

Creative Youth Network
(A company limited by guarantee)
Annual Report and Financial Statements for the year ended
31 December 2019

Company registration number: 01099684

Charity registration number: 266318

Saffery Champness
CHARTERED ACCOUNTANTS

| Contents | Page |
|----------------------------------------------------------------------------|-------------|
| Trustees' Report | 3 |
| Statement of Trustees' Responsibilities | 14 |
| Independent Auditors Report | 16 |
| Statement of Financial Activities including income and expenditure account | 19 |
| Balance Sheet | 20 |
| Statement of Cash Flows | 21 |
| Notes to the Financial Statements | 22 |

Board of Trustees and Advisors

Chief Executive Officer

Sandy Hore-Ruthven

Trustees

Michael David Lea, Chair

William Howard Robert Durie OBE

Margaret Lily Curtis

Julian Davis (resigned 12 February 2019)

Joanna Grant

Nicholas James Holder (resigned 25 January 2019)

Raj Kakar-Clayton

Lynne Elvins (resigned 19 November 2019)

Robyn Sandilands (resigned 20 September 2019)

Robert Nye, Treasurer

Kirsty Swan

Deepraj Singh

Maria Imran

Lucio Mesquita

Andrew Smith (appointed 14 May 2019)

Principal address and Registered Office

20, Old School House

Kingswood Foundation Estate

Britannia Road

Kingswood

Bristol

BS15 8DB

The charity is incorporated in England and Wales.

Company Registration Number

01099684

Charity Registration Number

266318

Bankers

Unity Trust Bank

Nine Brindleyplace

Birmingham

B1 2HB

Auditor

Saffery Champness LLP

St Catherine's Court

Berkeley Place

Bristol

BS8 1BQ

Trustees' Report

The trustees present their report and the audited financial statements for the year ended 31 December 2019.

The accounts have been drawn up in compliance with the 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) ('SORP'), the Companies Act 2006 and in accordance with the charity's Memorandum and Articles of Association.

Achievements and performance

In 2019 Creative Youth Network helped over 9000 young people reach their potential. Working with some of the most vulnerable 11-25 year olds, our dedicated staff team makes sure young people get the right support at the right time – overcoming the barriers they face, offering opportunities they would not otherwise have and empowering them shape their own futures.

From chaos to direction – Josie's story

Josie (not her real name) started with our participation in education, employment and training (EET) team because she wanted to turn her life around, but didn't know where to start. Like many of the young people we work with, her life had been chaotic, in her case moving from care home to care home. She had no qualifications, and also had a history of criminal offences.

We supported Josie to update her CV and to write a positive disclosure letter, which stated to colleges and employers how she would like to improve her life and to give back to the community. We also introduced her to various Creative Youth Network open access youth club sessions to reduce her social isolation. Regular attendance enabled her to develop strong relationships with her peers and develop confidence in socialising with new people.

Josie also joined Creative Youth Network's Creative Career's course in Fashion where she continued to gain confidence and develop new skills. Because of her increased confidence, Josie attended a participant forum where she, alongside other young people, gave feedback about their experience of working with our EET team. Together they created a collage about their experience.

Josie has now enrolled onto an education course studying English and, after requesting that the SEND Transitions Team review and update her Educational Health Care Plan, enrolled onto a Maths course. She aspires to work in the care sector, despite the challenges that having a criminal record can bring. She has started volunteering for an elderly people's home in her local area and hopes that this will be a way into the sector. Alongside this, she has applied for various part time work in hospitality to gain some financial independence.

Josie now feels confident in applying for various job roles independently, and will continue to engage with Creative Youth Network whenever she needs our support.

Young People reaching their potential

Creative Youth Network believes the heart of our success is the strong relationships we create between our staff and young people. A good relationship means young people are more willing to share their hopes and fears for the future and we are better able to help them achieve their goals. Whether it is helping them rebuild family relationships, find a home, learn a new skill or have their say our staff are there to walk the journey with them.

Our theory of change

Our Theory of Change sets out how we make a difference to young peoples' lives:-



To build a relationship means taking time to get to know each other and we do that in lots of different ways.

We run 35 youth club nights each week full of activities from arts to sports, cooking and quizzes or just a place to hang out. We offer young people a place to be with their friends near where they live with qualified and friendly staff to talk to.

Supported over 1000 young people in small groups where they can share experiences and support each other. Whether it is our Proud to Be groups for LGBT young people, our young carers groups or groups for young people on the edge of crime or exploitation. Our Welcome Wednesdays group provides a space for newly arrived asylum seekers and refugees to find their feet and get the advice they need to settle into

Bristol. These groups provide a supportive place where young people can find themselves and change their futures.

We supported over 950 young people in 121 sessions. Young people who are struggling in education, at home, with their mental health or other challenges have the opportunity to meet regularly with qualified staff to talk through their situation, get the help they need and set goals for the future.

We have seen the rise of two significant issues during 2019.

We saw a significant rise in the numbers of young people being referred to our services for mental health issues. Over 60% of those using our 121 services are struggling with anxiety, depression or other mental health problems. As a result we expanded our mental health services, introducing a further 4 Wellbeing Practitioners who offer cognitive behavioural therapies in our youth settings. Over 87% of young people felt their mental health had improved as a result.

We also saw a rise in the numbers of young people carrying knives as the issue grew in the media over the year. Like most big cities, Bristol has a share of criminals willing to exploit young people for drug trafficking, knife crime and sexual exploitation. Many schools in the South of the City have high exclusion rates leaving young people with nothing to do and easy targets for those looking to exploit them. CYN staff have worked closely with the City Council to offer support, activities and a future to these young people. These most vulnerable of our children deserve a future to look forward to and the opportunities the rest of us take for granted.

From anti-social behaviour to positive social relationships – Ethan's story

Ethan (not his real name) was referred to us because of his explosive anger, often leading to violence. He was supported by Creative Youth Network over a period of 6 months, during which we worked with him 1:1 and in a closed group in his local youth club.

Ethan had many issues controlling his anger at the club, school and at home. We set out to establish enough trust to be able to talk with him about this openly and honestly without it triggering even more anger. We worked with him on controlling his emotions and did some awareness-raising work around the significance and consequences of him hurting others, including members of his family.

This included some home visits and involving his family in the process of establishing new boundaries of acceptable behaviour. Incentivising agreements were made that linked improved behaviour at home to the things he most wanted from youth work. This included the chance to continue attending the youth club and take part in various trips and visits.

The idea of risk-assessing his behaviour as safe or unsafe to others was found to be more effective (and less judgmental) than condemning him as a person, encouraging Ethan to relate more positively with other workers and professionals. The most significant impact was our Sports Apprentice, who was both an excellent role-model and support, and encouraged Ethan to be more physically active, and involve himself in regular football sessions.

Ethan's behaviour improved from having 2 or 3 incidents a week to less than one a month. He respected staff a lot more and feedback suggests things were much better at home too.

Ethan has developed positive social relationships, reduced his violent outbursts, and developed a healthier lifestyle through the process.

To make sure those opportunities are available to all, Creative Youth Network has dedicated programmes to support young people into education and employment. We are proud to have offered this support to over 900 young people in 2019 with 82% getting a job or going into college.

Creativity

Our support particularly focusses on giving young people opportunities in the creative industries – a notoriously difficult industry to break into. As Idris Elba said – ‘talent is everywhere but opportunity is not’. Our Creative Careers and Creative Futures programmes bridge the gap – giving disadvantaged young people the exposure, the network and the pay they need to get started in an industry where ‘who you know’ is everything.

