

Central Youth Club registered charity 523735

Trustees' Report year to 31 March 2024

Trustees

Ian Brierley – chair
Michael Brook – treasurer
Paul Joyce
Peter Cole

Objectives of the charity The promotion of the mental, physical and spiritual well being of young people resident in Huddersfield and the adjoining districts.

Public benefit The trustees are satisfied that the Club is operating for the public benefit.

Review of the year's activities

The Club has continued to operate its core activities of opening five evenings a week; three Open Access and two Central Stars SEND.

The Club ran the HAF Programme (Holiday Activities and Food) for a week at Easter, 4 weeks in August and a week at Christmas.

The Friendship Project funded by Kirklees Metropolitan Council (KMC) concluded in April having run for 12 months.

During the year the Club finished the work it had received a grant for from KMC's Our Space, installing a lift to provide disabled access to the gym on the first floor, an interactive games wall and CCTV / access control. This has been a real benefit particularly with the SEND sessions.

The Club was awarded a grant towards a solar panel and battery storage project by One Community Foundation / KMC / West Yorkshire Combined Authority's Community Grants for Climate Projects program although the work was done in the following financial year.

There were no serious incidents or other matters relating to the Club which would be required to be reported to The Charities Commission in the year.

Review of the financial results for the year

The accounts report a deficit of £29,494 (22/23 surplus £12,123 see point below).

Of the Our Space grant of £75,000 received in 22/23, £54,638 was spent in that financial year. A difference of £20,362 and the main reason there was a surplus in 22/23. A further £34,310 was spent in 23/24 after the year end; a total spend of £88,948. The extra cost was due to price increases between original quotes and the extra work needed to comply with building regulations.

The grant of £21,810 for solar panels and batteries was received in 23/24, but no expenditure was incurred in that year. Whilst not relevant to this financial year, we decided during the installation process that significant work (£40,946) was needed to make the roof sound for the lifespan of the solar panels which will further deplete the reserves.

There was also a smaller effect in this financial year with the timing of the HAF and Friendship project payments giving a difference of about £1,900 income in the year 23/24 and related expenditure.

The Club received £6,000 from KMC's Tenant Advisory and Grants Panel. This was from the estate of the late Rosetta Charles who resided at Springwood, Huddersfield and kindly left the Council £6,824.33. Such donations are very rare.

The net effect of these timing issues is that the underlying deficit in the year was £18,927. This includes the exceptional donation of £6,000, ie it would have been nearly £25,000 without that.

The main reasons behind the increase in the underlying deficit from £7,605 last year to £24,927 this year is a drop in rental income of £7,067 an increase in staff costs of £7,298 and an increase overall in other costs of £4,418.

This deficit is clearly a problem as it will reduce the Club's overall investments and therefore the income from that.

The value of the investment portfolio held by Investec fell in value by £30,123 last year due to the general state of the global investment market. In the year to 31st March 2024 £17,574 of that loss was recovered. The trustees declare that they have approved the trustees' report above.

Signed on behalf of the charity's trustees

A handwritten signature in black ink, appearing to read 'Ian Brierley', with a horizontal line underneath.

Ian Brierley, Chair of trustees

18/12/24

Central Youth Club registered charity 523735**Statement of financial activities****For the year ended 31 March 2024**

	2024	2023
Investment income	£11,356	£11,905
Bank Interest	£2,158	£1,370
Member subscriptions	£3,465	£3,231
Profit on canteen	£136	£90
Car park income	£17,440	£16,900
Premises hire	£2,566	£9,632
Donations	£6,002	-
KMC HAF Holiday Activities & Food	£14,835	£9,067
KMC Friendship Project	£1,100	£3,900
KMC Our Space Grant		£75,000
OCF KMC WYCA Solar Panel Grant	£21,810	-
Total Income	£80,866	£131,096
Salaries, NI & Pension	£58,978	£51,680
Rent, Rates & Insurance	£3,230	£3,348
Light, Heat & Water	£6,267	£4,036
Repairs and renewals	£3,362	£2,017
Games, Sports and Club Activities	£1,136	£816
Postage, telephone, wifi & TV licence	£709	£540
Cleaning and Incidental	£1,839	£1,829
Bank charges	£460	£68
HAF / Healthy Holiday Costs	£69	-
Our Space Project	£34,310	£54,638
Total Expenditure	£110,360	£118,972
Gain / loss (note 1)	-£29,494	£12,124

Underlying position**ie excluding Our Space project, solar panels, timing issues and one-off donation**

