

REGISTERED CHARITY NUMBER 302398

COMPANY NUMBER 00399872

HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st AUGUST 2017

HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

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FOR THE YEAR ENDED

31st AUGUST 2017

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LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS	MR. P. A. T. KELLY MR. J. J. HILL MR. A. P. DOGGETT MR. A. J. HARDY MR. S. J. WILSON MRS. E. A. WILLOUGHBY MR. D. R. MCINTOSH MR. T. C. STALKARTT MR. I. R. HANKIN MISS. L. EVANS MRS. C. SKEELS MR. M. EMMERSON MRS. S. BROWN MRS. J. MORGAN MRS. A. J. MILLS MR. G. EDWARDS
HONORARY SECRETARY	MR. A. P. DOGGETT
HONORARY TREASURER	MRS. J. MORGAN
REGISTERED AUDITORS	S. McCOMBIE & CO. FIRST FLOOR OFFICES 99, BANCROFT, HITCHIN, HERTFORDSHIRE. SG5 1NQ.
INVESTMENT MANAGERS	UBS AG 1 FINSBURY AVENUE LONDON. EC2M 2AN.
BANKERS	BARCLAYS BANK PLC 5/6, HIGH STREET, HITCHIN, HERTFORDSHIRE. SG5 1BJ.
REGISTERED OFFICE	LAMBOURNE HOUSE, 111, WALSWORTH ROAD, HITCHIN, HERTFORDSHIRE. SG4 9SP.
COMPANY NUMBER	00399872
REGISTERED CHARITY NUMBER	302398

HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

DIRECTORS' REPORT

The Directors submit their Report and Financial Statements for the year ended 31st August 2017.

Chair's Report

The Trust is in a strong position and continues to support beneficiaries in the local area both financially and by providing space at no charge for a number of youth organisations to operate and hold training sessions, activities and committee meetings.

We are very fortunate to have a strong board of Directors with a variety of skills required to run the Trust. I would like to take this opportunity to thank all of the Directors for their hard work during the year to make it possible for us to continue the work that we do.

Further efforts have been made to build links with schools and local organisations and the use of our upstairs meeting room has helped us network with different groups and build relationships with them to promote the work that we do. In addition to the use of the building the Directors have attended events in the area where it has been possible to give information about the Trust as well as learning more about the organisations that we support.

Objectives and Activities

The Trust objectives are to:

- Further youth activities in Hitchin and District (the former Hitchin Urban and Rural District Councils), and to provide and maintain the facilities made available for youth organisations at 111, Walsworth Road, Hitchin, Hertfordshire.
- Ensure all activities are carried out within an appropriate legal, financial and administrative framework.
- To provide appropriate resources for youth groups.
- Ensure that resources of the Trust are managed and maintained providently.
- Maintain strategic investment plans in accordance with appropriate advice.

This is achieved by utilising the investment returns to provide grants to eligible organisations and individuals and to provide facilities for appropriate groups.

Structure, Governance and Management

Governing Document

The company is a company limited by guarantee incorporated on 29th October 1945 (Company Number: 00399872, Registered Office: Lambourne House, 111 Walsworth Road, Hitchin, Hertfordshire, SG4 9SP) and registered as a charity on 29th July 1963 (Charity Number: 302398, Principal Office: Lambourne House, 111 Walsworth Road, Hitchin, Hertfordshire, SG4 9SP). It is governed by its Memorandum and Articles of Association.

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DIRECTORS' REPORT CONTINUED.....

The Directors follow the six principles of good governance as set out in the Good Governance Code for the Voluntary and Community Sector (2010 Edition).

Public Benefit

The directors have paid due regard to the Charity Commissioners Public Benefit Guidance and complied with Section 17 of the Charities Act 2011 in exercising their powers and duties, and have sought to demonstrate that the Trust continues to provide identifiable benefits to young people under the age of 26 as individuals or as part of a group, or adults requiring training for working with youth groups which relate directly to its objectives.

The benefits are publicly available to all who qualify. All applications are subject to due process and consideration without discrimination.

Organisational Structure

The Trust has a board of directors (Main Council) and has continued its established practice of meeting 10-12 times per annum. The Directors are responsible for the objectives and activities of the Trust.

The directors comply with the objects of, and work within the scope of the powers set out in the Memorandum of Association.

At the date of this report there are 16 directors.

The directors are from a variety of backgrounds representing the community, all of whom contribute to the working and management of the Trust.

A structure of committees is in place.

They are supported by an honorary secretary who is responsible for:-

- overseeing and servicing all committees
- ensuring that the offices are administered efficiently
- ensuring that all appropriate papers are passed to the relevant committee chairperson
- the statutory governance of the Trust

HITCHIN YOUTH TRUST
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DIRECTORS' REPORT CONTINUED.....

