



2014-15

Year ended 31 August 2015



Annual Report and
Financial Statements

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Annual Report and Financial Statements 2014-15

The Board of Trustees presents its statutory report together with the financial statements of London Youth (the Federation of London Youth Clubs) for the year ending 31st August 2015. The financial statements are prepared under the accounting policies set out therein and comply with applicable law and the requirements of the Statement of Recommended Practice (SORP) for Charities, as issued by the Charity Commission in March 2005.

The report as a whole has been prepared in accordance with Part 8 of the Charities Act 2011. The information in the sections headed "Strategic Report" constitutes the strategic report as required by the Companies Act 2006 (strategic report and directors' report) Regulations 2013. The information required to be presented in a directors' report under the Companies Act 2006 is incorporated in the remaining sections of the report.

The Federation of London Youth Clubs
Company Limited by Guarantee
Registration Number
00258577 (England and Wales)

Charity Registration Number
303324

Patron	HRH The Prince Philip, Duke of Edinburgh KG KT
President	Field Marshall the Lord Guthrie of Craigiebank GCB LVO OBE
Chair	Julian Beare
Deputy Chair	Jennifer Izekor
Honorary Treasurer	Keith Ward
Vice Presidents	Jarvis Astaire OBE The Lord Brooke Robin Callender Smith Jane Earle Clive Efford MP Robin Gowlland Peter Hudson Rt. Hon. Sir Simon Hughes Peter Hunter Sir David Knox Peter Levy CBE BEM Neil Maitland OBE Roger Merton MBE Lady Mary Mumford Dr Terry Powley John Ratcliff CBE Marsha Rae Ratcliff G Davide Rodrigues The Rt. Rev. Roger Sainsbury Richard Sermon MBE John Spencer OBE Joy Toghill Vanni Treves CBE Joseph Williams Carl Wonfor

Annual Report and Financial Statements 2014-15

Trustees	<p>Melanie Ancliff (to 31 August 2015)</p> <p>Tekla Balfour (to 10 March 2015)</p> <p>Julian Beare</p> <p>Ali Craig (to 13 April 2015)</p> <p>Guy Davison</p> <p>Nat Defriend</p> <p>Jennifer Izekor</p> <p>John Norman</p> <p>Louise Rodgers</p> <p>Scott Tweed</p> <p>Keith Ward</p> <p>Keeley Williams</p> <p>Derek Willis</p>
Youth Advisers attending Trustee meetings	<p>Michael Adams (to July 2015)</p> <p>Nabhaan Rizwan (to July 2015)</p> <p>Zak Osman (from October 2014)</p>
Chair of Finance Committee	Keith Ward
Chair Assurance Committee	John Norman
Chair of Nominations Committee	<p>Keeley Williams (to January 2015)</p> <p>Derek Willis (from January 2015)</p>
Chief Executive and Company Secretary	Rosie Ferguson
Senior Team	<p>Sam Grimstone – Director for Residential Centres (formerly Director of Hindleap)</p> <p>Phillip Kerry – Programmes Director</p> <p>Jim Minton – Director of Communications & Membership</p> <p>Clare Wadd – Director of Finance & Resources</p>

Annual Report and Financial Statements 2014-15

Registered/Principal office	47-49 Pitfield Street London N1 6DA
Telephone	020 7549 8800
E-mail	hello@londonyouth.org.uk
Website	www.londonyouth.org

Company registration number	00258577 (England and Wales)
Charity registration number	303324
Auditor	Crowe Clark Whitehill St Brides House 10 Salisbury Square London EC4Y 3EH
Bankers	National Westminster Bank plc 54 Marsh Wall West India Dock London E14 6LJ
Investment managers	Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU

A message from London Youth's Chair of the Trustees – Julian Beare

We have enjoyed a good year at London Youth. We have done lots around our core aim of bringing out the best in young people: to give them the confidence to aspire to and to achieve goals that they may never have dreamt of.

Our staff, led by Rosie Ferguson, outgoing Chief Executive, have been outstanding. Rosie has decided to move on from London Youth after 11 years, and we will miss her a great deal - her enthusiasm is constant, her expertise all pervasive, and her passion for good youth work all encompassing!

Although we award quality marks to our member clubs, until now there has not been an equivalent assessment open to organisations such as London Youth itself. That has now changed and, in October 2015, London Youth was awarded the Ambition Gold Quality Mark Plus for membership organisations. We are the first organisation to achieve this and congratulations are due to all the staff at London Youth for this achievement. Well done!

The Kids Company debacle concentrated our minds. We have tested and re-tested our governance, and looked again at our finances in an even more robust way. Interestingly, the demise of the Kids Company has led to more constructive interaction between the local clubs, the authorities and police in the affected areas of south London, and we are proud to be closely involved in this process.

Our Trustees have delivered over and above expectations yet again. Time constraints have not dented their willingness to help London Youth. Particular thanks go to our Committee Chairs, Keith Ward and John Norman, of the Finance and Assurance committees respectively, who have given us wise guidance.

I would like to mention the special contributions we have had from retiring Trustees Tekla Balfour and Mel Ancliff and from Keeley Williams and Derek Willis, who are retiring at our AGM in March 2016. Thanks to you all for your dedication and hard work. We have been busy behind the scenes, and four new trustees have agreed to join us in the New Year. They bring a wide range of skills and experience and we look forward to them joining us.

2016 will bring new challenges and a new Chief Executive at London Youth. We are pleased to report that we have appointed Rosemary Watt-Wyness to take over from Rosie Ferguson. Rosemary brings a wide range of skills to London Youth and will give London Youth great leadership. We look forward to welcoming her in April 2016.

Julian Beare
Chair of the Trustees

A message from London Youth's Chief Executive – Rosie Ferguson

The skills that young people develop through London Youth and our members - confidence, resilience and leadership skills - are vital in ensuring, not only that young people thrive through their teenage years, but also that they achieve at school, progress into fulfilling careers and become healthy successful adults.

In the last year:

- We've made a bigger difference through our programmes than ever before, with Talent Match London, Getting Ready, Build-it, our residential centres, and Athan 31 delivering quality, quantity and impact, directly supporting 24,538 young people
- We've invested over a million pounds in our residential centres with a climbing tower and a biomass boiler at Hindleap and new wiring and pipes at Woodrow
- More of our members than ever before have achieved our Quality Mark
- Our reputation for robust evaluation and a commitment to learning have enabled us to lead thinking in the sector and better understand how to maximise our impact
- And we've done all this in a planned, financially stable way – with a lot of fun en route

Yet we know that we haven't achieved enough. Right now the environment for young Londoners and youth clubs is changing rapidly. There is greater need, and less resource to meet it. Young Londoners from poorer communities have been affected more deeply by benefit cuts than anyone else in the country and, as a result, are more at risk of being vulnerable to gang culture, poor mental health or extremist ideology. As the housing crisis looms, poorer families are more likely to live in outer London boroughs than ever before; the Victorian and post-war philanthropic infrastructure that youth clubs rely on in the east end of London does not extend to Croydon, Brent or Barking and Dagenham where need for services and opportunities is increasing. Many of our members are striving to become thriving enterprises independent of government support, but this is a huge challenge.

So, we at London Youth still have much more to do with our members, partners and supporters: we've had a great year, but we will not be good enough until every single young Londoner is supported and challenged to become the best they can be. Over the next year we'll do more of the same – quality assuring youth work, building the evidence base for what works and developing young people's social and emotional skills, whilst also aiming to get more investment into our members and develop an innovation capability so we can respond to new and emerging needs. And we will be making the case to the incoming London Mayor that young people should be an absolute priority for the capital across all policy areas.

I am leaving in March 2016 after 11 years, including four as Chief Executive. I could not be more proud of what we have achieved in this time and I'd like to thank all of the staff, members, young people, Trustees, volunteers and funders who have helped us support and challenge tens of thousands of young people to become the best they can be. I have every confidence that the organisation will continue to go from strength to strength under the leadership of Rosemary Watt-Wyness and that our members will deliver even more brilliant opportunities with and for young Londoners for decades to come.

Good youth work works.

Rosie Ferguson
Chief Executive

Vision, Mission and Strategy

Our vision is that all young Londoners grow up healthy, able to navigate a fulfilling career and make a positive contribution in their communities.

Our mission is to support and challenge young people to become the best they can be.

We support them to develop the confidence, resilience and relationship skills they need to do this, delivering with and through our network of nearly 400 community youth clubs and at our two residential centres.

We work with all young people but place a particular emphasis on those who wouldn't otherwise have access to the kind of opportunities we offer.

Because good youth work works.