	2024	2023
Starting gain / loss	-£29,494	£12,123
Our Space expenditure both years, grant in 2023	£34,310	-£20,362
Solar panels / batteries grant 2024, expenditure 2025	-£21,810	
HAF grants in different years to expenditure	-£833	-£467
Friendship - grant in different year to expenditure	-£1,100	£1,100
One-off donation	-£6,000	
Underlying gain / loss	-£24,927	-£7,605

	2024	2023
Unrealised (loss) / gain portfolio held by Investec	£17,574	(£30,123)
Fund Balance brought forward	£493,428	£511,427
Fund Balance at 31 st March	£481,507	£493,428

Statement of Assets and Liabilities

	2024	2023
Cash Assets and Liabilities		
Investments	£401,873	£384,299
Current Assets		
Stock - sweets, crisps and drinks in canteen (estimate)	£150	£150
Petty cash	£887	£767
General Accounts unrestricted	£51,287	£83,183
GA restricted HAF (note 2)	£5,500	£4,667
GA restricted Our Space (note 3)		£20,362
GA restricted OCF KMC WYCA - Solar Panels etc (note 4)	£21,810	
Total Current Assets	£79,634	£152,164
Net Assets	£481,507	£493,428
Non cash and post year end Assets and Liabilities		
Tangible Assets (note 5)		
Debtors (note 6)	£1,215	£1,100
Creditors (note 7)	£5,296	£6,503

Notes

The accounts have been prepared on a Cash Accounting basis.

1. The net effect of the timing issues from the Our Space, Grants for Climate Projects, HAF, Friendship funding is that the underlying deficit in the year was just under £18,927 excluding the exceptional donation of £6,000, ie it would have been nearly £25,000 without that.
2. Restricted funds – HAF grant – £5,500 was received in March 2024 for the sessions run in April 2024, ie in the next financial year. £4,667 was received in March 2023 for the sessions run in April 2023 and £4,200 in March 2022 for April 2022.
3. Restricted funds – Our Space – Total grant £75,000. Total project cost was £88,948, ie all the funding was received in 22/23, but a further £34,310 was paid out in 23/24.
4. Restricted funds – OCF KMC WYCA the grant of £21,810 for solar Panels etc was received in 23/24, but all expenditure was incurred in 24/25.
5. Tangible Assets - The Club owns the building it operates from including all fixtures and fittings, table tennis, pool and snooker tables etc etc.
6. Debtors – only debtor NCS Program £1,215 rental income.
7. Creditors – Staff costs, PAYE and pension contributions.

Finance, Investments & Reserves

Definition from [Charity reserves: building resilience - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/charity-reserves-building-resilience)

Expendable endowment: an endowment fund where the trustees have the power to convert the property (ie land, buildings, investments or cash) into 'income'. It is distinguishable from 'income' by the absence of a positive duty on the part of the trustees to apply it for the purposes of the charity, unless and until this power to convert into 'income' is actually exercised.

In 1930 The Huddersfield Central Lads Club Endowment Fund was established.

The Club's Reserves / Expendable Endowment (investments and cash) come from the sale of the old club building in the mid-70s. The proceeds from the sale paid for the current building and the cash left was invested to provide long term income for the Club.

The Investment Objective is to provide a long term income stream for the Club, maximising income whilst maintaining the total Expendable Endowment value in line with inflation.

The policy is therefore to maintain the value of the Expendable Endowment in line with inflation. The value of the investment portfolio (held by Investec) will fluctuate annually so in the short term any fluctuations in the value of investments held in equities etc should not be viewed as deficits or surpluses and affect the running of the Club.

Whilst it is the Charity's objective is to maintain the total value of the investment in line with inflation in emergencies it must be possible for the Charity to have access to cash so an appropriate level of cash or similar asset should be held within the portfolio.

In the event of the investment value being reduced either by dipping into the capital or its relative value being reduced against inflation the Management Committee should make reasonable efforts to restore the investments to an inflation linked value.

The Club does not have any specific ESG etc factors however no investments should be made this may reflect badly on the Club.

Investec's investment objective, confirmed at meeting 28th February 2024 with John O'Connell is

- medium risk, balanced return multi-asset without fixed interest defined mandate with a £12,000 p/a target income.

