

Registered number: 07025561  
Charity number: 1134580

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**  
(A company limited by guarantee)

---

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**CONTENTS**

---

	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	1
<b>Chairman's statement</b>	2 - 3
<b>Trustees' report</b>	4 - 16
<b>Independent auditor's report</b>	17 - 18
<b>Statement of financial activities</b>	19
<b>Balance sheet</b>	20
<b>Statement of cash flows</b>	21
<b>Notes to the financial statements</b>	22 - 42

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2017**

---

**Trustees**

John Bentley (resigned 7 June 2016)  
Thomas Russell, Chair  
James Smith, Vice Chair  
Katharine Vokes  
Christopher Morris  
Heather Crosby  
Michael O'Connor  
Peter Henry  
Sandra Collins  
Elaine Morrison (resigned 1 September 2017)  
Elizabeth Peters (appointed 24 January 2016)  
Helen Taylor (appointed 9 February 2016)  
Chris Davis (appointed 16 June 2017)

**Company registered number**

07025561

**Charity registered number**

1134580

**Registered office**

The Factory Youth Zone (Manchester) Limited, 931 Rochdale Road, Harpurhey, Manchester, M9 8AE

**Chief executive officer**

Richard Marsh

**Independent auditor**

Crowe Clark Whitehill LLP, 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

**Bankers**

Co-operative Bank, PO Box 250, Delf House, Skelmersdale, WN8 6WT

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

---

The chairman presents his statement for the period.

2017 marks the 5th birthday of The Factory Youth Zone, and an opportunity to look back at all that we have achieved, the challenges overcome and the number of young lives that have benefitted as a result of these, as we continue to provide vital youth work and play provision for the young people growing up in North Manchester. The last year has been pivotal in this progress. We have extended our reach over the last twelve months to work in partnership with other providers of services for young people which has enabled us to work with more young people in a joined up and coherent fashion.

Positive changes in and for young people aged 8 – 19 (up to 25 with additional needs), remains at the heart of all that we do. Over the past 12 months we have continued our work to extend the city's growing prosperity to young people in North Manchester. We have worked, with the support of partner organisations and our private sector supporters to strengthen the employment skills of young people and to raise their aspirations in order for them to play a greater future role in Manchester's economy.

During the daytime the Youth Zone has become a vibrant and busy centre and is achieving one of The Factory's original objectives, of becoming a "community asset". 'The Factory Brew' our community café is open every lunch time and welcomes a fantastic array of people from the local community. The Factory remains a safe, young person centred service working with parties who seek to develop young people into effective adults who can have a positive future for themselves and for their communities. In particular during the day we have further extended the use of The Factory Youth Zone working with alternative education providers, Targeted Youth Support, Youth Offending Services, Manchester College and Schools as well as other community groups.

Over the last twelve months we have been fortunate to benefit from funding from Sport England, On-Side, The Big Lottery, Accenture and Talent Match, this has enabled The Factory to develop its systems to measure the impact of our work on young people. Additionally, we have been able develop expertise in a number of areas which have directly addressed the needs of young people in North Manchester. We are now more aware of the complexities of delivering "Somewhere to go, Something to do and Someone to talk to" and are consistently working to address these. In the challenging times ahead, with a decrease in resources from the public purse, we understand what we need to do for our young people to address some of the negative situations which they find themselves in.

2016/17 has seen many headlines and uninvited narratives that will or have impacted on young people in general, and those in North Manchester – Brexit, the shootings in Harpurhey and the horrific Manchester Arena attack. The response of young people and the staff at The Factory to their needs have demonstrated their resilience and awareness of looking for light in the dark. Brexit and changes in freedom of movement to work, means we can address skills shortages in the work place, the shootings were addressed with re-evaluating our offer, and young people uniting against hate through art and looking at cultural diversity.

Over the last year we have been supported by our Development Committee - volunteers from the Manchester business community who oversee and support the implementation of The Factory Youth Zone's fundraising strategy on behalf of the Board of Trustees and the charity. Crucially going forward is the identification of, and engagement with, corporate donors who will provide funding for our core offer. Unrestricted funding is crucial as without this core provision our targeted services will fail to offer young people a pathway which is sustainable.

We continue to be led by young people and consult with them regularly on their needs, wants and expectations of The Factory, meaning we are consistently developing. A great example of this is our Bike to the Future Project, which in its first year has gone from strength to strength. As we embark on the second chapter of the project, young people have forged the way by demonstrating their keen interest in the enterprise and design elements that the workshop has opened up for them.

We are very grateful to the myriad of organisations and individuals whose financial and other support enables

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**CHAIRMAN'S STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2017**

---

The Factory to maintain the activities, services and encouragement we can offer to young people in North Manchester. It would quite simply, not be possible without your commitment.

As we look forward to the next year, we see opportunities to grow our expertise in a number of areas, including food nutrition, safeguarding and early help intervention.

In closing, I would like to thank our supporters, parents, carers, volunteers and staff for your support in continuing to change young people's lives for the better.

Name        Tom Russell  
                  Chairman

Date

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2017

---

The Trustees, who are also non-Executive Directors of the company, present the following report together with the audited Financial Statements of the charity for the period ending 31st March 2017, having taken advantage of the small companies exemptions provided under Section 415A of the Companies Act 2006. The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance issued by the Charity Commission, and have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 2) in preparing the annual report and financial statements of the Charity.

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

#### **Structure, governance and management**

- **CONSTITUTION**

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 27 August 2009.

The charity is constituted under a Memorandum of Association dated 27 August 2009 and is a registered charity number 1134580 Management of the company's affairs is vested in the co-trustees.

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 one pound each.

- **METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

- **POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

When appointing new Trustees, the Board considers the following:

- Board structure
- Review of the composition of the Board including the evaluation and balance of skills, knowledge and experience of Board members
- Give consideration to succession planning for Trustees

Upon appointment to the Board, Trustees are expected to attend bi-monthly Board meeting for which papers are submitted a week prior to the date.

The Memorandum and Articles of Association states that the number of trustees shall have no maximum and shall not be less than three.

Full details of the rules are contained in the company's Memorandum and Articles of Association, which may be inspected at the registered office.

---

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

Newly appointed trustees are provided with a comprehensive induction to The Factory Youth Zone through the provision of in-house training.

#### Trustee Responsibilities

On appointment Trustees have an induction with the CEO covering Trustee responsibilities with particular emphasis and context given to Safeguarding and Financial risk.

#### • ORGANISATIONAL STRUCTURE AND DECISION MAKING

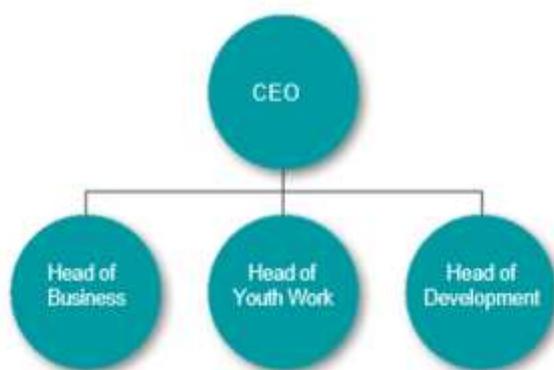
The Factory Youth Zone is governed by its Board of Trustees, which is responsible for setting the strategic direction of the organisation, and the policy of the charity. The trustees carry the ultimate responsibility for the conduct of The Factory Youth Zone, and for ensuring that the charity satisfies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

#### Management Teams

The Chief Executive Richard Marsh provides key leadership to The Factory Youth Zone with the leadership team developing and delivering the business plan.