We deliver our mission through four strategic objectives:

1. Developing, training, connecting and quality assuring our membership network to deliver good youth work (Membership Development)
2. Creating a broad and inclusive range of quality opportunities for young people in social action, sports development, employability and outdoor education (Opportunity)
3. Ensuring our expertise and the on-the-ground voices of youth workers and young people are reflected in public policy, practice and opinion (Voice)
4. Being the best we can be ourselves; fundraising effectively, financially robust and a great place to work (Best we can be)

And we strive to act in line with our four simple principles:

1. Honesty – about what works (and what doesn't). We learn from our mistakes
2. Collaboration – with each other, young people, our members, and the world beyond
3. Improvement – committed to continual improvement
4. Fun – because we think we achieve and learn the most when we enjoy ourselves

Our strategic priorities for 15-18 are to:

- Drive up the number of Quality Mark clubs and their take-up of our (freshly articulated) broader offer
- Establish an innovation capability that enables us to understand, test solutions and meet unmet need
- Evolve and improve our programme offer for members:
 - Ensuring Sports Development and Youth Action align with Membership Development
 - Developing an employability offer for members, building on Talent Match London and Build-it
 - Increasing the quantity and impact of outdoor education work with our members
- Harness our brand, evidence and expertise to lead and challenge the debate on investment in youth work and young people in London, including ensuring young people's issues are part of the debate in the 2016 mayoral elections
- Invigorate youth involvement across the organisation
- Improve financial stability and sustainability

Strategic Report

Structure, Governance and Management

Governing document and constitution

The Federation of London Youth Clubs, operating under the name London Youth, is constituted as a company limited by guarantee and registered as a charity with the Charity Commission. London Youth's governing documents are its Memorandum and Articles of Association.

Appointment, induction and training of Trustees and Honorary Officers

The Board of Trustees (who are all also company directors) comprised 11 at 31 August 2015. There were three sub-committees of the Board of Trustees responsible for Finance, Assurance and Nominations.

Trustees are elected by Members at the Annual General Meeting following nomination either by the Board of Trustees or by five or more Members, and retire in accordance with the charity's Articles of Association. Honorary Officers comprising the Chair, Deputy Chair and Treasurer are elected annually.

Trustees have meetings with staff and a full induction on joining, with training as needed thereafter. The Trustee Board has an annual Away Day with Senior staff to consider its strategic plans and improve governance, and Trustees are also invited to attend the Leadership Team Day at the beginning of the planning process.

We put together expert advisory boards for specific projects as required; including, during the year, the Wonderful Woodrow improvement works at Woodrow High House and Talent Match London.

Management structure and decision-making

Executive management is delegated to the Chief Executive and Senior Team; the Chief Executive (who is also the Company Secretary) chairs the Senior Team. Senior Staff meet formally on a monthly basis, and frequently between meetings at an operational level. A Leadership Team comprising middle managers meets monthly, and plays an active part in the annual planning and budgeting cycle.

Trustees receive monthly updates on the organisation's activities and delivery. They meet quarterly at formal Board and sub-committee meetings and review management accounts with forecast out-turn, the risk register and progress against planned deliverables. Trustees and staff interact regularly and, specifically: the Chief Executive meets regularly with the Chair; the Director of Finance and Resources with the Honorary Treasurer; and the Head of Safety and Safeguarding with the Chair of the Assurance Committee.

Involving young people in decision-making

London Youth is committed to giving young Londoners the chance to develop their leadership potential, and Dare London, our Youth Advisory Board, made up of young people aged 16-24 from our member clubs, ensures everything we do is relevant and responsive to the needs of young people.

Principal risks and uncertainties

London Youth maintains a risk register to identify the principal risks we are exposed to and confirm that systems are in place to manage those risks. The Finance Committee and Board monitor risks and, where possible, take steps to mitigate them by ensuring management implements controls and obtains insurance where appropriate. The risk register was redesigned

and rewritten this year to ensure the focus remains on the most significant risks facing the organisation. It covers financial, reputational, mission and regulatory risks, and the key risks facing the organisation are:

- **Mission risk** – there is a risk to our members as some are struggling to maintain sustainable income streams in the face of local authority cuts. As professional youth workers and volunteer committees, not all are equipped to focus on their long-term sustainability. Our mitigating actions continue to be: promotion and support for the Quality Mark; supporting members through networking, workshop sessions and training; and working with funders to support members.
- **Mission risk in relation to child protection** – London Youth's staff and volunteers are DBS checked to the level appropriate for their roles and all staff attend safeguarding training within three months of joining the organisation and then every three years. Six staff members have undergone additional training, four of whom, including the Heads of Hindleap Warren and Woodrow High House, are Designated People who deal with any disclosures made or incidents reported. We have formal Safeguarding Policies and Procedures, which are reviewed periodically. In most cases the children and young people we work with are accompanied by a teacher or youth worker. Whilst we are not complacent, we believe that our policy, procedures and training combine to mitigate our risk.
- **Financial risk** – the economic environment continues to be challenging and impacts our ability to obtain and rely on statutory, earned and discretionary funding. However, we are fortunate to have diverse income streams, which include course income from our outdoor centres as well as fundraised income.
- **Financial risk** – London Youth is committed to honouring pensions' liabilities under its arrangements with the Pensions Trust, and is making additional payments, which are subject to review during the current triennial actuarial assessment, as part of a deficit reduction plan. London Youth has a strong balance sheet and robust plans to enable it to meet its pension commitments in the long-term. See Note 18.

Charitable objectives

Our vision, mission and strategy fit clearly within our charitable objectives, to assist the personal and social development of young people through a number of practical means including: assisting and delivering high quality youth work; relieving poverty by assisting young people in need; giving young people access to a range of learning opportunities; and providing a range of recreational, sporting, artistic and cultural opportunities.

Public Benefit Statement

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when considering the charitable objectives and activities of the charity. Our Vision and Mission are shown on Page 8.

Outcomes Summary and KPIs

During the year we have been developing appropriate Key Performance Indicators (KPIs) to monitor, having first considered these last year. The KPIs we have agreed to track are the following, including comparatives where available:

Development

During the year, following the introduction of a new database and restructured Membership Development team, we embarked on a major data cleansing exercise which will ultimately allow us to have a much stronger understanding of our member numbers and engagement. As at 31 August 2015 we can measure performance by the two metrics below:

- Number of youth club members with the Quality Mark, with the aim of increasing this. At 31.8.15 this was **86** (2014: 46 restated); this has increased substantially since last year, however our figures had previously aggregated quality marks, so if a club had achieved bronze, silver and gold, they were counted three times, and this means the number appears reduced.
- Number of members: at 31.8.15 we were recording 384 members, with 49 new members recruited in the year. As we complete the data cleansing we expect that other members will "lapse" but that we will continue to recruit new members through the year.

Opportunity

- Our average process score (Net Satisfaction Score) across our programmes and centres was 52%, from a sample of 14,369 children and 9,988 young people. We had not set a target number as this is very new work, but we were very pleased to see this at over 40% and our target for 15-16 is 50%. The Net Satisfaction Score (NSS) measures the satisfaction that exists between a provider and a consumer; in this case, the provider is London Youth, and the consumer is the child or young person responding to our survey. We use a 10-point scale to measure satisfaction and divide service users (young people, children and youth professionals) into three categories: Top Box (10-9), Passives (8-7), and Detractors (6-1). To calculate NSS we take the percentage of customers who are Top Box and subtract the percentage who are Detractors.

Anything over 0 is a positive NSS score but we have set an internal target of achieving over 40% on all programmes and at the centres. We value NSS as our data shows that the higher the satisfaction on process scores the greater the impact of the experience on their confidence, resilience and relationship skills.

Voice

- We had planned to monitor how well members think we represent them (from an annual membership survey), however, we have not received high response levels from membership surveys and we are now reconsidering a KPI for Voice. As we are not simply seeking publicity for the sake of publicity, this needs to be nuanced.

Best We Can Be

- Staff Satisfaction in the Staff Survey: **97.5%** of employees were proud of the work London Youth delivers (2014: 96%). We seek to maintain this at 95% or above.
- Our Finance KPI was to make a small surplus on the General Fund: see the Financial Review for details

Development: developing, training, connecting and quality assuring our membership network to deliver good youth work

London Youth's members are a hugely diverse range of organisations, including traditional youth clubs, community centres, arts and sports clubs, and projects for refugees and disabled young people. Our members operate in every London Borough and in virtually every community, there are organisations within our network delivering services and programmes for young people beyond school and outside of the family.

The Membership Development team was created at the start of this year and has been focused on improving processes and systems - becoming the first point of contact for members, updating the membership renewal process, and improving the membership database to ensure data is accurate, and that we only count the highest level of Quality Mark a club has in our statistics. This data-cleansing resulted in some clubs who are no longer engaged being removed from the database and in a reduction in the number of clubs we know to have a Quality Mark. During the year 49 new members joined London Youth, and membership now stands at 384.

