



The Young Foundation

Report and financial statements

31 December 2020

Company Limited by Guarantee
Registration Number
01319183 (England and Wales)

Charity Registration Number
274345 (England and Wales)

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Reference and administrative information

The Young Foundation is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

It is a Research Councils UK recognised independent research organisation (IRO)

Trustees	Dame Julie Mellor (Chair) Vidhya Alakeson (Chair of Nominations & Governance Committees) Kersten England Peter Gladwell (Chair of Property Committee) Stephen Jacobs Henry Kippin (appointed 29 October 2020) Abigail Rotheroe (Chair of Resources, Risk and Assurance Committee until 24 February 2021) Michael Savage (resigned 31 July 2020) Jonathan Sobczyk-Boddington (Chair of Resources, Risk and Assurance Committee from 24 February 2021) William Tanner Gareth Williams
Chief Executive	Helen Goulden
Company registration number	01319183
Charity registration number	274345
Registered office	Toynbee Hall 28 Commercial Street London E1 6LS

Reference and administrative information

Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC 465 Bethnal Green Road London E2 9QW CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE

Reference and administrative information

The Young Foundation's mission is to enable connected, more sustainable and stronger communities across the UK. We do this through amplifying people's stories and lived experiences and use this as a spur to drive locally-led and owned community action.

We use what we learn across different communities to spot national patterns of need and opportunity, working with partners to support innovations to deliver social impact at a national scale.

We seek to build a shared body of evidence, knowledge and insight about how best to strengthen and empower communities.

We were founded by the great social scientist and innovator Michael Young and originally called the Institute of Community Studies. We became the Young Foundation after Michael's death in 2002. Together we have created and supported over 80 organisations including: *Which?*, *The Open University*, *Language Line*, *Economic and Social Research Council*, *Social Innovation Exchange*, *School for Social Entrepreneurs*, *UpRising* and *Studio Schools Trust*.

OUR FUNDERS AND PARTNERS

Ajuntament de Barcelona	London Borough of Hackney
Bank of America	London Borough of Barking and Dagenham
Barrow Cadbury Trust	London Borough of Southwark
BD Collective	London Borough of Tower Hamlets
Belfast City Council	National Association of Special Schools
Big Lottery Northern Ireland	The National Lottery Community Fund
Big Society Capital	The Nationwide Foundation
The Cabinet Office	NHS England
Credit Suisse	OVO Foundation
Department of Communities Northern Ireland	Oxfam GB
Economic and Social Research Council	Paul Hamlyn Foundation
Ending Youth Homelessness	Peabody Trust
Erasmus Gates	Postcode Lottery
European Commission	Power to Change
Friends Provident Foundation	She Decides
Greater London Authority	SHINE Trust
Calouste Gulbenkian Foundation	SPEAR
The Indigo Trust	Sport England
Kings College London	The Co-operative Group Ltd
Local Trust	UBS
London Borough of Bexley	UPP Foundation
	The Wellcome Trust

CHAIR'S REPORT

The work of The Young Foundation has never been more salient. At a time of huge disruption, change and growing inequalities, our mission to help local institutions understand, involve and innovate with communities remains core to our strategy. We believe that strong communities - where people feel they have influence, agency and belonging - will secure the greatest levels of well-being in our society.

The re-launching of the Institute for Community Studies has been a key part of this; seeking to bring rigorous, expansive evidence to support development of policy and practice to 'Level Up' and tackle long-entrenched (and now exacerbated) geographical inequalities across the country. There is huge need to ensure we give legitimacy and value to the evidence and insights surfaced from people and communities themselves; and the success of The Young Foundation's National Peer Research Network is a testament to the growing desire to engage more people in social research and innovation.

We continue our boundary and sector spanning work to support innovation across a range of key societal issues, working with an increasing number of organisations wishing to support system change in places, and on topics that concern us all.

Long-standing friends of The Young Foundation will have been saddened to see the sale of 18 Victoria Park Square, which required significant capital investment to maintain the property and was losing money as a commercial rental endeavour.

Following exploration of a number of different options and engagement with the market, the building was sold, and trustees were satisfied that the proposed disposition to the purchaser was on the best terms that could reasonably be obtained by the Charity. The revenues from the sale are being invested to support the long-term future of the charity, and in growing our impact across the UK. We are delighted to be joining our friends at Toynbee Hall as their tenants; an organisation with similarly deep and strong roots in the East End of London.

The board have retained a focus on the financial sustainability of the charity, and on eliminating our structural deficit, which is reducing year on year. Our focus on long-term income generation has been successful and it is hugely satisfying to see income grow beyond our targets in 2021. In light of current trends and predictions within the economy and banking sector, the board are also focused on the financial investment strategy for the Young Foundation to ensure the most effective and secure use of capital realised from the building sale.

Thank you to our inspirational CEO who saw what contribution we could make before she joined us three years ago and who is enabling YF to contribute so much that is needed at this critical time for the UK. Thank you to staff who have persevered during pandemic, switching to digital delivery overnight last March and worked so hard over the year to support communities and institutions who have the desire to be strong, vibrant places.

Dame Julie Mellor

Chair of the Board of Trustees

CHIEF EXECUTIVE'S REPORT

It is impossible to write this Annual Report without situating it within the context of the global health crisis and its effects on our families, communities, our health care professionals, our society and our economy. 2020 has been profoundly defined by the Covid-19 pandemic and the human, societal and cost to livelihoods that has flowed from it. It has been defined by the gigantic surge in activism to call out and dismantle structural racism in our society and the exacerbating effects of the pandemic on inequality of all kinds. Those challenges are still with us in 2021 and reflecting on the achievements and performance of the Young Foundation in 2020 is necessarily set against this turbulent backdrop.

And yet it has also been a year where the critical importance and value of community, mutual aid and the state of relations between institutions and the communities they serve, has been widely recognised. As a result of this, the methods, research and innovation support offered by The Young Foundation have been in increasing demand.

In particular, it was possible to be highly responsive in our approach to gathering data, stories and multiple forms of evidence of how Covid-19 was impacting and changing our communities. This work has deepened through support by working in partnership with the British Academy, Wellcome Trust, Power to Change and many others. This has contributed significantly to a useful evidence base on which to shift policy and practice, at local and national levels.

Through considerable shifts in our training and delivery channels, we have been successful in growing our national network of community researchers, an infrastructure to enable stronger relationships between communities and the local institutions who influence their well-being. As we move through 2021, the network is growing substantially, with an increasing focus on younger people finding civic agency and building new skills through community-based research.

The Institute for Community Studies published its research agenda, which was co-created with 3,000 community representatives from across the UK and the ICS has been highly successful in generating evidence and prototype interventions which bring more diverse actors into the research and innovation ecosystem.

Through the Inclusive Economy Partnership and through our accelerator programmes, we have been able to support many more mission-led businesses and social ventures to grow their impact in tackling education inequality and prototype a new approach to supporting non-commercial innovations to scale.

As the relevance of our multi-disciplinary, community involving approaches have grown in demand, the financial risk associated with delivering our charitable activities during a national crisis has been largely mitigated. We were able to meet our financial income targets, retaining a broadly steady state on 2019 income levels. Given the wider operating environment, this has been a satisfying performance, in which strong foundations were laid to support further growth of our income and social impact in 2021.

Internally, we were able to make changes across the organisation by opening up spaces for staff to talk, reflect and learn from how the pandemic, Black Lives Matter and Extinction Rebellion were creating waves of change in our lives and work. All of these issues will command more of our attention in 2021.

One very significant change for the Young Foundation has been our move from our long-standing home in Bethnal Green and into Toynbee Hall in early 2021. This is part of a larger set of organisational changes that have put us in a far stronger position to deliver against our mission. We are already now seeing the benefit of being able to fully direct all our attention to our research and innovation activities to drive social change.