From door to door marketing to spoken word artist – Leeza’s story

Before engaging with our creative programmes, Leeza had just quit a door to door marketing job and didn’t know what to do. Due to her background she’d been told that creativity wouldn’t ever be a proper job with a good salary.

Since working with us, Leeza’s been running programmes of poetry workshops, has worked on other commissions and continued to write. She’s also released two films, and her work has been programmed in festivals.

She’s now studying an MA in Comparative Literature and Culture. Outside of the Creative Futures programme, we’ve helped Leeza through networking lunches, giving her a structure that supports things to happen, and introducing her to people who’ve led her to new work.

We’re always posting, sharing and following up with opportunities for Leeza and others on our creative programmes, and we’re able to suggest Leeza for certain projects, putting her in touch with other young artists, organisations and paid opportunities. We commissioned Leeza to write a spoken word poem, ‘Held in Pockets’ to accompany a film we made celebrating youth work and its impact on young people.

95 young people got started as professional creatives as a result of Creative Youth Network - as performers, artists, producers and actors.

The pinnacle of our creative year was the performance of The Edge at Colston Hall. The Edge is a multimedia performance, following the fortunes of a group of young artists to see how far they are prepared to go for fame and fortune whilst being manipulated by corporate interests. Over 500 people came to see the show and, as part of our plans to scale up our creative work, we hope to take the show on tour when the coronavirus pandemic subsides.

We hope to give more young people the chance to experience creativity through our creative courses and reach more young people across the region through our shows and exhibitions.

Achieving outcomes

All of these activities give us a chance to build relationships with young people. Through all of our work and these relationships we aim to help young people achieve ‘Outcomes’. These outcomes are at the heart of what makes for a more ‘successful’ life.

- Having self confidence
- Learning new skills

- Understanding your rights and choices
- Getting involved in positive activities
- Being healthy (mentally and physically)
- Having good friends and family around you
- Being a good communicator

They do not guarantee 'success' but they are proven by the youngfoundation.org to be at the heart of reaching your potential. They help getting a job, help you thrive in education, find what you love doing and who you love and understanding how you can change the world.

Amplifying the Voices of Young People

And Creative Youth Network wants young people to change the world. Too often, young voices are ignored or unheard by decision makers and those in power. From poverty and inequality to climate change and racism, young voices are passed by and yet they must live with the consequences of those decisions for longer than everyone else.

At Creative Youth Network our role is to amplify the voices of those young people. During the year young people expressed themselves through art - with 12 exhibitions of their work tackling issues from race to abuse. Young people met with commissioners, politicians and business people to discuss their views on knife crime, gender and city life in Bristol. Young people supported the march when Greta Thunberg visited Bristol. A group even gave evidence at the Youth Select Committee in the Houses of Parliament.

The pinnacle of our work to support young people's voices and stories was the first of our 'We the 33%' events where young people presented their views and stories to over 130 decision makers in the city and had the chance to lead workshops on issues important to them.

Safeguarding

Keeping young people safe is our most important task. We work with the most vulnerable young people and those most at risk from harm. Creative Youth Network has invested in its training and systems to improve how we identify and monitor safeguarding issues and ensure we support young people, not just through referrals to other organisations, but until the problem is resolved and the young person is safe in the long term.

Our Buildings

All of our work with young people would not be possible without the work of Creative Youth Network teams behind the scenes. The Estates team continue to manage our sites at the Station, Hanham and Kingswood, supporting 48 tenants (mostly charities) and providing space for hundreds of organisations to hire for meetings, shows and events. The Station and Kingswood estates are at the heart of the Bristol and South Gloucestershire communities - a gathering place for communities to share their stories and run their events.

The spaces also generate valuable income for Creative Youth Network and are a key part of our strategy to ensure the long term sustainability of the organisation by diversifying our income.

We are pleased to announce that our next development of the Old Magistrates Courts is also well under way. The final, successful, bid to the National Lottery Heritage Fund for £4.25m was submitted with a clear vision for the future of this amazing but derelict building. We will turn it into a hub for the creative industries where every company based there will take on young apprentices, offer training and networking for young

artists and creatives. We want the Courts to be the final 'piece in the puzzle' helping to diversify the creative industries and making sure new, young creatives have equal opportunities.

Partnership

Creative Youth Network is not an island! Many organisations work hard for young people and their communities in Bristol and South Gloucestershire and do a fantastic job. That is why partnership is at the heart of the way Creative Youth Network works. We know other organisations reach into communities and places that we cannot. Southmead Development Trust has over 100 years of experience in their community, Horn Youth Concern is at the heart of the Somali Community and Southern Brooks has been working for a generation across Patchway and beyond. Organisations like We the Curious and Icon Films are giving opportunities to young creatives. We sub-contract 17 organisations to help us run our services, ensuring they have the resources they need to do the best for the young people they support. We have even 'twinning' youth clubs from across the city to help break down barriers and stereotypes.

We work alongside many, many more organisations including local authorities to make sure we use our resources as efficiently as possible and reach as many young people as we can. We have worked with our partners to diversify the creative industries and plan responses to knife crime. Funders including Bristol City and South Gloucestershire Councils and the National Lottery are amongst many who support our work financially and, without whom, we could not do our work.

Without our partnerships Creative Youth Network would not be reaching as many young people or helping them to achieve their potential. We are grateful for their support.

Our Staff Teams

Relationships with young people are at the heart of all we do, so our staff are our most important assets. We have invested in an ongoing programme of training for all of our staff to make sure they have the qualifications and expertise they need to support young people. Our central teams in finance and operations have invested in new systems to make us more efficient and better at supporting our staff, saving money, time and stress.

Our volunteers too play a vital role – whether as trustees meeting regularly to govern and guide the organisation or by supporting young people in our youth clubs. During the year volunteers from Burgess Salmon helped keep our sites ship shape by painting and tidying the Kingswood and Station sites. We are grateful to all of you!

We recognise too that we do not have enough BAME staff. Whilst we serve all communities in Bristol equally our staff makeup does not reflect the ethnic diversity of Bristol or South Gloucestershire. A group of staff and senior managers has started meeting to discuss the issue and propose actions Creative Youth Network can take to make sure our staff reflect the diversity of the communities we work in.

The organisation welcomed two new senior members of staff – The Chief Financial Officer and Chief Operating Officer will oversee the day to day running of the organisation, improving systems and support for young people and generating further income, allowing Creative Youth Network to expand further into the future.

Objectives and activities

Objectives

Creative Youth Network (CYN) seeks to promote:

- The 'relief, care and protection' of children in need.
- The promotion of education of children and young persons.
- The furtherance of the material, physical, mental and spiritual welfare of any child.
- The advancement of education.

These objectives are being pursued now by:

- The refurbishment of the buildings held by the Trust and their letting as suitable premises to charitable organisations, particularly those with an interest in young people and the arts.
- The delivery of a range of youth projects.
- The use of surpluses generated to run projects for young people in the local community.

