

REGISTERED COMPANY NUMBER: 02039817 (England and Wales)
REGISTERED CHARITY NUMBER: 1048705

LONDON YOUTH GAMES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

Cox Costello & Horne
Chartered Accountants and Statutory Auditors
4th & 5th Floor
14-15 Lower Grosvenor Place
London
SW1W 0EX

LONDON YOUTH GAMES FOUNDATION

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FOR THE YEAR ENDED 31 AUGUST 2019**

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LONDON YOUTH GAMES FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2019

TRUSTEES	Ms J Aitken Director (resigned 5.12.18) Mr S J Burnside Director Mr M K Campbell Director Mr S H Fitzgerald Director Cllr C J L Hayes Director (resigned 5.12.18) Cllr M Hope Director (resigned 5.12.18) Ms K Rothery Director (resigned 5.12.18) Cllr J E Ryan Director (appointed 5.12.18) Cllr A R Till Director (resigned 5.12.18) Mr M C Worsley Director (resigned 5.12.18) Mr N Daugherty Director (appointed 5.12.18) Mr T H Gallico Director (appointed 5.12.18) Mr P Moreton Director (appointed 5.12.18) Ms A Rissen Director (appointed 5.12.18) Ms C A S Webster Mr B Ackim
COMPANY SECRETARY	Kerry Secretarial Services Limited
REGISTERED OFFICE	C/O Cox Costello & Horne 4th & 5th Floor 14-15 Lower Grosvenor Place London SW1W 0EX
REGISTERED COMPANY NUMBER	02039817 (England and Wales)
REGISTERED CHARITY NUMBER	1048705
AUDITORS	Cox Costello & Horne Chartered Accountants and Statutory Auditors 4th & 5th Floor 14-15 Lower Grosvenor Place London SW1W 0EX
BANKERS	Barclays Bank PLC 54 High Street Ruislip Middlesex HA4 7AT

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

As a charity, we have a clear strategic objective, developed in line with the Charity Commission's guidance on public benefit:

"Inspire and enable every young Londoner to find their best."

Rates of inactivity in London among children and young people in particular are far too high. According to Sport England, 53.2% of children and young people in London are not meeting the Chief Medical Officers' recommended average of 60 minutes or more of sport or physical activity per day. These rates are even higher in certain socio economic, disabled and ethnic minority groupings. Those from low affluence families are shown to be the most likely to be least active, as too are those of Black and Asian ethnicity and with disabilities and long-term health conditions. We believe that a significant part of any young person achieving their full potential is being healthy and physically active.

In terms of helping a young person to develop into their best selves, regular participation in sport and physical activity can do far more than just simply delivering health benefits. Sport England, in their 'Active Lives Children and Young People Survey', have shown that sport and physical activity can have a positive impact on mental wellbeing, individual development, social and community development and economic development.

Similarly, the Chief Medical Officers, who have previously claimed: "If physical activity were a drug, we would refer to it as a miracle cure, due to the great many illnesses it can prevent and help and treat", have stated in their most recent 'Physical Activity Guidelines' that: "Physical activity is not just a health issue. It brings people together to enjoy shared activities and contributes to building strong communities whilst supporting the economy to grow.

While, according to Public Health England healthier pupils in school are likely to achieve better academically, and by working to support and enable each other's participation through volunteering, young people are able to gain vital life skills and experience. Finally, just as its diversity is one of the things that makes London great, it can also bring challenges in terms of understanding and tolerance - sport can do an incredible amount to bring young people from different communities together. In a society which is seeing increasing challenges brought by fragmentation of different elements of communities, the power of sport to increase integration is vital.

We aim to use our programmes and our interaction with young people across the whole of London to encourage them to work with each other as part of a team, no matter what community or background they are from. We enable and empower young people to support each other as they develop themselves by challenging themselves constantly to do better, be better and feel better.

