



Annual report and financial statements for the year
ending 31 December 2017



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Legal and Administrative Information

Company number: 06550165

Charity number: 1123946

Registered office: 11 Belgrave Road, London, SW1V 1RB

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

	Board Meeting Attendance
Sir Malcolm Williamson (Chair)	5/5
Jeannie Arthur	3/5
Timothy Copnell	5/5
Andrew Devenport (Retired 31 December 2017)	5/5
John Downie	4/5
Romeo Effs	5/5
Ramanie Kunanayagam	3/5
Liz Padmore	4/5
Crispin Rapinet	5/5
Fadi Sarkis	4/5
David Stewart-Patterson (Retired 18 July 2017)	2/3

Anita Tiessen was welcomed to the Board from 2 January 2018 as YBI's new Chief Executive. Romeo Effs and Liz Padmore resigned from the Board during 2018.

Committee Chairs during 2017

Audit and Risk Committee: Timothy Copnell

Accreditation Committee: Elizabeth Padmore

Nominations and Remuneration Committee: Sir Malcolm Williamson

2017 Senior Management Team

To deliver YBI's Network First strategy, YBI made structural changes to the Senior Management Team during 2017. YBI's Senior Management Team comprised:

Dianne Cornes	Network Members	
Andrew Devenport	Chief Executive Officer	Left: 31 December 2017
Rosie Ferguson	Partnerships, Evidence & Learning	Left: 27 January 2017
Jessica Greenhalf	Director of Learning and Influence	Joined: 12 March 2017
Nicky Josling	Fundraising and Communications (Interim)	Left: 28 February 2017
Jodi Kamming	Director of Finance and Operations	Left: 5 September 2017
Hannah Leyro Diaz	Director of Finance and Operations	Joined: 14 August 2017
Elizabeth Newson	Capacity Development	Left: 20 January 2017
Cathrin Sarll	Director of Programme Delivery	Joined: 2 February 2017

Our advisers

Auditors: Nexia Smith & Williamson, Chartered Accountants, 25 Moorgate, London, EC2R 6AY

Bankers: The Co-operative Bank plc, PO Box 101, 1 Balloon Street, Manchester, M60 4EP

Introduction

Youth Business International (YBI) is the global network of 50 expert organisations in 47 countries supporting underserved young entrepreneurs to turn their ideas into successful businesses, creating jobs and strengthening communities.

Young people are critical to future economic development. However, with 71 million young people currently unemployed worldwide¹, their potential is not being realised. Furthermore, of those that are working, many do not earn enough to lift themselves out of poverty.

Empowering young people to succeed in setting up their own businesses is a critical part of the solution; young entrepreneurs create new jobs and shape local economies and young people equipped with entrepreneurship skills are better able to navigate the challenges of today's rapidly changing job market. Our vision is that all young people who want to set up a business are able to fulfil their potential. We are ambitious. By 2025, we aim to support one million underserved young entrepreneurs to access the support they need to start, strengthen and grow sustainable businesses.

Where we work

Our global network of 50 independent, locally led organisations (our “members”) is supported by a dedicated Network Team based in London and Bogota. In 2017, five members joined the network, expanding our reach to 47 countries across six continents. Three members left the network due to the cessation of the organisation or change in strategic direction².

17 members went through our rigorous accreditation process in 2017. At the close of the year, 34 members were fully accredited and 16 were partially accredited.

What we do

As a network we develop and scale new solutions to the critical challenges facing underserved young entrepreneurs. Our members learn, innovate and influence together. As a result, they are able to deliver better quality support to more young people around the world.

Learn: Our members have a diverse set of expertise across the full range of youth entrepreneurship support services. To support them in their work, we deliver capacity development services, facilitate member learning exchanges and connect members to partners with the relevant expertise.

Innovate: By convening the collective expertise of the network, we can identify gaps in support for young entrepreneurs around the world. Using these insights, we work with members to develop new solutions for youth entrepreneurship support.

Influence: As a global network we are well positioned to address the lack of robust evidence for the benefits of youth entrepreneurship. We work with members to generate and share evidence on priority themes, and use the insight generated to drive change in policy and practice.

¹ http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_513728/lang-en/index.htm

² Members joining in 2017: Anguilla Youth Business Foundation, FATE Foundation (Nigeria), ideaLab (Mozambique), Manq'a Bolivia, Renovation and Economic Development (Ukraine). Members leaving in 2017: KYBT Nairobi, Youth Business Singapore, Ukraine

Trustees' Report for the Year Ending 31 December 2017

The members of the Board, who are directors of the charity for the purposes of company law and trustees for the purposes of charity law (hereinafter "the trustees"), are pleased to present their annual directors' report, together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 December 2017.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and 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) (effective 1 January 2015).

Our Partners

To grow and nurture a sustainable network that drives impact for young entrepreneurs on a global scale, we partner with corporates, governments, international development agencies, charitable foundations and individuals. In 2017 our partners included Accenture, the Multilateral Investment Fund of the Inter-American Development Bank and Citi Foundation.

Accenture

We have enjoyed a strong partnership with Accenture for over a decade. With Accenture's support, our network has helped tens of thousands of under-served young people across the globe by equipping them with the skills to start and grow sustainable businesses, create jobs and strengthen local communities. Over the last two years, Accenture's strategic investment has enabled us to support the institutional strengthening of our members and better support more young entrepreneurs. By the end of 2017, the 2015-2018 programme had supported 50,047 young entrepreneurs.

Citi Foundation

Our second partnership with Citi, aimed at supporting young entrepreneurs in Europe, launched in July of 2017. This partnership brings together a consortium of eight YBI members³, building regional ways of working and supporting young people to start and strengthen businesses. In the first six months of this two-year partnership, the consortium has already supported 4,898 young people, creating 988 new jobs.

Inter-American Development Bank

The five-year Youth Entrepreneurship Programme, funded by the Multi-Lateral Investment Fund (MIF) and executed by our members, aims to increase the number of poor and low-income youth successfully starting sustainable businesses and creating jobs in 11 Latin American and Caribbean countries⁴. By the end of 2017, the programme had supported 11,930 young people to start or strengthen their businesses.