In setting the above objectives and activities, the trustees have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Public benefit relating to our objects

- i) The relief and care and protection of children and young persons in England, Wales and the Isles of Scilly, the Isle of Man, Scotland and Northern Ireland who are in need. CYN runs a range of courses, programmes and support for young people considered to be from disadvantaged backgrounds. These include Youth4Youth and the Urban Academy. These programmes provide care and protection for young people, enabling them to care better for themselves.
- ii) The promotion of the education of children and young persons within the aforesaid areas. All of the CYN programmes include education in the arts, accreditation and academic learning.
- iii) The furtherance of the material, physical, mental, and spiritual welfare of any child or young person within the aforesaid areas who is in need or is being ill- treated or abused or otherwise is exposed to moral or physical or other danger or who is beyond the control of his parent or guardian or who has no parent or who is not receiving adequate education or training suitable to his age, ability or aptitude either by rendering care, advice, assistance, support or friendship directly or through any person whether or not the father or mother or other relative of any such child or young person, the expression father to include a natural father. CYN works with young people from areas of poverty, black and minority ethnic, in care, excluded from school, lesbian, gay, bisexual and transgender (LGBT) and those with Special Educational Needs. The programmes outlined in these annual accounts develop the physical welfare of these young people through performance arts such as dance and circus, the mental welfare through personal development and conflict resolution programmes and through mentoring and one-to-one support. The material needs of young people are met through high quality buildings, food and facilities when required on all programmes.
- iv) To educate and train persons in the theory and practice of the education and care of such children and young persons. All staff receive regular training in the theory and practice in care for the young people attending courses.

- v) To promote and/or carry out research into any or all of the matters hereinbefore referred to and to publish the useful results thereof. Annual research by the University of the West of England and regular monitoring and evaluation enables improved service delivery.

Future Plans

The Board have set the following priorities for the next 5 years:

1. Providing leadership and growth
2. Amplifying the voice of young people
3. Delivering high quality services, with real impact
4. Being sustainable and resilient

Aim 1 – Providing leadership and growth

CYN has the scale and ambition to begin rectifying some of the problems outlined above and create new and sustainable solutions. Our track record and continued high quality services give us the base from which to begin to change the context within which we work.

This may mean geographical expansion into areas where there are limited services and it may mean taking a strategic lead in planning services to better meet the needs of young people. We do not seek to expand into areas where there is already good leadership or other strong organisations. We will look to work in partnership where possible, strengthening existing organisations through sub contracts, mergers, joint bids and consortia. We will step forward to resolve an issue not being tackled by others and aim to provide opportunities to those who don't have them.

We must be led by the needs young people have and the opportunities they are looking for.

Objectives:

- Eliminating the fragmentation and inconsistencies in services
- Creating new and innovative spaces for young people
- Stemming the decline in quality and number of services
- Creating new models of work that improve support and opportunities for young people.
- Inspiring further investment in the creative arts and services for young people
- Creating systemic change

Aim 2 – Amplifying the voice of young people

The most powerful agent of change are the voices of those who are affected by the issues outlined above. CYN aims to amplify these voices through its projects and network to highlight the issues they face. CYN will use all possible avenues to achieve this aim - media, online, performances and exhibitions, individual advocacy, representation and political engagement. CYN is mindful that young people also trust the views of their peers far more than other age groups, so we will facilitate peer-to-peer conversation and engagement.

Our reputation should be such that parents, young people, funders, policy makers and other stakeholders trust our work and know that all projects are high quality and adhere to our core values.

Our role is not to campaign on individual issues but to promote the solutions we offer and the voices of young people.

Objectives:

- Amplifying young peoples' voices and stories
- Promoting programmes directly to young people
- Promoting our work widely to key decision makers

Aim 3 - Delivering high quality services, with real impact

At the heart of all we do is a commitment to quality. We have a reputation for, and evidence of, high quality work, and it is vital we maintain and improve that. The quality of our work is underpinned by great staff, good training, high quality buildings and clear feedback mechanisms (including independent evaluations and outcomes measurement).

Objectives:

- Building long term relationships
- Responding to young peoples' ideas and needs in our delivery
- Monitoring and improving our work ensuring our work has tangible benefits for young people and is of the highest quality
- Delivering safe creative spaces for young people

Aim 4 – Being sustainable and resilient

None of the above can be achieved if we are not financially and structurally robust and invest in our most valuable resource – our staff and volunteers. Training, supervision and support and robust HR systems allow the organisation to get the most from its staff and volunteers and inspire them to achieve their best. A resilient and efficient infrastructure creates transparency and effective decision making. Proper investment in fundraising and marketing functions will ensure the resources are available to meet young peoples' emerging needs quickly and flexibly. Finally, adequate reserves and a broad range of income streams allow for financial resilience in times of uncertainty and the means to take opportunities as they present themselves. Fundamentally, if CYN is to build long term relationships with young people and effect systemic change it must structure itself for the long term.

Objectives:

- Investing in our people
- Improving the way we work, and are structured
- Diversifying and securing longer term funding streams
- Growing our reserves

Financial review

2019 was a good financial year for Creative Youth Network. The Fundraising and Estates teams brought in significant sums and improvements to our systems and monitoring ensured savings were made. The organisation was therefore able to put a significant amount into reserves and bring Creative Youth Network close to its reserves target of £1m on current turnover. This puts the Charity in a secure financial position for the future.

An uplift in valuation of £3,929,124 was recognised regarding the freehold properties this year, following an external valuation by Alder King as at 31 December 2019. £770,452 of this uplift related to the Station and was transferred to an Endowment fund, in line with previous revaluations for the Station. £700,000 of the uplift related to the Kingswood estate and was transferred to a designated capital fund, in line with previous revaluations of Kingswood. £2,458,674 of the revaluation related to Bridewell and was transferred to a new revaluation reserve for Bridewell within unrestricted funds. The high revaluation of the Bridewell site was as a result of the external valuer, Alder King, adopting a different basis of valuation to that previously used (depreciated replacement cost rather than open market valuation), see note 10 for further details.

At 31 December 2019, total funds were £13,406,714 (2018: £9,255,099), unrestricted funds were £6,049,428 (2018: £2,513,032), restricted funds were £175,436 (2018: £294,689) and endowment funds were £7,181,850 (2018: £6,447,378).

Reserves policy

It is the policy of the charity to maintain unrestricted funds not invested in fixed assets or forming part of designated reserves (the 'free' reserves of the charity) of 3-6 months running costs, which were approximately a minimum of £1,072,716 in 2019 (2018: £868,750).

At 31 December 2019, 'free' reserves were £1,080,873 (2018: £689,109) which is 101% (2018: 78.2%) of the minimum target level (i.e. 3 months running costs). Creative Youth Network continues to build general reserves in line with its policy (i.e. up to 6 months running costs), whilst expanding and developing new ventures and services.

The designated capital fund of £2,411,497 (2018: £1,719,137) represents the Kingswood Estate, held in fixed assets. The trustees consider that this asset is being held for the long term activity of the charity and as such should be held in a designated capital fund. The fixed asset designated fund of £98,384 (2018: £104,786) represents the fixtures, fittings and equipment held by the charity which were not funded by endowment funding. These funds will reduce as depreciation is charged against the assets.

Investment Powers

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit.

Investment Policy

Due to current economic climate and corresponding low level of return on investments, the organisation does not currently have an active investment portfolio.

Risk Review

The trustees have undertaken a review of the major risks to which the charity is exposed and have prepared a complete list of the major risks and systems in place to manage these risks.

Plans for future periods

The charity's plans for future periods are as detailed above in the 'Achievements and Performance' section of this report.

Structure, governance and management

Governing document

Creative Youth Network, which changed its name from Kingswood Foundation Limited on 6 September 2011, is a company limited by guarantee, which became incorporated on 1 March 1973. It became a registered charity on 16 November 1973. Its charity registration number is 266318 and the company registration number is 01099684.

The charity is governed by the Memorandum and Articles of Association dated 1 March 1973.

A full list of trustees who have been members during the year is provided on page 2.

Organisation

The organisation is led by a Senior Management Team consisting of the Chief Executive Officer, the Chief Financial Officer, Chief Operating Officer and seven heads of service (six from 1 January 2020).