The committees are:-

- Main Council composed of all directors, and it is reported to by:-
 - All the committee chairpersons
 - The Honorary Secretary
 - The Honorary Treasurer

- The Main Council is responsible for:-
 - Receiving reports and recommendations from all committees, the Honorary Secretary and Honorary Treasurer, and making decisions on the recommendations received.

- Investment Committee
 - To formulate and agree the investment policy and to monitor it on an ongoing basis.
 - To receive, review and consider the investment portfolio managed by UBS Wealth Management Limited
 - To meet with UBS Wealth Management Limited periodically; typically three times per annum.
 - To report to the Main Council in order that they are aware of the investment strategies of UBS Wealth Management Limited and the performance of the portfolio.

- Fabric Committee
 - To ensure that the premises and grounds from which the company operates and provides facilities for youth groups, are properly maintained and comply with appropriate statutory requirements.
 - Monitoring of facilities.
 - To report to the Main Council of works to be undertaken and subsequently monitor any implemented approved works.

- Membership Committee
 - To ensure that the necessary skills and experience are sustained in recruiting new directors by carrying out regular Skills Audits.
 - To recruit and interview potential directors with a view to recommendations to the Main Council.

- Policies and Procedures Committee
 - To review policies and procedures and to ensure they are up to date and maintained and operating effectively.
 - To ensure that the Trust operates as efficiently as possible and is not at risk from fraud or bad practice.

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DIRECTORS' REPORT CONTINUED.....

- Public Relations Committee
 - To undertake and maintain a programme of awareness of the Trust to organisations and individuals who may qualify for financial or facilities support.

The Main Council is supported by an Honorary Treasurer who is responsible for:-

- Ensuring that the Main Council is provided with monthly financial data.
- Providing a link to the Trust bankers.
- Ensuring that all information is available to the company auditors.

Recruitment and Appointment of Directors

The directors, through the membership committee, seek to ensure that:-

- All proposed directors enhance the committed, diverse body of directors and are able to demonstrate the necessary commitment before being approved and elected.
- When vacancies occur, that new, proposed directors will enhance the appropriate committee.

The Trust continues to update the skills audit and the Membership Committee uses this to look at succession planning for the future. The Trust has a healthy membership with a wide variety of skills and aims to ensure that this remains the case.

No director receives any remuneration for services provided.

Directors Induction and Training

All directors are familiar with the work of the Trust and are encouraged to be involved in the activities on a regular basis.

Any proposed directors are invited to attend directors' meetings and be involved to familiarise themselves with the Trust, the context in which it operates, their duties, commitment required, their legal obligation under charity and company law and the Charity Commission guidance on public benefit, before being finally appointed.

Proposed directors receive briefings of the Trust's achievements, its future plans and their responsibilities.

All existing directors and proposed directors are expected to familiarise themselves with the Charity Commissioners' Guidance CC3 "The Essential Trustee", Companies House document "Life of a Company Part 1, Annual Requirements", the Memorandum and Articles of Association and are issued with a copy of the last financial statements to enhance their understanding of their statutory responsibilities.

All directors have access to training opportunities.

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DIRECTORS' REPORT CONTINUED....

Hitchin Youth Trust has continued with its membership to North Herts Centre for Voluntary Service and is also a member of Pro-Action Herts. This gives the Directors access to training alongside other local Trusts and Charities and access to other voluntary support groups in the area. Membership has provided a network to find out more about other youth organisations in the area. This link has created increased awareness of the Trust in the area and further enquiries about grant applications.

Achievements and Performance

During the year the Trust has continued its established practice of providing financial support for voluntary youth organisations and individuals in Hitchin and District (the former Hitchin Urban and Rural District Councils.)

Grant aid awards paid during the year were:-

Organisational awards	£40,248
Personal grants	£11,957
School trip grants	£5,326
Bursary awards	£3,065

The Trust's accommodation on the ground floor of 111, Walsworth Road, Hitchin, Hertfordshire continued to provide rent free space for youth groups.

In order to be in a position to provide grants and awards the Trust continued to liaise with statutory bodies, other educational charities and voluntary organisations in the area.

The directors use a rolling 10 year maintenance plan established in 2012 to budget for the maintenance of the building and grounds. This plan helps them maximize the use of the building for which it is intended and to keep the building and grounds in good safe order. It also allows for repairs to be carried out if necessary.

During the year the directors approved awards to 18 organisations representing over 1,500 young people and 83 individual awards as well as providing the premises for around 20 youth groups, catering for approximately 275 young people each week.

