34,340
	'Concrete' project	67,926	37,935	(47,799)	-	58,062
	Restricted Funds	£67,926	£441,681	£(770,619)	£353,414	£92,402

Restricted Funds represent amounts received and expended for various youthwork projects as described in Note 3. The balance carried forward of £229,126 represents funding received before 31 March 2021 but which will be expended in 2021-22 and later years.

14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General funds £	Designated funds £	Restricted funds £	Total 2021 £
Freehold land and buildings	-	6,899,886	-	6,899,886
Other fixed assets	43,015	-	-	43,015
Net current assets	235,467	257,216	229,126	721,809
Net assets	£278,482	£7,157,102	£229,126	£7,664,710
Comparative analysis	General funds £	Designated funds £	Restricted funds £	Total 2020 £
Freehold land and buildings	-	7,081,964	-	7,081,964
Other fixed assets	60,125	-	-	60,125
Net current assets	234,221	271,616	92,402	598,239
Net assets	£294,346	£7,353,580	£92,402	£7,740,328

15 TAXATION

The Salmon Youth Centre is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

16 LIABILITY OF MEMBERS

The Salmon Youth Centre is constituted as a company limited by guarantee and has no share capital. The liability of each member is limited to the sum of £1 per member.

17 OPERATING LEASES

Future minimum lease payments commitments under non-cancellable operating leases:

Operating leases which expire:

Within one year

Between two to five years

2021
£

2020
£

10,051

3,096

18,119

6,192

£28,170

£9,288

18 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2020

INCOME AND EXPENDITURE

	Unrestricted funds General £	Designated £	Restricted funds £	2020 £
Income from				
Donations and legacies	276,474	-	-	276,474
Charitable activities	2,750	-	441,681	444,431
Other trading activities	143,953	-	-	143,953
Other	829	-	-	829
Total	424,006	-	441,681	865,687
Expenditure on				
Raising funds	35,853	-	-	35,853
Charitable activities	47,511	-	770,619	818,130
Building depreciation	-	182,078	-	182,078
Total	83,364	182,078	770,619	1,036,061
Net income/(expenditure)	340,642	(182,078)	(328,938)	(170,374)
Transfers between funds	(334,735)	(18,679)	353,414	-
Net movement in funds	5,907	(200,757)	24,476	(170,374)
Fund balances brought forward at 1 April 2019	288,439	7,554,337	67,926	8,060,657
Fund balances carried forward at 31 March 2020	£294,346	£7,353,580	£92,402	£7,740,328

19 CONTINGENT LIABILITY

In 2008, as part of the redevelopment of the SYC freehold site, SYC granted Hyde Housing Association Limited (Hyde) a 127-year lease in consideration for the development of the 'Phase 2' building. Hyde procured the design and construction of the 'Phase 2' building which comprises three lower floors for SYC's occupation above which there is a block of 26 flats.

In summer 2020, Hyde, as head leaseholder, informed SYC that the 'Phase 2' building was covered with combustible cladding and that it was the SYC's legal responsibility, as freeholder, to arrange removal and replacement of the combustible cladding.

SYC has applied to the Government's Building Safety Fund (BSF) for funding to undertake the remedial work to remove and replace the combustible cladding. Whilst the BSF have deemed the application as eligible for funding, no agreement has yet been reached with the BSF on the extent of funding that may eventually be offered.

To the extent that the remedial costs are not fully covered by funding from the BSF or other parties, SYC may be required to settle the unfunded obligation. However, the Trustees are unable to measure that obligation with sufficient reliability because:

- the total cost of replacing the cladding will not be known until a fully costed tender contract for the work has been obtained (not expected before autumn 2022),
- further building defects may be identified once the cladding has been removed which may need to be remedied under current building regulations, and
- the amount of any funding from the BSF or other parties has not yet been established.