As we begin to emerge out of the more severe national lockdowns which dominated most of 2020, we collectively enter our own 'Long Covid' – repairing and recovering from loss of lives, jobs, education and opportunity. This will change our research and innovation activities once more, and yet it remains the case that The Young Foundation found it's footing in a tumultuous year and I continue to be proud to work alongside such a dedicated and talented team of staff and trustees.

Helen Goulden

Chief Executive

TRUSTEES' ANNUAL REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with audited financial statements of The Young Foundation (the charitable company) for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 37 of the attached accounts and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

OBJECTIVES AND RELEVANT POLICIES

Objectives and activities for the public benefit

The objects of the Young Foundation as set out in its Memorandum of Association are:

- a) The relief of needs arising from financial hardship, mental or physical illness, disability, or old age;
- b) The promotion of equality and diversity for the benefit of the public through research and the design and delivery of services that address exclusion;
- c) The promotion of health;
- d) The promotion of research and education in the social sciences and the dissemination of the useful outcomes of such research; and
- e) The advancement of purposes charitable in England and Wales by the development of organisations and activities and the exchange of ideas.

The objects are considered by the trustees to be for the public benefit as defined in the Charity Commission's guidance on public benefit. In order to achieve these objectives, the Young Foundation undertakes research to identify and understand social needs and then develops practical initiatives and institutions to address those, combining ideas, analysis and practical action.

Our research work also permeates all our programmes. We are a Research Councils UK recognised independent research organisation (IRO).

ACHIEVEMENTS AND PERFORMANCE

We believe that strong communities - where people feel they have influence, agency and belonging - will secure the greatest levels of well-being in our society. Governments and institutions which hold power (whether local, national or global) do not often effectively listen to - or work with - the communities they serve, or have influence over. This prompts distrust and disengagement, feelings of powerlessness and a lack of agency and influence over issues that affect people, particularly those who are often marginalised or ignored. It crowds out and ignores stories, wisdom and capacity to create change. We do not see community power as a remedial safety net in the face of crisis or a withdrawal of state support, but as a necessary, regenerative power to shape a more inclusive, equitable and sustainable future.

Working in the 2020s, we believe our most effective role is to support places, people, and institutions to understand, involve and innovate, and to drive positive change on the issues communities care about. We want to demonstrate the value of understanding, involving and innovating with communities and our work is deliberately inter-disciplinary, cross sector and boundary spanning. We view success as being when evidence, inspiration, expertise and infrastructure are used to shift policies and practices that model a more inclusive, sustainable and healthier society.

A key pillar of our work therefore, is to support places, people and institutions; deploying a range of innovative approaches and methods, adapted to suit different localities and needs. At the same time, we work with and alongside communities to take action themselves; supporting a broader, growing movement of community-led change and innovation.

In 2020, our goals to provide services to organisations to better understand, involve and work with communities across the UK manifested in a number of ways and we have highlighted examples of particularly strong work in this Trustees Report. Through this work we have developed evidence, infrastructure, expertise and inspiration to support stronger communities.

The Implications of the Coronavirus Pandemic

It is first necessary to highlight the implications of Covid-19 on our work. The Covid-19 pandemic impacted the type and scale of our work in substantive ways. As an organisation predominantly to be found delivering work in partnership with others, often with extended community and entrepreneur involvement, lockdown presented what seemed initially like insurmountable challenges to ongoing delivery. However, not only were the team able to pivot to 100% digital delivery, we quickly experimented with new platforms, formats and design, fully enabling our work to continue. In many cases, this allowed us to increase our geographical reach and the diversity of the people we work with. While we accept there are consequential losses to online working, it will remain a significant part of our way of working well into the future.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Implications of the Coronavirus Pandemic (continued) As a UKRI accredited Independent Research Organisation with a bias towards participatory, qualitative social research, the pandemic itself has presented us with many important research questions to explore – in terms of providing real-time insights into our collective and unequal experiences of the pandemic, contributing to the evidence base as the pandemic unfolded, and as a historical record. This work commenced swiftly after the first lockdown in March 2020 as we worked with the Open University to gather stories and responses to how lockdown was impacting community life. [Covid and You](#) charts the first 12 weeks of lockdown through the eyes of 600 UK citizens, situating their stories against Government announcements, Covid-19 statistics and other key moments and milestones.

This swift, self-financed piece helped build further work over the course of 2020. The Wellcome Trust¹, [Power to Change](#), [National Lottery Community Fund](#), and latterly the [British Academy](#) and the [Department for Culture, Media & Sport](#) all supported our work to gather and analyse the impact of Covid on community life, community owned businesses, local government relationships with the voluntary sector and changing models of community organising.

Knowledge & Evidence Creation

In late 2019, we re-launched the Institute for Community Studies (ICS), the original vehicle for much of Michael Young's work. By July 2020, we had worked with over 3,000 representatives from communities across the UK to develop a 'people powered research agenda' for the Institute. Entitled 'Safety In Numbers?' the report both set out the key issues that mattered most to communities across the UK (with safety ranked in the top 5 in all areas of the country) and demonstrated an entirely new approach to creating 'demand-led' research.

The Institute for Community Studies successfully partnered with Sheffield Hallam University and the National Co-ordinating Centre for Public Engagement to design and deliver the inaugural year of the Civic University Network; designed to support universities re-shape their role and responsibility to their communities to realise their potential as drivers of a new civic agenda.

The ICS took principal responsibility for member engagement, understanding the needs of and ensuring the participation of universities across the UK and working via geographical and thematic clusters of civic themes to support them to embed the civic mission within their university strategies.

¹ [Snapshot-1-Divided-we-stand .pdf \(youngfoundation.org\)](#); [Covid-19 & Community Life: Why are Cases Rising? - The Young Foundation](#); [Snapshot-3-The-Peoples-Strategy-2.pdf \(youngfoundation.org\)](#)

ACHIEVEMENTS AND PERFORMANCE (continued)

Knowledge & Evidence Creation (continued)

In the first year, membership has grown from 52 to 115 Higher Education Institutions, representing 70% of the Higher Education sector. A thriving programme designed and led by the ICS working closely with the National Coordinating Centre for Public Engagement, including capacity building workshops, bespoke toolkits, best practice sharing and thought leadership across twenty five events in the first year, has been a backbone of developing a community of practice in Higher Education committed to strengthening the Civic role of universities in their communities. The strategic partner role has been integral to building an active partnership base for the ICS with universities as a key stakeholder of its mission, and the ICS will remain as a Strategic Partner of the Network to shape and drive the community of practice and thought leadership over 2021 – 2022.

Integral to the ICS model is developing bridging infrastructure to connect communities closer to the structures, methods and cultures that produce the policies and evidence that shapes their lives. During 2020, the ICS built a portfolio of five pilot projects aimed at testing different partnership approaches for how evidence developed with and from communities could be valuable to different actors working on policy, research, strategies and civil society.

This included a Civic Scholars programme of eight scholars from diverse disciplines appointed to work closely within the ICS on a multi-level enquiry into social inclusion within communities and 'Undisciplined Spaces', a programme which puts student researchers in partnership with peer researchers to conduct community-led enquiries to solve issues in their local area. Undisciplined Spaces has been running in partnership with Kings College London and due to the early success of the programme, the focus in 2021 is how this pilot can be productised and rolled out more widely, to respond to the strong interest in the programme model by other HEIs and knowledge-based organisations.

By late 2020, the value of the ICS in bringing together multiple perspectives and research in relation to the impact of Covid on communities was demonstrated by a commission from the British Academy for the 'Covid Decade' report, and our full contribution can be read in full [here](#).

The focus in the ICS's evidence review on place, community resilience and how the mechanisms and structures of community power were shifting and coming to the fore during Covid-19, led to the increased importance of local communities being the top finding in the British Academy's flagship [report](#). The report highlighted the need for stronger community involvement in multi-level governance structures, a focus on the strengthening of community and social infrastructure, and better models for empowerment of community alongside civil society and business actors among its seven key policy recommendations.