YBI's subsidiary undertaking, Fundación YBI Latinoamérica y Caribe, is based in Bogota, Colombia and from 1 January 2018 will be active and focus on running the MIF Entrepreneurship Programme in Latin American and the Caribbean, a significant part of YBI's overall portfolio of work during 2017.

³ Adie (France), KIZ (Germany), microStart (Belgium), NyforetagarCentrum Sverige (Sweden), PerMicroLab (Italy), Positive Planet (France), Qredits (Netherlands) and Youth Business Spain.

⁴ The Youth Entrepreneurship Programme is delivered by Acción Emprendedora (Chile), Aliança Emprendedora (Brazil), Barbados Youth Business Trust, Corporación Minuto de Dios (Colombia), Fundación Impulsar (Argentina), Fundación Paraguaya (Paraguay), Jamaica Youth Business Trust, Manq'a Bolivia, Perspectiva (Peru), Yo Quiero Yo Puedo (Mexico), Youth Business Trinidad & Tobago

2017 Activities, Achievements and Performance

The Network's Objectives and Performance

YBI's Objects for the public benefit are:

- To act as a resource for young people aged 18-35 by providing mentoring, advice and financial assistance through the Youth Business Programmes as a means of:
 - a) Advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals
 - b) Advancing education through mentoring, training, advocacy and the efficient sharing of knowledge through the network of Youth Business Programmes
 - c) Relief of unemployment
- To encourage sustainable development which meets the needs of the present without compromising the ability of future generations to meet their own needs and to promote it for the benefit of the public by:
 - a) The relief of poverty and the improvement of the conditions of life in socially and disadvantaged communities
 - b) The promotion of sustainable means of achieving economic growth and regeneration

YBI supported young entrepreneurs to start or strengthen 31,786 businesses through the combined delivery of 116,612 training, access to finance, mentoring, business advisement and coaching services. This is an increase of more than 5,000 new or stronger businesses and over 23,000 support services. Across the 50 Member organisations, the conversion rate from support of underserved young people to businesses started or strengthened was better than one in four.

We have 12 Key Performance Indicators (KPIs) which we use to measure the activity of the network annually, four of which are key to measuring the network's health and success. The KPIs are agreed by management in conjunction with funders where applicable, all of which demonstrate achievement of the charity's objectives in 2017:

- The number of young people provided with entrepreneurship training (2017: 78,159, 2016: 57,372)
- The number of young people provided with other advice and support services (2017: 25,649, 2016: 21,743)
- The number of new businesses started (2017: 15,581, 2016: 17,118)
- The number of businesses strengthened (2017: 16,205, 2016: 8,964)

Learn: Building impactful organisations and programmes

In 2017 we facilitated a range of face-to-face and online opportunities for our members to connect and share their learning. We also coordinated 160 capacity development projects which were delivered to 42 members across 39 countries. These services were delivered across six areas: Communications, MEL (Monitoring, Evidence and Learning), Mentoring, Customer Relationship Management Customisation (using YBI's Operational Management System), Social Entrepreneurship and Training. In 2017, our most popular service was Training, with 24 members attending the 2017 Global Training Masterclass held in Brazil and the delivery of a further 34 other training services.

Global Entrepreneurship Training Masterclass

In March we worked with our Brazilian member, Aliança Empreendedora, to host our third Global Entrepreneurship Training Masterclass. 35 training specialists from 24 members convened to share their

experience and participate in workshops exploring a range of innovative methodologies. A number of members attending have already integrated some of the new approaches introduced at the masterclass, such as Design Thinking, into their training programmes.

Regional Youth Entrepreneurship Programme Summit

In September, we convened the 11 members participating in our regional programme in Latin America and the Caribbean supported by the Multilateral Investment Fund of the Inter-American Development Bank. Held in Bogotá, the summit focused on discussing how best to develop the programme and strengthen the connections between members in the region. During the summit, the regional Young Entrepreneur of the Year Award for 2017 was announced at a ceremony held at the British Embassy in Colombia and hosted by the British ambassador, His Excellency Dr. Peter Tibber. The winner, Anna Priscilla Veras, was awarded \$2,000 for her social enterprise which supports small, ecologically friendly farmers to distribute their products through fair trade initiatives.

Global Mentoring Masterclass

In October, 28 network mentoring experts from across our membership engaged in workshops with sector thought leaders to share their learning, tackle common challenges and plan for future collaboration. Highlights included sessions on Conversational Wisdom, which gave participants a unique view on the essential elements which make constructive conversations, and Transactional Analysis, which taught the participants how to identify and avoid psychological game playing.

Inaugural Webinar Series

Throughout the year, we ran our first training and mentoring webinar series, enabling members to deepen their understanding of good practice. Our members Youth Business Spain, ideiaLab (Mozambique) and Futurpreneur (Canada) led webinars showcasing their learning. The webinars drew more than 30 participants from 22 members, and covered a range of subjects, from effectuation to customer development.

Innovate: Developing new and improving existing, products and services

In 2017 network collaborations sparked different types of innovation; from designing brand new solutions to identifying improvements in existing models, tools and approaches.

Sky's The Limit: New Online Entrepreneurship Platform

With support from Accenture, we scoped an exciting new digital innovation to scale up support to young entrepreneurs. Developed by Youth Business USA, Sky's The Limit provides young entrepreneurs with access to volunteer business advisory and mentoring support online. In 2018, seven members will pilot the platform, with the potential for customisation and expansion across the network thereafter.

Regional Curriculum Development in the Caribbean

Members in Jamaica, Barbados, and Trinidad and Tobago launched a new collaboration, working together to develop and refine their training programmes under a single curriculum. The foundations for the framework were developed during an intensive workshop hosted by Jamaica Youth Business Trust in Kingston, which representatives from each participating member attended. The curriculum will be finalised in early 2018 and rolled out later in the year.

New Social Entrepreneurship Capacity Development Service

Following a pilot in 2016, we introduced a new social entrepreneurship service in partnership with UnLtd, one of our UK members. In 2017 members from Colombia, Jordan and Mongolia accessed the service and made important steps towards integrating specialised support for social entrepreneurs into their training

programmes. Impressively, Youth Business Mongolia has already organised the first ever Social Entrepreneurship Summit in their country and is playing a key role in shifting local attitudes around the social benefit that business can deliver.