In developing the business plan for 2017-18 and reviewing progress during 2016-17, it became evident that our expenditure was in excess of our income. Working with the CEO, the Board identified the principal reason to be that staff costs were running £100k over affordability.

Commencing in December, we began a process of reviewing our internal structure supported by University of Central Lancashire. As a result of this review, from April 2017, a new staffing structure was implemented to reflect the below:



Having taken consideration of the likely impact, we have removed a number of posts and are satisfied that the structure meets the needs of the Youth Zone. We have placed a far greater emphasis on the long term growth of volunteers across all departments at the Youth Zone, having benchmarked ourselves against other organisations.

The CEO is now supported by three members of the leadership team each with responsibility for an identified key area.

- Youth work - all work with young people
- Fundraising
- Finance, Buildings and Resources

The leadership team strategically set goals and identify actions to ensure that the business plan is achieved.

---

---

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

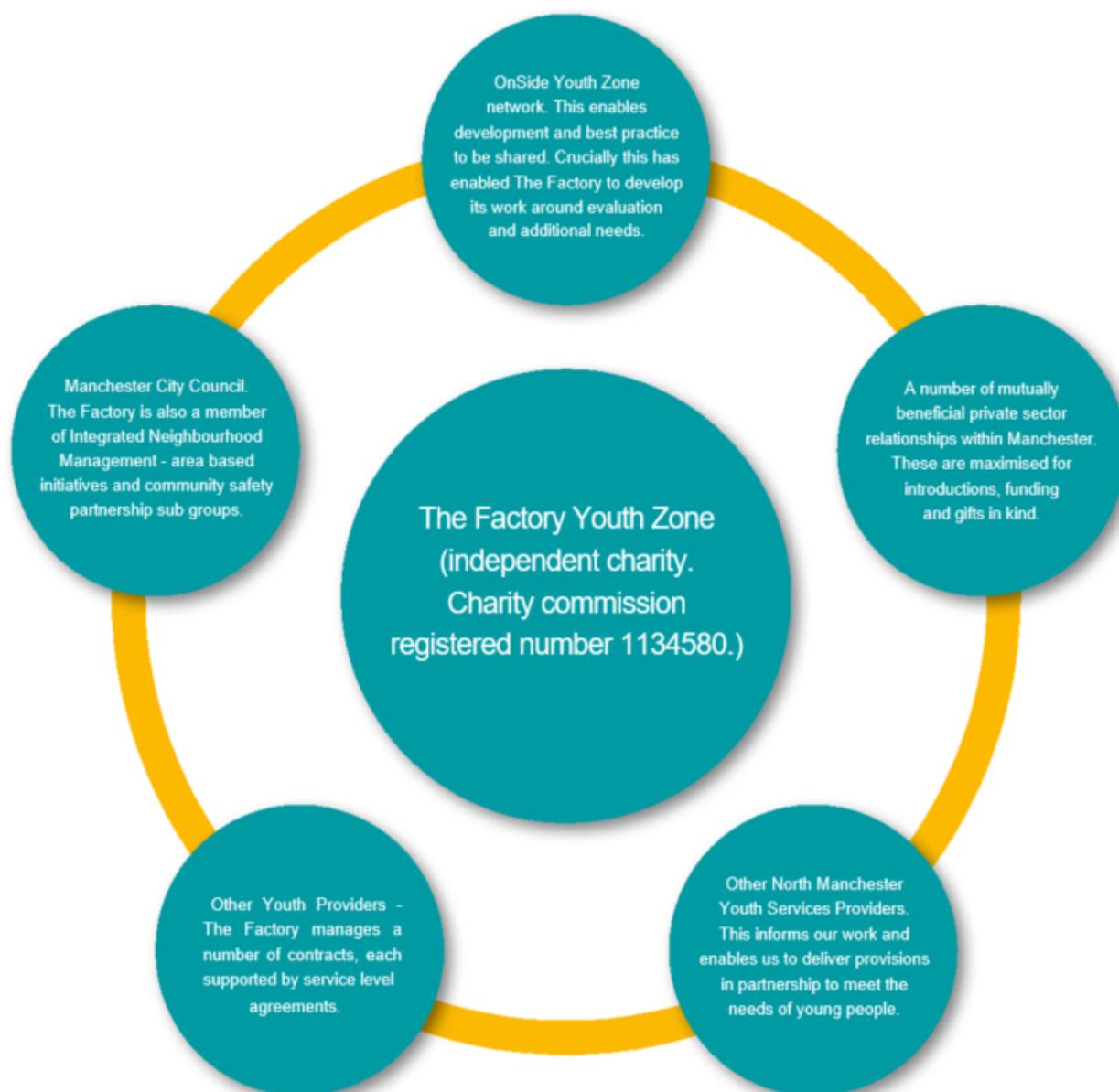
(A company limited by guarantee)

---

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2017

---

Wider network



---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

#### ● RISK MANAGEMENT

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

- Failure to secure budgeted income from corporate funders and fundraising activity
- The possibility of Manchester City Council reducing its £300k yearly contribution to The Factory Youth Zone.
- The failure of Kids Company and reviewed practice.
- The Youth Zone spending more each year than its income and therefore calling on reserves each year.
- The conclusion of funding contracts (e.g. over the last 12 months we have seen the conclusion of a number of longer term funding projects. Sport England, Level Playing Field and Henry Smith. This has had an impact on maintaining the level of existing services to young people, in particular those with additional needs including wellbeing.

In response to the identified risk the Board have taken the following actions

- The board will work closely with the Development Committee and supporters of The Factory Youth Zone who can identify new sources of funding.
- The Board will establish a cultivation strategy identifying individuals they wish to engage further.
- Factory events will be developed to ensure engagement of new funders and to raise funds.
- Engagement with the city council in the development of Young Manchester to be a partner.
- Sought to establish the Factory Youth Zone's capacity to act as a "prime" contractor and lead the voluntary youth sector in North Manchester.
- Exploring the diversification of the public sector funding base to include other funding other than just youth and play.
- All Trustees have undertaken safeguarding and governance training. We have recruited a Board member from Manchester College who has experience on young person delivery.
- Income generation and expenditure will be monitored effectively.
- Identification of pro bono services to deliver a real cost saving for the Factory Youth Zone.
- The Factory Youth Zone has been successful in attracting new funding to support the raising of aspirations and to tackle the effects of serious and organised crime amongst young people.
- To mitigate the conclusion of funding contracts, The Factory Youth Zone undertook an organisational review and re-structure at the beginning of December 2016 which addressed the funding shortfall and put in place measures to ensure delivery of services to young people in North Manchester was maintained.

#### ● POLICIES AND OBJECTIVES

We aim to help all young people aged 8-21 to succeed in life through a whole range of programmes, activities designed in consultation with young people.

