

COMPANY REGISTRATION NUMBER: 05639458
CHARITY REGISTRATION NUMBER: 1112691

The Source Young People's Charity
Company Limited by Guarantee
Unaudited Financial Statements
31 March 2020

The Source Young People's Charity

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2020

| | Page |
|--|-------------|
| Trustees' annual report (incorporating the director's report) | 1 |
| Independent examiner's report to the trustees | 10 |
| Statement of financial activities (including income and expenditure account) | 11 |
| Statement of financial position | 12 |
| Notes to the financial statements | 13 |

The Source Young People's Charity

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2020

The Trustees, who are also the Directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 31st March 2020.

Reference and Administrative Details

| | | |
|---|---|-------|
| Registered charity name | The Source Young People's Charity | |
| Charity registration number | 1112691 | |
| Company registration number | 05639458 | |
| Principal office and registered Office | 2 nd Floor Imperial House 2 Grosvenor Road (entrance on Barrack Road) Aldershot Hampshire GU11 1DP | |
| The Trustees | Dr Jos Johnston BEM | Chair |
| | Dr B Bird | |
| | Mr J Cook | |
| | Mr T Heys | |
| | Mrs S Wiggam | |
| Company Secretary | Dr Eleanor Jones | |
| Founder | Mrs Jo Emett | |
| Independent examiner | Thomas McManners BSC ACA ACMI 269 Farnborough Road Farnborough Hampshire GU14 7LY | |

The Source Young People's Charity

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2020

Structure, Governance and Management

Structure

The Source Young People's Charity is a Registered Charity and a Charitable Company (limited by guarantee).

The Governing Document of The Source Young People's Charity is the Memorandum and Articles of Association Dated 29th November 2005 which was amended in January 2011.

Governance

The Source Young People's Charity is an independent charity and is not affiliated to any other organisation.

The Members of The Source Young People's Charity are the Trustees and the legal minimum number of Trustees is three.

The Board of Trustees may by ordinary resolution appoint a person who is willing to act to be a Trustee.

New Trustees are recruited through local publicity (e.g. through the website, volunteering sites and newsletters). Applicants undergo a comprehensive recruitment procedure which focuses on the skills, knowledge and experience of applicant and the needs of the Charity.

The induction of new Trustees includes shadowing with staff and volunteers, site visits, mentoring from a Trustee and formal and in-house training. All Trustees also receive ongoing formal and in-house training as part of their ongoing development.

Board meetings are held at least quarterly (although usually more frequently). At Board meetings governance, strategic plans, operational plans, policies, risk assessments, budgets etc are reviewed and decisions made.

Management

The Senior Manager is Dr Eleanor Jones, Director (who is also Company Secretary). The Director is responsible for implementing the decision made at Board meetings, reporting back to the Board on all Management issues and ensuring The Source's work is fully resourced and carried out to the highest standards. The Director receives regular supervision from the Chair at least every 6 weeks (although usually more frequently).

The Source Young People's Charity

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2020

Objectives and Activities

Objectives

In our Memorandum and Articles of Association our objectives are:

'The provision of facilities for recreational and other leisure-time occupation, including but not by way of limitation the provision of education and training in life skills in the interests of social welfare for persons who have need by reason of their youth, poverty or social and economic circumstances and with the object of improving their condition of life in Aldershot, Hampshire and in such other parts of the United Kingdom as the Trustees from time to time think fit.'

Our Mission

The Source Young People's Charity is an inclusive local Christian Charity for Young People aged 14-25 living in Aldershot and the neighbouring towns. We enable Young People who are struggling or find things difficult to transform their lives. We support and empower Young People to build their self-esteem, emotional intelligence, and resilience through Personalised Programmes of 1-1 and Group Support. We celebrate diversity and our doors are open to everyone regardless of belief or background.

Our Values

- Expressing God's Love – reflecting God's deep passion for the world
- Rooted in Prayer – encouraging positive expectancy in God's faithfulness
- Igniting Hope – releasing sparkling hope, joy, and expectation for life
- Renewal – restoring and creating new life in all
- Acceptance & Inclusion – celebrating all as made in God's image and respecting them whatever their background or belief
- Empowering – not doing, but supporting each person to realise their potential themselves

Our Focus

We focus on supporting and empowering Young People who are struggling or finding things difficult to transform their life. A typical Young Person's transformational journey will include weekly 1-1 sessions with a Counsellor or a Mentor for around 9 months with additional support tailored to their needs such as workshops, group support, creative therapies and/or support for their Parent/Guardian.