Influence: Generating and leveraging evidence

Flagship Research on the Impact of Volunteer Business Mentoring

In September, we presented the interim findings of our flagship research on the impact of volunteer business mentoring at the annual Global Economic Opportunities Summit in Washington. Hosted by Making Cents International, the event was a great opportunity to share network learning and best practice with a diverse audience. The research is being done in partnership with Middlesex University and explores outcomes for both young people and their businesses. We are excited to publish the final results of the study in summer 2018.

Annual Young Entrepreneur Awards

28 applications were submitted from 16 members for this year's awards. As part of Global Entrepreneurship Week in November, the two young winners presented their businesses to a panel of impact investors and sustainable finance partners. This formed part of a broader campaign involving UNCTAD, WIPO, Politecnico di Milano and Impact Hub Geneva to highlight the important role of business in achieving the Sustainable Development Goals. Young entrepreneur Filipa Carreira, supported by our Mozambican member ideiaLab, was awarded \$5,000 for her business providing young women with sexual health education and menstrual hygiene products. The campaign was successful, engaging 147,243 people online.

New Toolkit on Entrepreneurship Programming

We launched a new initiative to develop an engaging resource for practitioners on how to design, implement and evaluate effective youth entrepreneurship programmes. The resource will share learning and good practice from across the network. For the first phase we worked with the Centre for Partnerships for Development to map some of the different initiatives being supported by members as well as external learning and good practice. In 2018 we will use this evidence to develop the toolkit, launching in the summer.

Grant Making

During 2017, YBI made strategic grants to 15 members (note five). The charity uses grant making to strengthen member capacity and support programme development, in line with YBI's particular overarching grant objective. YBI grantees must be accredited members of the network with a Memorandum of Understanding signed between the parties prior to any transfer of funds.

Summary of financial performance

Income

The Group's total incoming resources for the year were £3.5m (2016: £4.5m) of which £0.8m was unrestricted (2016: £1.0m) and £2.7m (2017: £3.5m) was restricted. All of this income is recorded in the Charity. The Group's incoming resources are slightly higher due to the receipt of interest income in the Foundation.

Grant funds were received in 2017 of £1.0m from Citi Foundation (2016: £0.2m), Accenture £0.8m (2016: £1.2m), the Department for International Development (DFID) £0.1m (2016: £1.6m), the Inter-American Development Bank (IADB) £0.6m (2016: £0.5m), BG Group £0.1m (2016: £0.9m) made up 74% of total income. These are multi-year and multi-project grants demonstrating the success of the strategic focus towards developing these long-term relationships.

The two main sources of funds in 2017 were Corporate Donors at 55% (2016: 66%) and Governmental/ Multilateral organisations which contributed 21% (2017: 34%) of the total income received by the Group.

We continue to be grateful to some very generous private individuals who have also made significant donations to YBI to support our work.

Expenditure

The Group and Charity's total resources expended for the year were £4.5m (2016: £4.4m), of which £1.8m (2016: 0.6m) was unrestricted and £2.7m (2016: £3.8m) was restricted.

The budgeted core costs of the team are agreed in advance each year, and as resources and individuals are assigned to specific projects towards which donors have directed their grants we recover these costs and show them as expenditure against the restricted income. Remaining unallocated costs and overheads are shown as unrestricted expenditure.

Overall, our expenditure in 2017 was in line with our expenditure in 2016. Unrestricted expenditure increased as we invested our unrestricted reserves in our sustainability during 2017, and were able to recover a lower level of overhead than in previous years.

Looking forwards, YBI seeks to increase unrestricted income and reduce the proportion of unrestricted expenditure, through a combination of expenditure reviews and improved cost recovery.

During 2017, we continued to invest in our Fundraising team, with the development of a new Fundraising Strategy, for which implementation has begun with the addition of a new role.

Plans for future periods

2018 is set to be another busy year for YBI, with a growing network membership, new projects on the horizon and increasing focus on the power of digital innovation.

- **Membership:** With nine Network Expansion projects in progress, we expect continue to grow in 2018, bringing our total membership to 56. Of our existing members, 21 will go through some form of accreditation process, with 15 full assessments and six midterm reviews planned
- **Digital Innovation:** We will be putting digital at the heart of the work we do, trailing the Sky's The Limit platform with seven network members, launching a new online community for members to share their knowledge and expertise, and piloting a Digital Accelerator programme with eight members
- **Research and Influence:** In addition to publishing the results of the Middlesex University/YBI mentoring research study, we will also be launching a digital research project aimed at informing our member's services through an analysis of global digital trends in youth entrepreneurship markets and mapping sector solutions for youth entrepreneurship
- **Innovation Challenge:** In 2018, we will launch our first Global Innovation Challenge with support from Accenture and the Inter-American Development Bank. The challenge will promote innovation across the network and support members to develop products and services that address young entrepreneurs' needs, with winners receiving funding to allow them to pilot and monitor their projects

Reserves Policy and Going Concern

The charity holds unrestricted reserves in order to continue to operate in the event of a downturn in income. In 2017, the charity's aim was to maintain unrestricted free reserves equivalent to between three and six months of unrestricted committed expenditure, the charity remained within these limits during 2017. The Board reviews and approves the reserves policy on an annual basis.

In 2017 the charity reduced its unrestricted reserves by £1.1m compared to the previous financial year in order to continue to give general support to our network and to fund our administrative and operating expenses. At 31 December 2017 they are £0.7m, exceeding the Reserves policy target by £0.2m.

Trustees have taken a number of steps to ensure the charity's financial sustainability. These are:

- Completion of a Fundraising Strategy with a focus on securing sustainable unrestricted income streams
- Continued investment in a Fundraising team, with decision to appoint of a Director of Development (appointed in 2018) and additional resourcing during 2017 and 2018
- Detailed expenditure review and reduction of ongoing operating expenses
- Strategy review process and quarterly budget reforecasts to ensure organisational resources are aligned to organisational priorities

After reviewing the charity's forecasts and projections, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Structure, Governance and Management

Company Status and Structure

The charity is a company limited by guarantee, established on 31 March 2008, and a registered charity. It is governed by its Memorandum and Articles of Association dated 5 March 2008.