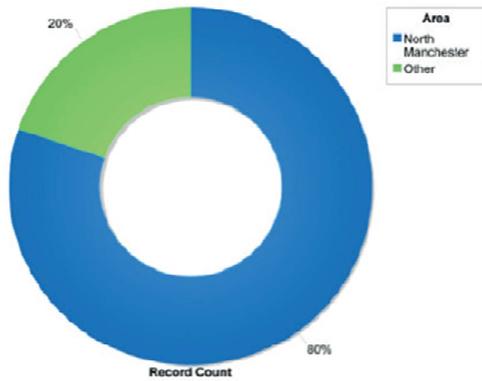
We are acutely aware that we draw 73% of our membership from some of the most disadvantaged wards and communities in the UK. To this end whilst we provide youth and play work opportunities for young people our vision is that no young person touched by The Factory Youth Zone should be NEET (Not in Education, Employment or Training), all our activities will support young people to make the transition to adulthood giving them the skills to engage in the economic, cultural and sporting life of Manchester.

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**  
**(A company limited by guarantee)**

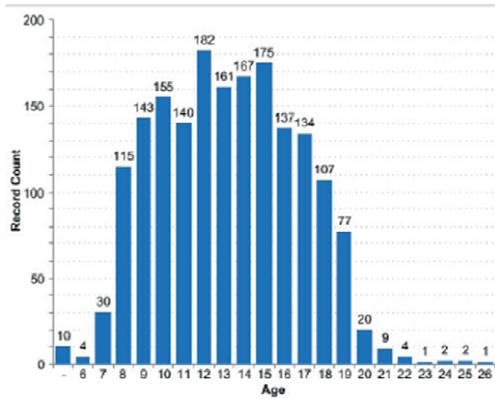
**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

Key Year End Statistics

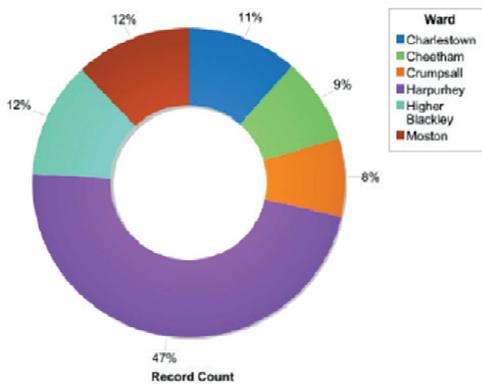
**MEMBERSHIP BY AREA**



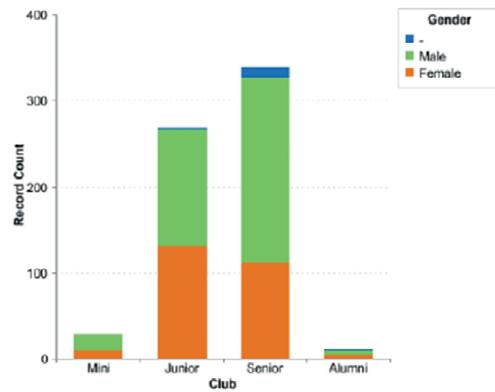
**MEMBER AGE**



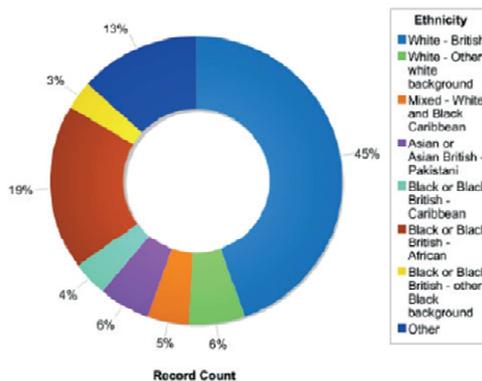
**MEMBERS FROM NORTH MANCHESTER BY WARD**



**MEMBER GENDER BY CLUB**



**MEMBER ETHNICITY**



---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

- **ACTIVITIES FOR ACHIEVING OBJECTIVES**

#### **Projects and Programmes**

The Factory Youth Zone is committed to working in partnership in North Manchester to achieve greater outcomes for young people. We will seek to build on the work carried out this year on detached Youth Work and Serious and Organised Crime by securing long term funding.

The Factory Youth Zone was established in 2012.

We aim to help all young people aged 6-19 to succeed in life through a whole range of programmes, activities designed in consultation with young people.

#### **Core Offer**

This is our universal offer which happens each evening. It is open to all young people who become members of The Factory Youth Zone

#### *Juniors Aged 8-12yrs*

Days offered: Tuesday, Thursday and Friday evenings from 3:30

Activity: Includes youth work and play activity with sports, arts, music and dance. There have been a number of trips to visit cultural, industry and private sector partners involved in projects which have included; Barclays, DWF, Smart Futures, The Guild Hall, Anderton Centre and Rijo 42, as well as theatre visits.

During the past twelve months we have worked hard to readdress the balance between paid staff and volunteers on session. By developing the Learn to Lead programme we have encouraged young people to volunteer on Junior Sessions.

The junior curriculum has been further developed with additional offers including cycle repair and maintenance and tennis.

Visits over the year 13,221

#### *Seniors Aged 12-19 (up to 25 for those with disability)*

Senior sessions take place on a Monday, Wednesday, Friday and Saturday evening,

Activity: Young people following a youth work programme of issued based work highlighted by young people.

On a session there will be a minimum of 20 sports, arts, dance, music and social activities in place. All young people are able to access individual support from Youth Work staff. Over the course of the year there are a number of off site visits and residential trips including Outward Bound.

As part of the senior sessions, work with young people with additional needs has become integrated into core sessions with all staff and volunteers working with all young people. This has made The Factory Youth Zone a far more inclusive environment and developed staff, young people, and volunteers.

Visits over the year 31,740

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

#### **Employability**

Both senior and junior members take part in activities run with volunteers and employers preparing them for the world of work. These activities have included skill development sessions such as coding and CV writing. Our qualified staff have been able to offer careers information, advice and guidance which has assisted young people to take on apprenticeships.

The development of employability skills with all young people across senior and junior sessions has been key to all that we do in preparing young people to make a contribution to the economic success of Manchester. Employers and private sector supporters have contributed to both senior and junior sessions, raising aspirations and offering insight into new career pathways and industries.

The Bike to the Future programme also feeds into our employability offering. Young people gain an understanding of respect for a work place, consistency and effort. The bike project has proved to be a motivating factor in retaining the engagement of harder to reach young people who have accessed other sessions at The Factory Youth Zone. Within the bike project we now run the extremely popular 'earn a bike' scheme. The earn a bike scheme enables those young people who commit to a 12 week course to earn their own bike which they can take home with them and keep (one young lady is currently working towards earning a bike for her father).

#### **Nutrition**

A key component of our core offer is the provision of a hot meal for young people on sessions. Last year we provided 36,300 hot meals to young people at a cost of no more than £1 each. For some of the young people this is the only hot meal they will have that day.

Food and nutrition has over the last three years been a key area of our development, developing cooking skills with young people and providing a nutritious meal for young people attending sessions. Junior sessions saw an 85% take up of a hot meal. Over the last year all staff and volunteers undertook food and nutrition training highlighting good practice and the need for effective hydration. In particular on Junior Sessions, we have seen better food choices and portion control, with young people expanding the variety of food they eat - including vegetables.

