

Youth United Foundation

Annual Report and Financial Statements

30 September 2021

Company Limited by Guarantee
Registration Number
07983862 (England and Wales)

Charity Registration Number
1147952

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Chair's Report

The period covered in this report relates to the last months of the last lockdown for covid and the 5-months of society generally and uniformed youth groups specifically returning to increasing levels of face-to-face activity supported with enhanced the digital developments that had so ably and quickly been developed by the member organisations during covid. The open sharing of and learning from the challenges as member groups emerged from covid has been part of the benefits that individual member organisations have remarked positively as benefits of the YUF network.

The impact of covid has been felt everywhere but a 2-year pause in the development of young people who had yet to develop the resilience and capabilities to manage in relative isolation has arguably more impact on their development. The youth united network has worked extremely hard to recover the positions amongst the ca. 1.4m young people that are members of the uniformed youth groups. Collective membership has bounced back with around 20% growth year on year in the 12-months since re-opening. YUF has worked closely to help and support the member organisations in collaboration with cross sector groups such as Back Youth Alliance and the NYA. YUF and its members continue to develop broader links with youth organisations to maximise the collaborative reach, share good practices and to facilitate more joined up data and impact reporting across the sector. Workstreams include a project to align workforce development strategy to allow volunteer youth workers to be recognised on the same qualifications framework as employed youth workers.

As such, I commenced my term as Chair post the last AGM in June-21 and work began on a strategic plan for the collective members needs in autumn. The first part of that Plan has borne fruit, through the collective effort of the Members, with the announcement of initially a £15m grant from DCMS (subsequently revised to £17m) to commence late in the tax year 22/23 and run for 3-years to eliminate waiting lists and for more uniformed youth places. This is excellent news for the network members. as they will receive the lion's share of these funds. However, in order to secure YUF's future we need to tender for and win the right to administer and manage ideally this or such grants and add sources of funding such as corporate partnerships. Work has begun on these tasks but it is at early stages of implementation.

In terms of funding of the YUF in the 12-months covered by this report, our income in that period was through the continued and generous support of the Prince of Wales Charitable Foundation and a smaller element of membership fees. The Trustees, staff and Members are indebted to the PWCF for this support. We are working diligently to reduce our burden to the PWCF and have made a start with two pilot projects commencing in June 2022 and anticipate at least one more in the coming months. We will continue, with the members support, to strive for an independent set up but are reliant in the short term to our benefactors primarily PWCF.

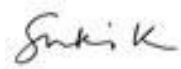
As I reflect on my first year in post, I would like to take the time to thank the leadership of the member organisations who despite all their own challenges have welcomed my questions and input openly and encouragingly; the YUF Trustees, both current and those that have departed to pastures new – even after their time in post they have been available for dialogue and input, thank you Martin, Shyama and Julian. Particular thanks must go to my predecessor Jennie Price for her work over the last 6-years, especially the tireless hands-on support during the pandemic marshalling and bringing the member organisations closer together. To my current small group of Trustees, thank you for your

Chair's report 30 September 2021

support, hard work and counsel, I value it; and to the Operations Team led by Wendy, thank you all, your work is invaluable to the development of so many young people.

My final words of thanks must go to HRH Prince Charles and his private office team. You have been supportive and inspirational to me and to this charity all the way through its journey. Thank you.

The future looks promising, we are making good progress, better than I could have hoped in September-21, but there is some way to go.

A handwritten signature in dark ink, appearing to read 'Suki K'.

Suki Kalirai

Chair of Trustees

20 June 2022

The Trustees of the Youth United Foundation present their annual directors' report together with the financial statements of the charity for the year ended 30 September 2021. They have been prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Foundation's Articles of Association, 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 UK and Republic of Ireland (FRS 102).

Our vision and mission

Youth United's vision is that every young person in the UK has the opportunity to join one of our member organisations. Our member organisations are:

- Army Cadet Force
- Fire Cadets
- Girlguiding
- Jewish Lads' and Girls' Brigade
- RAF Air Cadets
- Sea Cadets
- St John Ambulance
- The Boys' Brigade
- The Girls' Brigade England & Wales
- The Scout Association
- Volunteer Police Cadets

Membership of the Youth United Network is open to any UK-focused organisation that meets the following criteria:

- ◆ National governance, a trusted reputation and charitable objectives;
- ◆ Common, structured activities that are fun, engaging and inclusive;
- ◆ Progressive programmes where young people can advance into leadership;
- ◆ Focus on youth development (ranging from ages 4-25);
- ◆ Adult volunteering and social action as key parts of delivery; and
- ◆ A shared, required uniform.