We do this by:

- providing a varied and high quality competition programme across 35 different sports to enable more young people to take part and be more physically active;
- supporting a framework and team structure which enables young people from all communities and backgrounds to join together as part of their borough team, representing their local community and building bridges that can span across London;
- enabling young people from all London boroughs to learn new skills and gain valuable experience, while also supporting their peers to compete, through an engaging and rewarding volunteer programme;
- working with partners to improve the capacity and skills of the sport workforce in London; and
- developing innovative new programmes and formats which will reach and engage even more young people to participate in sport and physical activity, particularly those who are currently less active.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019**

OBJECTIVES AND ACTIVITIES

Objectives and aims - continued

In determining our strategic approach as a charity, and in overseeing delivery of our activity in line with this strategic approach, the trustees have taken into account the Charity Commission's guidance on public benefit. All of our charitable activities focus on producing a clearly identifiable benefit for young people across London. We seek to ensure that our participants reflect the diversity of London's population, particularly in relation to gender, race and disability. All of our activities are free to access and many of our participants are from areas of high social deprivation in London.

Public benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. In reviewing our aims, objectives and planning future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit. The Trustees ensure that activities undertaken are always in line with the charitable objectives and aims of the Charity.

Grantmaking

The charity is not primarily a grant making charity, although limited grants are made to organisations which inspire young people to compete and volunteer in sport. Grants are approved at the discretion of the trustees.

ACHIEVEMENT AND PERFORMANCE

Review of the year

The Foundation's activities are conducted in a cycle in line with its financial year, which reflects the school year, from the 1st September to the 31st August.

We want to see as many young people in London as possible fulfilling their potential through taking part in our programmes, whether as a participant, volunteer, official or coach. We run competitions for schools throughout London with schools working towards London wide finals. We also run an "open" competition where borough teams can be made up of any young person as long as they live or go to school in that borough. In 2019, across both these competition types, over 115,000 young people, from all 33 London boroughs, took part in nearly one hundred different competitions. We hosted nearly 50 event days - at venues ranging from Lord's to the National Tennis Centre, from Crystal Palace to the Olympic Park - covering 35 different sports, providing high quality Finals (and final round qualifiers in some sports) experiences for the young people taking part.

This was only possible through the continued hard work and dedication of our volunteers - of which there were 3,841 who took part during the year - and the borough networks with which we work so closely.

To recognise the amazing performances from all teams, we have several different aggregate competitions/trophies awarded to boroughs. Foremost of these is our Jubilee Trophy for the best borough across the open competitions. In 2019, these were won by:

- Jubilee Trophy - Bromley
- Inner London Trophy - Wandsworth
- School Games Trophy - Haringey
- Para-Games Trophy - Croydon
- Regatta Trophy - Tower Hamlets
- Respect the Games Trophy - Redbridge
- Most Improved Borough - Waltham Forest

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019**

ACHIEVEMENT AND PERFORMANCE

Review of the year - continued

The Respect the Games Trophy was a new award in 2018. As part of our efforts to make the Games as open, inclusive and supportive as possible, we are encouraging participants to take part in the right spirit. We worked with 'Just Like Us' during Schools Diversity Week in particular to help raise awareness of the importance of inclusivity in sport, and at our competitions and events in particular. At each event that we run, we ask each team taking part to nominate individuals or teams from other boroughs who demonstrate the following behaviours/characteristics:

- Fairness
- Ambition
- Inclusion
- Respect

This encourages and enables participants to recognise the behaviours in other young people from across London which bring us together as a city, and to see those behaviours being acknowledged and rewarded. After each competition, the team or individual with the most nominations was awarded a Respect the Games Award certificate to mark the achievement and, across all competitions over the year, individuals and teams from Redbridge won these awards the most times.

While our primary focus is on the Games competitions themselves, we also try and expand the experience of the Games as widely as we are able through our Festivals programme - in 2019, we had over 1100 young people take part in our Festivals. The largest element of this is our FanFest programme, which involves inviting primary schools to bring pupils down to our Finals events, to take part in fun activities, and to experience and be inspired by the Games to take part more.

In 2019, Nike provided funding for a London Girls Scheme, its aim to support projects designed to grow female participation in sport. Grants were available for up to £2000 and open to Boroughs, Team managers, and clubs to access. 17 Boroughs were awarded the funding with projects engaging 1,709 females in a variety of sports.

Operational Improvement

In 2019, we introduced our new digital competition management system called Playwaze. The system provided us with an opportunity to capture our data through a new platform. This was the first year of using Playwaze and it came with some challenges. The system could only be part used in 2019 and we anticipate Playwaze will be a fully functioning competition and customer relationship management system for our Games year of 2020.