#### **Safeguarding**

Over the last year, The Factory has developed its safeguarding to include protecting young people from criminal exploitation. This is our biggest safeguarding threat. Funding from the Police and Crime Commissioners Office enabled staff to develop a resource to train other staff and volunteers in protection from criminal exploitation. We also shared this with other agencies and youth service providers in North Manchester. Child criminal exploitation is now picked up by staff and followed up through appropriate safeguarding channels. The Factory has produced a training resource: "factory local".

#### **Learn To Lead**

Funded by Forever Manchester with Spirit of 2012 funding. The Factory Youth Zone has provided services with an opportunity to undertake leadership training together with social action. Last year 19 young people completed this programme. Importantly it enabled them to go on to volunteer on junior sessions as well as undertaking other volunteering opportunities.

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

#### Targeted Offer

Our targeted offer meets the discrete needs of young people in North Manchester. This has been identified from

- working with young people on sessions
- from North Manchester Network meetings which have identified gaps in provisions
- discussions with Partners which have identified new areas of work to develop

#### Mentoring

The mentoring model matches trained volunteer mentors with young people who are “at risk” or need additional support to action a goal for a period of up to 6 months.

Over the past 12 months, 31 young people have been matched to Volunteer mentors (this equates on average to 1 match around every 2 weeks), with an emphasis on matches being based upon common interests and shared life experiences in order to increase the effectiveness and shared learning between Mentor and Mentee. Our Mentoring offer (along with other targeted Factory Youth Zone programmes) has become a key point of referral for the North Manchester Early Help Hub. The Mentoring Manager attends weekly allocations meetings to take referrals for children and families in need of support. We have also progressed into delivering the Mentoring programme in to a local high school (Our Lady’s High school) as a way to support students with achieving personal goals and developing aspirations for their future careers.

#### Inclusion

We have over the last twelve months integrated our inclusion offer on open sessions which has involved training all staff and volunteers to ensure that all sessions are open to all young people. The Factory has maintained a discrete inclusion offer on Sundays for those young people who wish to attend this session. The role of Inclusion Manager is now focused entirely on the assessment and review of young people, to ensure mainstream sessions can meet their needs.

We have now concluded the Level Playing Field programme which has provided additional resources for the centre benefited the young people and enhanced our client numbers.

#### Talent Match

Throughout last year we had two talent coaches working with 27 young people. This was particularly successful in developing our skills and understanding of young people who have been unemployed for a considerable period of time and moving them into positive outcomes.

#### Challenge To Change

We maintained our work with young people ‘at risk’ of exclusion. Working with schools further developing our programme of outdoor education over the year we worked with 30 young people.

#### Junior Choices

Building on the success of previous project work around young people in care ‘at risk of criminal exploitation’ we moved our approach to working with younger children aged 9-12. This was supported by British Airways and the Police and Crime Commissioner. We developed an approach based upon 1:2:1 support and group work. This work has now been supported for an additional two years and is helping to developing a resilient framework for ongoing work with this niche client group.

#### Choices 16-18

Over the summer period in partnership with Groundwork, The Factory Youth Zone designed and ran a programme for young people aged 16-18 ‘at risk’ of involvement in serious and organised crime. We worked with 12 young people and their families. The learning from this has driven our Junior Choices programme and impacted upon training and practice across The Youth Zone.

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

#### Detached Youth Work

In conjunction with other youth focused organisations we have worked with socially excluded young people on estates and in the shopping centre to help them to understand the impact of engagement in anti-social behaviour. We worked with 103 young people.

#### Partnership Working

We know we cannot work on our own and that by working in partnership we are able to maximise our impact working with young people. Examples of this work includes:

- Work with Youth Offending Services providing sport and physical education to young people on court orders
- Work with Manchester College with young people who are new to the UK, helping them develop social skills, to enable them to become included in sports and arts in Manchester
- Work with Alternative Education providers. We have partnered with these providers to enable the most socially excluded young people to take part in high quality sporting activity
- Working with the Diana Model Foundation enabled The Factory to become a Hub for Basketball in North Manchester.

#### Achievements and performance

##### ● GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

##### ● KEY FINANCIAL PERFORMANCE INDICATORS

Total income for the year was £1,168,209 (2016:£1,253,700). Of this, £614,444 was from donations and legacies (2016:£741,941) and £491,519 was from charitable activities (2016:£458,729). This was lower than budget for total income by £65,985.

Total expenditure for the year was £1,265,040 (2016:£1,291,766). Of this 94% was on charitable activities (2016:93%). Expenditure was lower than budget by £9290.

The net deficit is £96,831 (2016:£38,066). This is against a forecast deficit of £40,136.

The funds carried forward were £353,822 (2016:£450,653), of which £267,831 (2016:£317,513) were unrestricted funds and £85,991 (2016:£133,139) were restricted.

##### ● REVIEW OF ACTIVITIES

#### Increased Membership

We have seen an increase in junior members over the last year to around 150 juniors attending sessions. Over the summer of 2016 The Factory Youth Zone has had to deal with the consequences of the August 2016 shootings within the locality. This had a major impact upon young people numbers, and the following month saw a 60% decrease in young people numbers. Through the hard work of staff, volunteers and partners, these numbers recovered by November.

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

#### Smart Futures

Our bid to the Big Lottery for the Smart Futures project over a three year period was successful and it commenced with an event for 200 young people looking at different careers. The aim of the project is to raise young people's aspirations and provide them with access to high quality, accessible work experience. The aim is that after three years we will have established a self-sustaining model which provides a shared resource to community organisations working with young people across North Manchester. Smart Futures is managed by The Factory Youth Zone on behalf of the partnership.

#### Heritage Lottery

Over the last year in partnership with Open the Door Theatre in education. Young people from The Factory Youth Zone created a film about The IRA Manchester Bomb with funding from the Heritage Lottery. This involved young people researching the topic, including a visit to Belfast and meeting former IRA members and prisoners. The young people conducted all the interviews and filming and concluded the project with a film premiere on the 20th anniversary of the IRA Bomb [www.ourmanchesterourselves.co.uk](http://www.ourmanchesterourselves.co.uk) in the dance studio at The Factory. The outcome of this was a film and resources for schools to use when covering the IRA Bomb. All the young people who participated achieved The Arts award. This work involved a high level of commitment from the young people involved over a 12 month period.

#### Bike To The Future

In October The Factory Youth Zone commenced 'Bike to the Future'. The bike project trains young people aged 8 – 18 and volunteers in basic bike mechanics, it encourages an interest in enterprise and the employment and health benefits of cycling and has begun to provide a community facility for repairs. In addition, the cycle maintenance enterprise has allowed us to en-gage more young people in The Factory's offering and has seen them continue to develop their confidence and transfer their new practical mechanical skills into the community.

Longer term, we are confident that the project will help to raise aspirations of self-help in the community and provide a model for other enterprise initiatives. Greater Manchester Police continue to donate bikes that haven't been claimed and have clarified that The Factory Youth Zone are able to sell these bikes back into the community.

#### President's Cup

In Spring 2017, The Factory Youth Zone won the Inclusion Cup at OnSide's annual President's Cup in Carlisle. This is testament to the ongoing work to improve our Inclusion offering. The Presidents Cup is a unique annual event kindly supported by Norman K. Stoller CBE KStJ DL, which sees approx 200 young people come together from Wigan, Blackburn, Bolton, Carlisle, Oldham, Wolverhampton, the Wirral and Manchester to compete in a series of non-traditional games and activities between senior, junior and inclusion teams, including wheelchair basketball, bladder-ball, gym challenges, art attack, a dance off and many more.