The Source Young People's Charity

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2020

Outcomes we see Young People achieve through their Personalised Programmes include:

- Gaining an understanding of their importance and value
- Developing hope for their future
- Building their aspirations
- Improving their decision-making skills
- Setting life goals and working towards them
- Learning tools to communicate more effectively with their friends and family
- Healthier lifestyles including good sleeping, exercise and eating routines and taking up hobbies
- Less stress and anxiety

Achievements and Performance

In 2019/2020 we:

1. Supported and empowered over 100 Young People to transform their lives through their Personalised Programmes of support (below are the transformational journeys of some of these Young People)
2. Expanded and developed BikeStart, our social bike project
3. Undertook a strategic review to ensure we continue to utilise our resources effectively to meet the needs of local Young People. Through this review we developed a new model for our Personalised Programmes of 1-1 and Group Support including:
 - Counselling – for Young People needing Tier 2 support delivered by Trainee Counsellors under the leadership and guidance of a Senior Counsellor/Co-ordinator
 - Therapeutic Mentoring – delivered by Counsellors and Trainee Counsellors under the leadership and guidance of a Senior Counsellor/Co-ordinator
 - Mentoring – delivered by Volunteer Mentors
 - Group Support
4. Recruited Detti Balla and Elliot Little as our new Co-ordinators for our Personalised Programmes of 1-1 and Group Support

The Future

In 2020/2021 we will implement the new model described in 3 above, develop a business plan for 2021-2024, strengthen our management systems and recruit more Volunteer Mentors.

The Source Young People's Charity

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2020

The Impact of COVID-19 on The Source

During lockdown we had to pause our recruitment of new Volunteer Mentors and Counsellors and transition to delivering over the phone and online 1-1 Support. This involved sourcing and installing secure software and developing new protocols for this type of remote work. We will return to face to face personalised programmes at our premises and in community settings as soon as it is safe to do so.

As we were unable to continue our face to face work we had to pause or close some of our funding. We also had to cancel our plans for community fundraising events and to delay our plans to build local partnerships to enable us to support more young people as soon as they need support.

During lockdown there was a useful increase in BikeStart's sales of donated bikes and increased demand for bike servicing and repairs, which helped us to address our funding deficit. We are very grateful to all those who generously continued to fund us during this challenging time. Thank you very much to everyone who supported The Source and BikeStart. We really appreciate your support.

A HUGE THANK YOU TO ALL OUR INCREDIBLE SUPPORTERS

Your generosity means so much to us and the Young People we support and empower

Thank you to everyone who has supported our work by donating. We very much appreciate your transformational support. Thank you to everyone who supported BikeStart through donating an old bike, purchasing a bike, booking bike maintenance training or by getting your bike repaired or serviced.

Thank you to the local churches, businesses and societies who have donated funds and in kind support in 2019/2020 including: Acrobat Vehicle Rental Limited, Aldershot Town Football Club, Grainger plc, Holy Trinity Church - Aldershot, Morrisons plc, Muller UK, NatWest Bank - Aldershot Branch, Park Church - Aldershot, Picnic and Pop Family Festival, The Rotary Club of Aldershot, The Rotary Club of Farnborough, Rushmoor Community Lottery and St Peter's Church - Farnborough.

Thank You to: BBC Children in Need, The Blgrave Trust, The Broadhurst Trust, Chapman Charitable Trust, The Emma Campbell Trust, Hampshire County Council, Hampshire and Isle of Wight Community Foundation - iWILL Fund, The Henry Smith Charity, John and Freda Coleman Charitable Trust, Lloyds Bank Foundation, The Police Crime Commissioner for Hampshire Safer Communities Fund, The Prince of Wales's Charitable Fund, The Slater Foundation Limited, for supporting our work through your grant programmes.

The Source Young People's Charity

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2020

Feedback we have received from Young People includes:

"I can finally understand what it is I'm feeling."

"The hardest thing I have ever done was to sign up and get help. I'm glad I did. My life is finally turning around."

"It's nice to speak to someone that understands what I am going through."

"You guys are awesome! I feel like I am really going somewhere."

"My life is not together yet, but I'm realising that getting help is okay, and that it is good."