Sponsorship and Future Development

We are incredibly grateful to have continued financial support from the London boroughs and from the National Lottery, through Sport England. This support is critical for us to be able to deliver the Games for young Londoners.

In 2019 we were hugely excited to announce a new headline sponsor of the Games. The world's leading sportswear company Nike became the headline sponsor of the London Youth Games. We signed a three year agreement and Nike immediately supported financially and in kind, which enabled us to transform the young people's experience at the Games.

FINANCIAL REVIEW

Investment policy and objectives

Under the Articles of Association, the Foundation has the power to invest monies which are not immediately required for its purposes, in or upon such investments or property as may be thought fit. At the present time the trustees' policy is to maintain all such monies in liquid cash form, on deposits earning a market rate of interest. The trustees consider that this is the most appropriate form of investment in the current climate, given the operational context and considering the amount.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019**

FINANCIAL REVIEW

Financial review

The charity's results and financial position for the year are reflected in the attached financial statements.

The accounts as set out cover the period September 2018 to August 2019.

Financial controls

The trustees consider the charity's financial controls are appropriate and in keeping with other, similar sized charities. The Board fully considers the management accounts of the Foundation at every meeting and ensures that there are appropriate internal controls around budget setting and expenditure against it.

Income streams

The majority of the charity's funding for this Games Year derived from two main sources: membership fees from individual London boroughs; and the National Lottery, through its distributor Sport England, Nike and the Greater London Authority.

Reserves policy

Given the cyclical nature of our delivery, reserves are needed in order primarily to ensure that at no point would we start to deliver on a Games year programme and then not be able to complete that year's competition for some reason. They are also necessary potentially to cover gaps in between securing particular income streams.

We continually look at our reserves policy in the context of the risk profile of our major funding streams. In this light, our aim has been to get to the point where we retain sufficient unrestricted reserves to ensure that we can meet our delivery needs, as well as our fiduciary obligations, for a full Games Year of operation if significant levels of funding were withdrawn.

In previous years, we made larger than normal additions to our reserves precisely because we knew our partnership with Balfour Beatty was coming to an end. Alongside this, we have been seeking various alternative funding streams to replace the money that Balfour Beatty contributed. As noted above, we have benefitted from our exciting new relationship with Nike.

The trustees keep the financial situation under constant review, balancing the likelihood of additional funding, the Foundation's ability to control its cost base over the current delivery year and from one year to the next, and the overall reserves position of the Foundation. Prior to securing Nike as the new primary sponsor for 2019, the trustees had ensured that there were plans in place to deliver the best possible programme of events absolutely within the reduced funding envelope which was secure, i.e. to ensure that the 2019 Games Year was run at budget neutral or better.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019**

FUTURE DEVELOPMENTS

2019 was the 42nd year of the London Youth Games. It provided us with the opportunity to launch our partnership with Nike. It will be our ambition through the Games year of 2020 to continue developing our relationships with the London Boroughs, with Sport England and the Mayor's office. We will also want to cement our relationship with Nike and back up the brilliant Games of 2019 with an equally impressive programme for young Londoners.

We will be revisiting our strategic direction in 2020 ensuring that London Youth Games understands its position and its ambitions in the current London landscape. We will want to ensure the Playwaze system transforms the way we connect with both our young people and our Boroughs.

We want to use the networks we have, and our position at the centre of youth sport in London to work with National Governing Bodies of Sport and other deliverers, to find innovative ways of encouraging young people to challenge themselves to achieve more. This is about young people defining their own success and being encouraged to reach for it, rather than being defined by what others think.

We want to continue developing our volunteering programme. We will be running a training programme for our volunteer Team Managers. This will build their knowledge and understanding for the softer skills needed to support young people. We want to continue developing our relationships with the London Marathon and other organisations to provide our volunteers with a broad mixture of volunteering opportunities throughout the course of the year.

We will not stand still as a charity. We will continue to improve and deliver the Games programme but we will also look to build innovative and exciting new partnerships with organisations with similar values and objectives, in order to get more young people in London to achieve their full potential.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Company structure

The London Youth Games Foundation is a charitable company limited by guarantee and not having a share capital, as defined by the Companies Act 2006, established under a Memorandum and Articles of Association and incorporated on 22 July 1986. The Memorandum and Articles of Association have been amended by special resolution on 4 July 1995 and, most recently, 21st February 2019.

