

Youth United Foundation

Annual Report and Financial Statements

30 September 2017

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

Charity Registration Number
1147952

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This is an important moment in the life of the Youth United Foundation. We have seen significant change during the last eighteen months, but our focus has remained steady: to raise sufficient funds to pursue our mission that every young person in the UK should have the opportunity to join a uniformed youth group.

It has also been a year of celebration. In January 2017, we were fortunate enough to host an awards ceremony at Buckingham Palace in the presence of our Patron and founder, HRH The Prince of Wales, marking the extraordinary achievements of the Youth United Network in creating 42,000 places for young people over the last 5 years, over 80% of which continue to operate with no further public subsidy. Equally important are the 7,600 new volunteers who support them.

The figures are impressive, but no-one who was present at the event will forget the excitement and joy of the young people – and the volunteer leaders who accompanied them - who received their awards that day. Units throughout the United Kingdom were honoured:

Army Cadet Force - South Downs College Combined Cadet Force

Boys' Brigade - 1st Battersea The Boys' Brigade

Catholic Guides of Ireland - Parish of Antrim

Church Lads' and Church Girls' Brigade - Dobbin Girls Ulster Regiment and Grange Boys and Girls Company

Fire Cadets - Tyne and Wear Fire and Rescue Service, West Denton

Girlguiding - 206th Liverpool Senior Section Unit

Jewish Lads' and Girls' Brigade - Redbridge Band

RAF Air Cadets - Albion Academy Combined Cadet Force

Sea Cadets Corps - Newham Cornwell VC

St John Ambulance - RISE BYPE

The Girls' Brigade England and Wales - 1st Huncote n:vestigate

The Scout Association - 5th Sutton-in-Ashfield Scout Group

Volunteer Police Cadets - Wisbech Fire Station unit and Wisbech Meadowgate unit

Woodcraft Folk - Dwyrdd Pioneers and Venturers

The Foundation was inspired by HRH The Prince of Wales, who saw the powerful influence of uniformed youth and its positive impact on the lives of young people and communities from across the UK. In line with his original vision, we have focussed particularly on disadvantaged areas and communities where there is less tradition of uniformed youth groups, which makes the growth achieved even more significant and impactful.

I am honoured to serve an organisation where young people are at the heart of everything we do. The Foundation and the Network it exists to support works hard to help young people be happy, to thrive, and to contribute to their communities. There is now a robust evidence base – much of it collated during this period as part of our Evidence Review - showing the positive long-term impact involvement in a uniformed youth group can have on young people's lives, including:

- ◆ **Improved attendance and engagement at school** – with 66% of Sea Cadets reporting improved levels as a result of participation. Young people in Scouting were found to be half as likely as young people in general to say that school was a waste of time and there was also evidence from the US that the Army Junior Reserve Officer Training Corps can contribute to higher school attendance and **graduation rates**, as well as **positive classroom behaviour**.
- ◆ Impact assessments of Scouting and Girlguiding emphasised the **physical and mental health benefits** to young people, which found that “participation... has a positive association with mental health some 40 years later in life. Crucially, the effect appeared particularly strong for children growing up in low social position households.”
- ◆ Communities which had a local uniformed youth group in operation reported a greater sense of pride and sense of security in their local areas.

Our major task during the period covered by this report has been to make the case to Government for further funding at scale to continue to grow provision. This has been challenging, but in April 2016, shortly before the General Election, we were delighted to receive a grant from the Department of Communities and Local Government which enabled us to continue to operate and to develop our proposition to Government, especially in relation to the implementation of Dame Louise Casey's Integration Review, which specifically referenced the work of the Foundation and the value of uniformed youth groups in promoting social mixing of young people outside the school environment.

The Foundation continues to be supported by a hardworking team.

During this period, we have said good bye to a number of people who have played key roles in the life of Youth United to date. We are very grateful to Lindsay Levkoff Lynn, who served as our CEO until April 2016 and also to our maternity leave Interim CEO Jessica Mulley, who has been a long-term supporter of our work in a number of ways. Two of our longest serving Trustees – Sue Lomas, who was also our Chair between April 2012 and September 2015, and Rod Jarman, our founding Director, who subsequently joined the Board, also stepped down during this period. They both made a very significant contribution to the Foundation, for which we are extremely grateful.