The key stakeholder priorities for the ICS in 2020 have been consolidating our relationship with, and value to, partners and funders within the civil society and foundations sector; building a growing relationship with UKRI which has culminated in a three year grant to be the collaboration partner for the forward development of their citizen science and public engagement work; and establishing a profile and pipeline focused on the credibility, value-add and innovative potential of community involvement in research and policymaking with learned societies such as the British Academy, the British Science Association and institutions in the higher and further education sectors.

ACHIEVEMENTS AND PERFORMANCE (continued)

Knowledge & Evidence Creation (continued)

This has led to recurrent funding from two partners and an ambitious forward pipeline of larger scale programmes with university, innovation, government, combined authority and indeed, transatlantic partners that seek to further test and consolidate the ICS as a 'centre of excellence, authenticity and distinctiveness' in what matters to, and works for, communities.

Building Infrastructure for mobilising community knowledge, insights & leadership

A key piece of infrastructure to support our delivery is our national peer research network. Throughout 2020 we continued to scale the network. Despite pivoting our delivery online, we continued to recruit, train and work with peer researchers, bringing new insights and lived experiences to our key research priorities. With support from Paul Hamlyn Foundation we were able to prototype and adapt our training and practice to better suit young people from very diverse backgrounds, working with three different cohorts; each with a different ethnic minority or migrant focus.

As well as supporting these organisations to use peer research to advance their mission, it has enabled us to more effectively support young researchers in new initiatives which include:

- ◆ Employing 30 16–25 year olds to train as Peer Researchers through the Government's Kickstart Scheme. Through complementary funding from Youth Futures Foundation and Mohn Westlake Foundation, they will co-produce research inquiries with their team of young commissioners and research issues that they collectively care about. Also providing valuable insight into the skills and networks created through peer research which may provide pathways into social purpose employment and social action.
- ◆ Working as a national delivery partner for the Youth Endowment Fund, we will recruit young people at risk of becoming involved in violence and train them as peer researchers.

We also worked to advance the awareness and impact of [Peer Research in the UK](#) – which provided a comprehensive introduction to the methodology and advocated its value as a legitimate and insightful research approach. This was accompanied by an [assessment of the policy impact of peer research](#). Using urban and youth policy case studies, this report focuses on how peer research and co-production through citizen engagement has positively influenced policy outcomes.

ACHIEVEMENTS AND PERFORMANCE (continued)

Building Infrastructure for mobilising community knowledge, insights & leadership (continued)

What impact can Peer Research Have in a Place?

Case Study: Thames Futures, Barking.

Barking Riverside is one of the largest new housing developments in the UK and one of the largest brownfield developments in Europe.

With over 10,000 new homes being built alongside existing neighbourhoods, the developer (Barking Riverside Ltd) wanted to understand the hopes and aspirations of both old and new residents and reflect these in a community-led vision for the future of the area.

To do this The Young Foundation hired and trained a team of local residents to become peer researchers and speak openly to residents about plans for the area. This led to the creation of a detailed and ambitious vision that sets out the community's hopes for the future of the ward. The vision reflected the feelings and ideas expressed by a diverse group of local people, spanning 9 priority areas. Each priority contained written statements about what people want for the future of their area and associated commitments from BRL setting out exactly how they will work with the community to achieve this.

For example, the community prioritised the importance of having local people's voices heard and acted upon throughout the development process and in the future running of their area. This was met with a commitment from BRL to work with residents to set up a Community Interest Company (CIC) responsible for estate management. The CIC is now run by local residents, who receive appropriate training provided by BRL, ensuring that the community's voice is central to decision-making around the estate in future.

Alongside the vision, a Social Impact Measurement Framework has been put in place, which sets out all commitments made to the community and how progress against each will be measured. BRL will work with peer researchers to track and report their progress on these to the community on an annual basis. This gives local residents a robust mechanism through which to hold the developers to account against the aims and commitments of the vision.

Supporting Social Innovation

Our work to support social innovation and entrepreneurship increased in 2020. Here we set out our achievements in relation to just two of our major programmes:

- ◆ The Young Academy Accelerator and Investment Fund – tackling education inequality.
- ◆ The Inclusive Economy Partnership – supporting cross-sector collaboration to improve mental health, tackle financial exclusion and supporting young people to transition into work.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Young Academy

2020 was a busy year for the Young Academy Investment Fund. Seven of our investments converted to Revenue Participation Loans and began making repayments in addition to the two investments which had converted in previous years. Only three investments are left to convert, and we expect these to convert to equity stakes or loans during 2021. Impact performance and measurement have improved across the fund too, with the introduction of a disadvantage measure to ensure that interventions were reaching the right cohort of students to address the attainment gap.

Covid-19 has had a big impact on education organisations and our entrepreneurs have had to navigate school closures, busy and stressed teachers, and new forms of delivery. The fund was quick to react with support; immediately announcing a repayment holiday during periods of school closures. We introduced monthly calls with education ventures across our network so that the entrepreneurs could share support and ideas. The Young Foundation also supported Unlimited on their Social Enterprise Support fund. Three of our organisations received funding through closely working with our fund management team to develop applications to this or other funders in our network.

We've been impressed with the way in which our entrepreneurs have reacted to the obstacles Covid-19 put in their path and have continued to innovate to better support their students. *Smart School Councils*, which provides a debate tool for teachers to use in the classroom, launched Home Debate Club so families could facilitate their own debates. *Edukit* developed an app in two short months, so that its surveys could be completed by students at home and allow teachers to better understand how students were reacting to the additional stresses and isolation being experienced by young people. *Potentially* partnered with a number of corporates to launch a whole new initiative – it's *Class of 2020* scheme. Recognising that young people leaving university would struggle to enter the workplace in a constricting economy, it wanted to provide corporate graduate training for free so that students could still upskill outside of employment.

In a mission to drive change towards more inclusion and diversity within the social investment sector, we published [Nothing about us without Us](#), an analysis and **framework** for bringing lived experience into every phase of the social investment fund cycle, generously funded by Barrow Cadbury Trust and Big Society Capital.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Young Academy (continued)

Our work to tackle education inequality continued through our partnership with the National Association of Special Schools. Last year we finished the delivery of our innovation support programme in partnership with the National Association of Independent Schools and Non-maintained Special Schools (NASS). We supported 9 projects developed by teachers working with SEND students. These projects ranged from teacher training courses on teaching sex education to profoundly physically disabled young people (Chailey Heritage Foundation), to a curriculum based on student devised quality of life measures for autistic students (Swalcliffe Park School). The full set of innovations can be found here: <https://www.youngfoundation.org/projects/nass-send-incubator/>

The Inclusive Economy Partnership

Bringing together business, civil society and government to tackle social and economic problems, the Inclusive Economy Partnership is a government funded initiative to mobilise cross-sector action on key societal challenges.

In 2020, we were commissioned by the Cabinet Office to deliver a national programme of support to mission-led social businesses; brokering relationships with larger businesses, institutions and investors to grow their social impact. Working across 3 core themes (mental health, transitioning young people to work and financial inclusion) we successfully:

- ◆ Leveraged over £4.5m of funding and investment into proven social ventures;
- ◆ Brokered over **130 partnerships** between social businesses and corporates, funders, investors and government;
- ◆ Provided a tailored package of support for scaling organisations with **93% approval rating**;
- ◆ **44% increase the number of lives impacted**, supporting over 70,000 more people from the baseline of 163,000.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Inclusive Economy Partnership (continued)

Bringing the Inclusive Economy Partnership to life

Case Studies: Flash Academy & Income Max

Flash Academy is a digital service for education, training providers and employers to support English as a second language learners and employees. With support from BOOST, Flash Academy grew from supporting 25,000 in 2019 to 60,000 beneficiaries in 2020. We successfully supported Flash Academy to secure commercial partnerships within LA and construction sectors, as well as investment (e.g. West Midlands Combined Authority, Landsec, Buckingham Virtual School, Skanska).