#### Staff Aspiring Talent Development Programme

Developed by OnSide, the 'Talent Academy' consists of monthly formal coaching sessions for specific roles, for staff identified as having potential to grow within the organisation. The Factory are currently gaining from Erica Nixon taking part in the Aspiring Chief Executive's Programme, as well as three to four days input from a member of staff from Madhlo's Youth Zone, on the Aspiring Head of Youth Programme. This shows our investment in staff and their development.

#### Fundraising

The last 12 months have seen us strengthen our ability to report on the growing number of contracts, with the appointment of a Contracts Manager to report to funders and ensure effective draw down of funding.

---

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

Over the last year the Development Committee has developed new sources of funding and have identified funders who are now making a contribution to the work of The Factory Youth Zone as well as commercially viable events to draw in potential supporters. This committee has identified and is implementing a strategy to generate unrestricted income from corporate Manchester and is ambitious in its outlook.

#### Financial review

- **RESERVES POLICY**

The Trustees have set a reserves policy, that the reserve should be between three and six months operating costs. We are aware that at times our reserve has dropped beneath this target and in the financial year 2017-18 we have set out financial targets to achieve this. The staffing restructure carried out has gone some way toward this.

- **PRINCIPAL FUNDING**

During the financial year 2016-17 total income was £1,168,209.

Voluntary Income (individually stated where over £25,000)

The Bruntwood Charity	25,000
JD Sports	53,086
Together	50,000
Money Plus Group	39,519
Fundraising Events	63,744
Other Donations	83,095
<b>Total Donations</b>	<b>314,444</b>
Manchester City Council	300,000
<b>Total Voluntary Income</b>	<b>614,444</b>
Activities for generating funds	62,180
Investment Income	66

Income from charitable activities (individually stated where over £25,000)

Big Lottery Fund	85,907
Oglesby Charitable Trust	25,856
Talent Match	26,500
Comic Relief	31,471
Sport England	28,231
Zochonis Charitable Trust	25,000
Other	268,554
<b>Total Income from Charitable Activities</b>	<b>491,519</b>

#### Plans for future periods

- **FUTURE DEVELOPMENTS**

The Factory Youth Zone has developed an expertise in a number of areas which it intends to develop further, these include:

- Working with young people to build skills and resilience which mean they are safeguarded as they make a transition to adulthood.

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2017

---

- Mentoring young people to help them achieve their goals.
- Developing an awareness of careers and employment opportunities by engaging directly with employers.

- **PAY POLICY FOR STAFF INCLUDING SENIOR STAFF**

Each year The Factory Youth Zone remuneration subcommittee looks at pay of all staff and makes a recommendation for any adjustment or cost of living increase to the whole Board.

We bench mark these salaries with other Youth Zones who are part of the Onside network taking guidance from our statistical neighbour in terms of volume and income, Oldham.

#### **EQUAL OPPORTUNITIES**

The Factory Youth Zone is an equal opportunities employer and aims to create an environment in which all people are fully valued.

#### **DISABILITIES**

The Factory Youth Zone welcomes young people of all abilities and encourages their participation free from discrimination. The Factory Youth Zone also employs an Inclusion-Co-ordinator to work with young people who require additional support.

#### **PUBLIC BENEFIT**

The activities of the charity are undertaken to further its charitable purposes for the public benefit. The provision of a high quality facility for young people responds to a clear, ongoing demand from young people, parents and the wider community for more and better places for young people to go. The facility focuses on attendance and affordable access to all the facilities that are provided. This will lead to improved achievement and enhanced aspirations amongst young members of the local community. Those attending The Factory Youth Zone will be happier, healthier and make more constructive use of their leisure time. This will, it is hoped, lead to greater motivation for each to succeed, and help reduce nuisance and anti-social behaviour. Longer term public benefits will include improved health, reduced crime, enhanced learning and employability, and greater community cohesion.

The Trustees have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance issued by the Charity Commission.

#### **TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also directors of The Factory Youth Zone (Manchester) Limited for the purposes of company law) are responsible for preparing the Trustees' 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2017**

---

- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees have taken advantage of the small companies exemptions provided in Section 415A of the Companies Act 2006.

This report was approved by the Trustees, on 13 December 2017 and signed on their behalf by:

**Thomas Russell**  
Trustee

**Heather Crosby**  
Trustee

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

---

We have audited the financial statements of The Factory Youth Zone (Manchester) Limited for the year ended 31 March 2017 set out on pages 19 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

#### RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### OPINION ON FINANCIAL STATEMENTS

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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FACTORY YOUTH ZONE  
(MANCHESTER) LIMITED**

---

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption.

**Crowe Clark Whitehill LLP**

Chartered Accountants  
Statutory Auditor

3rd floor  
The Lexicon  
Mount Street  
Manchester  
M2 5NT  
Date:

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2017**

		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	2017 £	2017 £	2017 £	2016 £
<b>INCOME FROM:</b>					
Donations and legacies	2	614,444	-	614,444	741,941
Charitable activities	3	171,703	319,816	491,519	458,729
Other trading activities	4	61,635	545	62,180	52,805
Investments	5	66	-	66	225
<b>TOTAL INCOME</b>		<b>847,848</b>	<b>320,361</b>	<b>1,168,209</b>	<b>1,253,700</b>
<b>EXPENDITURE ON:</b>					
Raising funds:					
Donations and legacies		80,597	72	80,669	91,915
Charitable activities		884,145	300,226	1,184,371	1,199,851
<b>TOTAL EXPENDITURE</b>	8	<b>964,742</b>	<b>300,298</b>	<b>1,265,040</b>	<b>1,291,766</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>(116,894)</b>	<b>20,063</b>	<b>(96,831)</b>	<b>(38,066)</b>
Transfers between Funds	17	67,211	(67,211)	-	-
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(49,683)</b>	<b>(47,148)</b>	<b>(96,831)</b>	<b>(38,066)</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(49,683)</b>	<b>(47,148)</b>	<b>(96,831)</b>	<b>(38,066)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		317,514	133,139	450,653	488,719
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>267,831</b>	<b>85,991</b>	<b>353,822</b>	<b>450,653</b>

The notes on pages 22 to 42 form part of these financial statements.

---

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)  
REGISTERED NUMBER: 07025561

---

BALANCE SHEET  
AS AT 31 MARCH 2017

---

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		51,771		56,847
<b>CURRENT ASSETS</b>					
Stocks	14	2,307		2,306	
Debtors	15	94,011		161,777	
Cash at bank and in hand		<u>284,934</u>		<u>344,964</u>	
		381,252		509,047	
<b>CREDITORS:</b> amounts falling due within one year	16	<u>(79,201)</u>		<u>(115,241)</u>	
<b>NET CURRENT ASSETS</b>			<u>302,051</u>		<u>393,806</u>
<b>NET ASSETS</b>			<u>353,822</u>		<u>450,653</u>
<b>CHARITY FUNDS</b>					
Restricted funds	17		85,991		133,139
Unrestricted funds	17		<u>267,831</u>		<u>317,514</u>
<b>TOTAL FUNDS</b>			<u>353,822</u>		<u>450,653</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 145 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees on 13 December 2017 and signed on their behalf, by:

Thomas Russell, Trustee

Heather Crosby, Trustee

The notes on pages 22 to 42 form part of these financial statements.