The team has developed a range of interventions that we are now defining clearly as our offer:

- Developing the capacity of clubs to deliver the highest quality youth work, whatever the type of provision they offer
- Supporting them to become financially sustainable and robust in the way that they manage themselves; and
- Enabling them to become embedded in their community, and part of the local range of services for young people

The Quality Mark remains the primary tool by which we support clubs, providing a badge of excellence that they can show to local authorities, funders and young people. Our Quality Mark is accredited by City & Guilds and young people are part of the team assessing the awards. Quality Mark delivery has been transformed this year by the creation of Getting Started on the Quality Mark meetings, enabling more clubs to go through the process supported by our new Membership and Quality Officer.

We've supported 40 members to achieve the Quality Mark this year, and we now have a total of 86 members with the Quality Mark (last year 46). Through our partnership with City Bridge Trust, we have been able to award £113,000 to members achieving the silver or gold levels.

We delivered 25 networking and workshop sessions over the year, with a total attendance of 240 youth workers and managers. This included continuous professional development courses for managers and senior youth workers, our tackling youth violence network and events to bring members together with funders.

During the year, ten young people from our network achieved Level One youth work qualifications, and 12 youth workers completed an accredited Level 3 Youth Work qualification.

Opportunity: creating a broad and inclusive range of quality opportunities for young people in social action, sports development, employability and outdoor education

We remain committed to a vision where every young Londoner can grow up healthy, able to navigate a fulfilling career and make a positive contribution in their community, supporting them to develop the confidence, resilience and relationship skills they need to do this. This year we made good strides towards achieving that vision through supporting 24,538 young people to become the best they can be through sports, social action and employability programmes and opportunities to engage in outdoor education.

Sports Development

Getting Ready

Our sports development programme, *Getting Ready*, has an overall goal of ensuring all young Londoners grow up with a life-long love of sport, and last year we took the programme to nearly 100 youth clubs across London, working in partnership with youth workers and local sports providers. 3,929 young people completed weekly sports programmes (target 2,540) and 1,750 young people took part in our Jack Petchey Foundation sports events (target 1,700). Opportunities to progress remains a key part of our model, and we were delighted that 328 young people completed coaching and leadership qualifications (target 252), with many of them using these new skills to support delivery in their clubs.

In line with our new strategic plan to double the numbers of girls and young people with disabilities participating, we have been working to increase female participation in sport, and 44 young women attended our ever first dance residential, leading to a funded two-year dance programme to increase girls' participation. We were also pleased to grow the numbers of young people with a disability participating to 12%.

We have continued to measure the change in personal development of the young people taking part in our *Getting Ready* programme, using the Life Effectiveness Questionnaire and a Journey of Change and Intervention Model developed by the team, with input from youth workers and young people. Our first learning data was hugely encouraging, with 70% of young people reporting an 18% positive change across all emotional and social capabilities – something we want to build on next year, and we continue to strive to deliver the highest quality sports development work for our members.

Youth Social Action

Athan 31

At the heart of London Youth's support for young people is youth social action, through which young people are supported and empowered to take ownership of their lives and communities.

Athan 31 supports young people to lead and learn from projects of increasing complexity that engage their peers, their club and their community. Often the young people we work with are those who would not readily volunteer but, through engagement in our programmes, they gain confidence, leadership and life skills. An external evaluation of the work has shown that Athan 31 does make a difference, particularly in relation to young people's confidence, creativity and problem-solving skills.

651 young people (target 340) from 47 member youth clubs (target 32) were engaged in the programme this year, with 12 clubs taking part in City Pitch, a partnership programme that gives young Londoners the opportunity to present their community project proposals to their peers and a panel of experts at City Hall, pitching for up to £1,000. External evaluation showed statistically significant improvements in participants' subjective well-being and participants also rated the programme as having helped them develop confidence and leadership skills, extend their creative capacity, become more resilient and determined to succeed, and feel better about themselves more generally. The evaluation also highlighted observable improvements in the way in which many of the participating clubs are run, as evidenced by the number who have improved the quality of their services and achieved higher levels on the London Youth Quality Mark scheme. A lack of funding has meant we had to scale back delivery in the spring, but solid foundations are in place to rebuild the programme and team next year, subject to funding.

Employability

Talent Match London

Talent Match London is a partnership of organisations testing innovative youth-led solutions to unemployment and sharing learning for social impact. It is a five year £10m programme working in specific London Boroughs where the need is greatest, as well as at a strategic pan-London level. This means it has the scale and investment needed to try to identify solutions to long term and complex challenges. Talent Match London is as much about testing different approaches and learning from what already works as inventing new solutions. London Youth is the lead organisation, working with local partnerships on outreach, one-to-one support, skills development and employer engagement. The partners are community-based, voluntary sector and specialist organisations with strong track records of engaging and supporting young people.

We have supported 519 young people engaged on the programme over a 15 month period, of whom 203 were not previously accessing any support; as a result of our intervention, 68% of young people completing the programme are now in employment and a further 12% have become self-employed.

The learning we have developed so far in establishing the programme shows that three elements are crucial above all to successful support for young people to sustain them through the programme and progress, and we have been working to influence policy makers to embed these in future employment provision:

- Outreach - creative ways to engage young people disengaged from existing provision, working within communities and localised networks, reaching out to those who may not be able to access support themselves
- Personalised support - from a designated worker, tailoring the support to the distinct needs of young people and what they would want to achieve out of a career
- Employer engagement - providing opportunities and insight into the world of work, and support for employers to ensure those opportunities can be sustained

Since January 2015 we have been reviewing our learning, taking account of external factors and other national delivery models, and involving stakeholders in considering how best to deliver Talent Match London from January 2016, in order to meet the programme's operational and strategic objectives. In September 2015, funding for a further three years of Talent Match London was confirmed.

Build-it

Build-it gives young people in south London the chance to learn skills and access employment and training opportunities from the regeneration of their local communities. Our model combines youth work support with a focus on positive employability outcomes to give young people furthest away from employment, the experience, training, skills and support they need to progress into construction careers.

Through Build-it young people gain:

- Increased confidence and resilience so they can take on challenges and setbacks
- Six construction industry certificates and a CSCS card
- Level One construction and personal social development qualifications
- Work experience with building contractors
- Move-on support to access employment or training

The programme was supported for an initial two years by the Big Lottery Fund; when this funding ended mid-way through this year, new funding was put in place to continue on a smaller scale, with a focus on codifying operational processes and proving the model and its impact. Despite the challenges of having to restructure the team as part of this transition, Build-it continues to deliver strong outcomes for young people, with a total of 334 young people taking part last year, 60% of whom progressed into work, training or education as a result of our support.

We are currently fundraising for 15-16 and considering ways to work with housing associations to make the programme more sustainable through earned income from August 2016.

Outdoor Education

The opportunity to learn and have fun outside of formal settings is essential in helping young people develop the skills and confidence they need for the rest of their lives. At London Youth we ensure it plays a major part in our offer to young people through our specialist outdoor education centres at Woodrow High House and Hindleap Warren.

At both centres we generate income through fees charged to schools and youth groups for coming to the centres. Because we want our centres to be as accessible as possible, we offer discounts to Quality Mark member clubs and provide support for disadvantaged and disabled young people to use the centres.

Both residential centres continue to be at the forefront of London Youth's impact evaluation work, and have been able to change their programmes and processes in response to some of the outcomes from that work. The gathering of process forms and Life Effectiveness Questionnaires has increased, as has staff engagement in the process.

Hindleap Warren

Hindleap Warren provides bespoke residential courses for young people from youth clubs, schools, Special Educational Needs (SEN) schools and specialist units working with young people and families at risk, and also offers day courses for young people for whom a residential stay may not be possible.

Hindleap now operates almost at capacity most of the year, and during 14-15 we welcomed 10,040 (2014: 9,428) young people to Hindleap; we were particularly pleased to increase the number of Special Educational Needs young people visiting Hindleap from 430 to 949. The number of young people visiting from London Youth member clubs fell this year from 1,063 to

979; as one of our strategic priorities for the next three years we are working to increase the number of visits from members, albeit against a backdrop of increased financial pressure on them. Our target is 60 member club visits next year compared with the 49 who visited this year.

Activities are accessible all year round and have been designed to stretch young people of all ages. They include archery, orienteering, bushcraft, climbing, high ropes, zip-wires, abseiling, tunnels, an obstacle course and team challenges. We also take groups off-site to do canoeing, mine and cave exploration, rock climbing and bouldering.