"Brilliant programme. Unique opportunity to gain high level insights into scaling a social impact business, providing rapid connections to both industry and Government."

Income Max maximises income through a service that guides access to unclaimed benefits and helps with reducing debt and household bills. Through BOOST Income Max grew its reach from supporting 10,000 to 16,000 people over the course of 2020. We brokered connections to unlock Income Max's strategic digital offer with The Alan Truing Institute, Government Digital Service and SHIFT digital.

"We felt valued, connected, promoted and supported. With the support to date we are already in a strong position to win new work and support more people."

Relocating to a new office

In late 2018 the Board of Trustees agreed to investigate options to overcome the growing challenges posed by our long-standing home in Bethnal Green. On 13th November 2020, The Young Foundation announced that it would be moving from its long-standing home in 18 Victoria Park Square and was in the process of selling the property. This was the end of a very significant era for The Young Foundation, but the start of a more ambitious strategy to support communities on the road to recovery from the impact of Covid-19.

18 Victoria Park Square had been the home of the Young Foundation and the Institute for Community Studies for many decades; and was held in much affection by many people. Therefore, it is important to set out why The Young Foundation Trustees made this decision. A decision which was made before the Covid-19 crisis, but has been reinforced by it.

The building has been in need of repair and renovation for many years and a structural review undertaken in 2017 identified a large number of significant issues requiring urgent attention and large-scale investment. Prior to lockdown, the building had been consuming substantial resources to keep it safe, open and usable by tenants and staff, however, it continued to be inaccessible to any employee with physical disabilities. At the same time, The Young Foundation has been embarking on a long-term strategy that connects ever more closely with communities within Tower Hamlets and across a widening range of different localities across the country. Maintaining a twin focus on being a good and effective landlord in a highly challenging building, and an organisation seeking to grow its social impact, had been a sustained challenge.

Prior to making the decision to sell the property, trustees and the executive team explored a range of options for the future of the building. However, none proved feasible due to the complex configuration of the building, its listed status, financial reserves and limited appetite to divert our scarce people resources away from charitable activities and into a capital works project.

Since the Covid-19 pandemic, it became clear that, like countless other organisations, The Young Foundation had changed the way it works in profound ways, which change our office needs considerably. All these factors combined to enable trustees to be confident in the decision made.

The choice of where to relocate became very clear following initial conversations with Toynbee Hall. As an organisation with similarly deep roots in the East End of London, a strongly shared ethos and values, in a newly renovated building very open and accessible to local people, we have been delighted to be able to call Toynbee Hall our new home.

It is important to note that the proceeds for the sale of 18 Victoria Park Square are to be reinvested to ensure the very long-term perpetuation of The Young Foundation and its work.

FINANCIAL REVIEW

Results for the year

The reported deficit in the year to December 2020 of £157k is a significant improvement on the £589k deficit in 2019. However, expenditure in 2019 includes a £383k impairment charge against the value of Social Investments and this provision was partially reversed by £72k. Excluding these movements in impairment provisions, the overall results for the two years are broadly similar.

Income in the year of £1,896k (2019: £1,815) represents a modest 4% increase. We are pleased that we were able to maintain income in a year where Covid-19 presented challenges to both programme delivery and business development.

Charitable expenditure of £2,054k (2019: £2,404k) is slightly above 2019 expenditure after adjusting for the 2019 £383k impairment charge. There has been a focus on reducing support costs and these have reduced from £471k in 2019 to £443k largely due to staff cost savings.

The split of income between unrestricted and restricted funds was roughly equal in 2019, but in 2020 the charity secured several large grants restricted to delivery of specific programmes (including grants from the Wellcome Trust for COVID 19 research and Cabinet office for the Inclusive Economic Partnership) meaning that restricted income in 2020 of £1,221k (2019: £923k) represents 64% of income.

In 2019 unrestricted expenditure included delivery on projects funded in earlier accounting periods. In 2020 several projects funded in the year have delivery continuing into 2021. As a result, there is a £119k net surplus on restricted funds compared to a £255k deficit in 2019. Details of the specific restricted funds and projects are shown in note 14.

There is an unrestricted deficit of £294k (2019: £335k). As noted below the charity continues to operate within its reserves policy. With support costs well managed, and the sale of the charity's property removing the risk of unexpected maintenance expenses, the focus for 2021 is to increase income whilst retaining appropriate margins on projects to ensure that support costs are fully funded. Income targets for 2021 are £2,000k and at the time of writing we have secured over £1,850k of this income. In 2021 we will invest further in roles to help deliver this income growth including the appointment of an Associate Director, Institute for Community Studies and a Head of External Affairs & Communications.

Reserves policy and financial position

Total reserves at 31 December 2020 were £2,613k (2019: £2,770k) of which £1,064k (2019: £928k) were restricted for specific purposes.

The policy of the trustees is to hold sufficient reserves in a liquid form to meet short term obligations, and having considered the risks facing the charity and its level of activity, have decided that this is equivalent to six months unrestricted expenditure. At 31 December 2020, six months unrestricted expenditure was £509k (2019: £588k). The total unrestricted funds at 31 December 2020 were £1,549k (2019: £1,842k) which represents 18 months unrestricted expenditure.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

In February 2021 The Young Foundation sold its property at 18 Victoria Park Square for £2,900k. As discussed in more detail on page 17, the building's running costs were high and we were unable to invest in its upkeep. After direct costs this will generate an unrestricted surplus of approximately £1,900k which will increase unrestricted funds to in excess of £3,400k. The Board will reinvest these proceeds to ensure the long-term future of The Young Foundation and its work.

Therefore, the trustees consider that they have sufficient funds to meet the reserves policy and are considering how best to invest these funds to balance preserving liquidity to maintain day to day activity whilst also generating income and/or long-term growth.

Going concern

The trustees continue to adopt the going concern basis in preparing the annual financial statements. In adopting this basis, they have reviewed all appropriate budgets and forecasts. These forecasts include the impact of Covid-19, which is explained in detail under "Risk Management" (page 21 below). The trustees are not aware of any material uncertainties that suggest that the Young Foundation cannot continue as a going concern.

Investment policy and performance

Under the Memorandum and Articles of Association the trustees have general powers of investment. The trustees have decided to continue to hold the charity's funds in the CCLA Deposit Account (cash).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Young Foundation's governing documents are its Memorandum and Articles of Association dated 15 June 1977 as amended on 16 March 2005 and 21 February 2021.

The Board of Trustees met six times in 2020. In addition to the Board of Trustees there is a Resources, Risk & Assurance Committee (RRAC) which met four times in 2020. The Committee was chaired by the treasurer, Abigail Rotheroe during 2020. In February 2021, Jonathan Sobczyk Boddington was appointed treasurer and is the new chair of the Committee. The Nominations and Governance Committee met during 2020 to make recommendations to the Board on the appointment of new trustees.

Following a review and workshop in 2017, the Board adopted a governance action plan which included developing and implementing a detailed Governance Manual detailing corporate policies, levels of delegation and responsibility and the annual cycle of Board business. The Board also completes an annual Effectiveness Review which identified strong progress against the governance action plan whilst also identifying areas for improvement particularly around ensuring the relevance and impact of projects, being ambassadors for fundraising and deepening their relationship with the executive team and other staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The following trustees were in office at 31 December 2020 and served throughout the year except where shown.