The Foundation registered as a charity on 16 August 1995.

Membership of the company

Provisions governing membership of the Foundation are set out in the Articles of Association. The members are London boroughs and the City of London, and the independent trustees.

Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Financial statements

The audited financial statements comply with the Charities Statement of Recommended Practice - Accounting and Reporting by Charities FRS 102 effective January 2015, the Charities Act 2011, the Companies Act (2006) and the Charities (Accounts and Reports) Regulations 2008. The trustees' report and financial statements are submitted to the Charity Commission following approval by the membership at the AGM.

Indemnity insurance

Under the terms of the Articles of Association the trustees shall be indemnified out of the assets of the charity against any liability incurred by him/her in defending any proceedings in which judgement is given in their favour. To mitigate any potential costs arising from such proceedings, the charity has obtained the necessary indemnity insurance.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2019**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and board

Trustees for the Foundation for the purposes of the Charities Act 2011, who are also the Directors of the company for the purposes of the Companies Act 2006, fall into two categories: 75% (up to 9 people) of the board is made up of independent trustees and 25% (up to 3 people) of member representatives. There is a maximum of 12 people sitting on the board at any one time. Member representative trustees are appointed by a majority decision of the London Borough Authorities present at any general meeting at which the appointment of London Borough trustees is considered, whether due to retirement, expiry of term of office or disqualification. Independent trustees are appointed by resolution of the board of trustees.

All trustees serve for a term of four years, upon expiry of which they are eligible for reappointment for a maximum of one further term. New trustees are briefed by the chairman and the chief executive as to their duties and obligations as part of an induction process.

The board of the Foundation is led by the chair, Mark Campbell, and is responsible for setting the strategic direction of the Foundation and for oversight of delivery against it. It is also responsible for ensuring there is an effective governance regime in place for the organisation as a whole.

The trustees who held office during the financial year 2018-19 were:

Mark Campbell

Anna Rissen

Paul Moreton

Tim Gallico

Neil Daugherty

Joyce Ryan

Stuart Burnside

Stephen Fitzgerald

Risk management

The Foundation has a strong process for the identification and management of major threats and opportunities to the organisation's ongoing success and financial health, overseen by the Board. Currently, the key risks to the organisation are either ongoing operational/delivery risks, for example around safeguarding of young people or ensuring the appropriate quality of events; or financial, for example around securing the necessary ongoing funding to enable the Games to continue.

The Foundation's greatest risk is around its ongoing financial sustainability and hence the trustees have put in place increased oversight through it being rigorously analysed and discussed at every board meeting with 'ad hoc' meetings of the Board conducted via telephone conference call as needed. The management of operational delivery risks, around ensuring a safe environment for young people who take part at all LYG events, has also been improved through rigorous risk assessment of every event and venue. The Foundation continues to work with professional consultants, venue management and the emergency services as appropriate to make sure that our events are as safe as possible for the young people taking part. At the time of writing we are aware of the growing concerns of a Coronavirus Pandemic. This will be brought into our risk review processes and will be monitored for its potential impact closely by the London Youth Games Board.

AUDITORS

The auditors, Cox Costello & Horne, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 6 April 2020 and signed on its behalf by:



Mr M K Campbell - Trustee

LONDON YOUTH GAMES FOUNDATION

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of London Youth Games Foundation for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity 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 statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LONDON YOUTH GAMES FOUNDATION

Opinion

We have audited the financial statements of London Youth Games Foundation (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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 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.

Use of our report

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

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our report of the independent auditors thereon. 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LONDON YOUTH GAMES FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the report of the trustees, which includes the directors' report prepared for company law purposes, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the report of the trustees 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 report of the trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the report of trustees and from the requirement to prepare a strategic report

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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/auditorsresponsibilities>. This description forms part of our report of the independent auditors.