By awarding grants to individuals and youth organisations, young people in the area are able to take part in a variety of activities and have help that would not otherwise be available to them.

Bursaries were paid to a number of students from families suffering financial hardship. The bursaries paid helped purchase equipment for college courses and contributed towards university expenses. Bursaries were also paid to students towards drama and dance school fees which did not fall into the student loan scheme.

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DIRECTORS' REPORT CONTINUED....

A grant was awarded to a community family group to be used to organise supervised outings and activities to help educate and support families in the area.

A young carers group in the area were able to increase their numbers and support more young carers through a grant that was paid to cover transport to and from their meetings. Costs of a day trip to London for these carers was also met. Young Carers can often be isolated and miss out on fun that most other young people enjoy. Without this funding they would be unable to attend meetings.

During the year grants were awarded to young people to participate in various sporting activities, enabling them to experience and compete in their chosen sport. Some of these young people achieved high standards and awards. Feedback is regularly received from some of the beneficiaries confirming that without help their ambitions and aspirations would not be possible.

Grants were awarded to Hitchin District Scouts for archery equipment, a new activity offered to scouts in the area, and training for the Leaders.

In addition a new scout group in the area was awarded a grant to purchase camping equipment that enabled the scouts to take part in district and group camping activities. Without these grants young scouts would not have been able to take part in these activities.

There has been an increase in demand for help with mental health and wellbeing projects. Financial assistance has been provided to assist projects lead by schools and other organisations to support these vulnerable young people. The help is vital to enable young people to grow and mature into responsible adults and positive members of society.

Financial Review

The financial results for the year on pages 16 and 17 reflect a total net movement in funds of £290,351 which is made up of:-

- £21,900 net income
- £29,285 realised loss on investments
- £297,736 unrealised gains on revaluation of investments.

As at the 31st August 2017 the company had Unrestricted General Funds of £4,901,821.

Principle Sources of Income

Total income for the year decreased by £12,252, from £151,946 to £139,694. This was as a result of a decrease in dividends and fixed interest income.

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DIRECTORS' REPORT CONTINUED....

Principal Items of Expenditure

Total expenditure decreased by £2,466 from £120,260 to £117,794.

The main areas of change have been:-

- An increase in investment managers fees of £3,186.
- A decrease in personal grants and school trip grants of £789
- A decrease in bursaries of £1,751
- A decrease in repairs and maintenance of £3,679
- An increase in staff costs of £1,727
- A decrease in IT support costs of £1,012.

The fees that are paid to UBS Wealth Management Limited investment managers, are off set against commissions and currently remain at 0.5% of average stock value.

Each application for a grant, award, bursary or donation is considered individually and subjected to scrutiny based on the needs and situation of the applicant. The directors are aware that demand could increase dramatically which could put a strain on funds, but there is a structure in place to review policies to make the necessary changes to continue to support local young people.

Overall costs have been carefully controlled and monitored.

The Company building consists of Youth Rooms and a Counselling Room/Office downstairs and a Meeting Room and two offices upstairs. The Trust has healthy bookings for all these facilities.

The Youth Rooms have an average of 275 young people using them each week with bookings of over 60 hours a week during term time. The school holidays also have many days fully booked.

The Office downstairs continues to be used by Home Start Monday to Thursday during the day, but it is also used for speech therapy, counselling and for adhoc meetings for a variety of groups including Herts Young Homeless.

Upstairs one office is used as the Trusts administration office and the second office is used by Up on Downs, a local support group for families with a Down Syndrome child.

The Meeting Room upstairs continues to have an increase in bookings. The room is used by youth organisations for training sessions and committee meetings in the evenings as well as for parent groups. During the daytime there are a variety of users including training sessions for leaders working directly with families with special needs and training sessions for parents. It is also used on a regular basis by Foster Carers for training and support groups

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DIRECTORS' REPORT CONTINUED....

All use of the building is offered rent free. The directors estimate that this has saved the groups using the building approximately £50,100, based upon comparative costs of renting space in community buildings in the area.

Unrealised Gains

The market value of the investment portfolio at 31st August 2017 was £4,759,805 after including net unrealised gains of £297,736.

Investment Policy

The Trust aims to maintain the real value of its investment portfolio as measured by the retail price index over a rolling 10 year period and to provide sufficient income to cover expenses and to provide a gradually growing level of grants.

The directors have retained the services of a professional investment management company, UBS Wealth Management Limited.

Reserves Policy

The directors have agreed that the portfolio should be managed by UBS Wealth Management Limited on a discretionary basis and in accordance with guidelines given to them. UBS Wealth Management Limited manage the funds in a range of investments with a moderate risk attitude. UBS Wealth Management are investing to ensure funds are available in perpetuity to meet the charitable objectives of the Trust and the direct expenditure costs of the Trust.