Feedback we have received from our Mentors about their Volunteering Experiences includes:

"I have had two Mentees and they could not have been more different! I loved seeing how they matured and grew as people, overcoming some super tough stuff in their lives and learning to manage their emotions in healthier ways. That is not to say that individual sessions didn't sometimes feel tricky, as they would tell me things about their lives that were really sad. Through their Mentoring Programmes they both grew in confidence, were more thoughtful, and better able to make friends, and to think that I played a role in that is really cool! Equally the support I received from The Source was excellent throughout and helped me to learn more about myself too."

"My Mentoring experiences at BikeStart have mostly been with Young People with learning difficulties or mental health issues. Through our work together, the Young People discovered a willingness to enhance their existing skills and to develop new skills. For each Young Person, the pace at which this took place was dictated by them. I focused on building their confidence through encouragement and genuine praise for a job well done. The Young People valued being part of a team, the social interactions and building communication skills. I saw the Young People increase their self-esteem because their contribution was valued. Mentoring is not without its disappointments when, for whatever reason, someone drops out. However, that is greatly offset because, as a Mentor, job satisfaction is measured sometimes by the small positive steps taken that possibly for the Mentee are giant steps."

The Source Young People's Charity

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2020

Some of the Journeys of Young People who completed their Personalised Programmes in 2019/2020

(the young people's names have been changed)

Aaron (aged 19)

Aaron has autism, depression and was not in education, employment, or training. Through his Personalised Programme Aaron built his self-confidence, he has started a job and his mood improved. Aaron said, *"I now feel more able to cope when things go wrong."*

Betsy (aged 19)

Betsy has autistic traits and was struggling at College. Through her Personalised Programme, Betsy was supported and empowered to become more involved in social activities at college and build her self-awareness. Betsy no longer has angry outbursts and is enjoying college. Betsy said, *"I am feeling so much more confident."*

Chris (aged 19)

Chris was a Young Carer and was at risk of losing his job due to his angry outbursts. Through his Personalised Programme, we supported and empowered Chris to learn techniques to manage his emotions, to build his self-esteem and identity and to improve his relationships with his parents. After a few months off, Chris went back to work part time, he felt a lot more confident, less angry and his mood has improved. Chris said *"I really appreciate being able to explore my issues. I feel more positive and now understand who I am and my strengths."*

Daisy (aged 20)

Daisy has autistic traits and was feeling very angry. Through her Personalised Programme, Daisy was supported and empowered to explore her interests and develop her social skills. Daisy said. *"I feel a lot happier and have made new friends"*.

Emily (aged 20)

Emily was taking a lot of time off work due to stress. Through her Personalised Programme Emily built her self-esteem and self-confidence. Emily is no longer taking time off work and has a more appropriate friendship circle including new friends she made at work. Emily said, *"I feel so much more relaxed."*

The Source Young People's Charity

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2020

Fleur (aged 21)

Fleur was struggling to keep her job due to her anger and alcohol issues. Through her Personalised Programme Fleur is no longer feeling anxious, she has kept her job and accommodation, has abstained from alcohol, and now regularly attends AA.

Geeta (aged 22)

Geeta had been in a domestically abusive relationship and was struggling with depression. Through her Personalised Programme Geeta is no longer feeling anxious, or depressed and has good boundaries with her ex-partner.

Geeta said, *"It's great to have people who can help me."*

Hari (aged 24)

Hari had recently been released from prison and was struggling with moving back in with his Dad and working for his brother. Through his Personalised Programme, we supported and empowered Hari to improve his relationships with his Dad and Brother so he was able to keep his accommodation and job.

Isobel (aged 15)

Isobel was constantly getting exclusions from school for aggressive and disruptive behaviour. Through her Personalised Programme, we supported and empowered Isobel to think about what she really wanted for herself and how she was going to get it. Isobel is no longer getting exclusions from school, her relationship with her father has improved and they can now spend some time together at home.

Isobel said, *"I'm so proud of myself."*

Josh (aged 15)

Josh was at risk of being excluded from his school due to his aggressive behaviour. We supported and empowered Josh to embed anger management techniques. Josh is no longer at risk of exclusion and he has developed a healthier lifestyle that allows him to be a teenager and have friends and hobbies.

Josh said, *"I feel like a completely new person."*

Kabi (aged 24)

Kabi was living in unsuitable overcrowded accommodation due to his aggressive behaviour preventing him from maintaining a tenancy in rented accommodation. Through his Personalised Programme, Kabi has stabilised his life, he has been in work for over 6 months and is now stably living in rented accommodation.