Hindleap has seen significant investment this year, with a biomass boiler installed and powering the centre from September 2016, replacing end-of-life oil boilers. A new inclusive climbing, abseil and zip-wire tower, funded through the ongoing My Hindleap capital appeal, was built and formally opened in June 2016.

Woodrow High House and Sports Centre

There has also been substantial investment in Woodrow High House this year, with the house closing over the winter while the plumbing and wiring was overhauled and the capacity of the house increased, such that it can accommodate three classes of children instead of two. New systems and adjustments to operations have been developed and we can now deal well with the additional visitors. The challenge is to continue to increase visitor numbers, while maintaining or exceeding the same quality offer.

This year 7,100 young people in groups from member clubs and schools came to Woodrow, including groups of children with disabilities. Around 2,600 children learnt to swim in the Sports Centre. In 15-16 we hope to have 29 member club visits to Woodrow, compared with 22 this year.

In September 2016 Woodrow gained the Learning Outside the Classroom Quality Badge.

This has been a challenging year for the Sports Centre and its staff team with some long-standing staff vacancies, and income targets were not achieved, although sufficient costs savings were found to keep to budget. The situation has been improving in the last six months and we are focussing now on establishing the right staff structure and culture in the Sports Centre.

Focus on Inclusion

Our cross-departmental staff team of Inclusion Champions continues to ensure young people with disabilities are able to fully engage in all the opportunities London Youth has to offer and can achieve the same outcomes as their peers.

This year we have delivered inclusion training for all our staff, and we brought together young people and youth workers from member clubs for the second Forward Thinking inclusion residential to develop their leadership skills and help shape our plans. As a result, five of these young people have now joined Dare London. We have continued to improve physical access for people with disabilities at our premises, including making available all-terrain wheelchairs at Hindleap, redesigning a lounge at Woodrow to include a variety of adaptive comfortable seating and installing accessible desks in our London office. Although behind schedule, we are in the process of making our website, print materials and evaluation forms more accessible.

The team will operate for one more year with a view to having inclusion fully embedded across departmental plans by August 2016.

Voice: ensuring our expertise and the on-the-ground voices of youth workers and young people are reflected in public policy, practice and opinion

We make the case for good youth work and support young people and those working with them in London to have a voice in the media, in policy development and in the creation of new programmes.

Making the case for good youth work, demonstrating our learning and highlighting positive outcomes for young people

Our members look to London Youth to champion the role of youth work, outdoor education and community-based youth organisations, so that the positive outcomes they deliver for young people are recognised by funders, policy-makers and the public.

We have had positive coverage across different media and social media channels throughout the year, as a combination of reactive pieces and planned launches for our own work, in particular from CYP Now Magazine, Sky News and the Evening Standard, who included us in their London United campaign. Young people and youth workers continue to be involved in relevant opportunities, including activities in the run-up to General Election 2015, the London Fairness Commission and general consultation responses.

Our first learning report, 'Good Youth Work Works', was launched in March 2015, and provides evidence for the value and effectiveness of the work we deliver.

In July we launched A Vision for Young Londoners to 2025 with London Funders and Partnership for Young London and more than 40 other providers of housing, youth services, health, education, sport and the arts. This sets out the ambition by 2025:

"...for London to be a city where all young people are empowered with the personal resilience that enables their belonging, ownership and the ability to lead happy, healthy and safe lives. It is a city where there is innovative, supportive and collaborative youth-led action across all agencies, public, private and voluntary sector, to realise the potential of young Londoners."

Dare London

Dare London is our Youth Advisory Board, in which young people develop as leaders through leading London Youth. Dare Londoners experience an individual and collective three year learning journey, during which they contribute a huge amount to London Youth.

Some of the opportunities taken up by Dare London this year include:

- Governance: members attended the Trustee Board, shaped and participated in our AGM, were involved in our budgeting and planning process, took part in our Team Day, sat on interview panels, and supported Quality Mark by carrying out assessments
- Communications: they presented part of the programme at Creative Collisions and took part in the launch of A Vision for Young Londoners

Whilst we have broadly delivered Dare London in line with plan this year, we have struggled to fully engage all of the group in the opportunities we offer, so we are reviewing ways to increase and improve youth involvement throughout London Youth to ensure that it continues to be effective for both Dare London and for us.

Best We Can Be: being the best we can be ourselves; fundraising effectively, financially robust and a great place to work

Whilst pursuing our strategic objectives to support and challenge young people to become the best they can be, we also seek to be the best we can be ourselves.

Our people

We value the contribution of our staff and see a direct link between their expertise and supporting and challenging young people to become the best that they can be. We aim to provide interesting and challenging roles that help to grow people personally and professionally, and we provide career progression where possible. Employees agree personal development objectives in three areas through their annual appraisal – technical skills, personal growth and Team London Youth – and are encouraged to participate in activities that continually improve London Youth, including work shadowing and volunteering with members and programmes. Employee engagement at London Youth is important to us and we conduct an annual employee attitude survey from which we develop and implement an action plan.

Quality Mark Plus

London Youth has been working throughout the year to achieve Quality Mark Plus, designed for membership organisations, and linked to the quality mark we support our members to achieve. Whilst we had planned to achieve this by August 2015, we were delighted to be awarded the Gold level in October 2015.

Safety and Safeguarding

This has been the first full year with our dedicated Head of Safety and Safeguarding in post and we have continued to review and improve our accident and incident reporting, policies, procedures and training during this year. We ran Serious Incidents training for relevant staff at our outdoor education centres for the first time, and are assessing the value of De-escalation training for our delivery staff. In 15-16 year we are considering working towards our Sound Systems accreditation (an external verification of our safeguarding processes) and will be supporting our members whose young people may be at risk of radicalisation.

Information

This has been a challenging year for our information systems as we experienced service issues with our support company, which prevented us from carrying out planned investment. With a new support provider in place at the end of the year we expect to be able to make improvements in the coming year. A particular challenge has been our ability to access documents across our three locations, hampered by the poor internet available at Hindleap and Woodrow, which are rural locations. In July 2015 we began research into improved connectivity, which would facilitate better day-to-day working as well as enabling us to modernise some of our working practices and access cloud solutions, and we hope to be able to pursue this in the coming year.

Learning – delivering clear outcomes for young people

We continue to make significant progress to ensure our programmes are evidence-based using externally validated outcomes frameworks. After two years' robust data collection, we have increased our understanding of the impact of our interventions on the young people we work with, and this has led to better programme design for next year.

Annual Report and Financial Statements 2014-15

We have continued to work with our member clubs in a similar spirit, championing practitioner-led and evidence-informed youth programmes, and have developed resources and delivered seminars to help members to think about evidence-based programme design. As planned, we worked with four members this year, with support in place for a further ten next year.

Our sector has a focus on evidence-based and sustainable youth organisations and services and, as a supporter of this, we were an early adopter of NCVYS, Project Oracle and the Cabinet Office's policy initiative, the Centre for Youth Impact. In September 2014, Hindleap Warren won the Project Oracle Standard 2 Evidence Competition, and we are proud that Hindleap and Woodrow are the first outdoor education centres to be validated on Level 2 of Project Oracle's Standards of Evidence. Our youth action programme, Athan 31, implemented a quasi-experimental evaluation design with matched control groups.

This work has led to increased profile and relationships for London Youth within the sector: we were shortlisted in the Charity Awards in 2015, and hope to secure new funding to continue and build on our learning work, exploring how we use learning to better innovate.

Financial Review

Financial report for the period

In the year ended 31 August 2015, the organisation had unrestricted Net Incoming Resources before Investment Gains and Losses of £999,059. Total unrestricted funds at the year end were £8,698,195 (2014: £7,699,136), of which £8,029,085 related to the designated fixed assets (2014: £7,093,609). General Funds held at year end were therefore £669,110, an increase of £63,583 in the year (2014: £18,228).

Our budget was to make a surplus of £87,000 on the General Fund, however this was based on mortgage finance for improvement works at Woodrow and the biomass boiler at Hindleap, which were eventually financed by a donation of £833,578 from the capital of The Joseph Levy Endowment Trust. London Youth receives the income from Joseph Levy Endowment Trust's investments and hopes to donate the capital back to the Trust from increased income from the higher capacity at Woodrow and fuel cost savings achieved at Hindleap; in August 2015 it made donations totalling £100,000.

Total incoming resources were £8,109,358 (2014: £6,621,799) and total resources expended were £6,890,461 (2014: £6,869,316). Unrestricted incoming resources in 2015 were £3,572,229 (2014: £3,535,916) and unrestricted outgoing resources were £3,695,959 (2014: £3,420,495).