Ashish Kirtikumar Shah (Senior Statutory Auditor)
for and on behalf of Cox Costello & Horne
Chartered Accountants and Statutory Auditors
4th & 5th Floor
14-15 Lower Grosvenor Place
London
SW1W 0EX

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LONDON YOUTH GAMES FOUNDATION**

Note:

The maintenance and integrity of the London Youth Games Foundation website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

LONDON YOUTH GAMES FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	Unrestricted funds £	Restricted funds £	31.8.19 Total funds £	31.8.18 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	4				
London Youth Games		-	485,995	485,995	371,000
Other trading activities	2	-	526,986	526,986	300,684
Investment income	3	472	-	472	353
Total		472	1,012,981	1,013,453	672,037
EXPENDITURE ON					
Charitable activities	5				
London Youth Games		-	986,852	986,852	800,967
Other		-	19,221	19,221	-
Total		-	1,006,073	1,006,073	800,967
NET INCOME/(EXPENDITURE)		472	6,908	7,380	(128,930)
RECONCILIATION OF FUNDS					
Total funds brought forward		71,957	169,377	241,334	370,264
TOTAL FUNDS CARRIED FORWARD		72,429	176,285	248,714	241,334

The notes form part of these financial statements

LONDON YOUTH GAMES FOUNDATION (REGISTERED NUMBER: 02039817)

**BALANCE SHEET
31 AUGUST 2019**

	Notes	31.8.19 £	31.8.18 £
FIXED ASSETS			
Tangible assets	12	15,773	-
Investments	13	1	1
		<u>15,774</u>	<u>1</u>
CURRENT ASSETS			
Debtors	14	215,661	220,567
Cash at bank		242,518	83,438
		<u>458,179</u>	<u>304,005</u>
CREDITORS			
Amounts falling due within one year	15	(178,239)	(15,672)
		<u>279,940</u>	<u>288,333</u>
NET CURRENT ASSETS			
		<u>279,940</u>	<u>288,333</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>295,714</u>	<u>288,334</u>
PROVISIONS FOR LIABILITIES	17	(47,000)	(47,000)
		<u>248,714</u>	<u>241,334</u>
NET ASSETS		<u>248,714</u>	<u>241,334</u>
FUNDS	19		
Unrestricted funds		72,429	71,957
Restricted funds		176,285	169,377
TOTAL FUNDS		<u>248,714</u>	<u>241,334</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 6 April 2020 and were signed on its behalf by:



Mr M K Campbell - Trustee

LONDON YOUTH GAMES FOUNDATION

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019**

	Notes	31.8.19 £	31.8.18 £
Cash flows from operating activities			
Cash generated from operations	21	<u>182,267</u>	<u>(338,380)</u>
Net cash provided by/(used in) operating activities		<u>182,267</u>	<u>(338,380)</u>
Cash flows from Investing activities			
Purchase of tangible fixed assets		<u>(23,659)</u>	<u>-</u>
Interest received		<u>472</u>	<u>353</u>
Net cash (used in)/provided by investing activities		<u>(23,187)</u>	<u>353</u>
Change in cash and cash equivalents in the reporting period		<u>159,080</u>	<u>(338,027)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>83,438</u>	<u>421,465</u>
Cash and cash equivalents at the end of the reporting period		<u>242,518</u>	<u>83,438</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with 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 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

Preparation of the financial statements on a going concern basis

The trustees have prepared the financial statements on the going concern basis. The trustees have a reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future, and at least one year from the date of approval of the financial statements. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities included within the Trustees Report.

The charity has been impacted by the new "Corona" virus in the year 2020. The London Youth Games have been cancelled for 2020 and consequently has impacted our fund raising capacity for 2020. The direct and indirect consequences of the new "Corona" virus and a corresponding global pandemic wave on the charity sector cannot yet be conclusively assessed. Various sectors and locations within the charity community will show different exposure and vulnerability to potential public shut-downs or other measures taken to contain the further spreading of the virus. We'll consistently monitor this development and the impact on our charity in a very diligent, prudent and transparent way.

Critical accounting judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas that are deemed to be material for these financial statements are as follows:

- the value of the contribution of the many thousands of hours donated by its unpaid volunteers has not been reflected in these accounts. The SORP does not permit the accounting for such contributions due to the inherent uncertainty in applying an accurate and reliable financial measurement in accordance with the SORP.

Preparation of consolidated financial statements

The financial statements contain information about London Youth Games Foundation as an individual company and do not contain consolidated financial information as the parent of a group. The charity is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Under the Charities Act 2011 and Charities Act 2011 (Group Accounts) Regulations 2015, a parent charity must prepare consolidated accounts including all its subsidiary undertakings where their preparation is either a requirement of company law or where the gross income of the group after consolidation adjustments, the parent charity and its subsidiary undertakings together, exceeds the threshold set by the regulations, currently £1,000,000. The Board of Trustees consider there is no statutory requirement to prepare group accounts and the results of the subsidiary undertaking are excluded from these financial statements.