---

---

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017

---

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	<u>(42,833)</u>	<u>(37,934)</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		66	225
Purchase of tangible fixed assets		<u>(17,263)</u>	<u>(22,633)</u>
<b>Net cash used in investing activities</b>		<u>(17,197)</u>	<u>(22,408)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(60,030)</b>	<b>(60,342)</b>
Cash and cash equivalents brought forward		<u>344,964</u>	<u>405,306</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><b>284,934</b></u>	<u><b>344,964</b></u>

The notes on pages 22 to 42 form part of these financial statements.

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

---

#### 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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Factory Youth Zone (Manchester) Limited 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 charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member. This applies to members of the charity at the date of dissolution or those who were members within twelve months of the dissolution.

##### 1.3 Going concern

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

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the charity 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 charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

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.

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

---

#### 1. ACCOUNTING POLICIES (continued)

##### 1.5 Expenditure

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.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

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 charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

##### 1.6 Tangible fixed assets and depreciation

All assets costing more than £50 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

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:

Fixtures & fittings	-	3 years straight line
---------------------	---	-----------------------

##### 1.7 Interest receivable

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

##### 1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.9 Debtors**

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

**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 Liabilities and 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. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

---

## THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

---

#### 1. ACCOUNTING POLICIES (continued)

##### 1.12 Financial instruments

The charity 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activity.

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activity.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 1.13 Pensions

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

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

---

**1. ACCOUNTING POLICIES (continued)**

**1.14 Fund accounting**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The 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 Critical accounting estimates and areas of judgment**

Estimates and judgments 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.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**(i) Useful economic lives of tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

**(ii) Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors.

When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**2. INCOME FROM DONATIONS AND LEGACIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Donations	314,444	-	314,444	431,941
Grants	300,000	-	300,000	310,000
	<u>614,444</u>	<u>-</u>	<u>614,444</u>	<u>741,941</u>
Total donations and legacies				
	<u>614,444</u>	<u>-</u>	<u>614,444</u>	<u>741,941</u>
<i>Total 2016</i>	<u>731,941</u>	<u>10,000</u>	<u>741,941</u>	

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Membership Fees	8,206	-	8,206	9,235
Contract Income	102,755	-	102,755	56,759
Session Fees	21,317	-	21,317	24,454
Grants	-	319,816	319,816	330,474
Catering Income	39,425	-	39,425	36,927
Other Income	-	-	-	880
	<u>171,703</u>	<u>319,816</u>	<u>491,519</u>	<u>458,729</u>
<i>Total 2016</i>	<u>105,755</u>	<u>352,974</u>	<u>458,729</u>	

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**4. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Fundraising Events	708	545	1,253	1,673
Room Hire	60,927	-	60,927	51,132
	<u>61,635</u>	<u>545</u>	<u>62,180</u>	<u>52,805</u>
<i>Total 2016</i>	<u>52,805</u>	<u>-</u>	<u>52,805</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	<u>66</u>	<u>-</u>	<u>66</u>	<u>225</u>
<i>Total 2016</i>	<u>225</u>	<u>-</u>	<u>225</u>	

**6. DIRECT COSTS**

	Operation of Factory Youth Zone £	Total 2017 £	Total 2016 £
Advertising	1,560	1,560	2,934
Recruitment	12,528	12,528	17,230
Sundries	10,151	10,151	10,652
Training	571	571	240
Catering	58,330	58,330	58,630
Youth Project Delivery Expenses	78,834	78,834	73,339
Volunteer Expenses	1,116	1,116	829
Wages and salaries	857,072	857,072	866,322
	<u>1,020,162</u>	<u>1,020,162</u>	<u>1,030,176</u>
<i>At 31 March 2016</i>	<u>1,030,176</u>	<u>1,030,176</u>	

---

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

---

7. SUPPORT COSTS

	Operation of Factory Youth Zone £	Total 2017 £	Total 2016 £
Postage, Printing and Stationery	6,770	6,770	6,537
Insurance	1,957	1,957	1,971
Travel and Subsistence	1,350	1,350	1,645
IT, Website, and Software	9,146	9,146	20,516
Premises Costs	83,516	83,516	86,493
Governance	39,131	39,131	29,330
Depreciation	22,339	22,339	23,183
	<b>164,209</b>	<b>164,209</b>	<b>169,675</b>
<i>At 31 March 2016</i>	<u>169,675</u>	<u>169,675</u>	

During the year ended 31 March 2017, the charity incurred the following Governance costs:

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**8. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE**

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	56,162	-	24,507	80,669	91,915
<b>Costs of generating funds</b>	<b>56,162</b>	<b>-</b>	<b>24,507</b>	<b>80,669</b>	<b>91,915</b>
Operation of Factory Youth Zone	857,072	22,339	304,960	1,184,371	1,199,851
	<u>913,234</u>	<u>22,339</u>	<u>329,467</u>	<u>1,265,040</u>	<u>1,291,766</u>
<i>Total 2016</i>	<u>928,605</u>	<u>23,181</u>	<u>339,980</u>	<u>1,291,766</u>	

**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Operation of Factory Youth Zone	<u>1,020,162</u>	<u>164,209</u>	<u>1,184,371</u>	<u>1,199,851</u>
<i>Total 2016</i>	<u>1,030,176</u>	<u>169,675</u>	<u>1,199,851</u>	

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

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	22,339	23,183
Auditor's remuneration - audit	6,840	6,420
Auditor's remuneration - other services	<u>600</u>	<u>600</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

---

**11. STAFF COSTS**

Staff costs were as follows:

	<b>2017</b>	<i>2016</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>839,291</b>	<i>860,374</i>
Social security costs	<b>54,560</b>	<i>55,301</i>
Other pension costs	<b>19,383</b>	<i>12,930</i>
	<b><u>913,234</u></b>	<i><u>928,605</u></i>

The average number of persons employed by the charity during the year was as follows:

	<b>2017</b>	<i>2016</i>
	<b>No.</b>	<i>No.</i>
Fundraising	<b>1</b>	<i>1</i>
Charitable Services	<b><u>65</u></b>	<i><u>75</u></i>
	<b><u>66</u></b>	<i><u>76</u></i>

Average headcount expressed as a full time equivalent:

	<b>2017</b>	<i>2016</i>
	<b>No.</b>	<i>No.</i>
Charitable services	<b>33</b>	<i>38</i>

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

During the year, key management personnel received remuneration of £192,954 (2016: £200,582). Key management personnel are considered to be the Chief Executive, Head of Fundraising, Head of Finance, Head of Youth Work and Head of Sport.

The 2016/17 figure above includes the cost of a contractor whilst a more permanent appointment was sought.

**12. TAXATION**

**Factors affecting tax charge for the year**

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

There were no factors that may affect future tax charges.