The charity has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the charity.

The governing body of the charity is the Board. The Board meets formally four times a year, with significant other ongoing involvement. In addition, there are three board committees:

- Accreditation Committee
- Audit & Risk Committee
- Nominations and Remuneration Committee

These committees comprise members of the Board and other individuals with relevant experience. All committees operate under specific terms of reference with delegated responsibility from the Board.

Internal Controls

The trustees have overall responsibility for ensuring that the charity has an appropriate system of control, financial and otherwise.

They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

These systems of internal control are designed to provide assurance against material misstatement or loss. They include:

1. A strategic plan, an annual operating plan and an annual budget all approved by the Board
2. Regular consideration by the Board of financial results and variance from budgets
3. The use of the Audit & Risk Committee in overseeing of the company's financial reporting process, including related risks and controls as well as working with the company's external auditors
4. Appropriate identification and management of risk

As part of this process, trustees continue to review the adequacy of the charity's internal controls. They consider whether controls are sufficient on an annual basis.

Principal Risks and Uncertainties/Risk Management

All significant activities undertaken are subject to a risk review as part of the initial activity assessment and implementation. Major risks faced by the charity are identified and prioritised in terms of their potential impact and likelihood of occurrence.

During 2017, the three main risks to the organisation were inability to diversify and grow unrestricted funding, liquidity and cash flow during 2018, and an inability to meet member demand for capacity development. A review of all risks, and progress against mitigating these, is completed quarterly by the Executive Directors, and reviewed by the Audit & Risk Committee and the Trustees. Financial risks have been mitigated by closely monitoring the 2018 cash flow and unrestricted reserves position with scenario plans outlined.

Other mitigations include delivery of a new Fundraising strategy, better control of proposal development and pipeline and the implementation of a new finance system from 1 January 2018.

The Board formally considers risk on a quarterly basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance.

Trustee Recruitment

The Trustee recruitment process is run by the charity's Nominations and Remuneration Committee, supported where necessary by the CEO. The Nominations Committee consists of three Trustees including the Chairman of the Board who chairs the Nominations and Remuneration Committee.

The charity carries out a skills and diversity audit of the Board to determine the range of skills and expertise it should have. Trustees consider regularly the extent to which they require on-going training in order to fulfil their duties as members of the YBI Board committees.

Trustee Induction and Training

New trustees are given a structured induction by the charity. Once a Trustee has been appointed to the Board, the new Trustee is provided with a welcome pack, some administrative tasks and an induction plan; the purpose of all being to fulfil: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. As part of the induction, meetings are arranged with key employees, other trustees and relevant external contacts. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. The induction period concludes with follow up meetings with the CEO and Chairman. Training requirements are reviewed regularly.

Related Parties and Co-operation with Other Organisations

Any connection between a trustee or senior manager of the charity or any other contractual relationship with a related party, must be disclosed to the full Board of Trustees. Other than activation of the Fundación YBI Latinoamérica y Caribe, there were no related party transactions in 2017.

Pay Policy for Key Management Personnel

The key management personnel of YBI have the authority and responsibility for planning, directing and controlling the activities of the charity. This group comprises of the board of directors, who are the charity's trustees, and the senior management team, to whom the trustees delegate the day-to-day management of the charity.

Except in exceptional circumstances where a trustee takes on additional day to day responsibilities and then only after a formal board approval process, directors give their time freely. No director received remuneration in the year, with the exception of the CEO, who is acting both as a trustee and a senior manager.

Details of directors' expenses and related party transactions are disclosed in note five to the accounts.

The pay of the senior management team was reviewed by the Audit & Risk Committee in December 2017. It was decided that no pay increases were to be effected for senior management.

Human Resources

The number of staff employed by the charity at the end of the year was 29. In addition, the charity has benefited greatly from the help of volunteers, both experienced professionals and interns.

Volunteers

The charity relies heavily on the support we get from unpaid volunteers. We have differing levels of support, ranging from long-term advice from professionals experienced in specific areas to short-term internships for students and postgraduates.

Within the network as a whole, volunteers give a significantly greater amount of their time which the charity is grateful for, but it is not recorded here.

Equal Opportunities Policy

The charity strives to be 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. Selection criteria and procedures are in place to ensure that individuals are selected, treated and promoted on the basis of their relevant abilities and merits.

Donated Services

The charity received various donated services during the year which are detailed in Note 3.

Public Benefit Reporting

The trustees have a duty to report on public benefit by explaining:

- The significant activities undertaken in order to carry out our aims for the public benefit
- Achievements measured against those aims

The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit reporting on YBI's vision and mission, and on the objectives, achievements and plans.

Fundraising Standards Information

During 2017, YBI worked with corporate partners and multilateral/governmental organisations to raise funds for our work. We also receive the generous support of some anonymous donors. YBI does not use any professional fundraisers or commercial participators in the carrying out of such activities.

The Charity, or any person acting on behalf of the charity was subject to be bound by any voluntary scheme for regulating fundraising or any voluntary standard of fundraising in respect of activities on behalf of the charity.

Trustees' Responsibilities Statement

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102, the Financial Reporting Standards applicable in the UK and Republic of Ireland.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to the Auditor

In the case of each person who was a trustee at the time this report was approved:

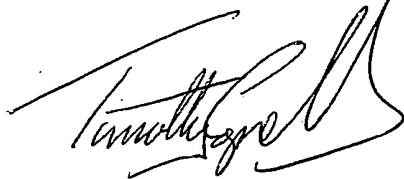
- So far as that trustee was aware there was no relevant available information of which the company's auditor was unaware

- The trustee had taken all steps that the trustee ought to have taken as a trustee to make himself aware of any relevant audit information and to establish that the company's auditor was aware of that information

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

A resolution to re-appoint the auditor, Nexia Smith & Williamson, will be proposed at the next Board meeting.

The Trustees' Report was approved and signed on behalf of the Board of Trustees on 19th June 2018 by:

A handwritten signature in black ink, appearing to read 'Timothy Copnell', written in a cursive style.