Chair's report 30 September 2017

We were fortunate to be joined by Samantha Hyde as our Interim Director in August 2017 who has worked tirelessly with a small but extremely dedicated team.

We remain particularly grateful for the continued support, interest and inspiration of our patron, HRH The Prince of Wales during this challenging period.

Jennie Price, Chair of the Board of Trustees

The Trustees of the Youth United Foundation present their annual directors' report together with the financial statements of the charity for the 18-month period ended 30 September 2017. 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 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 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 their 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, including its mapping tool.

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 it making so that every young person in the UK can take part in uniform youth activities through one of its member organisation.

Core Funding – Performance and delivery during 2016-17

In this financial period, the Foundation was granted a £400,000 commitment by DCLG to cover core costs and support the Department with relevant projects exploring social integration within uniformed youth groups, of which £200,000 was received in June 2017 with the balance of £200,000 subject to performance conditions being receivable between October 2017 and January 2018. The Foundation undertook two significant projects: commissioning of market research and consultancy firm ComRes to undergo a community consultancy research piece into social mixing within uniformed groups, and funding into the development of the Mapping Tool to demonstrate the distribution and sustained impact of uniformed youth activity across the country. Using the pre-existing IMD data, we concentrated on advancing the depth of information, overlaying other relevant datasets such as residential segregation between different communities, female economic inactivity and English language proficiency.

Stewardship and support during 2016-17

As the Foundation had completed its delivery under its most recent Cabinet Office grant by March 2016, its major activities during the period of this Annual Report were:

- Making the case to Government and other stakeholders for further funding to be distributed to the Youth United Network by the Foundation, including making formal applications in several competitive funding rounds;
- Discussions with the Department for Communities and Local Government on the potential role of uniformed youth groups in the implementation of the recommendations of Dame Louise Casey in her Integration Review;
- The completion of reporting on the funding provided to the Foundation by the Cabinet Office;
- Preparation and publication of an evidence review, a collaborative report aiming to provide a clear picture of the current evidence-base for uniformed youth work in the UK, displaying positive impacts on various social and mental wellbeing factors;
- The development and refinement of the Foundation's mapping tool;
- The delivery of the venue sharing pilot project "Shared Somewhere" funded by the Pears Foundation;
- Support to the Youth United Network, including the facilitation of five Network meetings;
- Stewardship of the Foundation's assets, including its grant funding from the Queen's Trust and the Pears Foundation;

Stewardship and support during 2016-17 (continued)

The Board of Trustees met nine 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;
- Ensuring the Foundation was able to offer useful and appropriate support to Network members and maintaining positive relationships with its wider stakeholder groups;
- Oversight of the mapping tool and venue sharing projects.

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.

Structure, governance and management

Trustee induction and development

New trustees are briefed by co-Trustees, the Chief Executive or Director from 1 August 2017, the Director of Programmes and Impact, and the Finance Manager on:

- ◆ Their legal obligations under charity and company law;
- ◆ 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.

During 2016-17 three trustees resigned from the Foundation, but given two new Trustees had been recruited in the previous twelve months (Tina Hallett and Julian Barrell) no further appointments were made during the year.

Structure, governance and management (continued)

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 quarterly. In the 18 months covered by this report, the Board has met on nine occasions.

The Board is chaired by Jennie Price, who is independent of any connection with the members of the Youth United Network, but has relevant experience through her executive role as Chief Executive of Sport England.

The Chief Executives and subsequently the Director from 1 August 2017, were appointed by the Trustees to manage the day-to-day operations of the charity. The Chief Executive/Director, supported by the staff team, manages operational matters on a day to day basis including projects, finance and employment.

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 by the Foundation's Chief Executive/Director. The Network also receives operational, secretariat and advisory support from the Foundation's employees.