In 2019, the Senior Management Team consisted of:

| Post | Post holder | FTE |
|------------------------------------------------|--------------------|-----------|
| Chief Executive Officer | Sandy Hore-Ruthven | Full time |
| Chief Financial Officer | Mark Coates | Part time |
| Chief Operating Officer | Jack Beech | Part time |
| Head of Estates (to 31/12/19 only) | Derek Pickup | Part time |
| Head of Finance & Operations | Deborah Gee | Part time |
| Creative Producer | Emily Bull | Full time |
| Creative Director | Nicholas Young | Part time |
| Head of Youth Services (Bristol) | Kate Gough | Part time |
| Head of Youth Services (South Gloucestershire) | Hannah Panes | Full time |
| Head of Fundraising & Communications | Melissa Henry | Part time |

The organisation is led by the Chief Executive Officer (CEO), reporting to the Board of Trustees, who are responsible for the governance of the organisation. The Senior Management Team support the CEO in the running of the organisation. The Trustees, CEO and SMT jointly set the strategy and three-year business plan, which is reviewed annually. The Board of Trustees appoint a Chair and a Treasurer annually at the AGM, who have specific responsibilities for monitoring the operational and financial performance the charity. Day to day leadership and operational management is delegated to the CEO and SMT.

Trustee induction and training

The trustees are recruited in line with the Memorandum and Articles of Association. In summary, a trustee will express an interest, meet the Chair and CEO, and observe a board meeting, and if the prospective trustee wishes to join, and is deemed suitable by the board, she/he will be co-opted.

Key management personnel

Key management personnel are considered to be the trustees and Senior Management Team. Salary of all personnel, including that of the SMT, is derived through a scoring and benchmarking policy based on the tasks and responsibilities in each role. A salary scale is used to ensure fair and equitable remuneration for all staff within CYN. It is reviewed when necessary to update for any cost of living inflationary increases and changes within the sector. The objective of the policy is to attract and retain a highly qualified and experienced staff team, with stable leadership, able to respond to changes in the external environment and to foster a staff culture of involvement and participation within the organisation.

Fundraising

CYN did not employ professional fundraisers or commercial participators during this or previous periods. For this reason, CYN is not currently registered with The Fundraising Regulator. The charity did not receive any complaints about its fundraising.

Statement of Trustees' Responsibilities

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

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 charity and of the income and expenditure of the charity 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 Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity 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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Saffery Champness LLP were appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees of the charity on 8 September 2020 and signed on its behalf by:

.....
Michael David Lea
Chair

Independent Auditors Report to the Members of Creative Youth Network

Opinion

We have audited the financial statements of Creative Youth Network (the 'charity') for the year ended 31 December 2019, which comprise the statement of financial activities, balance sheet, statement of cash flows and the related 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 charity's affairs as at 31 December 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 charity 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.

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 charity'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 auditor's report 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.

Independent Auditors Report to the Members of Creative Youth Network

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.

Opinion 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Independent Auditors Report to the Members of Creative Youth Network

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act. 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity'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 charity'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 charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Michael Strong
(Senior Statutory Auditor)
For and on behalf of:
Saffery Champness LLP
Chartered accountants and statutory auditors
St Catherine's Court
Berkeley Place
Bristol
BS8 1BQ

Date:.....

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Financial Activities
Year Ended 31 December 2019

| | Note | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2019 £ | Unrestricted funds £ | Restricted funds £ | Endowment funds £ | Total 2018 £ |
|-----------------------------------------|------|----------------------------|-----------------------|-------------------------|--------------------|----------------------------|--------------------------|-------------------------|--------------------|
| Income and Endowments from: | | | | | | | | | |
| Donations and legacies | | 15,059 | - | - | 15,059 | 64,626 | - | - | 64,626 |
| Charitable activities | 3 | 3,259,753 | 1,228,590 | - | 4,488,343 | 2,666,287 | 993,870 | - | 3,660,157 |
| Other trading activities | | 7,772 | - | - | 7,772 | 7,317 | - | - | 7,317 |
| Investment income | | 2,181 | - | - | 2,181 | 1,406 | - | - | 1,406 |
| Total Income | | 3,284,765 | 1,228,590 | - | 4,513,355 | 2,739,636 | 993,870 | - | 3,733,506 |
| Expenditure on: | | | | | | | | | |
| Raising funds | | - | - | - | - | (58,503) | - | - | (58,503) |
| Charitable activities | 4 | (2,918,370) | (1,336,514) | (35,980) | (4,290,864) | (2,474,299) | (906,226) | (35,980) | (3,416,505) |
| Total Expenditure | | (2,918,370) | (1,336,514) | (35,980) | (4,290,864) | (2,532,802) | (906,226) | (35,980) | (3,475,008) |
| Net income/(expenditure) | | 366,395 | (107,924) | (35,980) | 222,491 | 206,834 | 87,644 | (35,980) | 258,498 |
| Transfers between funds | 15 | (759,123) | (11,329) | 770,452 | - | 150,000 | - | (150,000) | - |
| Other recognised gains/(losses): | | | | | | | | | |
| Gain on revaluation of fixed assets | 10 | 3,929,124 | - | - | 3,929,124 | - | - | - | - |
| Net movement in funds | | 3,536,396 | (119,253) | 734,472 | 4,151,615 | 356,834 | 87,644 | (185,980) | 258,498 |
| Reconciliation of funds | | | | | | | | | |
| Total funds brought forward | | 2,513,032 | 294,689 | 6,447,378 | 9,255,099 | 2,156,198 | 207,045 | 6,633,358 | 8,996,601 |
| Total funds carried forward | | 6,049,428 | 175,436 | 7,181,850 | 13,406,714 | 2,513,032 | 294,689 | 6,447,378 | 9,255,099 |

[Type here]

Balance Sheet

31 December 2019

| | Note | 2019 £ | 2018 £ |
|-------------------------------------------------------|-------------|-------------------|-------------------|
| Fixed assets | | | |
| Intangible assets | 9 | 10,956 | 21,911 |
| Tangible assets | 10 | 12,028,952 | 8,149,850 |
| | | <u>12,039,908</u> | <u>8,171,761</u> |
| Current assets | | | |
| Stocks | | 571 | 846 |
| Debtors | 11 | 236,591 | 71,831 |
| Cash at bank and in hand | | <u>1,689,538</u> | <u>1,523,310</u> |
| | | 1,926,700 | 1,595,987 |
| Creditors: Amounts falling due within one year | 12 | <u>(559,894)</u> | <u>(512,649)</u> |
| Net current assets | | <u>1,366,768</u> | <u>1,083,338</u> |
| Net assets | | <u>13,406,714</u> | <u>9,255,099</u> |
| Funds of the charity: | | | |
| Endowment funds | 15 | 7,181,850 | 6,447,378 |
| Restricted funds | 15 | 175,436 | 294,689 |
| Unrestricted income funds | | | |
| Unrestricted funds | 15 | <u>6,049,428</u> | <u>2,513,032</u> |
| Total funds | | <u>13,406,714</u> | <u>9,255,099</u> |

The financial statements on pages 19 to 39 were approved by the trustees, and authorised for issue on 8 September 2020 and signed on their behalf by:

.....