Kabi said, *"You helped me make the changes I have always known I need to make."*

The Source Young People's Charity

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 March 2020

Financial Review

At the end of the year, the financial results include donations, grants and legacy income amounting to £140,463 (2019: £181,220), of which £50,881 (2019: £93,471) was restricted income. Activities for generating income, which consists of income from Bike Start, counselling services and other income amounted to £28,222 (2019: £22,808). This resulted in total income for the year amounting to £168,904 (2019: £204,028).

The total resources expended were kept under tight control and amounted to £174,425 (2019: £201,511). The overall excess of expenditure of income for the year amounted to £5,944 (2018: surplus of £2,517).

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 12 October 2020 and signed on behalf of the board of trustees by:



Dr J Johnston
Chair and Trustee

The Source Young People's Charity

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of The Source Young People's Charity

Year ended 31 March 2020

I report to the trustees on my examination of the financial statements of The Source Young People's Charity ('the charity') for the year ended 31 March 2020.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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



Thomas McManners BSC ACA ACMI
Independent Examiner

269 Farnborough Road
Farnborough
Hampshire
GU14 5NW

12 October 2020

The Source Young People's Charity

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2020

| | | 2020 | 2019 | | |
|---|------|-------------------------|-----------------------|------------------|------------------|
| | Note | Unrestricted funds £ | Restricted funds £ | Total funds £ | Total funds £ |
| Income and endowments | | | | | |
| Donations and legacies | 5 | 89,582 | 50,881 | 140,463 | 181,220 |
| Charitable activities | 6 | 28,222 | – | 28,222 | 22,355 |
| Other trading activities | 7 | 219 | – | 219 | 453 |
| Total income | | <u>118,023</u> | <u>50,881</u> | <u>168,904</u> | <u>204,028</u> |
| Expenditure | | | | | |
| Expenditure on raising funds: | | | | | |
| Costs of raising donations and legacies | 8 | 423 | – | 423 | 451 |
| Expenditure on charitable activities | 9,10 | 123,544 | 50,881 | 174,425 | 201,060 |
| Total expenditure | | <u>123,967</u> | <u>50,881</u> | <u>174,848</u> | <u>201,511</u> |
| Net (expenditure)/income and net movement in funds | | <u>(5,944)</u> | <u>–</u> | <u>(5,944)</u> | <u>2,517</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 43,844 | – | 43,844 | 41,327 |
| Total funds carried forward | | <u>37,900</u> | <u>–</u> | <u>37,900</u> | <u>43,844</u> |

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 22 form part of these financial statements.

The Source Young People's Charity

Company Limited by Guarantee

Statement of Financial Position

31 March 2020

| | Note | 2020 £ | 2019 £ |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Tangible fixed assets | 14 | 434 | 434 |
| Current assets | | | |
| Stocks | 15 | 210 | 406 |
| Debtors | 16 | 1,000 | 4,384 |
| Cash at bank and in hand | | 72,169 | 44,408 |
| | | <u>73,379</u> | <u>49,198</u> |
| Creditors: amounts falling due within one year | 17 | <u>35,913</u> | <u>5,788</u> |
| Net current assets | | <u>37,466</u> | <u>43,410</u> |
| Total assets less current liabilities | | <u>37,900</u> | <u>43,844</u> |
| Net assets | | <u>37,900</u> | <u>43,844</u> |
| Funds of the charity | | | |
| Unrestricted funds | | <u>37,900</u> | <u>43,844</u> |
| Total charity funds | 19 | <u>37,900</u> | <u>43,844</u> |

For the year ending 31 March 2020 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the board of trustees and authorised for issue on 12 October 2020, and are signed on behalf of the board by:



Dr J Johnston
Trustee

The notes on pages 13 to 22 form part of these financial statements.

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2020

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 2nd Floor Imperial House, 2 Grosvenor Road (entrance on Barrack Road), Aldershot, GU11 1DP, Hampshire.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements consist of the level of income relating to the year, but not yet received to be shown in the accounts (including but not limited to Gift Aid receipts). The management have also considered the required accruals and prepayments for expenditure which are required so the account show a true and fair view.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The Company is Limited by Guarantee and is a Charity registered with the Charity Commission number 1112691. The Charity does not have a Share Capital, and has no income subject to Corporation tax.