Our vision and mission (continued)

These established, national voluntary youth organisations come together under the Youth United banner to collaborate and where possible, to grow their provision, especially in areas and communities where there is less tradition of uniformed youth activity. They form a powerful Network which increases their joint understanding on common issues, realises the benefits of collaboration and then, through each of their internal structures, supports local activity. Each member of the Youth United Network remains an independent organisation, working to realise its individual aims and objectives.

The role of the Foundation is to secure and administer funding in an efficient and effective way to enable the creation of new uniformed youth groups where they are most needed, and to deliver strategic support for the Network as a whole, for example through the collation of data. It also supports collaboration between members, a role that has been particularly important during the pandemic.

Charitable objects

The Youth United Foundation's objects, as set out in its Articles of Association, are for the public benefit to promote the emotional, spiritual, physical, intellectual, and social development of young people ("Beneficiaries"), by pursuing any lawful charitable purposes at the discretion of the Trustees and in particular:

- ◆ The advancement of citizenship or community development by promoting opportunities for the development, education and support of Beneficiaries in need to lead purposeful, stable and fulfilled lives;
- ◆ The advancement of education of Beneficiaries by the provision, encouragement and promotion of education, instruction, training, entrepreneurship or engaging in a profession, trade, craft or service;
- ◆ The prevention or relief of poverty of Beneficiaries through the provision of assistance (including financial assistance); and
- ◆ The advancement of health by promoting and protecting the health, morale, confidence, well-being, skills and abilities of Beneficiaries who are deemed vulnerable.

The Foundation aims to deliver these objects by making it possible for every young person in the UK to take part in uniformed youth activities through one of its member organisations.

Convening and supporting the Network

The Foundation has a vital role to play in both convening and supporting the Network. Regular meetings are held with all of the Network organisation Chief Executive Officers or their senior representatives. These meetings provide a forum to discuss strategy, policy and to share ideas and concerns. The strength which comes from sharing and discussing issues which are common to all of our Network members is not to be underestimated. As explained below, the Foundation's role in convening and supporting these meetings has been particularly important during the pandemic, when meetings have been held on a fortnightly basis to facilitate knowledge sharing and joint problem solving. The Foundation also provides a platform for disseminating information to the Network on key issues such as safety, safeguarding, policy changes and key youth work developments.

The Foundation maintains a focus on evaluating the impacts of our investment across the Network.

Impact of Covid -19

The Covid-19 pandemic has had a major impact on the work of YUF, both in terms of how it supports the Network and on its own finance and operations.

The Foundation has been very active since the lockdown took effect in March 2020, for example by convening and supporting weekly, and subsequently fortnightly, meetings of the Network. These have been well attended by senior individuals and have proved very useful in terms of sharing learning and discussing common problems, as well as connecting members with wider Government thinking. The regular meetings have provided a space to coordinate a response to the challenges that the situation brings regarding young people and uniformed youth groups. The meetings have provided a space for the Network to share their successes and concerns with their peers. Topics of discussion have included insurance, membership fees/subs, the challenges of reaching young people in these difficult times and safeguarding for online activities. All of the Network have responded very positively to the situation and offered virtual or blended online and face to face programmes for their young people to keep them engaged.

Another important role for the Foundation was working with the National Youth Agency to provide up to date advice and guidance on youth activity during the pandemic.

All of the Network organisations have responded positively to the return to face-to-face activity, with all starting to provide regular programme activity and residential experiences, alongside the opportunities for volunteering and social action.

Core Funding – Performance and delivery during 2020- 2021

YUF has been extremely fortunate to receive funding from The Prince of Wales's Charitable Fund during this period. This funding has helped YUF to support the Youth United Network in delivering its aims that any young person can join a uniformed youth organisation and achieve their potential regardless of their background.

The Stronger United project was funded by the Prince of Wales's Charitable Foundation and co-ordinated by the Foundation. The overarching aim of the project was to significantly increase the understanding of integration and inclusion across the YUF Network, with a long-term goal of increasing the number of young people from harder to reach areas able to access the life changing benefits of Uniformed Youth Group membership.