Financial review

Report for the period

During the 18-month period ended 30 September 2017 total income amounted to £606,875 (Year ended 31 March 2016 - £4,076,026). Of this total, no amounts were received as grants from the Cabinet Office (Year ended 31 March 2016 - £3,944,000).

Expenditure amounted to £543,587 (Year ended 31 March 2016 – £4,124,406) of which no amounts were paid out as grants (Year ended 31 March 2016 – £3,686,791). Governance costs amounted to £11,988 (Year ended 31 March 2016 – £38,407) and other programme and support costs, £531,599 (Year ended 31 March 2016 – £399,208).

The resultant net income for the period amounted to £63,288 (Year ended 31 March 2016 – net expenditure £48,380).

Financial review (continued)

Pay policy for senior staff

The Trustees, who are also directors of the company, and the senior management team as identified on page 13, are responsible for directing, controlling and operating the Foundation on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the period. Out of pocket travelling expenses totalling £269 (Year ended 31 March 2016 - £1,175) were reimbursed to three Trustees during the period.

The pay of the senior staff is usually reviewed on an annual basis, taking into account market conditions in the sector and benchmarked against comparable posts elsewhere. Two staff members received annualised emoluments (calculated as an annual equivalent of emoluments received during their period of employment), excluding pension contributions, but including benefits in kind, of between £60,000 and £70,000 for the period.

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 of staff costs, including key management personnel and Trustees' remuneration appear in Note 5 to the Financial Statements.

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;
- ◆ maintenance of positive and productive relationships with 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 ongoing strengthening of our fundraising skills and capacities is in part designed to reduce our vulnerability to shifts in public policy and funding.

Over the year Kreston Reeves, an internal auditor appointed by the Board, undertook quarterly audits of the Foundation's controls and procedures. In 2017, the Board and senior staff attended an away day, focusing on risk. The Board then discussed resulting recommendations and is satisfied that the executive is appropriately leading and managing the organisation.

Financial review (continued)

Risks (continued)

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 £6,451 (2016 – £3,860) and provides cover of up to a maximum of £5 million. The increase in the insurance premium is due to an extended financial period.

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 for restricted purposes. As a result, Youth United did not historically have unrestricted and unallocated funds in reserve.

In the current financial period Youth United has received income, primarily from grants, amounting to £100,305 which are considered to be unrestricted funds and available to support the Foundation's charitable objectives. At the 30 September 2017, the Foundation had accumulated unrestricted reserves of £100,188 (2016 - £50,714). Since 30 September 2017 further unrestricted funds have been secured, enabling the Foundation to manage its costs and operations through into the 2017/2018 financial year.

The Foundation had restricted funds of £158,225 at 30 September 2017. These funds are to be used to fund specific projects that will be undertaken in 2017/2018.

The Trustees have reconsidered the Foundation's reserves policy and ways to implement it. Options to achieve our ambition of having reserves equivalent to three months' unrestricted expenditure are currently being explored.

Trustees' responsibilities in relation to the financial statements

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 incoming resources and application of resources, including 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;

Financial review (continued)

Trustees' responsibilities in relation to the financial statements (continued)

- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial 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

We remain in discussion with Government about achieving funding at scale and are proactively supporting the debate that has evolved from the Integration Strategy. The current changes around the reduction in funding for the sector are impacting significantly. The Trustees proactively and regularly with the support of the Director review the position of the Foundation monthly.

Plans for the future (continued)

The Trustees have agreed that if funding at scale is not achieved by March 2018, the Foundation's contingency plans should be reviewed and a decision taken, with the most likely outcome being the Foundation significantly reducing its activities and the organisation being hosted by Network Members.