The Trust's policy of regular Main Council meetings and regular committee meetings means that all aspects of running the Trust are fully reviewed and monitored on an on-going basis.

The Investment Committee receive regular reports and also attend meetings with the Investment Managers in order that the portfolio is carefully monitored. The reports and meetings provide a basis of reviewing results and considering recommendations.

The investment managers work with the Investment Committee on a ten year forecast of capital and income.

The Trust produces an annual budget based on previous experience. The budget breaks down the resources the Trust has freely available for all its charitable purposes. It looks at its commitments, planned expenditure and forecast level of grant applications. The present level of necessary resources are in the region of £120,000 but this is constantly kept under review through the Trust's mechanism of committees and regular reporting.

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DIRECTORS' REPORT CONTINUED....

The Main Council ensures that all applications for grants are fully reviewed and considered before approving or rejecting grants in line with the Trust's main objectives. Liaison between the Investment Committee and the Main Council ensures sufficient funds are available.

The directors continue reviewing returns on assets and investments, in order that these are utilised efficiently and effectively, so that funds are available for the provision of financial assistance for youth groups and youth work throughout the whole catchment area.

During the year under review, the investment portfolio produced a return that was in excess of the resources expended. This was returned to UBS to reinvest and help ensure that the funds are available in the future when market positions are not as strong and when charitable demands and costs may be greater than the income produced.

The Trust continues to circulate information to local youth groups, schools and organisations to ensure leaders and individuals are aware of its existence and objects.

Risk Management

The company has a formal risk management policy and risk register which continues to be used by each committee to manage risk and highlight newly identified risks to the main board at Council Meetings.

Systems and procedures are then promptly established or updated to mitigate risks as they are identified.

The main risk facing the Trust is the possibilities of negligence on the part of professional advisers. The Trust only uses professional advisers or consultants that have adequate indemnity insurance.

Plans for Future Periods

The funds invested are closely managed with the objective of delivering a sustainable level of total returns to the Trust.

In order to maintain its objectives the future plans of the Trust are to:-

- Maintain an appropriate level of membership with the necessary skills, knowledge and experience to ensure the continuity of the Trust and its objectives.
- To continue to work closely with its investment managers to ensure a portfolio is in place to maintain capital and income returns in the long term.
- To continue to build relationships with relevant local organisations and individuals to promote the services and facilities available.
- To continue the rolling 10 year maintenance budget, to ensure facilities are kept to the highest usable standards.

HITCHIN YOUTH TRUST
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DIRECTORS' REPORT CONTINUED....

Directors

The Directors who served during the year were:-

Mr. P. A. T. Kelly - Chairman
Mr. J. J. Hill - President
Mr. A. P. Doggett – Honorary Secretary
Mr. A. J. Hardy – Vice Chairman
Mrs. H. Warne
Mrs. T. P. Ryan – Honorary Treasurer (1st September 2016 – 7th February 2017)
Ms. S. Kirby
Mr. S. J. Wilson – Vice President
Mrs. E. A. Willoughby
Mr. D. R. McIntosh
Mr. T. C. Stalkartt
Mr. I. R. Hankin
Miss. L. Evans
Mrs. C. Skeels
Mr. M. Emmerson
Mrs. S. Brown
Mrs. J. Morgan – Interim Honorary Treasurer (29th March 2017 – 26th April 2017)
Mrs. A. J. Mills
Mr. G. Edwards

Mrs. H. Warne – Resigned on 31st July 2017.
Mrs. S. Kirkby – Resigned on 27th September 2017.
Mrs. T. P. Ryan – Died 7th February 2017

In accordance with the Articles of Association the following retire at the forthcoming Annual General Meeting:-

President:	Mr. J. J. Hill
Vice-President:	Mr. S. J. Wilson
Honorary Secretary:	Mr. A. P. Doggett
Honorary Treasurer:	Mrs. J. Morgan

Mr. J. J. Hill, being eligible, offers himself for re-election as President.
Mr. D. R. McIntosh, being eligible, offers himself for election as Honorary Secretary.
Mrs. J. Morgan, being eligible, offers herself for re-election as Honorary Treasurer.
Mr. S. J. Wilson, being eligible, offers himself for re-election as Vice-President.

All will be voted upon at the forthcoming Annual General Meeting.

Directors' Interests in the shares of the Trust

The Company is a Company limited by guarantee and not having a share capital. The Directors have no interest in the Company other than the extent of the limited guarantee as a member as denoted in the Memorandum of Association of the Company.

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DIRECTORS' REPORT CONTINUED....