Income

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

1. ACCOUNTING POLICIES - continued

Expenditure

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably. Expenditure is recognised on an accruals basis as a liability is incurred, and includes irrecoverable VAT where applicable. Expenditure is classified under the following activity headings:

Expenditure on raising funds comprises those costs relating to activities where the primary aim is to raise funds, along with an apportionment of support costs.

Expenditure on charitable activities comprises those costs relating to activities where the primary aim is congruent with the objects of the charity, along with an apportionment of support costs.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Charitable activities

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs associated of an indirect nature necessary to support them.

Allocation and apportionment of costs

Costs are allocated in the following ways: direct, shared and support. Direct costs attributable to a single activity must be allocated direct to that activity. Shared costs which contribute directly to more than one activity must be apportioned between those activities. Support costs which are not attributable to a single activity must also be apportioned between the activities being supported.

The methods adopted for cost apportionment are usage of a resource or activity in terms of time taken.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 33% on cost
Furniture	- 33% on cost
Computer equipment	- 33% on cost

All assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation. The cost of an asset initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Items of equipment are capitalised where the purchase price exceeds £300. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Financial instruments

Financial assets (including cash and debtors) and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities are initially measured at transaction price (including transaction costs) and are subsequently remeasured where applicable at amortised cost.

Financial assets include cash, trade debtors, other debtors, prepayments and accrued income.

Financial liabilities include trade creditors, other creditors, accruals and deferred income.

Taxation

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES - continued

Financial instruments

The charity is exempt from corporation tax on its charitable activities.

The charity is registered for VAT but has sources of income which are considered to be exempt from VAT. For this reason it is unable to recover all input VAT it suffers on purchased goods and services and the cost is included as an individual item of expense.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Transfers between unrestricted to restricted funds can be made to cover any overspends on restricted projects during the year where cost will not be met by the funder. Transfers between restricted funds and from restricted to unrestricted funds are made with the permission of the funder.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Pension costs

The charity contributes towards personal pension schemes of staff. The contributions payable by the charity and staff are deposited in the respective pension funds within 30 days following the deduction. Once the contributions have been paid, the charity as employer, has no further payment obligations. The charity's contributions are charged to the Statement of Financial Activities in the period to which they relate.

2. OTHER TRADING ACTIVITIES

	31.8.19	31.8.18
	£	£
Sponsorships	274,998	45,000
Local Authority contributions	224,320	235,819
Other donations	7,892	8,256
Other income	19,776	11,609
	<u>526,986</u>	<u>300,684</u>

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2019

3. INVESTMENT INCOME

	31.8.19 £	31.8.18 £
Deposit account interest	<u>472</u>	<u>353</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.8.19 £	31.8.18 £
Grants	London Youth Games	<u>485,995</u>	<u>371,000</u>

Grants received, included in the above, are as follows:

	31.8.19 £	31.8.18 £
Greater London Authority	50,000	-
Sport England	400,000	370,000
Youth Sport Trust	-	1,000
Nike	35,995	-
	<u>485,995</u>	<u>371,000</u>

London Youth Games received a grant of £400,000 (2018: £370,000) from Sport England to CSP school sport funding of £270,000 and £130,000 to provide support to London Youth Games to engage new young people through competition and transform their ability to capture information to better understand young people and help sustainability of the organisation.

The following table illustrates what the money was awarded for and that it has been used for these purposes:

	Grant received £	Grant Spent £
CSP school sport funding	270,000	270,000
Support for the London Youth Games	<u>130,000</u>	<u>130,000</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 6) £	Support costs (see note 7) £	Totals £
London Youth Games	<u>663,639</u>	<u>36,596</u>	<u>286,617</u>	<u>986,852</u>

LONDON YOUTH GAMES FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019**

6. GRANTS PAYABLE

	31.8.19	31.8.18
	£	£
London Youth Games	<u>36,596</u>	<u>-</u>
The total grants paid to institutions during the year was as follows:		
	31.8.19	31.8.18
	£	£
London Boroughs and City of London	4,601	-
Nike	<u>31,995</u>	<u>-</u>
	<u>36,596</u>	<u>-</u>