---

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

---

13. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
<b>Cost</b>	
At 1 April 2016	105,553
Additions	<u>17,263</u>
At 31 March 2017	<u>122,816</u>
<b>Depreciation</b>	
At 1 April 2016	48,706
Charge for the year	<u>22,339</u>
At 31 March 2017	<u>71,045</u>
<b>Net book value</b>	
At 31 March 2017	<u><u>51,771</u></u>
At 31 March 2016	<u><u>56,847</u></u>

14. STOCKS

	2017 £	2016 £
Finished goods and goods for resale	<u><u>2,307</u></u>	<u><u>2,306</u></u>

15. DEBTORS

	2017 £	2016 £
Trade debtors	51,768	147,390
Other debtors	41	-
Prepayments and accrued income	42,202	14,387
	<u><u>94,011</u></u>	<u><u>161,777</u></u>

---

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

---

16. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	44,580	55,951
Other taxation and social security	13,180	15,733
Other creditors	3,417	2,747
Accruals and deferred income	18,024	40,810
	<u>79,201</u>	<u>115,241</u>
		£
<b>Deferred income</b>		
Deferred income at 1 April 2016		30,254
Resources deferred during the year		<u>(30,254)</u>
Deferred income at 31 March 2017		<u>-</u>

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**17. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

<b>Unrestricted funds</b>	<b>Balance at 1 April 2016 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Balance at 31 March 2017 £</b>
General Funds	<b>317,514</b>	<b>847,848</b>	<b>(964,742)</b>	<b>67,211</b>	<b>267,831</b>
<b>Restricted funds</b>	<b>Balance at 1 April 2016 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Balance at 31 March 2017 £</b>
GM High Sheriff's Police Trust - Bike to the Future	-	3,391	(788)	-	2,603
Careers and Enterprise Company - Mentoring Fund	-	1,500	(1,500)	-	-
Mentoring Project	21,750	-	-	(21,750)	-
The Oglesby Charitable Trust - Health & Nutrition Photography project	458	-	-	(458)	-
Employability	17,131	-	-	(17,131)	-
Community cafe	5,818	-	(3,677)	-	2,141
Talent Match - Beneficiaries Expenses	-	2,500	(969)	-	1,531
Talent Match - GMCVO	-	24,000	(6,204)	-	17,796
British Amateur Gymnastics Free G Work Club	7,095	-	-	(7,095)	-
Capital Café Grant	2,453	-	-	(2,453)	-
England Football Foundation - E3	3,937	-	-	(3,937)	-
Manchester City Council - International Women's Day	-	15,809	(15,647)	-	162
The Oglesby Charitable Trust - The Outward Bound Trust	-	400	(378)	-	22
Comic Relief - Challenge to Change	-	6,594	(7,229)	-	(635)
Football Foundation - Grow the Game	12,786	31,479	(28,259)	-	16,006
Sport England - Sport for Development	-	950	(950)	-	-
Heritage Lottery Fund - Our Manchester Ourselves	-	28,231	(28,370)	-	(139)
Community Safety Partnership - Senior Choices	22,088	20,573	(32,897)	(9,764)	-
Big Lottery Fund - Capacity Building	25,000	-	(25,000)	-	-
Police & Crime Commissioner - Junior Choices	-	15,000	(5,460)	-	9,540
Places for People - Detached Youth Work	-	19,175	(18,309)	-	866
Zochonis Charitable Trust - Bike to the Future	-	5,616	(5,616)	-	-
Police & Crime Commissioner - Factory Local	-	25,000	(12,918)	-	12,082
Neighbours Investments Fund - Music Project	-	990	(990)	-	-
Forever Manchester - Learn 2 Lead	-	-	(56)	-	(56)
Awards for All - Instateam	-	13,889	(8,632)	-	5,257
Hate Crime Awareness Week	10,000	-	(9,805)	-	195
Percy Bilton	-	600	(600)	-	-
	2,667	-	-	(2,667)	-

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

	Balance at 1 April 2016 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2017 £
NM Sports	750	-	-	(750)	-
Inclusion - Tesco	569	-	-	(569)	-
British Airways - Junior Choices	-	7,500	(6,986)	-	514
Trampoline club kit	637	-	-	(637)	-
Big Lottery Fund - A Level Playing Field	-	46,010	(46,047)	-	(37)
RADEQUAL	-	1,995	(2,019)	-	(24)
Big Lottery Fund - Smart Futures	-	24,897	(17,452)	-	7,445
29th May Charitable Trust	-	5,000	-	-	5,000
	<b>133,139</b>	<b>320,361</b>	<b>(300,298)</b>	<b>(67,211)</b>	<b>85,991</b>
Total of funds	<b>450,653</b>	<b>1,168,209</b>	<b>(1,265,040)</b>	<b>-</b>	<b>353,822</b>
<i>Unrestricted funds</i>	<i>Balance at 1 April 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2016 £</i>
General Funds	318,328	890,726	(999,897)	108,357	317,514
	<b>318,328</b>	<b>890,726</b>	<b>(999,897)</b>	<b>108,357</b>	<b>317,514</b>
<i>Restricted funds</i>	<i>Balance at 1 April 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2016 £</i>
Sport Project - CITC	526	-	-	(526)	-
Roller Skates Project - ANS	627	-	-	(627)	-
Dance Project - Elevate	33	-	-	(33)	-
Inclusion	16,163	60,588	(59,058)	(17,693)	-
Mentoring Project	27,497	27,972	(31,932)	(1,787)	21,750
Healthy Eating	20,833	-	-	(20,833)	-
Photography project	687	-	-	(229)	458
Employability	12,953	55,624	(51,446)	-	17,131
Community cafe	9,495	-	-	(3,677)	5,818
HCAW	-	200	(200)	-	-
Awards for All	-	10,000	-	-	10,000
Detached Youth	-	1,200	(1,200)	-	-
Music	-	2,113	-	(2,113)	-
Heritage Lottery Fund - Our Manchester Ourselves	-	24,950	(1,559)	(1,303)	22,088
British Amateur Gymnastics Free G	10,224	-	-	(3,129)	7,095
Work Club	4,309	-	-	(1,856)	2,453
Suck It & See	11,277	-	(11,277)	-	-
Residential Programme	15,340	-	-	(15,340)	-
Challenge to Change	11,648	32,124	(31,014)	28	12,786
Sports	1,160	-	-	(1,160)	-

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

<i>Restricted funds</i>	<i>Balance at 1 April 2015</i>		<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2016</i>
	£	£	£	£	£	£
Sport for Development Choices	-	101,757	(94,728)	(7,029)	-	-
Football Foundation	-	30,000	(5,000)	-	-	25,000
Percy Bilton	-	950	-	(950)	-	-
NM Sports	-	4,000	-	(1,333)	-	2,667
Inclusion - Tesco	-	750	-	-	-	750
Summer Sports	-	-	-	569	-	569
Trampoline club kit	-	3,500	(100)	(3,400)	-	-
Detached	-	-	-	637	-	637
Autism Innovation	-	1,872	(1,872)	-	-	-
Passions for Youth	-	2,874	(144)	(2,730)	-	-
Capital Cafe Grant	-	2,000	(2,000)	-	-	-
Other Restricted Funds	25,162	500	(340)	(21,385)	-	3,937
	2,458	-	-	(2,458)	-	-
	<u>170,392</u>	<u>362,974</u>	<u>(291,870)</u>	<u>(108,357)</u>	<u>133,139</u>	<u>133,139</u>
Total of funds	<u>488,720</u>	<u>1,253,700</u>	<u>(1,291,767)</u>	<u>-</u>	<u>450,653</u>	<u>450,653</u>