YUF have worked closely with the Royal British Legion to engage members of uniformed youth groups in remembrance. This culminated in the first ever column Y at the cenotaph commemoration event. Over 500 young people from all of the Network organisations took part in the annual national act of remembrance.

An emerging strand of work has been that of training and development, working closely with the National Youth Agency we have started to map training programmes across the Network.

Structure, governance and management

Stewardship and support during 2021-22

The Board of Trustees met six times during the period covered by this report. Key issues discussed included

- The ongoing financial viability of the Foundation, including regular reviews of income and expenditure and contingency planning in the event of no further significant funding being received.
- Maintaining appropriate staff resources within the Foundation given the uncertainty of future funding.
- The role of the Foundation during the pandemic and identifying ways in which the Foundation was able to offer useful and appropriate support to Network members and maintain positive relationships with its wider stakeholder groups.
- Succession planning for Trustees due to retire in the following financial year.

Appointment of Trustees

As set out in the Articles of Association, the Youth United Foundation must have at least three and no more than 11 Trustees. Up to two of the Trustees may be appointed upon nomination of the Youth United Network and up to nine may be appointed by the Trustees. The Chair is also appointed by the Trustees. The Foundation's Trustees are also directors of the Youth United Foundation for the purposes of company law.

Trustee induction and development

Three new Trustees were appointed during this period. The Foundation's practice is for new (and as required existing) Trustees to be briefed by co-Trustees, the Director, and the Financial Consultant on their legal obligations under charity and company law and on:

- ◆ Charity Commission guidance on public benefit;
- ◆ Contents of the Memorandum and Articles of Association;
- ◆ Decision-making processes and delegations; and
- ◆ Strategy plans and recent financial performance.

Reference documentation is provided to support briefings with updates being issued as required. Trustees are also encouraged to meet key employees, visit uniformed youth groups, and undertake training or attend courses which are relevant to the development of their role and to maintain currency with legislative and regulatory requirements.

None of the Trustees receive remuneration or other financial benefit from their work with the Youth United Foundation.

Organisation

The Board of Trustees direct the strategy for the Foundation. It normally meets six times a year, and at least quarterly.

The Board is chaired by Suki Kalirai, who is independent of any connection with the members of the Youth United Network.

An Operations Director is appointed by the Trustees to manage the day-to-day operations of the charity, covering operational matters including project, finance and Network engagement.

Relationship with the Youth United Network

The Youth United Foundation is closely entwined with and works to support the Youth United Network. The two work together co-operatively as Youth United. Network member organisations or their appointed representatives are members of the Foundation and nominate up to two of the Foundation's Trustees. The Chair of the Board of Trustees attends Network meetings, which are chaired either by the Foundation's Director or the Chair of Trustees. The Network also receives operational, secretariat and advisory support from the Foundation's staff.

Financial review

Report for the year

For the year ended 30 September 2021, total income amounted to £195,008 (2020 – £123,253) and total expenditure amounted to £102,941 (2020 – £129,421) of which grants payable amounted to £1,000 (2020 – nil), programme and support costs amounted to £83,761 (2020 – £123,421) and governance costs amounted to £18,180 (2020 – £6,000) of which £12,000 related to the recruitment of a new Chair of Trustees. The reduction in activity reflects the absence of significant government funding in 2020/21.

Income exceeded expenditure for the year resulting in a surplus of £92,067 (2020 – deficit of £6,168).

Pay policy for senior staff

The Trustees, who are also directors of the company are responsible for directing, controlling and operating the Foundation on a day-to-day basis. All Trustees give their time freely and no Trustee received remuneration in the year. Out of pocket expenses of £400 were claimed by one Trustee during the year (2020 – none).

Youth United Foundation is an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Further details appear in Note 4 to the Financial Statements.

Financial review (continued)

Risks

The Trustees have assessed the major risks to which Youth United Foundation is exposed, in particular those relating to specific operations and finances and wider strategic risks. As with many charities and membership bodies, the organisation's major risks are around

- ◆ financial sustainability;
- ◆ adherence to Grant conditions;
- ◆ maintaining sufficient resources given funding uncertainties;
- ◆ maintenance of positive and productive relationships with its members; and
- ◆ changes in public policy towards the youth sector which could result in less alignment between our objectives and those of Government as a funder.