Michael David Lea
Trustee

Company Registration Number: 01099684

Statement of Cash Flows

Year Ended 31 December 2019

| | Note | 2019 £ | 2018 £ |
|------------------------------------------------------|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net income | | 222,491 | 258,498 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | | 106,945 | 92,715 |
| Amortisation | | 10,955 | 10,955 |
| Investment income | | (2,181) | (1,406) |
| Interest payable | | 1,757 | 1,724 |
| | | <u>339,967</u> | <u>362,486</u> |
| Working capital adjustments | | | |
| (Increase)/decrease in stocks | | 275 | (313) |
| (Increase)/decrease in debtors | 11 | (164,760) | 148,442 |
| Increase in creditors | 12 | 47,245 | 140,504 |
| | | <u>222,727</u> | <u>651,119</u> |
| Net cash flows from operating activities | | | |
| Cash flows from investing activities | | | |
| Interest receivable and similar income | | 2,181 | 1,406 |
| Purchase of tangible fixed assets | 10 | (56,923) | (51,909) |
| Sale of tangible fixed assets | | - | 150,000 |
| | | <u>(54,742)</u> | <u>99,497</u> |
| Net cash flows from investing activities | | | |
| Cash flows from financing activities | | | |
| Interest payable and similar charges | | (1,757) | (1,724) |
| | | <u>166,228</u> | <u>748,892</u> |
| Net increase in cash and cash equivalents | | | |
| Cash and cash equivalents at 1 January | | <u>1,523,310</u> | <u>774,418</u> |
| Cash and cash equivalents at 31 December | | <u>1,689,538</u> | <u>1,523,310</u> |

All of the cash flows are derived from continuing operations during the above two periods.

| Analysis of net debt | At 1 January 2019 | Cashflows | Other non- cash changes | At 31 December 2019 |
|-----------------------------------|----------------------|----------------|----------------------------|------------------------|
| Cash | 1,523,310 | 166,228 | - | 1,689,538 |
| Loans falling due within one year | <u>(88,396)</u> | <u>-</u> | <u>(3,481)</u> | <u>(91,877)</u> |
| Total | <u>1,434,914</u> | <u>166,228</u> | <u>(3,481)</u> | <u>1,597,661</u> |

Notes to the Financial Statements

Year Ended 31 December 2019

1. Company status

The company is a registered charity and a company limited by guarantee without share capital incorporated in England and Wales. The guarantors are the members of the charity to the extent of £1 each.

The address of its registered office is:

20 Old School House
Kingswood Foundation Estate
Britannia Road
Kingswood
Bristol
BS15 8DB

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011.

Creative Youth Network meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy note(s).

The accounts are presented in sterling which is also the functional currency of the charity.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity. Although the Covid-19 pandemic creates substantial financial uncertainty, particularly in relation to the charity's venue/room hire business, the majority of the organisation's income comes from relatively more secure contract and grant agreements, and the trustees consider that reserves, although still slightly below target, are sufficient to enable the organisation to navigate any uncertainties ahead. Please see note 19 (post balance sheet events) below.

Changes in accounting estimate

A change in accounting estimate has been made with respect to freehold properties. Previously, the policy stated that freehold properties were being depreciated on a 1% straight line basis. Due to the high residual value of the properties and the policy of revaluing the properties to their fair value, this is no longer deemed appropriate. Following an external valuation of the properties during the current year, which resulted in an uplift in value of nearly £4m, the estimate of residual value for the freehold properties is now such that the appropriate rate of depreciation is considered to be nil. No depreciation was recognised in respect of freehold properties in either the current or previous year. Amounts recognised in earlier years were reversed upon revaluation of the properties.

Key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described above, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements and estimates that the trustees have made in the process of applying the charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The charity's freehold properties are held at valuation. The valuations are prepared by independent qualified valuers and based either on fair market value or a depreciated replacement cost (DRC) basis as appropriate. The carrying amount of freehold property at the year end is £11,805,000 (2018 - £7,875,875).

Income and endowments

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Contract income is recognised as the charity performs the services to which the income relates.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Other trading income is recognised when the relevant event or club takes place.

Income from rental or room hire is recognised in the period to which the income relates.

Expenditure

Resources expended are accounted for on an accruals basis and have been classified under headings that aggregate all costs related to that activity. Resources expended include attributable VAT which cannot be recovered. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resource, specifically on the basis of the proportion of direct costs per activity.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the activities. Overheads and other salaries are allocated between activities in proportion to income.

Governance costs include the costs of governance arrangements which relate to the general running of the charity. These costs are associated with constitutional and statutory requirements and include costs associated with the strategic management of the charity's activities.

Taxation

The Charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Intangible assets

Intangible fixed assets are included in the balance sheet at historical cost. The cost of intangible fixed assets includes any incidental expenses of acquisition.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows. Amortisation commences from the date at which the intangible asset is in use.

| Asset class | Amortisation method and rate |
|-------------|------------------------------|
| Software | 25% straight line |

Tangible fixed assets

Tangible fixed assets, other than freehold properties, are included in the balance sheet at historical cost. The cost of tangible fixed assets includes any incidental expenses of acquisition.

Freehold property is carried at valuation. All properties are revalued on a periodic basis, with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of each property at the financial year end. The cost of work carried out on the modernisation and improvements between valuations is capitalised. Freehold properties are reviewed every year for impairment.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less estimated residual value, on a straight line basis over their expected useful lives. The applicable depreciation rates are as follows:

| Asset class | Depreciation method and rate |
|----------------------------------|------------------------------|
| Fixtures, fittings and equipment | 12.5 - 25% straight line |
| Leasehold improvements | 4% straight line |
| Freehold property | nil |

Nil depreciation is charged on freehold properties due to their high residual values.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out method (FIFO).

Fund structure

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Expendable endowment funds are grant funding and donations for tangible fixed assets for the charity's own continuing use. The depreciation on the related asset is charged against the fund as it is recognised as expenditure in the statement of financial activities.

Operating leases

Rentals applicable to operating lease agreements where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Pensions

The charity operates a defined contribution scheme as well as a defined benefit scheme for employees. The assets of the schemes are held separately from those of the charity.

The defined benefit pension scheme is a multi-employer scheme. The charity only has two employees included in the scheme. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated by the charity as if it were a defined benefit contribution scheme, in accordance with FRS 102. The latest actuarial valuation was conducted in March 2019; the next valuation date is March 2021.

The charity also offers a defined contribution contractual workplace pension scheme through a multi-employer trust, The People's Pension Trust. Payments are charged to the statement of financial activities in the accounting period in which they are paid.

Financial instruments

Classification

The charity holds the following financial instruments:

- Short term trade and other debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the charity's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

3. Income from charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2019 £ | Total 2018 £ |
|-------------------------|-------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| Estates and the Station | 830,711 | 354,385 | 1,185,096 | 1,071,795 |
| Creative Department | 63,982 | 59,418 | 123,400 | 160,412 |
| Youth Services | 2,365,060 | 814,787 | 3,179,847 | 2,427,950 |
| | <u>3,259,753</u> | <u>1,228,590</u> | <u>4,488,343</u> | <u>3,660,157</u> |

The charitable company receives government grants, defined as funding from Bristol City Council, South Gloucestershire Council and Arts Council England to fund charitable activities. The total value of such grants in the period ending 31 December 2019 was £160k (2018: £257k). There are no unfulfilled conditions or contingencies attaching to these grants.

Unrestricted funds relate to income generated through charitable trading activity, including rental and hire income, contracts and fees. Restricted income relates to grants and income from charitable trusts.

In previous years income/expenditure for the Station had been reported separately from the charity's other Estates. The activities carried out at the Station are of a similar nature to those of our other buildings and have therefore been combined to reflect the full costs and revenue income of all of our Estates management across our various sites.