7. SUPPORT COSTS

	Management £	Finance £	Information technology £	Totals £
Other resources expended	19,221	-	-	19,221
London Youth Games	<u>227,856</u>	<u>30,154</u>	<u>28,607</u>	<u>286,617</u>
	<u>247,077</u>	<u>30,154</u>	<u>28,607</u>	<u>305,838</u>

All individual costs are based on actual apart from the following:

Wages
Social security
Pensions
Depreciation

Irrecoverable VAT

Basis of allocation

Staff time
Staff time
Staff time
Estimated useful life
% of non-allowable
income

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.19	31.8.18
	£	£
Depreciation - owned assets	7,886	335
Other operating leases	18,535	14,460
Auditors remuneration - audit fees	<u>7,150</u>	<u>7,150</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019**9. TRUSTEES' REMUNERATION AND BENEFITS**

The Memorandum of Association of the charity makes provision for trustees to receive reimbursement for any services rendered to the charity.

Trustees' expenses

During the year insurance was purchased to indemnify the charitable company from loss arising from neglect or defaults of its trustees, employees or agents. The cost of the indemnity insurance cannot be accurately calculated as it forms part of a multiple insurance policy.

10. STAFF COSTS

	31.8.19	31.8.18
	£	£
Wages and salaries	338,529	271,839
Social security costs	32,373	33,320
Other pension costs	10,190	12,306
	<u>381,092</u>	<u>317,465</u>

The average monthly number of employees during the year was as follows:

	31.8.19	31.8.18
Charitable activities	8	8
Management and administrative support	2	2
	<u>10</u>	<u>10</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.8.19	31.8.18
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
	<u>2</u>	<u>1</u>

Key Management Remuneration

The key management personnel of the charity, comprise the board of trustees, the Chief Executive. The total employee benefits, excluding pension contributions, of the key management personnel of the charity were £108,404 (2018: £83,579).

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
London Youth Games	-	371,000	371,000
Other trading activities	-	300,684	300,684
Investment income	353	-	353
Total	353	671,684	672,037
EXPENDITURE ON			
Charitable activities			
London Youth Games	-	800,967	800,967
NET INCOME/(EXPENDITURE)	353	(129,283)	(128,930)
RECONCILIATION OF FUNDS			
Total funds brought forward	71,604	298,660	370,264
TOTAL FUNDS CARRIED FORWARD	71,957	169,377	241,334

12. TANGIBLE FIXED ASSETS

	Office equipment £	Furniture £	Computer equipment £	Totals £
COST				
At 1 September 2018	2,074	3,724	9,967	15,765
Additions	-	-	23,659	23,659
At 31 August 2019	2,074	3,724	33,626	39,424
DEPRECIATION				
At 1 September 2018	2,074	3,724	9,967	15,765
Charge for year	-	-	7,886	7,886
At 31 August 2019	2,074	3,724	17,853	23,651
NET BOOK VALUE				
At 31 August 2019	-	-	15,773	15,773
At 31 August 2018	-	-	-	-

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2019

13. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 September 2018 and 31 August 2019	1
NET BOOK VALUE	
At 31 August 2019	1
At 31 August 2018	1

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

LYG (Trading) Limited

Registered office:

Nature of business: Dormant

Class of share:	% holding
Ordinary	100

	31.8.19 £	31.8.18 £
Aggregate capital and reserves	1	1

The subsidiary company has been dormant throughout the 2019 and 2018 financial years.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19 £	31.8.18 £
Trade debtors	170,263	150,201
Bad debt provision	(14,000)	(32,715)
Other debtors	1,008	1,392
VAT	-	1,331
Prepayments and accrued income	58,390	100,358
	215,661	220,567

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2019

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£	£
Trade creditors	16,513	906
Social security and other taxes	7,726	6,309
VAT	4,550	-
Other creditors	2,523	3,456
Accruals and deferred income	146,927	5,001
	<u>178,239</u>	<u>15,672</u>

Included within other creditors is deferred income of £142,500 (2018: £Nil).

Deferred income is funds received in advance for charitable activities to be undertaken in the 2019/2020 financial year. The larger funders are as follows: Nike £142,500 (2018: £Nil).