The Trustees believe that by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate these risks. Additionally, the Trustees have led the development of a new risk management system which involves regular review of identified risks and issues and assessment of effectiveness of risk mitigation.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its Trustees, employees and agents and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the period totalled £1,783 (2020 – £2,643) and provides cover of up to a maximum of £5 million.

Reserves

Every charity is required to disclose its reserves policy. This is often phrased in terms of keeping sufficient unrestricted reserves to fund a number of months' normal operations. Historically, under the terms of Youth United grants from the Department of Communities and Local Government and the Cabinet Office, the charity did not generate surplus reserves as the monies were primarily for restricted purposes. As a result, Youth United did not operate with significant levels of unrestricted funds.

At 30 September 2021 Youth United has unrestricted funds of £214,185 available to support the Foundation's charitable objectives, and restricted reserves of £13,807 primarily related to grant funding from the Prince Of Wales Trust, which was spent in the 2021/22 financial period.

The Trustees continue to review the Foundation's reserves policy and ways to consistently achieve our ambition of having a minimum reserves equivalent to 12 months' unrestricted expenditure which is sufficient to allow the Foundation to continue to seek funding commitments and meet future expenditure and liabilities. At 30 September 2021, the target level of reserves was exceeded which provides further assurance that the Foundation is able to meet its expenditure and pay its liabilities as they fall due.

Fund raising

The Foundation does not fundraise directly with individuals and therefore is not registered with the Fundraising Regulator.

When donations from individuals be received the Foundation aims to protect personal data and never sells data or swaps data with other organisations. The charity manages its own fundraising activities. The Foundation undertakes to react to and investigate any complaints regarding its fundraising activities and to learn from them and improve its service. During the year ended 30 September 2021, the Foundation received no complaints about its fundraising activities.

Statement of Trustees' responsibilities

The Trustees (who are also directors of the Youth United Foundation for the purposes of company law) are responsible for preparing the Trustees' annual report and 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 period which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the Youth United Foundation for that period.

In preparing financial statements, Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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.

Each of the Trustees confirms that:

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's 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.

Plans for the future

In January 2020 the Government announced a major new investment in young people of £500m in a Youth Investment Fund. The Foundation played a key role in the Back Youth Alliance which worked closely with Government to develop this concept, and the Foundation has been invited to help shape the procurement process.

The relationship between the Foundation and the Network remains strong, thanks to frequent online and in-person meetings which have helped in maintaining and developing this close collaboration.

YUF continues to focus on shoring up its financial sustainability through a set of strategic planning activities. The Foundation has already begun a review and evaluation of its model and effectiveness, testing and refining its well-established delivery model against potential changes in funders' priorities and approach. It is anticipated that this review will provide a range of scenarios to enable a robust fundraising plan to be developed, which will feed into the overall business strategy for the Charity.

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

Approved by and signed on behalf of the Trustees by:

Trustee:

Date: 20 June 2022

Reference and administrative details 30 September 2021

Trustees

The Trustees serving in the year and to the date of this report were as follows:

Appointed Trustees	Dates	Role
Julian Barrell	Appointed 13 April 2016	Fundraising Trustee
Taff Gidi	Appointed 14 September 2021	Trustee
Suki Kalirai	Appointed 24 June 2021	Chair of the Board
Andrew Lison	Appointed 7 March 2020	Trustee
Alison Oliver	Appointed 14 September 2021	Trustee
Shyama Perera	Re-appointed 23 January 2018 and resigned 31 August 2021	Communications Trustee
Jennie Price	Appointed 02 October 2015 and resigned 30 August 2021	Chair of the Board
Paul Stephen	Re-appointed 23 January 2018	Treasurer

Network nominated Trustees

Martin Coles (Sea Cadets)	Re-appointed 18 September 2016 and resigned 23 June 2021	Network Trustee
Alex Peace-Gadsby	Appointed 20 October 2016	Network Trustee
Ed Sherry	Appointed 24 June 2021	Network Trustee

Professional advisers

Auditors: Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

Bankers: NatWest Bank, Gredley House, 1-11 Broadway, Stratford, London, E5 4DX

Solicitors: Stone King LLP, 16 St John's Lane, London, EC1M 4BS

HR Adviser: Bradic Ltd, The Bell, Cottered, Herts, SG9 9PT

Reference Information

Registered charity number: 1147952

Company number: 07983862 (England and Wales)