Income as reported above relates to the following:

| | |
|-------------------------|--------------------------------------------------------------------------------------------------------------|
| Estates and the Station | Income from the charity's land and buildings, primarily rent, licence fees, hire fees and associated charges |
| Creative Department | Contract income and grants for the work of our Creative department |
| Youth Services | Contract income and grants for the work of our Youth Services department |

4. Expenditure on charitable activities

| | Activity undertaken directly | Activity support costs | Total 2019 | Total 2018 |
|-------------------------|------------------------------------|---------------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Estates and the Station | 981,951 | (23,059) | 958,892 | 1,055,508 |
| Creative Department | 131,543 | 43,942 | 175,485 | 142,152 |
| Youth Services | 2,562,596 | 593,891 | 3,156,487 | 2,218,845 |
| | 3,676,090 | 614,774 | 4,290,864 | 3,416,505 |

In previous years income/expenditure for the Station had been reported separately from the charity's other Estates. The activities carried out at the Station are of a similar nature to those of our other buildings and have therefore been combined to reflect the full costs and revenue income of all of our Estates management across our various sites.

Expenditure as reported above relates to the following:

| | |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Estates and the Station | Expenditure on the charity's land and buildings, primarily maintenance, running costs, and staffing to deliver services for tenants and hirers |
| Creative Department | Expenditure delivering our Creative programme for young people |
| Youth Services | Expenditure delivering our Youth Services including open access youth clubs and targeted support programmes |

5. Analysis of support costs

Support costs allocated to charitable activities

| | Governance costs £ | Office/IT £ | Human Resources £ | Premises costs including depreciation £ | Total 2019 £ | Total 2018 £ |
|-------------------------|--------------------------|----------------|-------------------------|--------------------------------------------------|--------------------|--------------------|
| Estates and the Station | 3,680 | 24,932 | 109,350 | (161,021) | (23,059) | 236,518 |
| Creative Department | 640 | 4,332 | 19,000 | 19,970 | 43,942 | 19,123 |
| Youth Services | 12,080 | 81,836 | 358,924 | 141,051 | 593,891 | 291,553 |
| | 16,400 | 111,100 | 487,274 | - | 614,774 | 547,194 |

6. Net incoming/outgoing resources

Net incoming resources for the year include:

| | 2019 | 2018 |
|-----------------------------------------|-------------|-------------|
| | £ | £ |
| Operating lease expense | 18,367 | 8,719 |
| Auditors' remuneration - audit | 5,090 | 5,895 |
| Auditors' remuneration - other | 7,458 | - |
| Depreciation of tangible fixed assets | 105,587 | 92,715 |
| Amortisation of intangible fixed assets | 10,955 | 10,955 |

7. Trustees remuneration and expenses

During the year the charity made the following transactions with trustees:

Joanna Grant

Joanna Grant received remuneration of £1,560 (2018: £22,245) during the year.

This remuneration was in respect of consultancy services provided by Jo Grant Consulting Limited to the Charity.

Kirsty Swan

Kirsty Swan received remuneration of £nil (2018: £16,250) during the year.

This remuneration was in respect of legal services provided by Swan Craig Solicitors Limited during the year.

Deepraj Singh

Deepraj Singh received remuneration of £3,076 (2018: £nil) during the year.

This remuneration was in respect of directing and choreographing during the year.

Travel and other expenses totalling £nil (2018 - £591) were reimbursed to trustees during the year (2018 – to two trustees).

8. Staff costs

The aggregate payroll costs were as follows:

| | 2019 | 2018 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,173,756 | 1,756,195 |
| Social security costs | 171,265 | 135,721 |
| Pension costs | 67,173 | 58,385 |
| Termination payments | 4,000 | 77,301 |
| | <u>2,416,194</u> | <u>2,027,602</u> |

Creative Youth Network

The monthly average number of persons (including senior management team) employed by the Charity during the year was as follows:

| | 2019 No | 2018 No |
|-----------------------------|--------------------|--------------------|
| Average number of employees | 128 | 109 |

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

| | 2019 No | 2018 No |
|-------------------------------|--------------------|--------------------|
| Fundraising | 3 | 3 |
| Estates | 15 | 15 |
| Creative | 5 | 5 |
| Finance, HR, IT and Marketing | 12 | 8 |
| Youth Services | 51 | 40 |
| | 86 | 71 |

The number of employees whose emoluments fell within the following bands was:

| | 2019 No | 2018 No |
|--------------------|--------------------|--------------------|
| £70,001 - £80,000 | - | 1 |
| £90,001 - £100,000 | 1 | - |

The total employee benefits of the key management personnel of the charity were £439,519 (2018 - £287,507). Key management personnel are considered to be the ten members of the Senior Management Team as listed on page 13 (2018: eight members of staff were considered key management personnel).

9. Intangible fixed assets

| | Software assets £ | Total £ |
|-----------------------|------------------------------|--------------------|
| Cost | | |
| At 1 January 2019 | 43,822 | 43,822 |
| At 31 December 2019 | 43,822 | 43,822 |
| Amortisation | | |
| At 1 January 2019 | 21,911 | 21,911 |
| Charge for the year | 10,955 | 10,955 |
| At 31 December 2019 | 32,866 | 32,866 |
| Net book value | | |
| At 31 December 2019 | 10,956 | 10,956 |
| At 31 December 2018 | 21,911 | 21,911 |

10. Tangible fixed assets

| | Freehold property £ | Leasehold property improvements £ | Fixtures, fittings and equipment £ | Total £ |
|--------------------------|------------------------|--------------------------------------------|---------------------------------------------|------------|
| Cost or valuation | | | | |
| At 1 January 2019 | 7,875,876 | 190,993 | 584,111 | 8,650,980 |
| Additions | - | - | 56,923 | 56,923 |
| Disposals | - | - | (1,352) | (1,352) |
| Revaluation | 3,929,124 | - | - | 3,929,124 |
| At 31 December 2019 | 11,805,000 | 190,993 | 639,682 | 12,635,675 |
| Depreciation | | | | |
| At 1 January 2019 | - | 71,856 | 429,274 | 501,130 |
| Charge for the year | - | 7,640 | 99,305 | 106,945 |
| Eliminated on disposals | - | - | (1,352) | (1,352) |
| At 31 December 2019 | - | 79,496 | 527,227 | 606,723 |
| Net book value | | | | |
| At 31 December 2019 | 11,805,000 | 111,497 | 112,455 | 12,028,952 |
| At 31 December 2018 | 7,875,876 | 119,137 | 154,837 | 8,149,850 |

Kingswood Estate, The Station and Bridewell were revalued as at 31 December 2019, by means of an external formal independent professional valuation by Alder King, Chartered Surveyors.

Kingswood Estate is valued on an open market basis, on the basis of its existing use and subject to the tenancies and licences currently in place. The historic cost of the Kingswood site is £2,331,857. The revalued cost of the Kingswood site is £2,300,000.

The Station and Bridewell are considered to be properties of a specialist nature and have been valued using the Depreciated Replacement Cost method of valuation. The Station was acquired and subsequently refurbished utilising a Lottery Grant. As such, there is currently a charge over the property, preventing a sale within a period of twenty years from the commencement of funding. The historic cost of the Station is £4,954,482 and Bridewell is £906,326. The revalued cost of the Station is £6,140,000 and that of Bridewell is £3,365,000.

The trustees are satisfied that the valuations remain appropriate in light of current market conditions.

11. Debtors

| | 2019 | 2018 |
|----------------|----------------|---------------|
| | £ | £ |
| Trade debtors | 8,371 | 5,587 |
| Other debtors | 1,848 | 17,362 |
| Prepayments | 22,121 | 47,631 |
| Accrued income | 204,251 | 1,251 |
| | <u>236,591</u> | <u>71,831</u> |

12. Creditors: amounts falling due within one year

| | 2019 | 2018 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 212,598 | 184,000 |
| Other taxation and social security | 153,363 | 137,757 |
| Other creditors | 113,388 | 106,671 |
| Accruals | 42,992 | 53,636 |
| Deferred income | 37,553 | 30,585 |
| | <u>559,894</u> | <u>512,649</u> |

Included within other creditors is £91,877 (2018 - £88,396) in respect of loan finance received by the Charity. The loan is denominated in sterling, with a nominal interest rate of 1.95% and is repayable on demand.

13. Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2019 | 2018 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 30,396 | 14,645 |
| Between one and five years | 40,632 | 16,918 |
| | <u>71,028</u> | <u>31,563</u> |

14. Amounts receivable under operating leases

At the year end, the future minimum lease payments under non-cancellable operating leases on land and buildings due to the charity were:

| | 2019 | 2018 |
|--------------------------------|----------------|------------------|
| | £ | £ |
| Due within one year | 402,395 | 464,670 |
| Due between one and five years | 405,071 | 712,496 |
| Due after five years | 51,724 | 54,667 |
| | <u>859,190</u> | <u>1,231,833</u> |

15. Funds

| | Balance at 1 January 2019 | Incoming resources | Resources expended | Transfers | Balance at 31 December 2019 |
|-------------------------------------|------------------------------|-----------------------|-----------------------|------------------|-----------------------------------|
| | £ | £ | £ | £ | £ |
| Endowment funds | | | | | |
| Expendable endowment | 6,046,608 | - | (35,980) | - | 6,010,628 |
| Revaluation reserve – the Station | 400,770 | - | - | 770,452 | 1,171,222 |
| Total endowment funds | <u>6,447,378</u> | <u>-</u> | <u>(35,980)</u> | <u>770,452</u> | <u>7,181,850</u> |
| Unrestricted funds | | | | | |
| Designated capital fund - Kingswood | 1,719,137 | - | (7,640) | 700,000 | 2,411,497 |
| Revaluation reserve - Bridewell | - | - | - | 2,458,674 | 2,458,674 |
| Fixed asset designated fund | 104,786 | - | (61,973) | 55,571 | 98,384 |
| | <u>1,823,923</u> | <u>-</u> | <u>(69,613)</u> | <u>3,214,245</u> | <u>4,968,555</u> |
| General unrestricted fund | 689,109 | 7,213,889 | (2,848,757) | (3,973,368) | 1,080,873 |
| Total unrestricted funds | <u>2,513,032</u> | <u>7,213,889</u> | <u>(2,918,370)</u> | <u>(759,123)</u> | <u>6,049,428</u> |

Creative Youth Network

| | Balance at 1 January 2019 | Incoming resources | Resources expended | Transfers | Balance at 31 December 2019 |
|---------------------------------------------|------------------------------|-----------------------|-----------------------|-----------|-----------------------------------|
| Restricted funds | | | | | |
| <i>Estates</i> | | | | | |
| Bristol Magistrates Court Grant | 9,077 | 296,136 | (305,213) | - | - |
| John James Bristol Foundation | 12,000 | - | (12,000) | - | - |
| Big Lottery (Hanham Capital) | - | 18,960 | (18,960) | - | - |
| Commissioners Community Action Fund | - | 3,000 | (3,000) | - | - |
| St James Place | - | 22,289 | (22,289) | - | - |
| Van Neste Foundation | - | 10,000 | (8,333) | - | 1,667 |
| J & M Britton | - | 2,000 | - | - | 2,000 |
| Leonard Laity Stoa Foundation | - | 1,000 | - | - | 1,000 |
| Oldham Foundation | - | 1,000 | - | - | 1,000 |
| <i>Youth services</i> | | | | | |
| West of England works | 61,704 | 219,413 | (199,201) | (42,778) | 39,138 |
| South Gloucestershire Council + Big Lottery | 38,758 | 265,155 | (237,624) | - | 66,289 |
| NEET | 42,535 | 30,000 | (39,202) | (3,333) | 30,000 |
| Big Lottery Youth Investment Fund | 97,015 | 191,356 | (291,073) | - | (2,702) |
| HEE University of Exeter | 6,000 | 24,000 | (28,000) | - | 2,000 |
| BBC Children In Need | 12,013 | 14,102 | (23,111) | - | 3,004 |
| Bristol City Council – CIP | - | 4,250 | - | - | 4,250 |
| Hanham Abbots Parish Councils | - | 7,500 | (7,500) | - | - |
| Stoke Gifford Parish Council | - | 19,444 | (19,444) | - | - |
| The Dulverton Trust | - | - | (3,333) | 3,333 | - |
| Wesport | - | 7,567 | (6,600) | - | 967 |
| <i>Creative Department</i> | | | | | |
| <i>Artistic Excellence</i> | | | | | |
| Arts Council England | 29,605 | 7,401 | (48,260) | 11,254 | - |
| <i>Artistic in Residence</i> | | | | | |
| Comic Relief | 6,177 | 20,016 | (21,370) | - | 4,823 |
| <i>Performances</i> | | | | | |
| 1625 Independent People - Future For Me | - | 12,000 | (12,000) | - | - |

Creative Youth Network

| | | | | | |
|---------------------------------|-----------|------------|-------------|----------|------------|
| Andrew Fletcher | - | 2,500 | (2,500) | - | - |
| Arts Council England | (20,195) | 12,501 | (12,501) | 20,195 | - |
| Derek Hill Foundation | - | 5,000 | - | - | 5,000 |
| Core | | | | | |
| Joyce Fletcher Charitable Trust | - | 2,000 | - | - | 2,000 |
| Paul Hamlyn | - | 30,000 | (15,000) | - | 15,000 |
| Total restricted funds | 294,689 | 1,228,590 | (1,336,514) | (11,329) | 175,436 |
| Total funds | 9,255,099 | 8,442,479, | (4,290,864) | - | 13,406,714 |

Endowment funds

Grant funding and donations for tangible fixed assets for the charity's own continuing use are accounted for as expendable endowment, with the depreciation on the related asset charged against the fund as it is recognised as expenditure in the statement of financial activities.

The revaluation reserve relates to the revaluation of The Station. £770,452 of the current year's total uplift in valuation of freehold properties of £3,929,124 (see note 10) related to the Station, so has been transferred to this endowment fund.

Designated funds

The designated capital fund represents the Kingswood Estate, held in fixed assets. The trustees consider that this asset is being held for the long term activity of the charity and as such should be held in a designated capital fund. £700,000 of the uplift in valuation of freehold properties of £3,929,124 related to the Kingswood Estate, so has been transferred to this designated fund.

The fixed asset designated fund represents the fixtures, fittings and equipment held by the charity which have not been funded through endowment funding.

£2,458,674 of the uplift in valuation of freehold properties of £3,929,124 related to Bridewell - this has been transferred to a separate revaluation reserve.

Restricted funds

The purposes of the restricted funds are as follows:

Estates

Estates funding is used to maintain and improve the land and property, to provide quality space to tenants and users.

Creative Department

Artistic Excellence is supported by Arts Council England and supports talented young people (aged between 11-24) across Bristol, in the areas of Dance, Fashion, Visual Arts and Music.

Artistic in Residence is supported by Comic Relief and the Big Lottery Fund and is a three-year programme to encourage young people from disadvantaged backgrounds to participate in and lead youth social action.

Creative Courses was a programme of open access arts activities for young people, providing evening sessions and summer schools in a range of art-forms.