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

5. Donations and legacies

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|-------------------------------------|----------------------------|--------------------------|--------------------------|
| Donations | | | |
| Churches and Organisations | 6,352 | – | 6,352 |
| Gifts from individuals | 28,415 | 180 | 28,595 |
| Grants | | | |
| Grants received | 48,820 | 50,701 | 99,521 |
| Other donations and legacies | | | |
| Gift aid recoverable | 5,995 | – | 5,995 |
| | <u>89,582</u> | <u>50,881</u> | <u>140,463</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
|-------------------------------------|----------------------------|--------------------------|--------------------------|
| Donations | | | |
| Churches and Organisations | 9,288 | 600 | 9,888 |
| Gifts from individuals | 16,753 | 180 | 16,933 |
| Grants | | | |
| Grants received | 54,054 | 93,691 | 147,745 |
| Other donations and legacies | | | |
| Gift aid recoverable | 6,654 | – | 6,654 |
| | <u>87,749</u> | <u>93,471</u> | <u>181,220</u> |

6. Charitable activities

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|----------------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| BikeStart | 27,560 | 27,560 | 21,920 | 21,920 |
| Training income | 508 | 508 | 384 | 384 |
| Income from other services | 154 | 154 | 51 | 51 |
| | <u>28,222</u> | <u>28,222</u> | <u>22,355</u> | <u>22,355</u> |

7. Other trading activities

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|--------------------|----------------------------|--------------------------|----------------------------|--------------------------|
| Fundraising events | 219 | 219 | 453 | 453 |

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

8. Costs of raising donations and legacies

| | Unrestricted Funds £ | Total Funds 2020 £ | Unrestricted Funds £ | Total Funds 2019 £ |
|---|----------------------------|-----------------------------------|----------------------------|--------------------------|
| Costs of raising donations and legacies | 423 | 423 | 451 | 451 |

9. Expenditure on charitable activities by fund type

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|--------------------------------------|----------------------------|--------------------------|-----------------------------------|
| BikeStart | 8,185 | - | 8,185 |
| IT support | 4,137 | - | 4,137 |
| Printing, postage and stationery | 2,340 | 654 | 2,994 |
| Project and activities | 11,482 | 1,665 | 13,147 |
| Rent and rates | 13,605 | - | 13,605 |
| Repairs and maintenance | 6,211 | - | 6,211 |
| Salaries, tax and national insurance | 62,730 | 44,556 | 107,286 |
| Sundry expenses | 2,616 | 69 | 2,685 |
| Training costs | 556 | 2,499 | 3,055 |
| Travel and subsistence | 3,259 | - | 3,259 |
| Utility costs | 912 | - | 912 |
| Support costs | 5,511 | 1,438 | 6,949 |
| | <u>123,544</u> | <u>50,881</u> | <u>174,425</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
|--------------------------------------|----------------------------|--------------------------|--------------------------|
| BikeStart | 6,848 | - | 6,848 |
| IT support | 3,214 | - | 3,214 |
| Printing, postage and stationery | 2,137 | 851 | 2,988 |
| Project and activities | 9,912 | 2,266 | 12,178 |
| Rent and rates | 22,261 | - | 22,261 |
| Repairs and maintenance | 9,355 | - | 9,355 |
| Salaries, tax and national insurance | 42,921 | 88,675 | 131,596 |
| Sundry expenses | 601 | 235 | 836 |
| Training costs | 304 | - | 304 |
| Travel and subsistence | 1,092 | 1,019 | 2,111 |
| Utility costs | 2,771 | - | 2,771 |
| Support costs | 6,173 | 425 | 6,598 |
| | <u>107,589</u> | <u>93,471</u> | <u>201,060</u> |

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

10. Expenditure on charitable activities by activity type

| | Activities undertaken directly £ | Support costs £ | Total funds 2020 £ | Total fund 2019 £ |
|---------------------|---|--------------------|--------------------------|-------------------------|
| Charitable activity | 167,474 | – | 167,474 | 194,728 |
| Governance costs | – | 6,951 | 6,951 | 6,332 |
| | <u>167,474</u> | <u>6,951</u> | <u>174,425</u> | <u>201,060</u> |

11. Independent examination fees

| | 2020 £ | 2019 £ |
|--|--------------|-----------|
| Fees payable to the independent examiner for: Independent examination of the financial statements | <u>1,800</u> | <u>–</u> |

12. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

| | 2020 £ | 2019 £ |
|--------------------|----------------|----------------|
| Wages and salaries | <u>107,286</u> | <u>134,728</u> |

The average head count of employees during the year was 4 (2019: 4). The average number of full-time equivalent employees during the year is analysed as follows:

| | 2020 No. | 2019 No. |
|-------------------------------------|-------------|-------------|
| Staff in direct charitable activity | <u>4</u> | <u>4</u> |

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

13. Trustee remuneration and expenses

No trustees received remuneration in the year. During the year £800 was paid to a trustee for repair work done within the office.