Fixed Asset Investments

The fixed asset investments are managed by UBS Wealth Management Limited. The portfolio reflected the following changes during the year:-

Additions	£2,221,164
Disposals	£2,226,644

In accordance with the Statement of Recommended Practice "Accounting by Charities" the fixed asset investments are included in the balance sheet at market values at 31st August and any net unrealised gains or losses are included in the Statement of Financial Activities.

Market Value of Land and Buildings

The freehold land and buildings owned by the company at 111, Walsworth Road, Hitchin, Hertfordshire were professionally valued on 7th November 2017 at £700,000. The book value is £121,429.

Insurance

The Company maintains insurance in respect of the Directors regarding their duties on behalf of the Company.

Directors' Responsibilities

The Directors are responsible for preparing the directors' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors 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 company and of the incoming resources and application of resources, including the net income or expenditure of the company for the year.

In preparing those financial statements, the directors are required to:-

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK accounting standards have been followed subject to any material departures disclosed and explained in the financial statement.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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DIRECTORS' REPORT CONTINUED....

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the information included on the company's website. The Annual Report is available on the website which includes financial information about the Trust and has been approved by all Directors at the Annual General Meeting.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as each of the directors are aware, at the date of approval of this report:

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

Signed on behalf of the Board of Directors



Mr. P. A. T. Kelly - Chairman
Approved by the Board on 25th April 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HITCHIN YOUTH TRUST**
(A Company limited by guarantee and not having a Share Capital)

Opinion

We have audited the financial statements of Hitchin Youth Trust for the year ended 31st August 2017 which comprise the Statement of Financial Activities which incorporates the Income and Expenditure Account, the Balance Sheet and the notes to the financial statements including a summary of the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standards applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based upon the work undertaken in the course of the audit:-

- the information given in the directors report for the financial year for which the financial statements are prepared is consistent with the financial statements and
- the directors report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept for our audit; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirements to prepare a strategic report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HITCHIN YOUTH TRUST**
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Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities set out in the directors report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. This description forms part of our auditor's report.



GIOVANNI PENASA FCA (Senior Statutory Auditor)

For and on behalf of

S. McCOMBIE & Co.

Chartered Accountants & Statutory Auditors

First Floor Offices,

99, Bancroft,

Hitchin,

Hertfordshire.

SG5 1NQ.

Dated: 25th April 2018

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STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 31st AUGUST 2017

	<u>Note</u>	<u>Unrestricted Funds</u> £	<u>Total 2017</u> £	<u>Total 2016</u> £
Income	4			
Dividend income		134,536	134,536	139,979
Fixed interest securities income		5,019	5,019	11,826
Property distributions		-	-	-
Interest receivable		114	114	141
Donations		25	25	-
Total Income		<u>139,694</u>	<u>139,694</u>	<u>151,946</u>
Expenditure	5			
Cost of raising funds				
Investment management costs		15,384	15,384	12,030
Expenditure on charitable activities				
Charitable activities		<u>102,410</u>	<u>102,410</u>	<u>108,230</u>
Total Expenditure		<u>117,794</u>	<u>117,794</u>	<u>120,260</u>
Net Income before gains / (losses)				
Carried Forward		<u>£21,900</u>	<u>21,900</u>	<u>31,686</u>

HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

STATEMENT OF FINANCIAL ACTIVITIES CONTINUED.....
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31st AUGUST 2017

	<u>Note</u>	<u>Unrestricted Funds</u> £	<u>Total 2017</u> £	<u>Total 2016</u> £
Net income before gains/(losses) brought forward		21,900	21,900	31,686
Other recognised gains/(losses)				
(Losses)/Gains on disposal of investments		(29,285)	(29,285)	2,597
Gains on revaluation of investments		<u>297,736</u>	<u>297,736</u>	<u>446,779</u>
Net Movement in Funds		290,351	290,351	481,062
Reconciliation of funds				
Total funds brought forward		<u>4,733,051</u>	<u>4,733,051</u>	<u>4,251,989</u>
Total funds carried forward		<u>£5,023,402</u>	<u>5,023,402</u>	<u>4,733,051</u>

The statement of financial activities incorporates the income and expenditure account.

The statement of financial activities includes all gains and losses in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 20 to 28 form part of the financial statements.