Trustees	Appointments/ resignations	Board meetings attended in 2019 (and number available)
Dame Julie Mellor		6 (6)
Vidhya Alakeson		5 (6)
Kersten England		6 (6)
Peter Gladwell		5 (6)
Stephen Jacobs		4 (4)
Henry Kippin	Appointed 29 October 2020	2 (2)
Abigail Rotheroe		3 (6)
Michael Savage	Resigned 31 July 2020	2 (4)
Jonathan Sobczyk- Boddington		6 (6)
William Tanner		4 (6)
Gareth Williams		6 (6)

Details of all the trustees are posted on our website, [youngfoundation.org](https://www.youngfoundation.org)

One new trustee was appointed in 2020. Candidate trustees meet with the Chair, the Chief Executive and the Nominations and Governance Committee following which their application is considered by the Nominations and Governance Committee. The induction of trustees is undertaken on an informal basis with the Chief Executive and senior management team and through attendance at Young Foundation and external events.

The day to day management and running of the charity has been delegated to the Chief Executive and the senior management team. The senior management team prepares an annual operational plan and budget which is approved by the trustees. The senior management team take responsibility for the execution of the operational plan and budget and report on progress to the trustees.

Key management personnel

The key management personnel of the Young Foundation are the Chair and Board of Trustees together with the Chief Executive and Directors who form the senior management team.

The remuneration of the Chief Executive is set and reviewed by the nominations committee. The remuneration of the other key management personnel is set by the CEO taking into consideration factors such as what the organisation can afford to pay, inflation and external benchmarking.

Risk management

The Board's Resources, Risk and Assurance Committee has reviewed the major operational risks and the Board has reviewed the strategic risks including the ways in which these are monitored, managed and mitigated by the senior management team. These reviews have included the on-going impact of Covid-19.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Impact of Covid-19 (Coronavirus)

During 2020 Covid-19 (Coronavirus) forced the Government to impose a lockdown across the country, restricting travel to a few exceptional circumstances, and forcing the temporary suspension of some traditional business practices.

In April 2020 The Young Foundation temporarily closed its office and staff worked from home. Despite some initial IT related issues, this caused little disruption and most staff adapted well to new ways of working. In August 2020 the office was partially reopened, but staff were encouraged to follow government advice and remain working from home. However, a limited number of staff could book desk space in the office each day to allow team meetings, use of IT resources (printers, scanners etc.) and gain access to documents and other items in the office. Social distancing protocols were put in place in line with government guidance. No significant expenditure was necessary to reopen the office.

Closing the office meant we had to furlough three staff for four months. We gave rent rebates to our tenants representing a share of the savings we were able to achieve while the office was closed, so there was minimal impact on our net income.

Following the sale of the office in February 2021 all staff have been working from home. All physical copies of accounting and business accounting records have been placed in storage. We will be renting desks and meeting rooms at Toynbee Hall from early July 2021 so that staff can start returning to an office environment and collaborating in person.

Throughout last year, most staff remained engaged with work and the wider Young Foundation team and continued to deliver projects in line with our business plans. Whilst delivery remains strong in early 2021, like many organisations we are aware that many staff are finding working from home on a permanent basis increasingly stressful. We hope that our use of facilities at Toynbee Hall will mean that we can come together as a team over the summer. We will continue to listen to the opinions and concerns of our staff as we evolve and develop our working practices whilst continuing to follow best practice.

Despite initial concerns that business development activities during lockdown would be more difficult we were able to meet our income targets for 2020 and we had committed income of over £1.8m as we started 2021. However, we remain concerned that the impact of Covid-19 will have a long-term impact on the wider economy and this could mean that there is reduced opportunity for future funding and contract income.

The businesses in which we have made Social Investment have mainly been able to maintain their trade during 2020 and at this point there has been no impact on the valuation of our investments. But we continue to monitor our investments closely as the longer-term impact on their trade becomes clearer.

We also expect that the value of investments within the Universities Superannuation Scheme defined benefit scheme will have been impacted and early indications are that it is likely that our contributions to this scheme will increase significantly and we have factored this into our revised forecasts.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key risks

Our risk registers reflect the above increased risks presented by Covid-19. The key risks identified by the Board and summarised below together with management actions to mitigate these risks.

Income Generation and sustainability

The main risk to The Young Foundation is the inability to generate sufficient income to enable full cost recovery and be a financially sustainable organisation. As noted above, the long-term impact of Covid-19 on the wider economy may mean that business development becomes more difficult. It is essential that we maintain close relationships with funders and explore all funding opportunities. We have developed and continue to refine our processes for bidding for funding to ensure full cost recovery. We will be developing some "off-the-shelf" products as a way of introducing our products and services to new clients. The sale of our property has helped us reduce overheads further as we no longer risk large unexpected maintenance costs.

Staff engagement

Like most organisations The Young Foundation team initially responded well to working from home, but over time many of the team have expressed frustration or shown signs of stress at continuing to work remotely. Typical concerns include blurred boundaries between work and home life, lack of workspace and missing close interaction with work colleagues. Many new starters in 2020 have not met any work colleagues face to face. We have regular all staff team meetings and ensure that managers keep in close contact with their team. We are hopeful that the expected relaxation in Covid-19 restrictions this summer and the use of new office space at Toynbee will allow us to integrate as a team once again; we have a summer event planned. We are in the process of upgrading our IT systems and equipment and we provide appropriate office furniture for staff who need it. We continue to seek staff opinion and feedback through team meeting discussions and staff surveys.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Young Foundation for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ 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; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- ◆ there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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.

This report was approved by the trustees on 14 July 2021 and signed on their behalf by:

Dame Julie Mellor, Chair of the Board of Trustees

Independent auditor's report to the members of The Young Foundation

Opinion

We have audited the financial statements of The Young Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 December 2020 and of 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.

Conclusions relating to going concern

In auditing the financial statements we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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.

Responsibilities of trustees (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the Companies Act 2006) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates for the valuation of programme related investments and the bad debt provision were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 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.

Catherine Biscoe (Senior statutory auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 July 2021

Statement of financial activities Year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Incorporating income and expenditure account							
Income from							
Donations		1,139	—	1,139	125,000	—	125,000
Investments	2	2,418	—	2,418	6,983	—	6,983
Charitable activities							
. Grants and other earned fees	1a	484,774	1,220,799	1,705,573	545,649	922,295	1,467,944
. Other	1b	187,253	—	187,253	214,775	216	214,991
Total income		675,584	1,220,799	1,896,383	892,407	922,511	1,814,918
Expenditure on							
Charitable activities	3	1,017,462	1,036,254	2,053,716	1,176,064	1,228,091	2,404,155
Total expenditure		1,017,462	1,036,254	2,053,716	1,176,064	1,228,091	2,404,155
Net (expenditure) income before transfers		(341,878)	184,545	(157,333)	(283,657)	(305,580)	(589,237)
Transfers between funds	13	48,205	(48,205)	—	(50,910)	50,910	—
Net (expenditure) income and net movement in funds for the year		(293,673)	136,340	(157,333)	(334,567)	(254,670)	(589,237)
Reconciliation of funds:							
Total funds brought forward		1,842,491	927,667	2,770,158	2,177,058	1,182,337	3,359,395
Total funds carried forward		1,548,818	1,064,007	2,612,825	1,842,491	927,667	2,770,158

All of the above results are derived from continuing activities.

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages to 38 to 49 form part of these financial statements.

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	7	5,295		948,598	
Investments	8	595,247		578,616	
			600,542		1,527,214
Current assets					
Assets held for resale	7	909,250		—	
Debtors	9	439,685		350,299	
Cash at bank and in hand		1,114,515		1,113,997	
		2,463,450		1,464,296	
Liabilities:					
Creditors: amounts falling due within one year	10	(451,167)		(221,352)	
Net current assets			2,012,283		1,242,944
Total assets less current liabilities			2,612,825		2,770,158
The funds of the charity:					
Unrestricted funds		1,548,818		1,842,491	
Restricted funds	14	1,064,007		927,667	
		2,612,825		2,770,158	

The financial statements were approved by the Trustees on 14 July 2021 and signed on their behalf, by:

Dame Julie Mellor
Chair

The Young Foundation
Company registration number 01319183 (England and Wales)

The notes on pages 38 to 49 form part of these financial statements.