Registered address: 202 Lambeth Road, London SE1 7JW

Telephone: +44 (0)207 4017601

Website: www.youthunited.org.uk

Email: youth.united@yuf.org.uk

Independent auditor's report to the members of the Youth United Foundation

Opinion

We have audited the financial statements of Youth United Foundation (the 'charitable company') for the year ended 30 September 2021 which comprise the statement of financial activities, the balance sheet, 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 30 September 2021 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102 and the Charities Act 2011.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries of management. We corroborated our inquiries through our review of trustee meeting minutes.
- We assessed the susceptibility of the charitable company's financial statements to material misstatements, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design and implementation of controls in place to prevent and detect fraud;
 - Identifying and testing journal entries, in particular adjustments made at the year-end for financial statement preparation; and
 - Evaluating the incentives and opportunities management have for fraudulent manipulation of the financial statements.

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

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 is available 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.

Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year ended 30 September 2021

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Unrestricted funds £	Restricted funds £	Total funds 2020 £
Income from:							
Donations		—	—	—	—	—	—
Charitable activities	1	194,000	1,000	195,000	100,000	22,550	122,550
Other income		—	—	—	600	—	600
Investment income		8	—	8	103	—	103
Total income		194,008	1,000	195,008	100,703	22,550	123,253
Expenditure on:							
Charitable activities	2	101,941	1,000	102,941	81,333	48,088	129,421
Total expenditure		101,941	1,000	102,941	81,333	48,088	129,421
Net income / (expenditure) for the year		92,067	—	92,067	19,370	(25,538)	(6,168)
Transfers between funds	8	—	—	—	5,740	(5,740)	—
Net movement in funds		92,067	—	92,067	25,110	(31,278)	(6,168)
Reconciliation of funds:							
Balances brought forward at 1 October 2020	8/9	122,118	13,807	135,925	97,008	45,085	142,093
Balances carried forward at 30 September 2021	8/9	214,185	13,807	227,992	122,118	13,807	135,925

All income and expenditure derived from continuing activities in the above two financial periods.

The statement of financial activities includes all gains and losses.

Balance sheet 30 September 2021

	Notes	2021 £	2020 £
Current assets			
Debtors	6	12,000	—
Cash at bank and in hand		230,384	151,116
Total current assets		242,384	151,116
Creditors: amounts falling due within one year	7	(14,392)	(15,191)
Net assets		227,992	135,925
The funds of the charity:			
Income funds:			
Restricted funds	8	13,807	13,807
Unrestricted funds		214,185	122,118
	9	227,992	135,925

Approved by the Trustees and signed on their behalf by:

Chair & Trustee

Trustee

Date: 20 June 2022

Statement of cash flows Year ended 30 September 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	79,260	(55,578)
Cash flows from investing activities:			
Interest received		8	103
Net cash provided from investing activities		8	103
Change in cash and cash equivalents in the year		79,268	(55,475)
Cash and cash equivalents at 1 October 2020	B	151,116	206,591
Cash and cash equivalents at 30 September 2021	B	230,384	151,116

Notes to the statement of cash flows for the year to 30 September 2021.

A Reconciliation of net movement in funds to net cash provided by (used in) operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	92,067	(6,168)
Adjustments for:		
Interest received	(8)	(103)
Increase in debtors	(12,000)	—
Decrease in creditors	(799)	(49,307)
Net cash provided by (used in) operating activities	79,260	(55,578)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	230,384	151,116
Total cash and cash equivalents	230,384	151,116

Principal accounting policies 30 September 2021

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 ended 30 September 2021.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis as specified in the accounting policies below.

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

All financial information is presented in British Pounds Sterling (£), the charity's functional currency, and has been rounded to the nearest pound (£).

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates and judgements. It also requires the Trustees to exercise judgement in the process of applying accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including an expectation of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the Trustees' best knowledge of the amount, event or actions, actual results may differ from those estimates.

The Trustees do not consider that there are any significant areas of estimation or judgment that affect the financial statements.

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 to a period of one year from the date of approval of these financial statements.

There continued to be reduced availability of funding in 2021 although the recent announcement of the Youth Investment Fund by the Government and allocation of funding from this Fund to uniformed youth organisations, is an indicator that additional future grant funding awards will be available should the Foundation be successful when tendering for funds for Network Members.