John O'Connell's (Senior Investment Director, Investec) advice for year ending 31st March 2024 is that *A balanced investment portfolio with medium risk should hold a spread of investment across the range of asset classes and typically include around 20% in fixed interest securities. Given that the investment portfolio held with Investec Wealth & Investment (UK) is managed subject to a 'multi-asset without fixed interest' define mandate, the Trustees should then additionally hold Fixed Interest stock (or equivalent liquidity) amounting to 20% of the total invested amount. The Investec portfolio was valued at £357,439 as at the 31st March 2024 and, based on this valuation, our advice would be that the Trustees' additional external holding in Fixed Interest stock should appropriately be valued at around £89,360 (Total portfolio value of £446,799; 80% = £357,439 and 20% = £89,360).*

Reserves

At 31st March 2024 the Club held

	13/12/24	31/3/24
Cambridge & Counties 2 year fixed interest		£44,434
Cambridge & Counties 31 day notice	£43,500	
Yorkshire Building Society	£1	£57,433
HSBC Current account	£5,677	£21,164
Total	£49,178	£123,031

Restricted cash; HAF, solar / batteries		£27,310
Appropriate Fixed Interest per Investec	£89,360	£89,360
Effective cash reserve	-£40,182	£6,361

Drop in cash due to underlying deficit position and spending on solar panel / battery project ending up including a major repair to the roof with a total project cost of £61,466.

Financial monitoring

All payments made to be reported at management meeting.

All transactions to be made via the main HSBC bank account, ie any payments to or from Investec, Cambridge & Counties or YBS.

John and Ian to review all transactions on the bank account at least monthly.

Reserves policy

The Club has an Expendable Endowment Fund that is held by Investec. This fund provides income for the running of the charity and, whilst there as a safety net in an emergency, should not be considered as being available to spend.

The Club owns its own premises. In 2024 £40,000 was spent recovering the roof. Whilst there will hopefully not be anything of this size as repairs perhaps a reserve of £10,000 would be appropriate.

There may be a unforeseen day-to-day operational costs, eg employing temporary staff to cover a long-term sick absence. Three months cover for the Youth Leader (12 weeks @ 5 sessions a week @ 4 hours @ £25 / hour = £7,500).

Investment income varies throughout the year and may reduce. 30% of this income is ~£3,400.

The HAF project may not be renewed. This provides ~£7,400 towards overheads and fixed salary costs.

The total of the above is £29,300. Whilst it is unlikely that all these events will happen at one time there will be other risks that have not been considered.

The annual running costs for the general operations of the charity were £76,000 in year ending March 2024. 6 months running costs would be £38,000.

It should also be borne in mind that the Club had an underlying loss of nearly £19,000 in year ending March 2024 which in reality is nearly £25,000 as the Club received a donation of £6,000 and donations of this size are incredibly rare.

A balanced investment portfolio should hold something like 80/20 investments / fixed interest so, given the part of the investment portfolio that Investec holds with a mandate of 'multi-asset without fixed interest' the Club should hold 20% of the total fund in Fixed Interest. As Investec's portfolio at portfolio was valued at £357,439 on 31st March 2024 our advice would be for the Club's holding in Fixed Interest to be £89,560. Total portfolio of £446,799; 80% = £357,439 and 20% = £89,360.

At 31st March the Club held £44,434 in a 2-year fixed interest account and £78,597 between building society and bank accounts. A total of £123,031. Of this £27,310 was ring fenced for HAF and the solar panels / batteries project leaving a balance of £95,721 less the £89,360 we should hold in Fixed Interest to balance the Investment Portfolio means we effectively had a Cash Reserve of £6,361.

The Reserve Policy is to hold £25,000 above a balance investment portfolio, ie a total of £25,000 plus £44,926 (£89,360 less £44,434) = £69,926. Compared to an actual unrestricted figure of £51,287, ie £18,639 short.

In view of all the above the Club was not carrying an excessive reserve at 31st March 2024 and given the current situation it will need to sell some of the investments in the Expendable Endowment Fund which will of course reduce future income from the Fund and potentially put the Club in downward spiral where the Expendable Endowment Fund is increasingly reduced.



Section A

Independent Examiner's Report

Report to the trustees/
members of

Charity Name

Central Youth Club Huddersfield

On accounts for the year
ended

31st March 2024

Charity no
(if any)

523735

Set out on pages

1 to 6

(remember to include the page numbers of additional sheets)

I report to the trustees on my examination of the accounts of the above charity ("the Trust") for the year ended **31 / 03 / 2024**.

Responsibilities and basis of
report

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent
examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention (other than that disclosed below *) in connection with the examination which gives me cause to believe that in, any material respect:

- accounting records were not kept in accordance with section 130 of the Act or
- the accounts do not accord with the accounting records

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in order to enable a proper understanding of the accounts to be reached.

** Please delete the words in the brackets if they do not apply.*

Signed:

C O'NEILL

Date: 21/01/2025

Name:

C O'Neill

Relevant professional
qualification(s) or body (if
any):

Address:

155 Lane Head Rd

Shepley,

HD8 8BW

Section B

Disclosure

Only complete if the examiner needs to highlight matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.