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.19	31.8.18
	£	£
Within one year	<u>16,380</u>	<u>13,680</u>

17. PROVISIONS FOR LIABILITIES

	31.8.19	31.8.18
	£	£
Provisions	<u>47,000</u>	<u>47,000</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Fixed assets	15,438	335	15,773	-
Investments	1	-	1	1
Current assets	56,990	401,189	458,179	304,005
Current liabilities	-	(178,239)	(178,239)	(15,672)
Provision for liabilities	-	(47,000)	(47,000)	(47,000)
	<u>72,429</u>	<u>176,285</u>	<u>248,714</u>	<u>241,334</u>

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2019

19. MOVEMENT IN FUNDS

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	71,957	471	72,428
London Youth Games	-	1	1
	<u>71,957</u>	<u>472</u>	<u>72,429</u>
Restricted funds			
London Youth Games	169,377	6,908	176,285
	<u>169,377</u>	<u>6,908</u>	<u>176,285</u>
TOTAL FUNDS	<u><u>241,334</u></u>	<u><u>7,380</u></u>	<u><u>248,714</u></u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	471	-	471
London Youth Games	1	-	1
	<u>472</u>	<u>-</u>	<u>472</u>
Restricted funds			
London Youth Games	1,012,981	(1,006,073)	6,908
	<u>1,012,981</u>	<u>(1,006,073)</u>	<u>6,908</u>
TOTAL FUNDS	<u><u>1,013,453</u></u>	<u><u>(1,006,073)</u></u>	<u><u>7,380</u></u>

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	At 31.8.18 £
Unrestricted funds			
General fund	71,604	353	71,957
Restricted funds			
London Youth Games	298,660	(129,283)	169,377
	<u>298,660</u>	<u>(129,283)</u>	<u>169,377</u>
TOTAL FUNDS	<u><u>370,264</u></u>	<u><u>(128,930)</u></u>	<u><u>241,334</u></u>

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2019

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	353	-	353
Restricted funds			
London Youth Games	671,684	(800,967)	(129,283)
TOTAL FUNDS	<u>672,037</u>	<u>(800,967)</u>	<u>(128,930)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.17 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	71,604	824	72,428
London Youth Games	-	1	1
	<u>71,604</u>	<u>825</u>	<u>72,429</u>
Restricted funds			
London Youth Games	298,660	(122,375)	176,285
TOTAL FUNDS	<u>370,264</u>	<u>(121,550)</u>	<u>248,714</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	824	-	824
London Youth Games	1	-	1
	<u>825</u>	<u>-</u>	<u>825</u>
Restricted funds			
London Youth Games	1,684,665	(1,807,040)	(122,375)
TOTAL FUNDS	<u>1,685,490</u>	<u>(1,807,040)</u>	<u>(121,550)</u>

Purposes of unrestricted funds

The funds have arisen due to income received in advance of the 2017/2018 London Youth Games (Event). Funds are restricted to cover direct Event costs and associated charity support costs, as and when required.

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 AUGUST 2019

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2019.

21. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.19 £	31.8.18 £
Net Income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	7,380	(128,930)
Adjustments for:		
Depreciation charges	7,886	335
Interest received	(472)	(353)
Decrease in stocks	-	27,848
Decrease/(increase) in debtors	4,906	(145,702)
Increase/(decrease) in creditors	162,567	(91,578)
Net cash provided by/(used in) operations	182,267	(338,380)

22. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

23. FINANCIAL INSTRUMENTS

The charity has the following financial instruments:

	Note	31.03.19 £	31.08.18 £
Financial assets measured at amortised cost		458,181	302,674
Financial liabilities measured at amortised cost		212,963	56,363

24. MATERIAL EVENTS AFTER THE REPORTING DATE

The recent outbreak of Coronavirus (SARS-COV-2), a virus causing potentially deadly respiratory tract infections spreading all over the world, may negatively affect economic conditions regionally and globally, disrupt operations, affect supply chains or otherwise impact our charity. This is clearly concerning and we are monitoring developments very closely; however, the extent and impact of this pandemic on the course of operations in 2020 and 2021 cannot yet be conclusively assessed. The safety and well-being of our charity partners has been the overriding priority. We are also doing all we can to ensure operation continuity. However, there is a certain risk that we will see an adverse impact on the charity sector, and therefore may affect the charity's operations. To this point of time the charity cannot estimate the impact it may have on our sector and our operations.