14. Tangible fixed assets

| | Plant and machinery £ |
|-----------------------------------|-----------------------------|
| Cost | |
| At 1 April 2019 and 31 March 2020 | <u>26,892</u> |
| Depreciation | |
| At 1 April 2019 and 31 March 2020 | <u>26,458</u> |
| Carrying amount | |
| At 31 March 2020 | <u>434</u> |
| At 31 March 2019 | <u>434</u> |

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

15. Stocks

| | 2020 | 2019 |
|-------------------------------|-------------|------|
| | £ | £ |
| Raw materials and consumables | 210 | 406 |

16. Debtors

| | 2020 | 2019 |
|---------------|-------------|-------|
| | £ | £ |
| Other debtors | 1,000 | 4,384 |

17. Creditors: amounts falling due within one year

| | 2020 | 2019 |
|---------------------------------|---------------|--------------|
| | £ | £ |
| Accruals and deferred income | 29,212 | 5,764 |
| Social security and other taxes | – | 24 |
| Other creditors | 6,701 | – |
| | <u>35,913</u> | <u>5,788</u> |

18. Deferred income

| | 2020 | 2019 |
|--|---------------|--------------|
| | £ | £ |
| At 1 April 2019 | 4,000 | 16,950 |
| Released to profit and loss for the year | (4,000) | (16,950) |
| Amount deferred in year | 25,472 | 4,000 |
| At 31 March 2020 | <u>25,472</u> | <u>4,000</u> |

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

19. Analysis of charitable funds

Unrestricted funds

| | At 1 April 2019 £ | Income £ | Expenditure £ | At 31 March 2020 £ |
|---------------|-------------------------|-------------|------------------|--------------------------|
| General funds | 43,844 | 118,023 | (123,967) | 37,900 |

| | At 1 April 2018 £ | Income £ | Expenditure £ | At 31 March 2019 £ |
|---------------|-------------------------|-------------|------------------|--------------------------|
| General funds | 41,327 | 110,557 | (108,040) | 43,844 |

Restricted funds

| | At 1 April 2019 £ | Income £ | Expenditure £ | At 31 March 2020 £ |
|---------------------------|-------------------------|---------------|------------------|--------------------------|
| Anger Management | - | 27,201 | (27,201) | - |
| Mentoring/ Life coaching | - | 21,500 | (21,500) | - |
| Support for young parents | - | 2,180 | (2,180) | - |
| | <u>-</u> | <u>50,881</u> | <u>(50,881)</u> | <u>-</u> |

| | At 1 April 2018 £ | Income £ | Expenditure £ | At 31 March 2019 £ |
|---------------------------|-------------------------|-----------------|------------------|--------------------------|
| Anger Management | - | 48,491 | (48,491) | - |
| Counselling | - | 8,600 | (8,600) | - |
| Mentoring/ Life coaching | - | 35,200 | (35,200) | - |
| Support for young parents | - | 1,180 | (1,180) | - |
| | <u>-</u> | <u>(93,471)</u> | <u>(93,471)</u> | <u>-</u> |

The Source Young People's Charity

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

20. Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2020 £ |
|----------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 434 | – | 434 |
| Current assets | 63,428 | 9,951 | 73,379 |
| Creditors less than 1 year | (25,962) | (9,951) | (35,913) |
| Net assets | <u>37,900</u> | <u>–</u> | <u>37,900</u> |

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds 2019 £ |
|----------------------------|----------------------------|--------------------------|--------------------------|
| Tangible fixed assets | 434 | – | 434 |
| Current assets | 45,198 | 4,000 | 49,198 |
| Creditors less than 1 year | (1,788) | (4,000) | (5,788) |
| Net assets | <u>43,844</u> | <u>–</u> | <u>43,844</u> |

21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| Financial assets measured at fair value through income and expenditure | | |
| Financial assets measured at fair value through income and expenditure | <u>72,169</u> | <u>44,408</u> |