Timothy Copnell
Trustee and Chairman of the Audit and Risk Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND THE MEMBERS OF YOUTH BUSINESS INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Youth Business International Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, Group and Charitable Company Balance Sheets, Group Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter three of Part 16 of the Companies Act 2006 and to the parent charitable company's trustees as a body, in accordance with Part four of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charitable company's members and trustees 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 parent charitable company, the parent charitable company's members as a body, and the parent charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2017 and of the group's 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 and the Charities Act 2011.

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 group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Annual 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 and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 take advantage of the small companies' exemption from the requirement to prepare a strategic report

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees (who are directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent 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 group or the parent 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

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Jacqueline Oakes

Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 10 July 2018

Nexia Smith & Williamson is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Financial Statements

Consolidated Statement of Financial Activities

(Including income and expenditure) account for the year ended 31 December 2017

	Notes	Unrestricted (£)	Restricted (£)	Year ended Dec 2017 (£)	Year ended Dec 2016 (£)
Income from					
Grants and donations	(3)	779,204	2,654,627	3,433,831	4,303,831
Charitable activities	(3)	65,614	-	65,614	-
Other income	(3)	-	-	-	194,192
Total income		844,818	2,654,627	3,499,445	4,498,023
Expenditure on					
Costs of raising funds	(4)	269,882	37	269,919	125,151
Charitable activities	(4)	1,486,868	2,694,595	4,181,463	4,288,638
Total expenditure		1,756,750	2,694,632	4,451,382	4,413,789
Net (expenditure)/income	(12)	(911,932)	(40,005)	(951,937)	84,234
Transfers between funds	(12)	(433)	433	-	-
Net movement in funds for the year	(12)	(912,365)	(39,572)	(951,937)	84,234
Total funds brought forward	(12)	1,574,019	1,047,123	2,621,142	2,536,908
Total funds carried forward	(12)	661,654	1,007,551	1,669,205	2,621,142

All of the above results are derived from continuing activities.

There is no material difference between the reported net (expenditure)/income of the charity and the group in either the current or comparative period.

Group and Company Balance Sheets
As at 31 December 2017

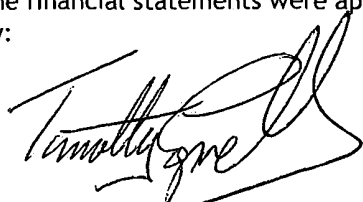
	Notes	2017 Group (£)	2016 Group (£)	2017 Charity (£)	2016 Charity (£)
Fixed assets					
Tangible assets	(7)	<u>34,385</u>	<u>44,084</u>	<u>34,385</u>	<u>44,084</u>
Current assets					
Debtors	(8)	400,994	610,219	454,354	610,219
Cash at bank and in hand		<u>1,387,257</u>	<u>2,488,576</u>	<u>1,328,200</u>	<u>2,488,576</u>
		1,788,251	3,098,795	1,782,554	3,098,795
Liabilities					
Creditors falling due within one year	(9)	<u>(145,017)</u>	<u>(513,323)</u>	<u>(139,382)</u>	<u>(513,323)</u>
Net current assets		1,643,234	2,585,472	1,643,172	2,585,472
Total assets less current liabilities		<u>1,677,619</u>	<u>2,629,556</u>	<u>1,677,557</u>	<u>2,629,556</u>
Creditors falling due after more than one year	(16)	<u>(8,414)</u>	<u>(8,414)</u>	<u>(8,414)</u>	<u>(8,414)</u>
Net assets	(12)	<u>1,669,205</u>	<u>2,621,142</u>	<u>1,669,143</u>	<u>2,621,142</u>
The funds of the charity:					
Unrestricted		661,654	1,574,019	661,592	1,574,019
Restricted		<u>1,007,551</u>	<u>1,047,123</u>	<u>1,007,551</u>	<u>1,047,123</u>
	(12)	<u>1,669,205</u>	<u>2,621,142</u>	<u>1,669,143</u>	<u>2,621,142</u>

There is no material difference between the reported net assets and reserves of the charity and the group in either the current or the comparative period.

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The net expenditure of the Parent Charitable Company for the year was £951,999 (2016: £84,234 net income).

The accompanying notes on pages 19 to 36 form part of these Financial Statements.

The financial statements were approved by the trustees on 19th June 2018 and were signed on their behalf by:



Timothy Copnell
Trustee and Chairman of the Audit & Risk Committee
Company number: 06550164

Group Cash Flow Statement
For the year ended 31 December 2017

	Notes	2017 Group (£)	2016 Group (£)	2017 Charity (£)	2016 Charity (£)
Cash flows from operating activities		(1,101,319)	201,363	(1,160,376)	201,363
Change in cash and cash equivalents in the reporting period	(a)	(1,101,319)	201,363	(1,160,376)	201,363
Cash and cash equivalents at the beginning of the reporting period		2,488,576	2,287,213	2,488,576	2,287,213
Cash and cash equivalents at the end of the reporting period		1,387,257	2,488,576	1,328,200	2,488,576

Notes to the cash flow statement

a. Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2017 Group (£)	2016 Group (£)	Charity 2017 (£)	Charity 2016 (£)
Net (expenditure)/income for the reporting period (as per statement of financial activities)	(951,937)	84,234	(951,999)	84,234
Depreciation charges	9,699	10,674	9,699	10,674
Decrease in creditors	(368,306)	(4,595)	(373,941)	(4,595)
Decrease in debtors	209,225	111,050	155,865	111,050
Net cash provided by (used in)/provided by operating activities	(1,101,319)	201,363	(1,160,376)	201,363

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

1. Accounting Policies and Convention

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

General Information and Basis of Accounting

Youth Business International is a private company limited by guarantee incorporated in England and Wales under the Companies Act, it is also a registered charity. The address of the registered office is given on page 1. The nature of the charity's operations and its principal activities are set out in the trustees report on page 3.

The Financial Statements have been prepared under the historical cost accounting rules and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standards (FRS 102), effective 1 January 2015 and the Companies Act 2006 and the Charities Act 2011.

Consolidated Accounts

The consolidated accounts incorporate the results of Youth Business International and Fundación YBI Latinoamérica y Caribe (company number 900785397, incorporated in Colombia) which YBI controls. Comparative consolidated 2016 information is not reported as this was immaterial during the prior year.