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:

Directors and Trustees

The trustees and officers serving in the period from 1 April 2016 to the date of this report were as follows:

Appointed Trustees	Dates	Role
Julian Barrell	From 13 April 2016	Fundraising Trustee
Adam Hale	To 28 April 2016	HR Trustee
Tina Hallett		
Rod Jarman	Until 8 November 2016	
Sue Lomas	Until 13 April 2016	Chair of the Board to 30 September 2015
Shyama Perera	From 18 July 2016	Communications Trustee
Jennie Price		Chair of the Board
Paul Stephen		Finance Trustee

Network nominated Trustees

Sue Lomas (Girlguiding)	Until 13 April 2016	Chair of the Board to 30 September 2015 & Network Trustee to 13 April 2016
Martin Coles (Sea Cadets)	From 18 September 2016	Network Trustee and Programme Board Chair
Alex Peace-Gadsby	From 20 October 2016	Network Trustee

Charity personnel

Former Chief Executive: Lindsay Levkoff Lynn (from 1 November 2016 to 30 April 2017)*

Interim Chief Executive: Jessica Mulley (from 29 March 2016 to 31 December 2016, and 30 April 2017 to 1 August 2017)*

Director: Samantha Hyde (from 1 August 2017 to present)*

The interim Chief Executive was appointed to cover maternity leave and a period in which there was a vacancy for the Chief Executive position until the position was filled by the appointment of a Director on 1 August 2017.

The members of the senior management team during the period consisted of the Chief Executive, the Director, the Finance Manager and the Director of Programmes and Impact

Professional advisers

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

Internal Auditors: Kreston Reeves LLP, Springfield Lyons Business Centre, Springfield Lyons Approach, Chelmsford, Essex, CM2 5LB

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

We have audited the financial statements of the Youth United Foundation for the period ended 30 September 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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 charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

The Trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' responsibilities statement set out in the Trustees' report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chair's report and Trustees' report including the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2017 and of its income and expenditure for the period 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.

Opinion on other matter 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, including the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements and the Trustees' Report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained during the course of the audit, we have not identified material misstatements in the Trustees' Report including the strategic report.

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

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; 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 exemption in preparing the Trustees' Annual Report and the Strategic Report.

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

Statement of financial activities Period ended 30 September 2017

	Notes	Unrestricted funds £	Restricted funds £	Total funds 18 months to 30 September 2017 £	Total funds 12 months to 31 March 2016 £
Income:					
Donations and legacies	1	—	68,000	68,000	—
Charitable activities	2	100,000	438,570	538,570	4,075,312
Other		305	—	305	714
Total income		<u>100,305</u>	<u>506,570</u>	<u>606,875</u>	<u>4,076,026</u>
Expenditure:					
Charitable activities	3	50,831	492,756	543,587	4,124,406
Total expenditure		<u>50,831</u>	<u>492,756</u>	<u>543,587</u>	<u>4,124,406</u>
Net income/ (expenditure) for the period and net movement in funds		49,474	13,814	63,288	(48,380)
Reconciliation of funds:					
Balances brought forward at 1 April 2016	9	50,714	144,411	195,125	243,505
Balances carried forward at 30 September 2017		<u>100,188</u>	<u>158,225</u>	<u>258,413</u>	<u>195,125</u>

All income and expenditure derive from continuing activities.

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

Balance sheet 30 September 2017

	Notes	30 September 2017 £	30 September 2017 £	31 March 2016 £	31 March 2016 £
Current assets					
Debtors		—		46	
Cash at bank and in hand		282,612		404,804	
Total current assets		282,612		404,850	
Creditors: amounts falling due within one year	7	24,199		(209,725)	
Net current assets			258,413		195,125
Total net assets			258,413		195,125
The funds of the charity:					
Income funds:					
Restricted funds	8		158,225		144,411
Unrestricted funds	9		100,188		50,714
			258,413		195,125

Approved by the Trustees
and signed on their behalf by:

Chair & Trustee

Trustee

Approved on:

Company registration number: 07983862 (England and Wales)

Statement of cash flows Period ended 30 September 2017

	Notes	18 months to 30 September 2017 £	12 months to 31 March 2016 £
Cash inflow from operating activities:			
Net cash (used in) provided by operating activities	A	(122,192)	74,986
Change in cash and cash equivalents in the period		(122,192)	74,986
Cash and cash equivalents at 1 April 2016	B	404,804	329,818
Cash and cash equivalents at 30 September 2017	B	282,612	404,804

Notes to the statement of cash flows for the 18 month period to 30 September 2017.