Statement of cash flows 31 December 2020

	Notes	2020 £	2019 £
Cash outflow from operating activities:			
Net cash used in operating activities	A	(57,700)	(250,367)
Cash inflow from investing activities:			
Interest and dividends from investments		2,418	6,983
Purchase of tangible fixed assets		—	(6,414)
Repayments of investments		55,800	13,260
Net cash provided by investing activities		58,218	13,829
Change in cash and cash equivalents in the year		518	(236,538)
Cash and cash equivalents at 1 January 2020	B	1,113,997	1,350,535
Cash and cash equivalents at 31 December 2020	B	1,114,515	1,113,997

Notes to the statement of cash flows for the year to 31 December 2020

A Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(157,333)	(589,237)
Adjustments for:		
Depreciation charge	34,053	33,957
Impairment of investments	(74,431)	382,624
Interest and dividends from investments	(2,418)	(6,983)
Increase in debtors	(89,386)	(9,297)
Increase/(decrease) in creditors	229,815	(61,431)
Net cash used in operating activities	(57,700)	(250,367)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	382,216	381,698
Instant access cash accounts	732,299	732,299
Total cash and cash equivalents	1,114,515	1,113,997

C Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash	381,698	518	382,216
Cash equivalents	732,299	—	732,299
Total	1,113,997	518	1,114,515

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation rate;
- ◆ the valuation of social investments;
- ◆ the provision for bad debts;
- ◆ the allocation of support costs; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern basis (see below).

The trustees considered the impact of Covid-19 when making these judgements and estimates. With the exception of the valuation of social investments, they do not consider that the impact of Covid-19 results in any further uncertainty. The valuation of social investments is based on the most up to date information available to trustees on future income and cash flows. The trustees determined that these forecasts adequately reflect the impact of Covid-19.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements based on appropriate budgets and forecasts.

When preparing these forecasts, the trustees considered:

- ◆ the impact of “lockdown” on staff, delivery against contracts and rental income and concluded that these risks are reducing;
- ◆ the wider impact on the wider UK economy. Whilst there remain uncertainties for the longer term, the charity is confident of increasing income in 2021 compared to 2020 income and are investing in staff and resource to generate further increased income in 2022 and beyond.

As a result of this review, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Additional detail about the impact of Covid-19 on the charity are described in the Trustees’ Annual Report (page 22).

Company status

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

Fund accounting

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

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged against the specific fund.

Income recognition

Income is recognised in the statement of financial activities when the charitable company has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income recognition (continued)

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Where the Young Foundation is a member of a consortium, for example on certain EU funded programmes, only the income and expenditure which is specific to the Young Foundation is recognised in the financial statements.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future period.

Rents receivable are invoiced as accrued and are recognised on an accruals basis.

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

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included in expenditure. Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services of equivalent economic benefit on the open market.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

All expenditure is inclusive of irrecoverable VAT.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs of projects, including governance costs and where appropriate charitable grants.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued.

Allocation of support and governance costs

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

Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Support costs are allocated across charitable expenditure on the basis of the number of staff employed in each activity.

Tangible fixed assets and depreciation

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

- ◆ Office equipment - 25% on a straight line basis
- ◆ IT equipment - 33% on a straight line basis
- ◆ Plant and Equipment - 18% on a straight line basis
- ◆ Freehold property - 2% on cost
- ◆ Listed Freehold Property - Nil% (see note below)

Historically it has been the policy of the trustees to maintain the listed freehold property, which is held for charitable use, in such condition that the useful economic life is considered to be in excess of fifty years from the balance sheet date. Consequently any depreciation charge on the buildings element of the listed property is deemed to be immaterial and no depreciation is charged on the listed property. In 2020 the charity exchanged contracts on the sale of the listed property and therefore the listed property, including the plant and equipment integral to the property, have been reclassified as current assets held for sale in these financial statements.

Other financial instruments

The charity has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other'. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

Social investments

Social investments are investments made directly in pursuit of the charity's charitable purposes. Unquoted equity investments are held at cost, less any provision for diminution in value or add any increase in value, while loans are recorded at cost less any provisions to reflect non-recoverability.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Leased assets

Rentals applicable to operating leases 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 term of the lease.

Pension contributions

The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. Therefore, as required by FRS 102, the charity accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. There is currently no deficit funding plan in place, other than increased employer contributions, and therefore no liability has been recognised.

Pension contributions (continued)

In February 2015, a defined contribution scheme, (the Peoples Pension) was established for staff not working on research. Contributions in respect of the defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employee contributions.

1a Income from charitable activities – grants and other fees earned

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Communities	287,114	17,545	304,659
Research	197,660	692,731	890,391
Social Investment and Innovation	—	510,523	510,523
2020 Total funds	484,774	1,220,799	1,705,573

	Unrestricted funds £	Restricted funds £	2019 Total funds £
<i>Communities</i>	<i>240,002</i>	<i>196,323</i>	<i>436,325</i>
<i>Research</i>	<i>288,356</i>	<i>426,903</i>	<i>715,259</i>
<i>Social Investment and Innovation</i>	<i>17,291</i>	<i>299,069</i>	<i>316,360</i>
2019 Total funds	545,649	922,295	1,467,944

1b Income from charitable activities – other income

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Hub for social innovation – rent and room hire	128,324	—	128,324
VAT recovery	16,681	—	16,681
Tenant recharges	4,531	—	4,531
Speaking fees, events and publications	691	—	691
Government grant	27,028	—	27,028
Other	9,998	—	9,998
2020 Total funds	187,253	—	187,253

	Unrestricted funds £	Restricted funds £	2019 Total funds £
<i>Hub for social innovation – rent and room hire</i>	<i>169,661</i>	<i>—</i>	<i>169,661</i>
<i>VAT recovery</i>	<i>14,562</i>	<i>—</i>	<i>14,562</i>
<i>Tenant recharges</i>	<i>6,305</i>	<i>—</i>	<i>6,305</i>
<i>Speaking fees, events and publications</i>	<i>69</i>	<i>216</i>	<i>285</i>
<i>Other</i>	<i>24,178</i>	<i>—</i>	<i>24,178</i>
2019 Total funds	214,775	216	214,991

2 Income from investments

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Interest receivable on cash deposits	2,418	—	2,418
2020 Total funds	2,418	—	2,418

2 Income from investments (continued)

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Interest receivable on cash deposits	6,983	—	6,983
2019 Total funds	6,983	—	6,983

3 Expenditure on charitable activities

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	2020 Total funds £
Communities	278,811	104,910	78,816	462,537
Research	143,328	231,278	492,143	866,749
Social Investment and Innovation	463	66,761	465,295	532,519
Hub for social innovation	151,378	40,533	—	191,911
2020 Total funds	573,980	443,482	1,036,254	2,053,716

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	2019 Total funds £
Communities	247,586	134,656	172,651	554,893
Research	276,351	201,984	392,513	870,848
Social Investment and Innovation	13,491	89,772	662,927	766,190
Hub for social innovation	167,339	44,885	—	212,224
2019 Total funds	704,767	471,297	1,228,091	2,404,155

Allocation of support costs

Support costs have been allocated across charitable expenditure on the basis of the number of staff employed in each activity. The net costs after allocation are shown below:

	2020 £	2019 £
Finance, human resources and premises management	371,840	414,979
Information technology	33,995	31,946
Governance costs		
. Auditor's remuneration	16,263	11,277
. Staff costs	21,384	13,095
	443,482	471,297

4 Staff costs and remuneration of key management personnel

	2020 £	2019 £
Wages and salaries	976,894	1,111,635
Social security costs	99,560	111,950
Other pension costs	97,455	89,365
	1,173,909	1,312,950

4 Staff costs and remuneration of key management personnel (continued)

During the year, the Young Foundation made total termination payments of £11,401 (2019 – £6,933). These are included within wages and salaries.

The average head count during 2020 was 29 (2019 – 33).