During the year the organisation received restricted funding of £4,537,129 (2014: £3,085,883) and expended £3,194,500 (2014: £3,149,709). At 31 August 2015 restricted funds of £553,872 (2014: £334,034) were held for Learning, Residential Centres, Clubs, Membership Development, Sports Development, Build-it, Talent Match London and Inclusion.

The net movement in funds for the year ended 31 August 2015 was a surplus of £1,216,739 (2014: £174,536 deficit), primarily resulting from the donation from the capital fund of the Joseph Levy Endowment Trust, which was spent on fixed assets.

Investment Performance

London Youth has investments of £1.2m, see Note 11 and has delegated investment management to Sarasin and Partners, its appointed advisor. London Youth's objective is to achieve capital and income growth that over the long term at least maintains the real value of the assets. The Investment Policy is reviewed annually by the Finance Committee of the Board of Trustees. During the year the investment performance was mixed, with a small overall fall in capital value (£2,518) as markets internationally fell heavily during the final part of the year. The Income target of 4% per annum is being reviewed by Finance Committee in the coming year; income received during 14-15 was £45,837, which equates to 3.8%.

Reserves Policy

Trustees seek to retain a prudent level of reserves from unrestricted income. Trustees reviewed and updated their reserves policy during the year.

London Youth is funded in a number of different ways, including significant grants and donations from a variety of sources that support our London programmes, and sales income from courses at our two residential centres. These diverse income streams mean we are not reliant on a single source of funding, and are unlikely to see all of our income withdrawn at the same time.

Trustees base their reserves policy on the identified needs to:

- Provide sufficient working capital for the following year, particularly to provide against a downturn in revenue generation

- Mitigate the risk of unforeseeable expenditure, with particular regard to ownership of our two residential centres which require ongoing capital investment
- Support innovative programmes where such require a period of development and testing prior to proving their case to external funders
- Invest in organisational development, strengthening our institutional infrastructure to better support front-line delivery and boost long-term stability and sustainability

London Youth therefore believes that its unrestricted reserves should be in the region of three month's expenditure, excluding capital expenditure and payments made to its Talent Match partners, which are simply passed through from the Big Lottery Fund. This means that we would seek to hold unrestricted reserves in the region of in the region of £1,300,000.

As this is double the level of current General Fund reserves, Trustees are seeking to increase reserves by making a small surplus in the region of £50,000 a year on the General Fund; whilst this will mean slow progress towards the eventual desired reserves level, we do not believe we can achieve a higher General Fund surplus in the short-term without an adverse impact on delivery. The budget for 15-16 is in line with this desire. Due to advance payments for courses at the residential centres, cash at bank is generally significantly in excess of unrestricted reserves.

Should additional reserves be required, Trustees could consider:

- A mortgage or sale and leaseback on London Youth's London office building, valued at £1.5 million in June 2014
- Requesting an additional donation from the Joseph Levy Endowment Trust which currently holds investments in excess of £600,000

Trustees therefore believe unrestricted reserves stand at a satisfactory level in light of the adopted policy, but will aim to increase unrestricted reserves where possible to improve the ratio to annual planned expenditure.

Trustees have also identified the need to ensure the future operation of the residential centres by building up funds for their long-term maintenance and renewal. The eventual aim is therefore to arrive at a position of break-even every year after depreciation, which will enable funds to be designated for this purpose.

Under the provisions of SORP 2015 discounted future Pensions Trust deficit reduction payments (see Note 18), currently estimated to be in the region of £300,000, will be included on the balance sheet next year, which will result in a substantial reduction in unrestricted reserves. This estimate will be revised when the current triennial valuation of the Growth Plan has been completed.

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Principal funding sources

We thank all our supporters to whom we are deeply grateful. Every donation makes a difference and is sincerely appreciated.

In the coming year we are actively seeking further support across a range of our programmes in London and at Hindleap and Woodrow.

Sources of funding in 2014-15 were as follows:

Companies and organisations

Ambition
Beaconsfield Lions
Big Lottery Fund
Cabinet Office
CVC Capital Partners
DMJ Recruitment
Fitch Ratings
Greater London Authority
The Guild of Freeman of the City of London
Hyde Housing
McCormick (UK) Ltd
Sport England

Individuals

Guy Davison
Lucy and David Wernick

Livery Companies

The Worshipful Company of Girdlers
The Worshipful Company of Goldsmiths
The Worshipful Company of Habdashers
The Worshipful Company of Launderers
The Worshipful Company of Mercers
The Worshipful Company of Saddlers
The Worshipful Company of Tallow Chandlers

Trusts and foundations

Anonymous Trust
Beatrice Laing Trust
C A Redfern Charitable Foundation
City Bridge Trust
Ernest Kleinwort Charitable Trust
Esmée Fairbairn Foundation
George John and Sheilah Livanos Charitable Trust
Hale Trust
Heathrow Community Fund
The Henry Smith Charity
Hillingdon Community Trust
Jack Petchey Foundation
Jimmy Dixon Charitable Trust
John Lyon's Charity
Joseph Levy Endowment Trust
King/Cullimore Charitable Trust
Mayor's Fund for London
Monument Trust

Paul Hamlyn Foundation
The Roger and Jean Jefcoate Trust
Roland Callingham Foundation
Sir Jules Thorn Charitable Trust
Strand Parishes Trust
Sulgrave Charitable Trust
Sylvia Adams Charitable Trust
Thomas J. Horne Memorial Trust
Trust for London
Tudor Foundation
Variety, the Children's Charity
Walcot Foundation
Wembley National Stadium Trust
William Allen Young Charitable Trust

We are also grateful to Arthur J. Gallagher, BT, Keepmoat Ltd, Locomotivation, Macfarlanes LLP, Mears Group PLC, Lambeth Living, NBC Universal and Starbucks for the provision of services and goods to support our work during the year. This support has not been valued in these financial statements.

Information to auditors

Insofar as each of the Directors of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each Director has taken all of the steps that he or she should have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Statement of Trustees' responsibilities

The Trustees (who are also directors of London Youth for the purposes of company law) are responsible for preparing the Trustees' 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 financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 Statement of Recommended Practice (Accounting and Reporting by Charities (the Charities SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are 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 charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Report of the Trustees, which incorporates the requirements of the Strategic Report and the Directors Report as set out in the Companies Act 2006 (strategic Report and Directors Report) Regulations 2013, was approved by the Board and signed on its behalf by:



Julian Beare
Chair

Approved on: 20 January 2016

Independent auditor's report to the members of The Federation of London Youth Clubs

We have audited the financial statements of The Federation of London Youth Clubs for the year ended 31st August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement; the principal accounting policies and the related notes numbered 1-19. 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).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity 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 Board of 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 Strategic Report and the Trustees' Annual 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 31st August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.



Nicola May, Senior Statutory Auditor
for and on behalf of Crowe Clark Whitehill LLP, Statutory Auditor
St Brides House
10 Salisbury Square
London
EC4Y 3EH

5th February 2016

Statement of financial activities year to 31 August 2015

	Notes	General funds £	Restricted funds £	Permanent endowment funds £	Total 2015 £	2014 Restated £
Income and expenditure						
Incoming resources						
Voluntary income	1	255,340	1,216,154	-	1,471,494	463,112
Activities for generating funds	2	22,655	-	-	22,655	28,494
Investment income	3	50,299	-	-	50,299	46,483
Incoming resources from charitable activities						
. Development		161,985	161,558	-	323,543	150,515
. Opportunity		3,070,200	3,088,288	-	6,158,488	5,888,456
. Voice		-	20,078	-	20,078	-
. Best We Can Be		11,750	51,051	-	62,801	44,739
Total incoming resources		3,572,229	4,537,129	-	8,109,358	6,621,799
Resources expended						
Cost of generating funds						
. Fundraising	4	201,146	13,265	-	214,411	162,975
Charitable activities						
. Development	5	78,934	118,642	-	197,576	169,440
. Opportunity	5	3,153,193	2,992,376	-	6,145,569	6,263,563
. Voice	5	91,214	22,880	-	114,094	83,549
. Best We Can Be	5	152,867	47,337	-	200,204	174,221
Governance costs	7	18,607	-	-	18,607	15,568
Total resources expended		3,695,961	3,194,500	-	6,890,461	6,869,316
Net incoming (outgoing) resources before transfers		(123,732)	1,342,629	-	1,218,897	(247,517)
Transfer of funds for purchase of fixed assets						
		1,122,791	(1,122,791)	-	-	-
Net incoming (outgoing) resources before investment gains and losses		999,059	219,838	-	1,218,897	(247,517)
Unrealised gains on investments	11	-	-	(2,158)	(2,158)	72,981
Net movement in funds		999,059	219,838	(2,158)	1,216,739	(174,536)
Balances brought forward						
at 1 September 2014		7,699,136	334,034	1,206,238	9,239,408	9,413,944
Balances carried forward at 31 August 2015		8,698,195	553,872	1,204,080	10,456,147	9,239,408

£331,084 of costs relating Best We Can Be and Voice have been absorbed into Opportunity and Development as support costs. Prior year figures have been re-stated to allocate income and expenditure against the four Charitable Activities: Development, Opportunity, Voice and Best We Can Be.