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

	18 months to 30 September 2017 £	12 months to 31 March 2016 £
Net movement in funds (as per the statement of financial activities)	63,288	(48,380)
Adjustments for:		
Decrease (increase) in debtors	46	(46)
(Decrease) increase in creditors	(185,526)	123,412
Net cash (used in) provided by operating activities	(122,192)	74,986

B Analysis of cash and cash equivalents

	30 September 2017 £	31 March 2016 £
Cash at bank and in hand	282,612	404,804
Total cash and cash equivalents	282,612	404,804

Principal accounting policies 30 September 2017

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 18-month period to 30 September 2017.

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) issued on 16 July 2014, Update Bulletin 1 issued on 2 February 2016, 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.

The Trustees of the charity have identified the material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern as noted below.

Assessment of going concern (continued)

The charity prepares forecasts and budgets covering the period 2018/2019 which provides the Trustees with forecasted grant income, direct programme costs and wage costs. The trustees and the senior management team are currently in discussion with both existing and prospective funding bodies regarding future grant awards and are optimistic that further grants will be available to meet future expenditure and allow the charity to meet its liabilities as they fall due. The Trustees have agreed in principle that, should funding not be achieved, the activities of the charity will be hosted by Network Members.

Having considered the charity's budget and cash forecasts and the charity's existing cash reserves of £282,612, the Trustees are satisfied that there will be sufficient future funds to allow the charity to continue as a going concern despite any uncertainties surrounding the timing and receipt of grant funding.

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.

Interest income from cash at bank is recognised 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.

Income from donated services are recognised at fair value provided that the value can be reliably measured. Fair value is determined by reference to the open market price that the charity would pay for an alternative service.

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:

- ◆ Salaries and other staff related costs
- ◆ Grants awarded to organisations (see below)
- ◆ Office and property related costs
- ◆ Publicity and dissemination costs
- ◆ Support costs
- ◆ Governance costs

Expenditure (continued)

Expenditure on charitable activities (continued)

On entering into long term grant commitments, which are dependent upon conditions being met by the recipient organisation, a liability is only recognised when all conditions have been met. It is the charity's policy to monitor all grants made. Before a grant can be confirmed, conditions will be stipulated and progress will be assessed against agreed targets and milestones.

If the grant is payable in instalments, then payment of subsequent grant instalments will be dependent on satisfactory progress having been demonstrated. The charity reserves the right to withdraw the grant if the conditions are not met.

Monitoring visits by representatives of the charity may be expected during the period of a grant.

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 assets and liabilities

Financial assets and financial liabilities are recognised in the balance sheet when the charity becomes party to the contractual provisions of the instrument.

Debtors

Trade and other debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

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.

Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the charity. Any unused benefits are accrued and measured at the amount the charity expects to pay to the employees to settle the unused entitlements.

Notes to the financial statements Period ended 30 September 2017

1 Donated services

	Restricted funds £	Total funds 18 months to 30 September 2017 £	Total funds 12 months to 31 March 2016 £
Donated services recognised at fair value	68,000	68,000	—

2 Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total funds 18 months to 30 September 2017 £	Total funds 12 months to 31 March 2016 £
Grants receivable				
. Cabinet Office (Uniformed Youth Social Action Fund)	—	—	—	3,944,000
. DCLG (Supporting Inclusion Programme)	—	200,000	200,000	—
. Education Endowment Foundation (School's Project)	—	—	—	64,598
. Queen's Trust	100,000	100,000	200,000	—
. NESTA	—	5,000	5,000	—
. The Prince of Wales Charitable Foundation	—	—	—	50,000
. NYSAF (Pears)	—	133,570	133,570	16,714
2017 Total funds	100,000	438,570	538,570	4,075,312
2016 Total funds	50,000	4,025,312	4,075,312	