Assessment of going concern (continued)

However, the Trustees believe the cash reserves and level of unrestricted funds is sufficient to allow the charity to continue to meet future expenditure and liabilities as they fall due. The Trustees have therefore concluded that it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

Income

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It includes VAT which cannot be recovered.

Expenditure on charitable activities

The costs of charitable activities comprise expenditure on the charitable company's primary charitable purposes as described in the Trustees' report. Such costs include:

- ◆ Grant payments
- ◆ Consultancy and other related costs
- ◆ Office and property related costs
- ◆ Publicity and dissemination costs
- ◆ Support costs
- ◆ Governance costs

Support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, personnel and governance costs and also include support in the form of personnel development, financial procedures, the provision of office services and equipment and a suitable working environment.

Governance costs are the costs associated with the governance of the charitable company and its assets. Included within this category are costs associated with the strategic, as opposed to the day to day, management of the charitable company's activities.

Financial instruments

The charity only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities and their measurement basis is as follows:

Financial assets – debtors and accrued income are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – accounts payable, other creditors and accruals are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instrument disclosure definition. Deferred income is not deemed to be a financial liability, as cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Cash at bank and in hand

Cash at bank and in hand represents cash that is available on demand or has a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year are disclosed as short term deposits.

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 measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

Fund accounting

Unrestricted funds are 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 funds which are to be used in accordance with specific restrictions imposed by the donors. The aim and use of each restricted fund is set out in the notes to the financial statements. Expenditure incurred in fulfilling the objective of each restricted fund is charged against the fund balance and shown in the relevant expenditure category in the charity's statement of financial activities.

Notes to the financial statements Year ended 30 September 2021

1 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2021 £
Grants receivable:			
. DCMS (COVID Support)	44,000	—	44,000
. Morgan Charitable Foundation	—	1,000	1,000
. The Prince of Wales Charitable Foundation	125,000	—	125,000
	169,000	1,000	170,000
Network contributions from members	25,000	—	25,000
2021 Total income from charitable activities	194,000	1,000	195,000

	Unrestricted funds £	Restricted funds £	2020 £
Grants receivable:			
. The Prince of Wales Charitable Foundation	75,000	12,550	87,550
. NHS England	—	10,000	10,000
	75,000	25,550	97,550
Network contributions from members	25,000	—	25,000
2020 Total income from charitable activities	100,000	22,550	122,550

2 Expenditure

	Direct charitable expenditure £	Support costs £	2021 £
Charitable activities			
. Grants payable (see below)	1,000	—	1,000
. Programme costs (see below)	—	83,761	83,761
. Governance (see note 3)	—	18,180	18,180
2021 Total expenditure	1,000	101,941	102,941

	Direct charitable expenditure £	Support costs £	2020 £
Charitable activities			
. Programme costs (see below)	48,088	75,333	123,421
. Governance (see note 3)	—	6,000	6,000
2020 Total expenditure	48,088	81,333	129,421

Notes to the financial statements Year ended 30 September 2021

2 Expenditure (continued)

The direct charitable expenditure, known as programme costs, consist of the following principal expenditure:

	Direct charitable expenditure £	Support costs £	2021 £
Programme costs:			
Staff costs (note 4)	—	—	—
<i>Other expenses</i>			
. Consultancy fees	—	64,638	64,638
. Professional fees	—	—	—
. Premises and office costs	—	16,047	16,047
. Staff related costs	—	—	—
. Travel	—	923	923
. Insurance	—	1,783	1,783
. Other costs	—	370	370
2021 Total programme expenditure	—	83,761	83,761

	Direct charitable expenditure £	Support costs £	2020 £
<i>Programme costs:</i>			
Staff costs (note 4)	—	4,282	4,282
<i>Other expenses</i>			
. Consultancy fees	45,146	49,302	49,302
. Professional fees	—	306	306
. Premises and office costs	120	15,733	15,853
. Staff related costs	678	777	1,455
. Travel	2,144	1,660	3,804
. Insurance	—	2,643	2,643
. Other costs	—	630	630
2020 Total programme expenditure	48,088	75,333	123,421

In the year ended 30 September 2021, one grant payment was made to Tower Hamlets Volunteer Police Cadets.

No grants were made in the year ended 30 September 2020.