**SUMMARY OF FUNDS - CURRENT YEAR**

	<i>Balance at 1 April 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2017</i>
	£	£	£	£	£
General funds	317,514	847,848	(964,742)	67,211	267,831
Restricted funds	133,139	320,361	(300,298)	(67,211)	85,991
	<u>450,653</u>	<u>1,168,209</u>	<u>(1,265,040)</u>	<u>-</u>	<u>353,822</u>

**SUMMARY OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 April 2015</i>		<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 March 2016</i>
	£	£	£	£	£	£
General funds	318,328	890,726	(999,897)	108,357	-	317,514
Restricted funds	170,392	362,974	(291,870)	(108,357)	-	133,139
	<u>488,720</u>	<u>1,253,700</u>	<u>(1,291,767)</u>	<u>-</u>	<u>450,653</u>	<u>450,653</u>

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

---

Independence Project; aims to ensure all young people with disabilities ranging from mild to complex can participate in and benefit from the same activities alongside their peers.

Sport Project; using sport as a tool to develop skills, self-confidence and raise aspirations throughout our full membership.

Cycling Project; funding received enabled The Factory Youth Zone to develop a cycling club, purchasing equipment and enabling young people to engage in cycling.

Roller skate Project; funds received were to purchase roller skates and safety equipment to be used by young people extending the existing activity offer.

Basketball Project; develop a Basketball team and compete in competitions.

Summer Holiday Club; run a summer activity club for young people aged 8 to 13 years old. We were also successful in securing funding to provide specialist one-to-one support for young people with complex needs.

Mentoring Project; providing 1:1 mentoring programme, we are supporting young people with significant barriers to progression. Providing tailored targets and positive role models young people can achieve change.

Healthy Eating Project; to educate young people how to cook basic good quality food and to use catering as a vehicle for employability and enterprise projects.

A Level Playing Field Project; provides opportunity to young disabled people to try, to train and to develop team working alongside their non-disabled peers, creating new friendships and nurturing respect.

Accenture Project; to give NEET young people confidence/ self-esteem and support to enable them to progress to work, education or training.

BG – Free G; this is British Gymnastics funding to purchase capital equipment to develop 'Free Gymnastics' sessions improving and increasing our gymnastics activities.

Work Club; work club aims to provide training and support to young people who are still in education, gaining skills and practical experiences, aiming towards ensuring they enter employment or further education.

Drama project (" Suck it and See"); to develop a high quality youth theatre offer in North Manchester. Enable young people to visit with and extend their understanding of other youth theatres and provide opportunities for 'go see' activities.

Challenge to Change programme; works with the hardest to reach young people who are at risk of engaging in juvenile crime, using sport as an engagement tool.

Sports for Development (Sport England) - to increase participation and to measure the impact of sport of young people aged 14 plus.

Our Manchester Ourselves Heritage Lottery Fund) - for young people to develop, research and produce a film relating to the Manchester Bomb in 1996.

Choices (Manchester City Council) - to test ways of working to address serious and organised crime in

North Manchester (delivered with partners and reaching vulnerable young people).

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

---

**17. STATEMENT OF FUNDS (continued)**

Football Foundation (FA funding): "Grow the game" - to develop work with girls and Football.

Summer Sports (Manchester City Council) - to run summer holiday provision in a number of parks in North Manchester.

Detached project (Northwards Housing and Places for People) - to work on estates with young people at risk.

Autism Innovation Funding - to purchase Ipads and software that will allow young people with Autism to participate fully in activity.

Music Funding (Manchester City Council - purchase of Musical equipment.

Detached Youth Funding (Manchester City Council) - for youth workers to be deployed in the Queens Road area and engage young people causing anti social behaviour.

Awards for all (Lottery funding) - to focus on junior team building.

Hate Crime Awareness Week funding (MCC) - to run programmes where young people celebrate difference.

Percy Bilton- to purchase laptops for young people engaged in looking for work programmes.

North Manchester Sports Network - funding for sport with young people.

Inclusion Tesco - funding to allow young people to participate in cycling.

Trampolining kit - purchase of leotards for young people representing the Factory Youth Zone.

**TRANSFERS**

During the year the charity has undertaken a thorough review of its restricted fund balances and has made transfers from restricted reserves to unrestricted funds to reflect the position carried forward.

---

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

---

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	49,630	2,141	51,771
Current assets	297,403	83,850	381,253
Creditors due within one year	(79,202)	-	(79,202)
	<u>267,831</u>	<u>85,991</u>	<u>353,822</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	33,849	22,998	56,847
Current assets	398,908	110,141	509,049
Creditors due within one year	(115,243)	-	(115,243)
	<u>317,514</u>	<u>133,139</u>	<u>450,653</u>

---

THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED

(A company limited by guarantee)

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

---

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(96,831)	(38,066)
<b>Adjustment for:</b>		
Depreciation charges	22,339	23,183
Dividends, interest and rents from investments	(66)	(225)
Increase in stocks	-	(275)
Decrease/(increase) in debtors	67,767	(75,182)
(Decrease)/increase in creditors	<u>(36,042)</u>	<u>52,631</u>
<b>Net cash used in operating activities</b>	<u><b>(42,833)</b></u>	<u><b>(37,934)</b></u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	<u>284,934</u>	<u>344,964</u>
Total	<u><b>284,934</b></u>	<u><b>344,964</b></u>

21. PENSION COMMITMENTS

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £19,383 (2016: £12,930). As at 31 March 2017, £2,826 was outstanding in respect of contributions (2016: £nil).

22. OPERATING LEASE COMMITMENTS

At 31 March 2017 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	1,555	2,816
Between 1 and 5 years	<u>2,462</u>	<u>4,016</u>
Total	<u><b>4,017</b></u>	<u><b>6,832</b></u>

---

**THE FACTORY YOUTH ZONE (MANCHESTER) LIMITED**

**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

---

**23. RELATED PARTY TRANSACTIONS**

No trustee received any remuneration during the year.

During the year the Bruntwood Group of companies provided services to the charity amounting to £32,962 (2016: £37,815). Bruntwood is considered to be a related party of the charity as Katherine Vokes holds a directorship of the company and is also a trustee of the charity. As at 31 March 2017, due to Bruntwood was £2,958 (2016: £3,527). During the year, Bruntwood charity donated £28,000 (2016: £nil).

During the year, the Oglesby Charitable Trust, provided funding to the value of £19,262 (2016: £24,835) for a healthy eating project. The Oglesby Charitable Trust is a related party of the charity as Katherine Vokes holds a trusteeship with both charities. As at 31 March 2017, not amount was due from the Oglesby Charitable Trust.

Donations from ANS Elevators Ltd of £5,000 (2016: £5,000) were received. John Bentley was a director of this company in addition to being a trustee of the charity (resigned May 2016). Services to the value of £nil (2016: £85) were provided during his time as a trustee.

Donations from ANS of £nil (2016: £25,450) were received.

Donations of £2,477 (2016: £378) were provided from Citation Professional Solutions during year. Chris Morris is a director of this company in addition to being a trustee of the charity. Chris Morris provided professional services to the charity during the year at a nominal fee of £1.