Youth Services

Youth Services offers opportunities and support to young people, particularly those from a disadvantaged background. Based around youth hubs, the engagement teams run one to one support for individuals and small groups, giving advice and guidance on drugs and alcohol, home and housing issues, school and careers, as well as relationship and sexual health.

| | Balance at 1 January 2018 | Incoming resources | Resources expended | Transfers | Balance at 31 December 2018 |
|----------------------------------|---------------------------------|-----------------------|-----------------------|-----------|--------------------------------------|
| | £ | £ | £ | £ | £ |
| Endowment funds | | | | | |
| Expendable endowment | 6,232,588 | - | (35,980) | (150,000) | 6,046,608 |
| Revaluation reserve | 400,770 | - | - | - | 400,770 |
| Total endowment funds | 6,633,358 | - | (35,980) | - | 6,447,378 |
| Unrestricted funds | | | | | |
| Designated capital fund | 1,726,777 | - | (7,640) | - | 1,719,137 |
| Fixed asset designated fund | 112,927 | - | (60,050) | 51,909 | 104,786 |
| | 1,839,704 | - | (67,690) | 59,900 | 1,823,923 |
| General unrestricted fund | 316,494 | 2,739,636 | (2,465,112) | (98,091) | 689,109 |
| Total unrestricted funds | 2,156,198 | 2,739,636 | (2,532,802) | 150,000 | 2,513,032 |

Creative Youth Network

| | Balance at 1 January 2018 | Incoming resources | Resources expended | Transfers | Balance at 31 December 2018 |
|-----------------------------------------|------------------------------|-----------------------|-----------------------|-----------|-----------------------------------|
| Restricted funds | | | | | |
| <i>Estates</i> | | | | | |
| BCC Neighbourhood Partnership | 6,000 | (6,000) | - | - | - |
| Bristol Magistrates Court Grant | - | 190,550 | (181,473) | - | 9,077 |
| Catalyst Grant | - | 10,000 | (10,000) | - | - |
| John James Bristol Foundation | - | 12,000 | - | - | 12,000 |
| <i>Youth services</i> | | | | | |
| West of England works | - | 248,933 | (187,229) | - | 61,704 |
| The Stokes | - | 31,975 | (31,975) | - | - |
| South Gloucestershire Council | 33,750 | 116,813 | (111,805) | - | 38,758 |
| NEET | 71,408 | 28,732 | (57,605) | - | 42,535 |
| Big Lottery Youth Investment Fund | 76,806 | 234,775 | (214,566) | - | 97,015 |
| Project Xclusive (Friday Night Project) | - | 7,499 | (7,499) | - | - |
| HEE | 9,000 | (3,000) | - | - | 6,000 |
| Children In Need | - | 14,431 | (2,418) | - | 12,013 |
| <i>Creative Department</i> | | | | | |
| <i>Artistic Excellence</i> | | | | | |
| Arts Council England | - | 66,611 | (37,006) | - | 29,605 |
| Big Music Project | - | 2,935 | (2,935) | - | - |
| Third Space | - | 1,500 | (1,500) | - | - |
| <i>Artistic in Residence</i> | | | | | |
| Comic Relief | 10,081 | 7,811 | (11,715) | - | 6,177 |
| <i>Performances</i> | | | | | |
| Future 4 Me | - | 12,000 | (12,000) | - | - |
| Spielman | - | 20,000 | (20,000) | - | - |
| Arts Council England | - | (8,195) | (12,000) | - | (20,195) |
| Dan Hickey | - | 2,000 | (2,000) | - | - |
| Joyce Fletcher | - | 2,500 | (2,500) | - | - |
| Total restricted funds | 207,045 | 993,870 | (906,226) | - | 294,689 |
| Total funds | 8,996,601 | 3,733,506 | (3,475,008) | - | 9,255,099 |

16. Analysis of net assets between funds

| | Unrestricted general funds £ | Unrestricted designated funds £ | Restricted funds £ | Endowment funds - revaluation reserve £ | Expendable endowment funds £ | Total funds £ |
|-------------------------|---------------------------------------|------------------------------------------|--------------------------|-----------------------------------------------------|---------------------------------------|------------------|
| 2019 | | | | | | |
| Intangible fixed assets | - | 10,956 | - | - | - | 10,956 |
| Fixed assets | (785) | 4,957,599 | - | 1,171,222 | 5,900,916 | 12,028,952 |
| Current assets | 1,641,552 | - | 175,436 | - | 109,712 | 1,926,700 |
| Current liabilities | (559,894) | - | - | - | - | (559,894) |
| Total net assets | 1,080,873 | 4,968,555 | 175,436 | 1,171,222 | 6,010,628 | 13,406,714 |
| | Unrestricted general funds £ | Unrestricted designated funds £ | Restricted funds £ | Endowment funds - revaluation reserve £ | Expendable endowment funds £ | Total funds £ |
| 2018 | | | | | | |
| Intangible fixed assets | - | 21,911 | - | - | - | 21,911 |
| Fixed assets | 10,172 | 1,802,012 | - | 400,770 | 5,936,896 | 8,149,850 |
| Current assets | 1,191,586 | - | 294,689 | - | 109,712 | 1,595,987 |
| Current liabilities | (512,649) | - | - | - | - | (512,649) |
| Total net assets | 689,109 | 1,823,923 | 294,689 | 400,770 | 6,046,608 | 9,255,099 |

17. Related party transactions

During the year the charity made the following related party transactions:

Key management personnel

Expenses paid to key management personnel totalled £3,126 (2018: £3,242).

The remuneration of key management personnel is disclosed in Note 8. At the balance sheet date the amount due to/from key management personnel was £Nil (2018 - £Nil).

Other related party transactions

The Chairman of the charity was appointed as a senior partner at PKF Francis Clark on 15 July 2019. During the year ended 31 December 2018, PKF Francis Clark were paid £3,550 in respect of accountancy services provided to the charity. There were no equivalent transactions in the current year.

Joshua Hore-Ruthven, the son of the CEO, received remuneration of £9,464 during the year for services provided (2018: £nil). £nil was owed by the charity as at the year end to Joshua Hore-Ruthven.

18. Financial instruments

Categorisation of financial instruments

| | 2019 £ | 2018 £ |
|-----------------------------------------------------------------------|-----------|-----------|
| Financial assets that are debt instruments measured at amortised cost | 1,904,008 | 1,547,510 |
| Financial liabilities measured at amortised cost | 406,531 | 374,892 |

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, grants payable and other creditors.

19. Post balance sheet events

In early 2020 the coronavirus pandemic began to impact upon the UK, and a government-imposed lockdown was imposed from 23rd March 2020. Creative Youth Network had anticipated this scenario and had therefore updated its business continuity plans in advance of the lockdown announcement. This enabled a smooth process of closing the charity's buildings and moving the majority of service delivery to digital channels. In the subsequent 6 months (from the commencement of lockdown to the date of this report) our teams have worked tirelessly to ensure that we continue to provide high quality services both for young people and for our tenants, stakeholders and wider customer group, albeit often in very different ways to before. This has included projects to reach out to those worst affected by the lockdown, for example by providing internet-connected tablets to young people without internet access at home. Like many organisations, Creative Youth Network faced significant financial impacts as a result of the pandemic/lockdown, in particular from the enforced closure of our venue/room hire business. In navigating the crisis, the board of trustees took an explicit decision to put the needs of young people first, even if it meant absorbing a greater financial deficit. The charity therefore anticipates an unplanned deficit for the 2020 financial year, and a deteriorating financial climate moving into 2021 and beyond. Nonetheless, the board of trustees considers that these are precisely the sort of circumstances for which reserves are held, and considers that while reserves remain only at the lower end of the target level, they are sufficient to enable the organisation to navigate the uncertain financial climate ahead.

Funding of £4.25m was secured post year end from The National Lottery Heritage Fund to develop the freehold property in Bridewell Street known as The Courts (although drawdown remains contingent on Creative Youth Network achieving its remaining match funding target for the project).