The average, full time equivalent number of staff analysed by function is:

	2020	2019
Charitable activities	18.6	19.1
Support	5.7	8.0
	24.3	27.1

The number of higher paid employees was:

	2020 no.	2019 no.
£60,000 - £70,000	1	3
£90,001 - £100,000	1	1
	2	4

These employees are accruing retirement benefits under either a defined benefits or defined contribution scheme. Employer contributions made in respect of these individuals totalled £18,665 (2019 – £30,810).

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis comprise the trustees, the Chief Executive and the senior management team. The total remuneration (including taxable benefits, employer's pension contributions and national insurance costs) of the key management personnel for the year was £285,596 (2019 – £383,464). The cost of key leadership personnel employed as contractors on an interim basis during the year was £63,690 (2019: £nil).

No remuneration was paid to any trustee during the year. One trustees' travel and accommodation expenses of £932 were reimbursed during the year (2019 – nil).

5 Net expenditure for the year

This is stated after charging:

	2020 £	2019 £
Auditor's remuneration (including VAT):		
. Audit – current year	10,500	11,277
. Audit – prior year	5,763	—
Depreciation	34,053	33,957
Operating lease rentals	301	845

6 Taxation

The Young Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

7 Tangible fixed assets

	Land and buildings £	Plant and Equipment £	Office equipment £	IT equipment £	Total £
Cost					
At 1 January 2020	1,093,701	74,019	108,704	151,879	1,428,303
Reclassified as asset for sale	(1,093,701)	(74,019)	—	—	(1,167,720)
At 31 December 2020	—	—	108,704	151,879	260,583
Depreciation					
At 1 January 2020	213,611	15,832	100,336	149,926	479,705
Charge for the year	15,344	13,683	4,436	590	34,053
Reclassified as asset for sale	(228,955)	(29,515)	—	—	(258,470)
At 31 December 2020	—	—	104,772	150,516	255,288
NBV at 31 December 2020	—	—	3,932	1,363	5,295
NBV at 1 January 2020	880,090	58,187	8,368	1,953	948,598

During 2020 The Young Foundation exchanged contracts on the sale of its property at 18 Victoria Park Square. The sale was completed in February 2021 generating a surplus of £1.90 million.

Therefore the land and buildings and the plant and equipment integral to the property have been reclassified as current assets held for sale in these financial statements.

8 Investments

	Total funds 2020 £	Total funds 2019 £
Social investments:		
. Young Academy		
Market value at 1 January 2020	578,616	974,500
Impairment reversal/(charge)	72,431	(382,624)
Repayments	(55,800)	(13,260)
Market value at 31 December 2020	595,247	578,616
Historic cost	1,084,939	1,140,740

Social investments

The Young Foundation has made social investments through the Young Academy Investment Fund which has been established by the Young Foundation with funding from the Social Incubator Fund, which is administered by the Big Lottery Fund on behalf of the Cabinet Office and UBS. The initial investments were made by way of convertible loan notes. Many of these instruments have now been converted into loans with repayments linked to revenue.

At 31 December 2020, the split was as follows:

	2020 £	2019 £
Convertible loan notes	247,000	478,690
Revenue participation loans	348,247	99,926
	595,247	578,616

8 Investments (continued)

The social investments include convertible loan notes issued to Think for the Future, Potentially and CPDBee and revenue participation loans to Edukit, Proversity, Infused Learning, Structural Learning, Smart Schools Council, Talent-Ed Education, GT Scholars, Panjango, and East Learning CIC.

The Young Foundation holds shares in a community interest company Mydex Data Services. At this stage in Mydex's development, it has been decided to not to put a value on the shareholding in the Young Foundation's financial statements. The shareholding is treated as a social investment as it is made directly in pursuit of the Young Foundation's charitable purposes.

The Young Academy investments were reviewed internally for diminution in value. In 2020 no increase in impairment provision was made, however the provision was reduced by £72,431 representing actual repayments against investments previously fully impaired of £27,121 and a reversal of impairments made in earlier years that are no longer considered necessary of £45,310. (2019 – a provision of £382,624 was made.) The valuation of social investments is based on the most up to date information available to trustees on future income and cash flows and following the year end, no further material diminution in value has been noted.

9 Debtors and prepayments

	2020 £	2019 £
Trade debtors	99,498	166,737
Prepayments and accrued income	340,187	183,562
	439,685	350,299

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	40,021	40,501
Other creditors	85,745	77,499
Accrued expenditure	67,344	55,155
Deferred income	258,057	48,197
	451,167	221,352

Included in creditors is deferred income as set out below:

	2020 £	2019 £
Deferred income at 1 January 2020	48,197	127,055
Resources deferred in the year	258,057	36,307
Amounts released in the year	(48,197)	(115,165)
Deferred income at 31 December 2020	258,057	48,197

Deferred income comprises funds received in advance from the Department of Work and Pensions, the Cabinet Office and Koreo.

11 Operating lease commitments

At 31 December 2020, the charity had future minimum operating lease commitments on plant and machinery as follows:

	2020 £	2019 £
Payments which fall due:		
. Within one year	—	422
. Within two and five years	—	—
	—	422

12 Liability of members

The charity is a company limited by guarantee, each member being liable for a sum not exceeding £1 in the event of the company being wound up.

13 Movement in funds

	Balance at 1 January 2020 £	Net expenditure £	Transfers £	Balance at 31 December 2020 £
Restricted funds	927,667	184,525	(48,205)	1,064,007
Unrestricted funds				
. General fund	904,214	(318,902)	963,506	1,548,818
. Property fund	938,277	(22,976)	(915,301)	—
	1,842,491	(341,878)	48,205	1,548,818
Total funds	2,770,158	(157,333)	—	2,612,825

The property fund represented the charity's investment in property which created a hub for social innovation and for nurturing new organisations as well as acting as a base from which the charity could carry out its operations. The property was sold in early 2021, therefore the Trustees no longer consider it appropriate to maintain a separate fund. The proceeds from the sale of the property will be reinvested to ensure the long-term future of The Young Foundation and its work.

Restricted funds represent grant income for specific charitable projects as set out in note 14.

	Balance at 1 January 2019 £	Net expenditure £	Transfers £	Balance at 31 December 2019 £
Restricted funds	1,182,337	(305,580)	50,910	927,667
Unrestricted funds				
. General fund	1,209,848	(254,724)	(50,910)	904,214
. Property fund	967,210	(28,933)	—	938,277
	2,177,058	(283,657)	(50,910)	1,842,491
Total funds	3,359,395	(589,237)	—	2,770,158

14 Restricted fund analysis

The movement in restricted funds in 2020 was:

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Research					
EU Horizon 20 20- Clever Cities	41,363	—	(22,026)	—	19,337
SHINE Mad Children	3,478	—	(3,478)	—	—
Power To Change – Institute for Community Studies	82,876	—	(82,876)	—	—
Friends Provident - Institute for Community Studies	75,000	50,000	(125,000)	—	—
LB of Bexley- NRPF Ethnography	—	2,930	(2,930)	—	—
EU Horizon 20 20- UPLIFT	—	265,672	(36,561)	—	229,111
Paul Hamlyn Foundation - Peer Research	—	60,000	(23,726)	—	36,274
Calouste Gulbenkian Foundation - Battersea Arts Centre	—	16,130	(4,755)	—	11,375
UPP Foundation - Civic University	—	25,000	(8,599)	—	16,401
The Wellcome Trust- COVID-19	—	207,999	(162,734)	—	45,265
Kings' College London - Undisciplined Spaces	—	15,000	(663)	—	14,337
National Lottery Community Fund - Emerging Futures	—	50,000	(18,795)	—	31,205
Total Research	202,717	692,731	(492,143)	—	403,305
Communities					
Big Lottery Fund - Amplify Youth NI	54,284	—	(54,284)	—	—
Credit Suisse - Amplify Youth	4,108	—	(4,108)	—	—
Communities Can	247	—	(247)	—	—
Belfast City Council	2,877	10,000	(12,877)	—	—
Department for Communities Northern Ireland - Arts For Social Change	—	7,545	(7,545)	—	—
Total Communities	61,516	17,545	(79,061)	—	—