Notes to the financial statements Year ended 30 September 2021

3 Governance

	Unrestricted funds £	Restricted funds £	2021 £
Auditor's remuneration			
. Statutory audit services (including VAT)	6,180	—	6,180
Recruitment of a new Chair of Trustees	12,000	—	12,000
2021 Total governance expenditure	18,180	—	18,180

	Unrestricted funds £	Restricted funds £	2020 £
Auditor's remuneration			
. Statutory audit services (including VAT)	6,000	—	6,000
2020 Total governance expenditure	6,000	—	6,000

4 Staff costs including key management personnel and trustees' remuneration

	2021 £	2020 £
Staff costs for employees during the year were as follows:		
Wages and salaries	—	3,692
Social security costs	—	510
Pension costs	—	80
	—	4,282

The average monthly number of employees (excluding Trustees) in the year was nil (2020 – nil).

Key management consisted of the Trustees, who received no remuneration in respect of their services as a Trustees during the year. The total emoluments of key management was nil (2020 – £4,282, where key management included a Director who was employed until December 2019).

One Trustee claimed £400 for out of pocket expenses in the year (2020 – £nil).

5 Taxation

Youth United 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.

Notes to the financial statements Year ended 30 September 2021

6 Debtors

	2021 £	2020 £
Accrued income	12,000	—
	12,000	—

7 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	7,867	5,039
Accruals	6,525	10,152
	14,392	15,191

8 Funds

Restricted funds:

The charity's restricted funds comprise the following unexpended balances of grants held on trust to be applied for specific purposes:

	At 30 September 2020 £	Income £	Expenditure £	Transfers £	At 30 September 2021 £
Morgan Charitable Foundation	—	1,000	(1,000)	—	—
Prince of Wales Fund	12,550	—	—	—	12,550
DCR Allen	1,000	—	—	—	1,000
NHS England	257	—	—	—	257
	13,807	1,000	(1,000)	—	13,807

	At 30 September 2019 £	Income £	Expenditure £	Transfers £	At 30 September 2020 £
DCMS	3,363	—	—	(3,363)	—
Prince of Wales Fund	40,722	12,550	(38,345)	(2,377)	12,550
DCR Allen	1,000	—	—	—	1,000
NHS England	—	10,000	(9,743)	—	257
	45,085	22,550	(48,088)	(5,740)	13,807

Transfers represent the allocation of support costs.

Notes to the financial statements Year ended 30 September 2021

8 Funds (continued)

The specific purposes for which the funds are to be applied are as follows:

◆ The Morgan Charitable Foundation

The grant from The Morgan Charitable Foundation was provided to fund Tower Hamlets Volunteer Police Cadets. The grant was to enable Tower Hamlets VPC's young people to achieve their Gold DofE award.

◆ Prince of Wales Fund

The grant from The Prince of Wales Charitable Fund was provided so that Youth United Foundation could provide funding to Southmoor Academy. The grant is to enable Southmoor Academy to establish a CCF contingent, starting with an RAF section, which was delayed due to covid 19. The fund were paid to Southmoor Academy in December 2021.

◆ DCR Allen

The grant from DCR Allen was to set up a new unit in a disadvantaged area of the UK, ensuring that young people who would not otherwise have the opportunity to be part of such a group are given that opportunity.

◆ NHS England

The grant from NHS England was to fund a health awareness badge for uniformed youth organisations.

Unrestricted funds

As at 30 September 2021, Youth United Foundation had unrestricted funds of £214,185 (2020 – £122,118).

9 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2021 £
Fund balances at 30 September 2021 are represented by:			
Current assets	228,577	13,807	242,384
Creditors: amounts falling due within one year	(14,392)	—	(14,392)
	<u>214,185</u>	<u>13,807</u>	<u>227,992</u>

10 Related party transactions

During the year ended 30 September 2021, £7,629 (2020 – £7,027) was paid to Marine Society & Sea Cadets (MSSC) for the rental of the Foundation's offices. This organisation is one of the Network members of Youth United Foundation and a Trustee of the charity until 23 June 2021, Martin Coles, is the Chief Executive of MSSC. The rent is at market rates for the accommodation. In addition, during the year ended 30 September 2021, a further amount of £6 (2020 – £34) was paid to MSSC in relation to office expenses.

Notes to the financial statements Year ended 30 September 2021

11 Controlling party

The Trustees are members of the charitable company together with representatives from Network organisations. There is no overall controlling party.

12 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member or within one year after he/she ceases to be a member, an amount not exceeding £1.