3 Expenditure

	Activities undertaken directly £	Support costs £	Total funds 18 months to 30 September 2017 £	Total funds 12 months to 31 March 2016 £
Charitable activities				
. Grants payable (see below)	—	—	—	3,686,791
. Programme costs (see below)	46,959	484,640	531,599	399,208
. Governance (see note 3)	3,872	8,116	11,988	38,407
2017 Total expenditure	50,831	492,756	543,587	4,124,406
2016 Total expenditure	3,686,791	437,615	4,124,406	

3 Expenditure (continued)

The charitable activities expenditure above consists of the following principal costs:

	Activities undertaken directly £	Support costs £	Total funds 18 months to 30 September 2017 £	Total funds 12 months to 31 March 2016 £
Grants payable (see below)	—	—	—	3,686,791
Programme costs:				
Staff costs (note 4)	32,608	326,237	358,845	316,051
Other expenses				
. Professional fees	113	6,179	6,292	815
. Marketing	230	49,873	50,103	13,512
. Irrecoverable VAT	1,554	21,345	22,899	12,167
. Premises and office costs	8,662	60,689	69,351	31,958
. Staff related costs	665	7,959	8,624	7,038
. Travel	196	5,230	5,426	11,455
. Insurance	378	6,073	6,451	3,860
. Other costs	2,553	1,055	3,608	2,352
2017 Total programme expenditure	46,959	484,640	531,599	399,208
2016 Total programme expenditure	—	399,208	399,208	

Grants payable in the comparative period were made to the following Youth United organisations: including Fire Cadets, St John Ambulance, Army and RAF Air Cadets via the Reserve Forces and Cadets Association (RFCA), Voluntary Police Cadets, Marine Society and Sea Cadets, The Scout Association, Girlguiding, The Girls' Brigade England & Wales, and The Boys' Brigade and The Jewish Lads' and Girls' Brigade.

Grants payable in the comparative period were also made to the following non Youth United organisations: including Woodcraft Folk, The Jewish Lads' and Girls' Brigade, The Church Lads' and Church Girls' Brigade, The Combined Cadet Force Association and The Catholic Guides of Ireland Northern Region.

Further information on grants paid is available from the charity's registered office.

The following types of grant were made to the above organisations in the comparative period:

Central organisation grants: Immediate support to organisations to get their organisational structures and systems further developed to provide the core for recruiting new staff, developing new activity, project managing the activity etc.

Development grants: The creation of development processes within organisations to provide new places for young people in the areas where traditionally it has been more difficult to set up new units. These would then be the power houses for developing new local growth.

3 Expenditure (continued)

Capability grants: Promotion at a local level of how valuable local volunteers are in a community and the personal gains from volunteering by showcasing good practice and work. Training and development of volunteers.

Community grants: Raising the profile of the organisations within the communities by supporting and encouraging visible activity. This brings sustainable integration of communities and long term benefits that will outlast this programme.

Start-up grants: Grants directly to new units created in the target areas to cover their set up costs (i.e. new equipment or uniform, or some minor works to improve accommodation etc).

General grants: Overall grants that provide funding for all parts of a project, including but not limited to the categories listed by the five previous grant types.

4 Governance

	Unrestricted funds £	Restricted funds £	Total funds 18 months to 30 September 2017 £	Total funds 12 months to 31 March 2016 £
Legal and professional fees	1,872	3,097	4,969	10,932
Trustee recruitment	—	—	—	20,500
Auditor's remuneration				
. Statutory audit services	2,000	4,750	6,750	5,800
Trustees' expenses	—	269	269	1,175
2017 Total governance expenditure	3,872	8,116	11,988	38,407
2016 Total governance expenditure	—	38,407	38,407	

5 Staff costs including key management personnel and Trustees' remuneration

	Total funds 18 months to 30 September 2017 £	Total funds 12 months to 31 March 2016 £
Staff costs for employees during the year were as follows:		
Wages and salaries	327,500	286,650
Social security costs	10,027	21,804
	337,527	308,454
Consultants' fees	21,318	7,597
	358,845	316,051

5 Staff costs including key management personnel and Trustees' remuneration
(continued)

Two employees earned between £60,000 and £70,000 per annum (including taxable benefits but excluding employer's pension contributions) (31 March 2016 – one). Wages and salary costs include donated services with a fair value of £68,000 (2016 – £Nil) which has been excluded from the employee earnings bands noted above.