Preparation of the Accounts on a Going Concern Basis

The trustees have assessed whether the use of going concern is appropriate, that is whether there are any material uncertainties related to events or conditions that may cast significant doubt in the ability of the company to continue as a going concern. The trustees agree that going concern is appropriate for YBI and have made this assessment in respect of one year from the date of approval of the financial statements. Thus we continue to adopt the going concern basis in preparing the annual financial statements.

Incoming Resources

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

Voluntary income comprises grants and donations and is recognised in the appropriate fund on a receivable basis and when any conditions for receipt are met. Where donor-imposed conditions require that the resource is expended in a future accounting period, income is recorded as deferred income at the balance sheet date.

Recognition of Grant Income

Grants and Donations are only included in the Statement of Financial Activities when the charity becomes entitled to resources; it is more likely than not that the trustee will receive the resources; the monetary value can be measured with sufficient reliability.

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

Donated Services and facilities

Donated services or facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated services or facilities are valued by the trustees at the amount the charity would have been willing to pay for the services or facilities on the open market, a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with the Charities SORP, the general volunteer time is not recognised. The trustees' annual report provides further information about their contribution.

Resources expended and irrecoverable VAT

Expenditure, including grants payable, 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.

Expenditure is allocated to activity categories based on the amount attributable to the activity in the year, including the cost of raising funds, charitable activities, and services.

Direct costs in these categories are charged with their share of support costs. Support costs are those functions that assist the work of the charity and include central functions such as general management, accounting, communication, IT, human resources, governance, office rent, general travel, relationship building, irrecoverable VAT and depreciation. All support costs items are either allocated or apportioned over the relevant categories on the basis of the overall time spent in these categories.

The cost of raising funds comprises those costs directly attributable to the fundraising activities of the charity and the appropriate apportionment of central costs.

Irrecoverable VAT is charged as a cost against the activity using the support costs allocation method.

Fund accounting

Unrestricted funds are used to fulfil the objectives of the organisation at the discretion of the trustees. Restricted funds are made up of grants and donations given by donors for specific purposes.

Fixed assets

Fixed assets are capitalised where the purchase price of each individual item costs £2,000 or more including VAT. Depreciation has been provided in order to write off the cost of the assets over their estimated useful lives on a straight-line basis as follows:

- Computer equipment three years
- Office equipment five years
- Office improvements life of lease

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Where any assets are impaired in value, provisions are made to reduce the book value of such assets to their recoverable amount.

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

Financial instruments

Financial instruments comprise trade and other debtors, cash and cash equivalents and trade and other creditors.

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of Section 11 of FRS 102 are subsequently measured at amortised cost using the effective interest method:

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial

asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Employee benefits

The charity operates a defined contribution personal pension scheme. Contribution costs are charged to the statement of financial activities in the year in which they fall due.

Redundancy Policy

Provision is made for termination benefits in the period in which the liability arises. Termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the reporting date. If the expected settlement date of the termination payments is 12 months or more after making the provision and the effect would be material, the present value of the obligation is calculated using an appropriate discount rate.

Operating leases

Operating lease rentals are expensed on a straight-line basis over the term of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the term of lease.

On transition to FRS 102, the Charity applied the exemption in Section 35.10(p) to continue to recognise any residual benefit or cost associated with lease incentives on the same basis as that applied at the date of transition to FRS 102.

Foreign currencies

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Monetary assets and liabilities are translated into sterling at the exchange rate on the balance sheet date. All exchange differences are recognised through the statement of financial activities.

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

Provisions

A provision is made where an event has taken place that gives the Charity a legal or constructive obligation that requires settlement by a transfer of economic benefit by the Charity, and a reliable estimate of the amount of the obligation can be made.

Provisions are charged as an expense in the year the Company confirms the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are subsequently made, they are charged to the provision carried in the Statement of Financial Position and any subsequent balance after the provision has been fully settled is reflected in the Statement of Comprehensive Income.

Corporation tax

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described in Note 1, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the trustees have made in the process of applying the Charity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

- Control of Fundación YBI Latinoamérica y Caribe in Colombia, Bogota

Assessing whether the charity controls Fundación YBI Latinoamérica y Caribe requires judgement. YBI has the power to appoint or remove trustees and as such controls the Foundation as well as covers expenses of the entity. The Chief Executive is appointed a Chairman of the Foundation's Board of Directors. Trustees consider that these powers demonstrate that YBI controls Fundación YBI Latinoamérica y Caribe.

Key sources of estimation uncertainty

- Provisions (Note 16)

Internal valuation was used as the basis for an estimation of the cost expected to be payable on restoring the Victoria offices to their original condition upon vacating the premises. The carrying amount of dilapidation at the balance sheet date was £8,414 (Note 16).

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

3. Income

	Unrestricted (£)	Restricted (£)	Year ended Dec 2017 (£)	Year ended Dec 2016 (£)
Grants and donations				
Charitable foundations and trusts	-	-	-	33,287
Corporate donors	14,604	1,664,751	1,679,355	2,708,534
Individuals	125,000	-	125,000	187,500
Multilaterals	-	909,366	909,366	403,071
Donated services	639,600	-	639,600	233,728
Government support	-	80,510	80,510	737,711
	779,204	2,654,627	3,433,831	4,303,831
Charitable activities				
Recharge of services to the network	65,614	-	65,614	-
	65,614	-	65,614	-
Other income				
Exchange rate gain	-	-	-	194,192
	-	-	-	194,192
Total income	844,818	2,654,627	3,499,445	4,498,023

Donated Services in 2017 are valued as £0.6m (2016: £0.2m) and are recognised within incoming resources as a donation, and an equivalent charge is included within outgoing expenses.

The charity is grateful to:

- Hogan Lovells and PHRLegal for their legal advice
- Salesforce and Diligent Boardbooks for enhancing the charity's IT systems
- The Worshipful Company of Management Consultants whose members have continued in 2016, as in previous years, to undertake all the independent accreditations, together with some specific follow up projects. Their contribution is estimated to be valued at £153,000 in 2017 (2016: £175,000)
- Accenture have provided several consultants over the course of 2017 to YBI as we build, test and prepare for the launch of Sky's the Limit in 2018. Their contribution is valued at £398,000.