14 Restricted fund analysis (continued)

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Social Innovation and Investment					
The Young Academy Social Incubator Fund Grant	578,616	—	72,431	(55,800)	595,247
UBS AG - Young Academy Fund Management	—	94,069	(77,274)	27,900	44,965
Young Academy Accelerator 2019	15,385	—	(12,885)	—	2,500
Oxfam GB- Rootslab	6,086	—	(6,086)	—	—
Nationwide – Reimagining Rent	21,383	—	(21,383)	—	—
NASS Incubator	15,943	—	(10,943)	—	5,000
SHINE	—	22,454	(9,165)	(13,289)	—
Southwark Research	1,265	—	(1,265)	—	—
Barrow Cadbury Trust - Nothing about us without us	4,480	4,000	(8,480)	—	—
YA Revenue Participation	13,260	—	—	—	13,260
Cabinet Office - Inclusive Economic Partnership	—	390,000	(390,000)	—	—
Other	7,016	—	—	(7,016)	—
Total Social Innovation and Investment	663,434	510,523	(465,050)	(48,205)	660,702
Total Restricted Funds	927,667	1,220,799	(1,036,254)	(48,205)	1,064,007

The Young Academy is an impact first investment fund set up by The Young Foundation to provide finance to early stage social ventures whose work tackles education inequality in England. The Young Academy has received £1,391,016 from the Social Incubator Fund which is administered on behalf of the Cabinet Office by the Big Lottery Fund.

During the year, transfers of £48,205 were made from restricted funds to the unrestricted fund. These transfers were permitted under grant agreements where projects have completed and in relation to repayments to the Young Academy Investment Fund.

14 Restricted fund analysis (continued)

The movement in restricted funds in 2019 was:

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2019 £
Research					
UIA – Barcelona	—	31,432	(31,432)	—	—
ESRC – Bright Futures	—	56,490	(56,490)	—	—
EU Horizon 20 20- Clever Cities	59,237	—	(17,874)	—	41,363
SHINE Mad Children	8,850	3,000	(8,372)	—	3,478
Patchwork Philanthropy 2	9,720	—	(20,159)	10,439	—
Participatory Video	—	20,000	(22,642)	2,642	—
Power To Change – Institute for Community Studies	—	260,000	(177,124)	—	82,876
Friends Provident - Institute for Community Studies	—	75,000	—	—	75,000
Participatory Video (LBBD)	—	3,000	(3,000)	—	—
LB Bexley NRPF Ethnography	—	5,570	(5,570)	—	—
UPLIFT (EU Horizon 20 20)	—	105	(105)	—	—
Total Research	77,807	454,597	(342,768)	13,081	202,717
Communities					
Big Lottery Fund - Amplify Youth NI	29,547	150,336	(125,599)	—	54,284
Credit Suisse – Amplify Youth	92,137	—	(88,029)	—	4,108
Communities Can	247	—	—	—	247
Belfast City Council	8,099	—	(5,222)	—	2,877
Share to Know (Erasmus)	—	25,613	(25,613)	—	—
Arts For Social Change	—	4,240	(4,240)	—	—
Sports England Grant	—	5,690	(5,590)	—	—
Total Communities	130,030	185,879	(254,393)	—	61,516
Social Innovation and Investment					
The Young Academy Social Incubator Fund Grant	974,500	—	(395,884)	—	578,616
UBS AG - The Young Academy Fund Management	—	91,895	(91,895)	—	—
The Young Academy Accelerator 2019	—	60,551	(45,166)	—	15,385
Oxfam GB - Rootslab	—	6,342	(256)	—	6,086
Social Innovation Community	—	(27,478)	(10,351)	37,829	—
OpenMaker	—	4,444	(4,444)	—	—
Nationwide – Reimagining Rent	—	92,356	(70,973)	—	21,383
NASS Incubator	—	24,665	(8,722)	—	15,943
Southwark Research	—	10,000	(8,735)	—	1,265
Barrow Cadbury Trust - Nothing about us without us	—	6,000	(1,520)	—	4,480
YA Revenue Participation	—	13,260	—	—	13,260
Other	—	—	7,016	—	7,016
	974,500	282,035	(630,930)	37,829	663,434
Total Restricted Funds	1,182,337	922,511	(1,228,091)	50,910	927,667

During 2019 transfers of £50,910 were made from the unrestricted fund to the restricted fund to reduce the balance of funds on completed projects with expenditure over-runs to £nil.

15 Analysis of net assets between funds

	Unrestricted £	Restricted £	2020 Total £
Tangible fixed assets	5,295	—	5,295
Investments	—	595,247	595,247
Net current assets	1,515,623	496,660	2,012,283
	<u>1,520,918</u>	<u>1,064,007</u>	<u>2,612,825</u>

	Unrestricted £	Restricted £	2019 Total £
<i>Tangible fixed assets</i>	<i>948,598</i>	<i>—</i>	<i>948,598</i>
<i>Investments</i>	<i>—</i>	<i>578,616</i>	<i>578,616</i>
<i>Net current assets</i>	<i>893,893</i>	<i>349,051</i>	<i>1,242,944</i>
	<u><i>1,842,491</i></u>	<u><i>927,667</i></u>	<u><i>2,770,158</i></u>

16 Related party transactions

During the year Power to Change commissioned and paid £33,160 for a report and in 2019 The Young Foundation received a £250,000 donation from Power to Change to support the Institute for Community Studies. One of The Young Foundation's trustees is an employee of Power to Change. In addition, one of The Young Foundation management team is a former member of the Power to Change management team.

During the year, a donation of £1,000 (2019 – £nil) was received from Legal and General Investment Management. One of The Young Foundation's trustees is an employee of Legal and General Investment Management.

One of the trustees who served during 2019 was an employee of the London School of Economics (LSE). During 2019 The Young Foundation received £10,000 from LSE. (No income was received from LSE in 2020.)

17 Commitments

The Young Foundation participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Young Foundation is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", The Young Foundation therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

17 Commitments (continued)

The total cost charged to the statement of financial activities for USS Pension Contributions is £73,600 (2019 – £61,709). This includes £nil (2019 – £18,211) outstanding contributions at the balance sheet date.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. Since the Young Foundation cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2018 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion. An alternative way of expressing the position is that the Scheme's assets were sufficient to cover 95% of its liabilities – this percentage is known as the funding level of the Scheme.

Defined benefit liability numbers for the scheme for accounting purposes have been produced using the following assumptions as at 31 March 2020 and 2019:

	31 March 2020	31 March 2019
Discount rate	CPI + 0.14% to 1.55%	CPI + 0.14% to 1.55%
Pensionable salary growth	CPI	CPI
Pension increases	CPI	CPI

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2019 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020	2019
Mortality base table	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	<u>Post retirement</u> 96.7% of SAPS SINMA "light" for males and 102.7% of RFV00 for females	<u>Post retirement</u> 96.7% of SAPS SINMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p/a. for females	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p/a. for females

17 Commitments (continued)

The current life expectancies on retirement at age 65 are:

	2020	2019
Males currently aged 65 (years)	24.4	24.4
Females currently aged 65 (years)	26.3	26.3
Males currently aged 45 (years)	25.9	25.9
Females currently aged 45 (years)	27.7	27.7
	2020	2019
Scheme assets	£63.7bn	£63.7bn
Total scheme liabilities	£67.3bn	£67.3bn
FRS 102 total scheme deficit	£3.6bn	£3.6bn
FRS 102 total funding level	95%	95%

18 Post balance sheet events

In February 2021 the charity's property was sold for proceeds of £2.9 million.

At 31 December 2020 the property was included on the balance sheet as an asset held for sale.