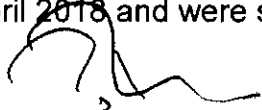
HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

BALANCE SHEET AS AT 31st AUGUST 2017

Fixed Assets	<u>NOTE</u>	<u>2017</u> £	<u>2016</u> £
Tangible Assets	6	121,581	121,656
Investments	7	<u>4,759,805</u>	<u>4,467,549</u>
		<u>4,881,386</u>	<u>4,589,205</u>
 Current Assets			
Debtors	8	2,528	7,172
Cash at Bank and in Hand	9	<u>151,057</u>	<u>145,514</u>
		<u>153,585</u>	<u>152,686</u>
 Current Liabilities			
Creditors falling due within one year	10	<u>11,569</u>	<u>8,840</u>
 Net Current Assets		<u>142,016</u>	<u>143,846</u>
 Net Assets		<u>£5,023,402</u>	<u>£4,733,051</u>
 The Funds of the Charity			
Unrestricted funds	14/15	<u>£5,023,402</u>	<u>£4,733,051</u>

STATEMENTS BY THE DIRECTORS

The Financial Statements were approved by the Board of Directors on 25th April 2018 and were signed on its behalf by



Mr. P. A. T. Kelly - Chairman

The Notes on pages 20 to 28 form part of these Financial Statements.

HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st AUGUST 2017

1. GENERAL INFORMATION

Hitchin Youth Trust is a company limited by guarantee and not having a share capital. The company is registered in England and Wales, registered number 00399872. The address of the registered office is Lambourne House, 111 Walsworth Road, Hitchin, Hertfordshire, SG4 9SP.

It is a registered charity, registered number 302398 and, as such, is not liable for corporation tax on its investment income, nor on other income derived from carrying out the charitable objectives of the Company, and applied for that purpose.

2. STATEMENT OF COMPLIANCE

The Financial Statements of the company, which is a public benefit entity under FRS102, have been prepared in accordance the Charities SORP (FRS 102) '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 1st January 2016)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

3. BASIS OF PREPARATION

The directors consider there are no material uncertainties about the company's ability to continue as a going concern. The review of the financial position, reserves levels and future plans gives directors confidence that the Trust remains a going concern for the foreseeable future.

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market values.

The financial statements are prepared in pounds sterling, which is also the functional currency of the company.

Monetary amounts are rounded to the nearest pound.

4. ACCOUNTING POLICIES

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st AUGUST 2017

Income Recognition

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Investment income represents income from listed investments and interest from monies on deposit.

Provision is made for income tax recoverable.

Expenditure Recognition

Expenditure is accounted for on an accruals basis with the exception of grant making expenditure and is recognised when there is a legal or constructive obligation to make payment to a third party.

- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.
- Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.
- Costs of raising funds comprise the costs associated with investment income.
- Charitable expenditure comprises those costs incurred by the company in delivering its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Grant making expenditure is based upon Main Council approval as appropriate to groups, organisations and individuals under the age of 26 and is accounted for on a paid basis.

Fixed Assets

Fixed assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Freehold land is not depreciated. The freehold building is maintained, as a matter of policy, by a programme of repair such that the residual value of the property taken as a whole is at least equal to the book value. Having regard to this it is the opinion of the Directors that depreciation of any such property as required by the Companies Act 2006 and the accounting standards would be insignificant. Any permanent diminution in value of such property would be charged to the Statement of Financial Activities as appropriate.

Furniture, fixtures and equipment has been depreciated at the rate of 20% per annum on a straight line basis and has been charged against the Capital Expenditure Fund.

HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st AUGUST 2017

4. ACCOUNTING POLICIES Continued....

Impairment of fixed assets

At each reporting date, the company reviews the carrying amount of its fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

Investments

The investments are managed on behalf of the company by UBS Wealth Management Limited.

Investments are included at market values at the Balance Sheet date. For listed investments market value is as supplied by UBS Wealth Management Limited. Gains and losses arising on disposals are recognised in the Statement of Financial Activities. Unrealised gains and losses, upon restating investments to market values at the balance sheet date, are recognised in the Statement of Financial Activities.

Creditors and Provisions

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

Value Added Tax

The Company does not provide services which fall within the scope of the Value Added Tax Regulations and is therefore unable to reclaim input tax. Value Added Tax incurred on expenditure is included as a cost of that expenditure.

Income Tax

Income Tax recoverable on investment income is included as part of investment income.

Fund Accounting

The Company's funds which are all unrestricted are available for use at the Directors' discretion. The Capital Expenditure Fund represents monies used for the acquisition of tangible fixed assets. The General Fund represents funds available for use in the pursuance of the objectives of the Company.

HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st AUGUST 2017

4. ACCOUNTING POLICIES Continued....

Financial instruments

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

<u>5. INVESTMENT INCOME</u>	<u>2017</u>	<u>2016</u>
	£	£
Equities - Dividends	134,536	139,979
Fixed Interest Securities - Interest	5,019	11,826
Property Distributions	-	-
Interest receivable	97	131
Other interest receivable	17	10
Donations	25	-
	<u>£139,694</u>	<u>£151,946</u>

HITCHIN YOUTH TRUST

**(A Company limited by guarantee and not having a Share Capital)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2017**

6. TOTAL EXPENDITURE

	Basis of Allocation	Cost of Investment Income	Charitable Activities		2017	2016
			Bursaries & Donations	In house Youth Groups		
Costs of raising funds	direct					
Investment manager's total fees		26,142				17,077
Met by commissions paid		12,970				7,091
Balance of fees paid		13,172				9,986
Expenditure on Charitable Activities					13,172	
Grants, awards, bursaries, donations	direct					
Organisational awards		-	40,248		40,248	40,215
Personal grants		-	11,957		11,957	12,029
School trip grants		-	5,326		5,326	6,043
Bursaries		-	3,065		3,065	4,816
Staff Costs	time	637	9,684	2,421	12,742	11,015
Communications	usage					
Telephone		-	630	259	889	1,283
Printing, postage and stationery		-	1,178	108	1,286	1,517
Website & PR		-	35	12	47	125
Photocopying		-	-	464	464	238
Premises costs	area/usage					
Rent		-	518	518	1,036	1,036
Rates		-	475	2,149	2,624	2,259
Repairs and maintenance to premises		-	560	5,451	6,011	8,741
Professional fees		-	-	-	-	-
Ground maintenance		-	-	3,864	3,864	4,813
Light and heat		-	642	1,302	1,944	2,028
Cleaning		-	1,538	4,400	5,938	5,887
IT support		-	742	112	854	1,866
Insurance		-	775	776	1,551	1,421
Travelling		-	-	-	-	(23)
Sundry costs		-	(359)	147	(212)	153
Training		-	-	-	-	-
Bank charges		-	413	-	413	450
Depreciation		-	75	-	75	162
Governance						
Audit and accountancy	usage					
		1,575	2,025	900	4,500	4,200
		£15,384	79,527	22,883	117,794	120,260

HITCHIN YOUTH TRUST

(A Company limited by guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st AUGUST 2017

6. TOTAL EXPENDITURE Continued....

Included in the above	<u>2017</u> £	<u>2016</u> £
(a) Depreciation, owned assets	£75	£162
Auditor's remuneration	£1,500	£1,400
Accountancy fees	<u>£3,000</u>	<u>£2,800</u>
 (b) Staff costs		
Salaries	12,742	11,015
Social Security costs	-	-
	<u>£12,742</u>	<u>£11,015</u>
 The average weekly number of employees, calculated on a full-time equivalent basis were	<u>1</u>	<u>1</u>

The directors of the company provide their services voluntarily and are not included in the above analysis.

(c) Insurance

The Company maintains insurance in respect of the directors regarding their duties on behalf of the Company. The cost of the professional indemnity insurance was £110 (2016 - £106)

(d) Directors' Expenses

The following expenses, incurred in providing services to the company, were reimbursed to directors:-

	<u>2017</u>	<u>2016</u>
Travelling	<u>£-</u>	<u>£(23)</u>

HITCHIN YOUTH TRUST

(A Company limited by guarantee and not having a Share Capital)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st AUGUST 2017**

<u>7. TANGIBLE FIXED ASSETS</u>	<u>Total</u>	<u>Freehold Land & Building</u>	<u>Furniture Fixtures & Equipment</u>
	£	£	£
<u>Cost</u>			
At 1 st September 2016	136,957	121,429	15,528
At 31 st August 2017	<u>136,957</u>	<u>121,429</u>	<u>15,528</u>
<u>Depreciation</u>			
At 1 st September 2016	15,301	-	15,301
Provided during the year	75	-	75
At 31 st August 2017	<u>15,376</u>	<u>-</u>	<u>15,376</u>
<u>Net Book Value at 31st August 2016</u>	<u>£121,656</u>	<u>121,429</u>	<u>227</u>
<u>Net Book Value at 31st August 2017</u>	<u>£121,581</u>	<u>121,429</u>	<u>152</u>

In the opinion of the directors it is not practicable to value the land separately.
The net book value of freehold land and building comprises:

	<u>2017</u>	<u>2016</u>
	£	£
Original value of gift - 1945	3,500	3,500
Improvements	<u>117,929</u>	<u>117,929</u>
	<u>£121,429</u>	<u>£121,429</u>

<u>8. FIXED ASSET INVESTMENTS</u>	<u>2017</u>	<u>2016</u>
	£	£
Listed Investments		
Listed on a recognised Stock Exchange		
Market values 1 st September	4,467,549	4,033,827
Additions at cost	2,221,164	1,276,256
Disposals at carrying value	(2,226,644)	(1,289,313)
Net unrealised investment gains	<u>297,736</u>	<u>446,779</u>
<u>Market Values 31st August</u>	<u>£4,759,805</u>	<u>£4,467,549</u>