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

4. Expenditure

a) Analysis of total expenditure

	Direct activity cost (£)	Direct staff cost (£)	Support costs (£)	Grants to Members (£)	Year ended Dec 2017 (£)	Year ended Dec 2016 Restated* (£)
Costs of raising funds	49,524	200,337	20,058	-	269,919	125,151
Charitable activities						
Strengthening and expanding the network	1,034,764	359,365	653,383	724,211	2,771,723	2,728,371
Resource raising & partnership management	424,263	296,540	304,556	-	1,025,359	626,250
Research, communications & advocacy	186,276	84,170	113,935	-	384,381	934,017
	1,645,303	740,075	1,071,874	724,211	4,181,463	4,288,638
Total expenditure	1,694,827	940,412	1,091,932	724,211	4,451,382	4,413,789

Revaluation of foreign currency balances held at 31 December 2017 resulted in an exchange rate loss of £188,836. This has been absorbed in the breakdown of expenditure.

The comparative has been restated by including Grants to Members within "Strengthening and expanding the network".

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

c) Analysis of grants awarded to YBI Member organisations during the period

	Management and admin staff costs (£)	Office, IT, & business support (£)	Travel & relationship building (£)	Depreciation (£)	Governance (£)	Total support costs (£)
Costs of raising funds	13,479	108	4,063	556	1,852	20,058
Charitable activities						
Strengthening and expanding the network	255,830	328,325	28,169	4,440	36,619	653,383
Resource raising & partnership management	131,103	148,622	14,575	3,664	6,592	304,556
Research, communications & advocacy	49,190	55,763	5,469	1,040	2,473	113,935
	436,123	532,710	48,213	9,144	45,684	1,071,874
Total support costs	449,602	532,818	52,276	9,700	47,536	1,091,932

YBI Member	Total grants awarded (£)
Kenya Mombasa	63,812
Futurpreneur Canada	120,838
Alianca	20,485
Ideialabs	28,155
CMD	13,762
TNS	30,998
YB USA	33,740
YB Spain	39,741
Swedish Jobs & Society	48,732
Positive Planet	48,732
Qredits	48,699
KIZ	45,378
PerMicroLab	59,188
Alianca	88,692
Adie	33,259
Total Grants	724,211

The remainder of charitable activities spend was undertaken internally.

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

5. Employees, Key Management Personnel and Trustees - Charity and Group

a. Employees

	Year ended Dec 2017 (£)	Year ended Dec 2016 (£)
Wages and salaries	1,240,385	1,278,308
Social security	132,653	130,608
Pension costs	45,587	39,013
Other staff costs	61,040	41,947
Total staff costs	1,479,665	1,489,876

Employer pension contributions to defined contribution schemes were paid in respect of higher paid employees totalling £3,654 (2016: £1,642).

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

	Year ended Dec 2017 (No.)	Year ended Dec 2016 (No.)
Direct charitable activities	20	21
Management, administration and raising funds	10	9
	30	30

The average number of employees during the year is the same for the Charity and the Group.

The number of employees paid more than £60,000 during the year was as follows:

Band	Year ended Dec 2017 (£)	Year ended Dec 2016 (£)
£60,000 to £70,000	-	-
£70,001 to £80,000	1	1
£90,001 to £100,000	1	1

b. Key management personnel

The total employee benefits paid to the senior management team were £348,944 (2016: £434,592).

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

c. Trustees remuneration

Andrew Devenport, CEO and trustee, was paid £ 91,766 (as per payroll records) (2016: £99,166) in his role as an employee and CEO of YBI. No other charity trustees were paid or received any other benefits from employment with the charity in the year (2016: £nil).

Expenses of £1,791 (£2016: £nil) were paid to one (2016: Nil) trustee wholly in fulfilment of charity business. These expenses related to subsistence and meeting costs for Trustee events.

d. Redundancy payments

Included within wages and salaries is £22,500 in compensation for loss of office. No balances were outstanding at the year end.

6. Charity and Group Net Income

Net income for the year is stated after charging/ (crediting):

	Year ended Dec 2017 (£)	Year ended Dec 2016 (£)
Depreciation	9,699	10,674
Auditor remuneration in respect of:		
the audit of the annual accounts	24,540	19,250
other services	600	2,835
Operating leases	68,500	69,484
Foreign exchange loss/(gain)	188,836	(194,192)

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

7. Charity and Group Tangible Fixed Assets

	Office Improvements (£)	Fixtures & fittings (£)	IT equipment (£)	Total (£)
Cost				
As at 1 January 2017 and at 31 December 2016	92,118	10,420	34,512	137,050
Accumulated depreciation				
At 1 January 2017	48,034	10,420	34,512	92,966
Charge for the year	9,699	-	-	9,699
At 31 December 2017	57,733	10,420	34,512	102,665
Net book value				
At 31 December 2017	34,385	-	-	34,385
At 31 December 2016	44,084	-	-	44,084

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

8. Debtors

	2017 Group (£)	2016 Group (£)	2017 Charity (£)	2016 Charity (£)
Trade debtors	36,699	46,553	36,727	46,553
Other debtors	21,437	59,289	21,437	59,289
Amount due from subsidiary undertaking	-	-	53,332	-
Gift Aid	37,500	12,500	37,500	12,500
Prepayments and accrued income	305,358	423,379	305,358	423,379
Tax and social security	-	68,498	-	68,498
	400,994	610,219	454,354	610,219

9. Creditors

	2017 Group (£)	2016 Group (£)	2017 Charity (£)	2016 Charity (£)
Trade creditors	5,635	29,520	-	29,520
Other creditors	10,529	328,033	10,529	328,033
Accruals and deferred income	92,448	155,770	92,448	155,770
Taxation and social security	36,405	-	36,405	-
	145,017	513,323	139,382	513,323

10. Financial Instruments

	2017 Group (£)	2016 Group (£)	2017 Charity (£)	2016 Charity (£)
Financial assets measured at amortised cost	1,445,393	2,594,418	1,386,364	2,594,418
Financial liabilities measured at amortised cost	16,164	357,552	10,529	357,552