See Pages 12, 13, 17 and 18 for an explanation of Development, Opportunity, Voice and Best We Can Be respectively.

Statement of financial activities year to 31 August 2015

	2015 £	2014 £
Historical cost net movement in funds		
Net incoming / (outgoing) resources before investment gains and losses	1,218,897	(247,517)
Add: Difference between depreciation based on historic cost and depreciation based on the revalued amounts	30,471	28,900
	1,247,797	(218,617)

All of the charity's activities derived from continuing operations during the above two financial years. There were no recognised gains and losses except those shown in the statement of financial activities and note of historical cost net movement in funds.

Notes 1 to 19 form part of these accounts.

Balance sheet as at 31 August 2015
Company Number 0258577

	Notes	2015 £	Restated 2014 £
Fixed assets			
Tangible fixed assets	10	8,029,085	7,093,609
Investments	11	1,216,660	1,218,818
		9,245,745	8,312,427
Current assets			
Debtors	12	626,613	461,506
Cash at bank and in hand		1,565,499	1,182,966
		2,192,112	1,644,472
Creditors: amounts falling due			
Within one year	13	(981,710)	(717,491)
Net current assets		1,210,402	926,981
Total net assets		10,456,147	9,239,408
Represented by:			
Funds and reserves			
Permanent endowment funds	14	1,204,080	1,206,238
Restricted funds	14	553,872	334,034
Unrestricted funds			
. General funds		669,110	605,527
. Designated funds	14	8,029,085	7,093,609
		10,456,147	9,239,408

Approved by the Trustees
and signed on their behalf by:

Julian Beare
Chair

Keith Ward
Honorary Treasurer

Approved on: 20 January 2016

Notes 1 to 19 form part of these accounts.

Cash flow statement for the year ended 31 August 2015

	Notes	Total 2015 £	Restated 2014 £
Cash inflow from operating activities	A	1,480,921	33,526
Returns on investments	B	50,299	46,483
Capital expenditure and financial investments	B	(1,148,687)	(29,907)
		382,533	50,102
Increase in cash	C	382,533	50,102

Notes to the cash flow statement for the year to 31 August 2015

A Adjustment of net incoming resources before transfers to net cash inflow from operating activities

	Total 2015 £	2014 £
Net incoming / (outgoing) resources before transfers	1,218,897	(247,517)
Depreciation charge	213,211	299,112
Interest receivable and investment income	(50,299)	(46,483)
(Increase) / decrease in debtors	(165,107)	447,091
Increase / (decrease) in creditors	264,219	(418,677)
Net cash inflow from operating activities	1,480,921	33,526

Cash flow statement for the year ended 31 August 2015

B Gross cash flows

	Total 2015 £	2014 £
Returns on investments and servicing of finance		
Interest received and investment income from permanent endowment	50,299	46,483
	50,299	46,483
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(1,148,687)	(29,906)
Decrease / (Increase) in cash held by investment manager	-	(1)
	(1,148,687)	(29,907)

C Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash at bank and in hand	1,182,966	382,533	1,565,499
	1,182,966	382,533	1,565,499

Principal accounting policies 31 August 2015

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of certain fixed assets at valuation and the inclusion of fixed asset investments at market value, and in accordance with the requirements of the Companies Act 2006. Applicable Accounting Standards and the Statement of Recommended Practice on Accounting and Reporting by Charities issued by the Charity Commission in March 2005 (SORP 2005) have been followed in the preparation of the financial statements.

The financial statements have been prepared on a going concern basis and, having considered future plans and forecasts including a review of financial reserves as detailed in the Trustees Report, the Trustees believe it is appropriate to continue to do so.

Income

Income is credited to the statement of financial activities on an accruals basis. Grant income is accounted for when there is entitlement to the income. Services are provided at the two outdoor education centres, Hindleap Warren and Woodrow High House, with deposits and course income invoiced in advance and deferred to the month when the course takes place.

Income is deferred when it relates to activity in the next accounting year, primarily at the residential centres.

The charity received some gifts in kind during the year and the prior year including legal services, provision of meeting rooms, provision of building materials and volunteer time; these gifts are not considered material and have not been recognised in the financial statements.

Incoming resources generated from endowment funds are unrestricted.

Where tax is recoverable by the charity in respect of income receivable, it is recognised as part of that income at the time it is receivable.

Expenditure

The costs of generating funds include the salaries, direct costs and overheads associated with generating income from fundraising and membership events.

Costs of charitable activities comprise direct expenses incurred on the defined charitable purposes of the charity and include direct staff costs attributable to the activity.

Governance costs include expenditure on administration of the charity and compliance with constitutional and statutory requirements.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. Support costs are apportioned between charitable activity headings pro-rata with the proportion of full time equivalent staff. No support costs are apportioned to costs of generating funds or governance as the amounts would be immaterial.

Tangible fixed assets

Land and buildings had previously been grouped together, but were split during the year, at which time depreciation rates were also reviewed and the depreciation on freehold properties amended within this policy.

Principal accounting policies 31 August 2015

- Land

Land is shown in the balance sheet at cost or Trustees' valuation. Land has not been depreciated.

- Freehold properties

Freehold properties are depreciated over their useful economic life, expected to be 50 years, based on cost or 1998 revaluation as appropriate.

- Improvements

2-20% depreciation per annum has been provided against leasehold improvements, according to the nature of the improvement and the useful economic life.

If no cost is recorded, or if property is not used by the charity for its own activities and is subject to onerous restrictions or held on trust it is considered to have no economic value to the charity, and such properties are held at a valuation of £nil.

Land and buildings had previously been grouped together, but were split during the year, at which time depreciation rates were also reviewed and the depreciation on freehold properties amended within this policy.

Where improvements have been made to properties subject to onerous restrictions, the improvements have been capitalised and are depreciated over the expected time period for which the charity will benefit from the use of those properties.

The Trustees' valuation of properties is on the basis of replacement cost for existing use at 31 March 1998. As permitted under the transitional arrangements of FRS 15, the charity has adopted a policy of not revaluing its tangible fixed assets.

- Motor vehicles, furniture, fittings, fixtures and equipment

Depreciation at 10% to 20% per annum on cost to write down the motor vehicles and furniture and equipment to net realisable value over each asset's estimated useful life to the charity.

- Computer equipment

Depreciation at 33.3% per annum on cost to write down the computer equipment to net realisable value over each asset's estimated useful life to the charity.

It is the charity's policy to capitalise assets of £1,000 and over in value.

Grants administered on behalf of clubs

Grants and donations received by the charity acting as an agent for individual clubs are not recorded as incoming or outgoing resources on the statement of financial activities.

Fixed asset investments

Fixed asset investments are included at their market value at the balance sheet date. Realised and unrealised gains and losses are credited, or debited, to the statement of financial activities in the year in which they arise.

Fund accounting

The general funds comprise those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the Trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

Principal accounting policies 31 August 2015

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or are donations subject to donor imposed conditions.

The permanent endowment funds comprise monies which must be held as capital indefinitely; income arising from invested funds is unrestricted and is credited to the general fund in the Statement of Financial Activities.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

Pension costs

The charity is a member of the Pensions Trust Growth Plan. Growth Plans 1 and 2 are defined benefit schemes, Growth Plan 3 is a money purchase pension scheme which also has some historical guarantees, and Growth Plan 4 is a defined contribution scheme. Growth Plans 1, 2 and 3 are closed and current payments are made into Growth Plan 4 for four members of staff. Growth Plans 1, 2 and 3 are multi-employer pension schemes for which it is not possible to identify separately the assets and liabilities of participating employers. Further disclosures in relation to the Growth Plans are given in note 18. The charity also makes payments into a money purchase pension scheme operated by The People's Pension.

Group accounts

The subsidiary company accounts are not consolidated into these accounts as, although London Youth Trading Company Limited recommenced trading on 31 August 2015, its activities were not material during the year.

Grant-making

The Charity is the lead partner on Talent Match London, supported by the Big Lottery Fund, and is responsible for making grants to its partners on the project. The grants are generally paid out as soon as practically possible after receipt of funds from the Big Lottery Fund based on budgeted expenditure pre-agreed with the funder; the partners then make payments to their sub-partners in the partnership. London Youth does not pay grants in relation to Talent Match partners other than in line with the pre-agreed budgets.