The listed investments are split as		
Bond investments	686,856	834,255
Equity investments	3,262,828	3,272,101
Real estate investments	240,598	236,474
Money Market	45,353	124,719
Alternative Investments	<u>524,170</u>	<u>-</u>
	<u>£4,759,805</u>	<u>£4,467,549</u>
<u>Historical cost at 31st August</u>	<u>£3,956,965</u>	<u>£3,756,598</u>

The market valuations were supplied by UBS Wealth Management Limited and are considered to be the readily available market prices at 31st August.

HITCHIN YOUTH TRUST

(A Company limited by guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st AUGUST 2017

	<u>2017</u>	<u>2016</u>
	£	£
9. <u>DEBTORS</u>		
Other Debtors	464	4,099
Prepayments	2,064	2,106
Accrued Income	-	967
	<u>£2,528</u>	<u>£7,172</u>
10. <u>CASH AT BANK AND IN HAND</u>		
Bank Current Account	5,000	5,000
Bank Deposit Account	21,581	43,208
Investment Managers' Capital Account	94,428	69,247
Investment Managers' Income Account	7,059	5,396
Investment Managers' Capital Account US\$	22,985	22,525
Petty Cash	4	138
	<u>£151,057</u>	<u>£145,514</u>

The monies with the Investment Managers on capital account were on an interest bearing deposit account awaiting professional recommendations as to how they should be invested.

	<u>2017</u>	<u>2016</u>
	£	£
11. <u>CURRENT LIABILITIES</u>		
Creditors falling due within one year		
Accruals	10,859	8,070
Other amounts owed	710	770
	<u>£11,569</u>	<u>£8,840</u>

12. SHARE CAPITAL

The Company is a Company limited by guarantee and not having a Share Capital. The liability of the Members is limited as denoted in the Memorandum of Association of the Company.

13. TOTAL FUNDS

If upon the winding up or dissolution of the Company there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall not be paid to or distributed among the members of the Company, but shall be given or transferred to some other institution or institutions, having objects similar to the objects of the Company.

HITCHIN YOUTH TRUST
(A Company limited by guarantee and not having a Share Capital)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st AUGUST 2017

14. FUNDS

The Funds are explained in the following notes and the movement and analysis in each Fund is shown in Notes 14 and 15.

UNRESTRICTED FUNDS

General Fund

This Fund reflects the accumulated surplus arising from the principal activity of the Company after allocating income and expenditure to the Capital Expenditure Fund where appropriate and consistent with the policy of the Directors.

Capital Expenditure Fund

This Fund has been utilised in the enhancement of the Land and Building and Furniture, Fixtures and Equipment of the Company.

15. ANALYSIS OF MOVEMENTS IN FUNDS

<u>Unrestricted Funds</u>	<u>Balances</u> 1 st September 2016	<u>Income</u>	<u>Expenditure</u>	<u>Losses on</u> disposal of investment	<u>Gains on</u> revaluation of investments	<u>Transfer</u> between Funds	<u>Balances</u> 31 st August 2017
General Fund	4,611,395	39,694	(117,719)	(29,285)	297,736	-	4,901,821
Capital Expenditure Fund	121,656	-	(75)	-	-	-	121,581
	<u>£4,733,051</u>	<u>139,694</u>	<u>(117,794)</u>	<u>(29,285)</u>	<u>297,736</u>	<u>-</u>	<u>5,023,402</u>

16. ANALYSIS OF ASSETS AND LIABILITIES TO FUNDS

<u>Unrestricted Funds</u>	<u>Tangible</u> <u>Fixed</u> <u>Assets</u>	<u>Investments</u>	<u>Current</u> <u>Assets</u>	<u>Current</u> <u>Liabilities</u>	<u>Net</u> <u>Assets</u>
General Fund	-	4,759,805	153,585	(11,569)	4,901,821
Capital Expenditure Fund	-	-	-	-	-
	<u>121,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,581</u>
	<u>£121,581</u>	<u>4,759,805</u>	<u>153,585</u>	<u>(11,569)</u>	<u>5,023,402</u>

17. CONTROLLING PARTIES

The company is controlled by the directors. However in the case of equality of voting the Chairman shall be entitled to a casting vote in addition to any other vote he may have.

18. TRANSITION TO FRS 102

These are the first financial statements to comply with FRS 102. The company transitioned to FRS 102 on the 1st September 2015. No transitional adjustments were required in net assets or net movement in funds.