The key management personnel, consisting of the Chief Executive, the Director, the Director of Programmes and Impact, and the Finance Manager, received total emoluments in the period of £111,873 (31 March 2016 - £94,760).

The average monthly number of employees (including key management personnel) during the period, described as full time equivalents, was six (31 March 2016 - nine). The number of key management personnel was three (31 March 2016 - three).

No Trustee received any remuneration in respect of their services as a Trustee during the year (31 March 2016 – none). Three Trustees (31 March 2016 – three) were reimbursed a total of £269 (31 March 2016 - £1,175) relating to travel and accommodation expenses.

6 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.

7 Creditors: amounts falling due within one year

	30 September 2017	31 March 2016
	£	£
Grants payable	—	182,000
Accounts payable	4,178	5,255
Taxation and social security	3,860	8,000
Other creditors and accruals	16,161	14,470
	24,199	209,725

8 Funds

Restricted funds:

The charity's restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	At 1 April 2016	Income	Expenditure	At 30 September 2017
	£	£	£	£
Donated services	—	68,000	(68,000)	—
Cabinet Office (Uniformed Youth Social Action Fund)	127,319	—	(122,169)	5,150
NESTA	—	5,000	—	5,000
DCLG (Supporting Inclusion Programme)	—	200,000	(140,438)	59,562
Queen's Trust	378	100,000	(24,859)	75,519
NYSAF (Pears)	16,714	133,570	(137,290)	12,994
	144,411	506,570	(492,756)	158,225

8 Funds (continued)

Restricted funds: (continued)

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

◆ **Cabinet Office (UYSAF)**

This project was awarded from the Cabinet Office to deliver 15,000 places by March 2016, with 4,800 created by March 2015 and to provide young people with social action opportunities.

◆ **NESTA**

Funding was provided to support the development of the venue sharing site, Share Somewhere.

◆ **DCLG**

The Supporting Inclusion Programme was set up to establish 400 new units and 10,800 new places for young people by the Youth United member organisations across key areas of deprivation across the UK.

◆ **Queen's Trust**

This supports Youth United Ayrshire to fund Youth United activities.

◆ **National Youth Social Action Fund (Pears)**

A project to provide a venue sharing pilot scheme in Greater Manchester, running from January 2016 to August 2017.

9 Unrestricted funds

As at 30 September 2017, Youth United Foundation has unrestricted funds of £100,188 (31 March 2016 - £50,714).

This consists of grants from The Queens Trust to support the charitable objectives of the Youth United Foundation.

10 Project commitments

As at 30 September 2017, Youth United Foundation had no commitments (31 March 2016: none) to further expenditure on ongoing and future programmes.

11 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 30 September 2017 £
Fund balances at 30 September 2017 are represented by:			
Current assets	100,188	182,424	282,612
Creditors: amounts falling due within one year	—	(24,199)	(24,199)
	<u>100,188</u>	<u>158,225</u>	<u>258,413</u>

12 Related party transactions

During the period ended 30 September 2017, £34,135 (31 March 2016 - £21,030) 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, Martin Coles, is the Chief Executive of MSSC. The charity moved to the MSSC offices in July 2013 and pays market rates. Since July 2014 the charity has also had use of MSSC's telephone system which the charity is invoiced for on an arm's length basis. During the period ended 30 September 2017, £389 (31 March 2016 - £384) was paid to MSSC in relation to these charges.

13 Lease commitments

At 30 September 2017 the charity's future minimum payments under non-cancellable operating leases were as follows:

Land and buildings	30 September 2017 £	31 March 2016 £
Amounts payable:		
Within one year	15,520	4,608
Within 2-5 years	29,100	—

14 Controlling party

The Trustees make up the members of the charitable company. There is no overall controlling party.

15 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.