The charity also makes a limited number of grants to other charities with charitable objects similar to its own (or similar non-profit organisations), primarily its member youth clubs and The Joseph Levy Endowment Trust.

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1 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Restated 2014 £
Woodrow appeal donations	10	510,221	510,231	27,002
Hindleap appeal donations	-	672,293	672,293	-
Other donations	255,330	33,640	288,970	436,110
	255,340	1,216,154	1,471,494	463,112

We are grateful to all our donors who support the very wide range of work we undertake.

2 Incoming resources from activities for generating funds

	Unrestricted funds £	Total 2015 £	2014 £
Rental income	22,655	22,655	28,494
	22,655	22,655	28,494

3 Investment income

	Unrestricted funds £	Total 2015 £	2014 £
Income from listed investments			
. Unit trusts and common investment funds	45,838	45,838	45,795
Interest receivable			
. Bank interest	4,461	4,461	688
	50,299	50,299	46,483

4 Fundraising costs

	Staff costs £	Other costs £	Total 2015 £	Restated 2014 £
Fundraising costs	194,992	19,419	214,411	162,975
	194,992	19,419	214,411	162,975

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5 Charitable activities

	Direct costs £	Support costs (note 6) £	Total 2015 £	Restated 2014 £
Development	173,293	24,283	197,576	169,440
Opportunity	5,647,767	497,802	6,145,569	6,263,563
Voice	101,953	12,142	114,094	83,549
Best We Can Be	151,639	48,566	200,204	174,221
	6,074,652	582,793	6,657,443	6,690,773

Included in Opportunity are grants made to Talent Match London partners in the following amounts

	2015 £	2014 £
Hackney CVS	312,232	185,978
Collage Arts	327,365	203,107
The Princes Trust	49,115	69,526
Gingerbread	278,029	182,113
Community Links	316,842	203,267
3SC	275,734	192,991
	1,559,317	1,036,982

6 Support costs

	Development £	Opportunity £	Voice £	Best We Can Be £	Total 2015 £	Restated 2014 £
Staff costs	8,924	182,944	4,462	17,848	214,178	221,126
Travel and subsistence	36	736	18	72	862	8,535
Premises/accommodation	9,298	190,607	4,650	18,596	223,151	312,270
Administration	2,988	61,262	1,494	5,977	71,721	63,156
Legal and professional fees	2,651	54,336	1,325	5,301	63,613	166,917
Bank charges	386	7,917	193	772	9,268	9,865
	24,283	497,802	12,142	48,566	582,793	781,869

Support costs, including depreciation, have been allocated based on full-time equivalent headcount, and have been restated for the prior year based on the same method of allocation.

7 Governance costs

	Total 2015 £	2014 £
Auditor's remuneration		
· Current year audit fees	17,700	15,000
· Prior year audit fees	-	-
Trustee costs	907	568
	18,607	15,568

8 Information regarding staff and Trustees

Charity	Total 2015 £	Restated 2014 £
Staff costs during the year were as follows:		
Wages and salaries	2,489,414	2,491,502
Social security costs	219,579	217,127
Pension costs	151,360	136,261
	2,860,353	2,844,890
Temporary and outsourced staff costs	265,709	221,126
	3,126,062	3,066,016
Staff costs per function were as follows:		
Charitable activities		
. Development	85,904	90,246
. Opportunity	2,506,448	2,488,199
. Voice	77,806	52,667
. Best We Can Be	46,837	71,907
Fundraising	194,889	141,871
Support costs	214,178	221,126
	3,126,062	3,066,016

One employee earned between £70,000 and £80,000 per annum (including benefits) during the period (2014: one). The employee was a member of The Pensions Trust defined contribution scheme. Employer contributions for the year were £6,000, being 8% of gross salary.

The average number of employees calculated on a monthly average head count and on a full-time equivalent (FTE) basis was:

	2015 Number	2015 FTE	2014 Number Restated	2014 FTE Restated
Direct charitable				
. Development	4	4	3	3
. Opportunity	120	82	113	84
. Voice	2	2	1	1
. Best We Can Be	2	2	2	2
Fundraising	4	3	2	2
Support	7	6	6	6
	139	99	127	98

No Trustees received remuneration in respect of their services as a Trustee during the period (2014: £nil).

One Trustee received reimbursement of £304 for expenses during the period (2014: two Trustees £568).

The charity has a Trustee indemnity insurance policy in force for which the charge for the period was £5,558 (2014: £5,565).

9 Taxation

London Youth is a registered charity and therefore is not liable to corporation tax on income and gains derived from its charitable activities, as it falls within the various exemptions available to registered charities.

10 Tangible fixed assets

	Land £	Freehold property £	Leasehold improvements £	Furniture, fittings, fixtures and equipment £	Motor vehicles £	Computers £	Total £
Cost or valuation							
At 1 September 2014	2,374,078	5,539,505	1,617,655	154,373	89,047	96,814	9,871,472
Additions	-	-	699,442	435,575	-	13,670	1,148,687
Disposals	-	-	-	-	(25,000)	-	(25,000)
At 31 August 2015	2,374,078	5,539,505	2,317,097	589,948	64,047	110,484	10,995,159
Cost	1,507,079	3,516,506	2,317,097	589,948	64,047	110,484	8,105,161
Valuation	866,999	2,022,999	-	-	-	-	2,889,998
	2,374,078	5,539,505	2,317,097	589,948	64,047	110,484	10,995,159
Depreciation							
At 1 September 2014	-	1,863,064	623,079	136,625	89,047	66,048	2,777,863
Disposals	-	-	-	-	(25,000)	-	(25,000)
Charge for year	-	100,801	81,888	15,287	-	15,235	213,211
At 31 August 2015	-	1,963,865	704,967	151,912	64,047	81,283	2,966,074
Net book values							
At 31 August 2015	2,374,078	3,575,640	1,612,130	438,036	-	29,201	8,029,085
At 31 August 2014	2,374,078	3,676,441	994,576	17,748	-	30,766	7,093,609

Freehold property included above at cost or Trustees' valuation comprises:

Hindleap Warren	Sussex RH18 5JH
St Matthias' Boys Club	London, E8 1NH
Kenbury Street	London, SE5 9BS
Woodrow High House	Buckinghamshire HP7 0QG
Marvels Lane Boys Club	London, SE12 9PF
Red Lion Boys Club	London, SE16 2PE
47-49 Pitfield Street	London, N1 6DA

Properties included at valuation amounting to £2,889,998 were valued by the Trustees with professional assistance as at 31 March 1998 based on replacement cost for existing use. As permitted under the transitional arrangements of FRS 15, the charity has adopted a policy of not revaluing its tangible fixed assets. Other fixed assets are stated at cost.

The charity also owns freehold and leasehold properties listed below which are included at a £nil valuation because some of these properties are held on trust, some have restrictive covenants concerning their disposal and one is leased to a club on a short leasehold. These properties have no recorded cost and are not in use by the charity.

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Freehold properties at £nil value:

	Reason for non valuation	Insurance value £
Addison Boys Club, London, W14 0LA	Held on Trust	277,650
Westminster House Youth Club, London, SE15 3LZ	Held on Trust	450,000

Leasehold properties at £nil value:

	Reason for non valuation	Insurance value £
North Paddington Youth Club, London, W9 1RA	Restrictive covenant	932,850
Poplar Boys Club, London, E14 6LP	Restrictive covenant	602,650

11 Investments

	2015 £	2014 £
Shares in subsidiary undertaking at cost	2	2
Listed investments	1,204,658	1,206,816
Other investments	12,000	12,000
	1,216,660	1,218,818

The charity owns the entire issued share capital of London Youth Trading Company Limited, company number 02977936, incorporated in England and Wales. The company started trading in August 2015, issuing a small number of invoices for income deferred to September 2015 and beyond; its balance sheet is not consolidated within these accounts as the total invoice amount was not material. London Youth Trading Company Limited has Shareholder funds of £2.

	Listed investments £
Market value at 1 September 2014	1,206,454
Unrealised gains/(losses)	(2,158)
Market value at 31 August 2015	1,204,296
Cash held by investment managers	362
	1,204,658
Listed investments at cost	956,565

Listed investments held at 31 August 2015 comprised the following:

	2015 £	2014 £
Common Investment Fund	1,204,153	1,206,310
UK equities	143	143
	1,204,296	1,206,453

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Included within listed investments are 58.8 ordinary shares in Royal Bank of Scotland plc, with a market value of £143 (2014: £143) at 31 August 2015 which do not form part of the Sarasin & Partners investment portfolio and are not part of the London Girls Fund (see note 14). All investments are held in the UK.