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

11. Deferred Income

	2017 Group (£)	2016 Group (£)	2017 Charity (£)	2016 Charity (£)
Deferred income brought forward	119,531	223,172	119,531	223,172
Income released in year	(119,531)	(223,172)	(119,531)	(223,172)
Income deferred in year	-	119,531	-	119,531
Deferred income carried forward	-	119,531	-	119,531

12. Statement of Funds

GROUP	Unrestricted* (£)	Restricted* (£)	Total (£)
At 1 January 2017	1,574,019	1,047,123	2,621,142
Incoming resources	844,818	2,654,627	3,499,445
Resources expended	(1,756,750)	(2,694,632)	(4,451,382)
Transfers	(433)	433	-
At 31 December 2017	661,654	1,007,551	1,669,205

CHARITY	Unrestricted* (£)	Restricted* (£)	Total (£)
At 1 January 2017	1,574,019	1,047,123	2,621,142
Incoming resources	844,818	2,654,533	3,499,351
Resources expended	(1,756,812)	(2,694,538)	(4,451,350)
Transfers	(433)	433	-
At 31 December 2017	661,592	1,007,551	1,669,143

* **Unrestricted funds** are spent or applied at the discretion of the trustees to further any of the charity's purposes. Unrestricted funds can be used to supplement expenditure made from restricted funds. For example, a restricted grant may have provided part of the funding needed for a specific project. In this case unrestricted funds may be used to meet any funding shortfall for that project.

Funds held on specific trusts under charity law are classed as **restricted funds**. The specific trusts may be declared by the donor when making the gift or may result from the terms of an appeal for funds. The specific trusts establish the purpose for which a charity can lawfully use the restricted funds. It is possible that a charity may have several individual restricted funds, each for a particular purpose of the charity.

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

Breakdown of group restricted funds

By Type of Grant

	Funds Restricted to YBI (£)	Funds Restricted to YBI members (£)	Total (£)
At 1 January 2017	842,194	204,929	1,047,123
Incoming resources	2,141,345	513,282	2,654,627
Resources expended	(1,976,421)	(718,211)	(2,694,632)
Transfers	433	-	433
At 31 December 2017	1,007,551	-	1,007,551

By Grant Funder

	At 1 January 2017 (£)	Incoming resources (£)	Resources Expended (£)	Transfers* to Unrestricted (£)	At 31 December 2017 (£)
Active Grants					
Accenture Grant 4 (2015 - 2018)	794,452	763,470	(1,069,832)	-	488,090
Citi Youth Business Europe (2017-2019)	-	785,047	(389,374)	-	395,673
Citi Youth Business LatAm (2017-2018)	-	192,450	(105,278)	-	87,172
DFID Uganda	36,616	-	-	-	36,616
DFID Mozambique T4R	-	80,510	(80,510)	-	-
MIF (YEP 2013 - 2018)	56,542	622,829	(679,371)	-	-
IADB MIF Caribbean project	-	5,980	(5,980)	-	-
Habitat IMECE	11,764	-	(11,764)	-	-
Hogan Lovells	-	10,000	(10,000)	-	-
EC Migrants project (COSME)	-	-	(433)	433	-
Grants Closed in 2017					
BG Group Grant (2013 - 2017)	83,622	144,341	(227,963)	-	-
Citi Foundation - Europe (2015-2017)	26,220	-	(26,220)	-	-
EY Global Partnership (2015 - 2017)	37,907	-	(37,907)	-	-
Shell	-	50,000	(50,000)	-	-
Total Restricted Projects	1,047,123	2,654,627	(2,694,632)	433	1,007,551

Transfers to unrestricted funds relate to amounts spent in anticipation of commencement of the project in 2018.

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

13. Analysis of net assets between funds

	Unrestricted (£)	Restricted (£)	2017 Total (£)
Group			
Tangible Fixed Assets	34,385	-	34,385
Debtors	124,102	276,892	400,994
Cash at bank	583,207	804,051	1,387,257
Creditors falling due within one year	(71,626)	(73,391)	(145,017)
Creditors falling due after more than one year	(8,414)	-	(8,414)
Total	661,654	1,007,551	1,669,205

	Unrestricted (£)	Restricted (£)	2017 Total (£)
Company			
Tangible Fixed Assets	34,385	-	34,385
Debtors	100,350	317,277	454,354
Cash at bank	606,896	758,031	1,328,200
Creditors falling due within one year	(71,626)	(67,756)	(139,382)
Creditors falling due after more than one year	(8,414)	-	(8,414)
Total	661,592	1,007,551	1,669,143

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

14. Share Capital

The company is limited and has no share capital. The liability of the members is limited to the sum of £1 per member.

15. Commitments

At 31 December 2017 the company has the following annual commitments under operating lease agreements that expire:

	Charity and Group Operating lease rentals - other 2017 (£)	Charity and Group Operating lease rentals - other 2016 (£)
Within 1 year	68,500	68,500
1-5 years	150,700	219,388
	<u>219,200</u>	<u>287,888</u>

Other financial commitments

A deed of deposit dated 27 July 2012 exists in favour of the Secretary of State and Communities and Local Government in respect of all monies due or to become from YBI to the chargee under the terms of the lease

16. Provisions

	Charity and Group Dilapidations provision 2017 (£)
At 1 January and 31 December 2017	8,414

17. Subsidiary undertaking

Consolidated accounts have been prepared incorporating the Fundación YBI Latinoamérica y Caribe (company number 900785397, incorporated in Colombia). YBI has the power to appoint or remove trustees and as such controls the Foundation. There were no material transactions between the entities in 2016 and so consolidated accounts were not prepared. In 2017, an amount of £53,332 was transferred to the Foundation. This amount is outstanding as at the year end. The summary financial performance of the subsidiary alone relates only to receipt of £53,322 from YBI with interest income earned of £94. Operating expenses of £32 were incurred during the year giving net income of £59,061. At 31 December 2017, the Foundation held net assets of £59,061, had no liabilities and total funds of £59,061.

Notes to the Financial Statements

For the year ended 31 December 2017 (continued)

18. Related Parties

Other than the subsidiary referred to in note 17, there were no related party transactions during 2017.