12 Debtors

	2015 £	Restated 2014 £
Trade debtors	400,126	344,297
Prepayments and accrued income	222,168	114,481
Other debtors	4,319	2,728
	626,613	461,506

Amounts totaling £279,554 (2014: £530,583), which were invoiced prior to the year end but which relate to activity in the next accounting year, primarily at the residential centres, have been netted off Trade Debtors and Fees in Advance (see note 13). The prior year comparative has been restated.

13 Creditors: amounts falling due within one year

	2015 £	Restated 2014 £
Fees in advance and deferred income	524,920	488,853
Trade creditors	211,382	44,546
Other creditors	8,518	7,556
Amount owing to London Youth Trading Company Ltd	2	2
Social security and other taxes	56,230	58,285
Pensions Payments	14,083	15,989
Accruals	166,575	102,260
	981,710	717,491
Analysis of movement in fees in advance and deferred income		
Deferred income at 1.9.14		488,853
New deferred income in the year		524,920
Deferred income released		(488,853)
Deferred income at 31.8.15		524,920

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14 Funds

	At 1 September 2014 £	Incoming resources £	Expenditure £	Transfers £	Gains and Losses £	At 31 August 2015 £
Restricted funds						
Learning						
. Esmée Fairbairn Foundation	12,591	46,051	(58,642)	-	-	-
Residential Centres						
. Woodrow Appeal	220,970	477,089	-	(659,651)	-	38,408
. Sport England	-	33,133	-	(33,133)	-	-
. Esmée Fairbairn	-	1,000	(1,000)	-	-	-
. Bucks Gardening	-	2,755	(280)	-	-	2,475
. My Hindleap Appeal	-	672,293	(15,112)	(430,007)	-	227,174
Clubs						
. New Venture	6,921	-	-	-	-	6,921
Membership Development						
. Esmée Fairbairn Foundation	-	14,557	(14,557)	-	-	-
. Monument Trust	-	60,000	(10,000)	-	-	50,000
. John Lyon's Charity	-	45,000	(42,000)	-	-	3,000
. Paul Hamlyn Foundation	-	42,000	(23,681)	-	-	18,319
Youth Action						
. Esmée Fairbairn Foundation	-	20,589	(4,359)	-	-	16,230
Athan 31						
. Cabinet Office	25,549	177,391	(202,940)	-	-	-
Sport						
. Sport England	-	83,000	(83,000)	-	-	-
. Greater London Authority	-	79,780	(66,780)	-	-	13,000
. Wembley National Stadium Trust	-	53,500	(43,000)	-	-	10,500
Build-it						
. Millennium Now Grant Programme	2,178	414,482	(416,660)	-	-	-
. Build-it continuation funding	-	165,640	(89,231)	-	-	76,409
Talent Match Grant						
. Big Lottery Fund Grant	65,825	2,036,869	(2,030,627)	-	-	72,067
Inclusion						
. City Bridge Trust	-	112,000	(92,631)	-	-	19,369
Restricted Funds Total	334,034	4,537,129	(3,194,500)	(1,122,791)	-	553,872
Designated funds						
Fixed asset fund	7,093,609	25,896	(213,211)	1,122,791	-	8,029,085
Permanent endowment funds						
London Girls Fund	1,206,238	-	-	-	(2,158)	1,204,080

Restricted funds

Restricted funds are those funds that must be used in accordance with the donors' wishes.

Learning

- The first Head of Learning was supported by a grant from the Esmée Fairbairn Foundation

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Residential Centres

- The major part of the internal works at Woodrow High House as part of our Wonderful Woodrow Appeal took place during the winter of 2014-15
- Esmée Fairbairn Foundation supported programme development
- A Restricted Fund was created for the remaining funds received from Bucks Gardening
- The My Hindleap Appeal, started this year, is to raise funds for the next ten years of Hindleap Warren; funds were spent in year on a new climbing tower and biomass boiler

Clubs

- The New Venture Fund has been held for many years on behalf of the dormant New Venture Club, which was a member of London Youth

Membership Development

- Esmée Fairbairn Foundation supported our conflict resolution work
- Monument Trust provided funding to support youth clubs who are a long way away from getting their Quality Mark towards achieving the bronze level
- John Lyon's Charity supported youth clubs in the boroughs of Barnet, Harrow, Brent, Camden, Kensington & Chelsea, Hammersmith & Fulham, Westminster and Ealing towards achieving their Quality Mark
- Paul Hamlyn Foundation provided funding for our learning networks for youth workers within our member clubs

Youth Action

- Esmée Fairbairn Foundation funded a Youth Action Officer

Athan 31

- The Social Investment Business Ltd managed the Centre for Youth Action's Youth Social Action Journey Fund on behalf of the Cabinet Office; the grant was to support young people who would not otherwise engage in social action through working in teams in youth clubs to develop, lead and learn from their own community projects with support from local NCS graduates

Sport

- Sport England supported the delivery of our sports development programme, Getting Ready
- Greater London Authority provided funding for Getting Ready West, delivered in 30 youth clubs across West London
- Wembley National Stadium Trust provided funding for a disability-specific sports programme delivered in six youth clubs across London

Build-it

- The Big Lottery Fund through its Millennium Now Grant Programme provided funding to deliver a programme of shared learning and practical skills through the improvement of social housing, targeting young people in the Lambeth area. The funding ended during this year, and new funding from various sources has also been treated as restricted

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Talent Match Grant

- The Big Lottery Fund provided funding for the Talent Match London employability programme, which focusses on young people furthest from the job market. It is about inventing new solutions and learning from and joining up existing ones

Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for a specific reason:

The fixed asset fund represents the net book value of tangible assets including property (see note 10 above). These assets include Hindleap Warren and Woodrow High House and are fundamental to the day-to-day work of the charity. Fixed assets also include a number of youth clubs held by London Youth for historic reasons on behalf of local youth club management committees. Therefore, fixed assets are both integral to the pursuit of the charity's mission and not readily realisable.

Permanent endowment funds

London Youth acts as Trustee for the London Girls Fund. This is a capital restricted fund whereby London Youth is entitled to the income only. The London Union of Youth Clubs was appointed Trustee of the fund by a Charity Commission scheme dated 23 January 1998. Following the amalgamation of the London Union of Youth Clubs and the London Federation of Clubs for Young People on 1 February 1999, London Youth became the Trustee under the scheme. Under the terms of the scheme London Youth must ensure that the London Girls Fund is identifiable at all times, and is segregated from, and not mixed with, any other funds held by the charity.

15 Analysis of net assets between funds

	Unrestricted funds		Restricted funds		Permanent endowment funds	Total 2014
	General funds	Designated funds	£	£		
	£	£			£	£
Fund balances at 31 August 2015 are represented by:						
Tangible fixed assets		8,029,085				8,029,085
Investments	12,580				1,204,080	1,216,660
Current assets	1,638,240		553,872			2,192,112
Creditors: amounts falling due within one year	(981,710)					(981,710)
Total net assets	669,110	8,029,085	553,872		1,204,080	10,456,147

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	Unrestricted funds		Restricted funds	Permanent endowment funds	Total 2015
	General funds	Designated funds			
	£	£	£	£	£
Unrealised gains included above:					
On tangible fixed assets	-	2,397,129	-	-	2,397,129
On investment assets	(1,160)		-	285,623	284,463
Total unrealised gains at 31 August 2015	(1,160)	2,397,129	-	285,623	2,681,592
Reconciliation of movements in unrealised gains					
Unrealised gains at 1 September 2014	(1,160)	2,427,600	-	287,781	2,714,221
Transfer in respect of depreciation	-	(30,471)	-	-	(30,471)
Revaluation in year	-	-	-	(2,158)	(2,158)
Unrealised gains at 31 August 2015	(1,160)	2,397,129	-	285,623	2,681,592

16 Operating leases

At 31 August 2015 the charity had annual commitments under non-cancellable operating leases on office equipment and motor vehicles as follows:

	2015 £	2014 £
Expiring within two to five years	24,467	18,490

17 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding 25p.

18 Pension commitments

Defined contribution schemes

The charity made contributions to two defined contribution pension schemes during the year, both of which are independently administered. Employer contributions to these schemes amounted to £111,209 (2014: £90,062).

Pensions scheme contributions are paid into The People's Pension, except those for the Chief Executive and three members of Senior Team, which are paid into The Pensions Trust.

The People's Pension is a master trust scheme provided by BC&E which is a defined contribution scheme designed for auto-enrolment. As at 31 August 2015 there were 81 members of the scheme, with contribution levels made by employees and employers respectively at 1-5% and 1-8%. Existing contribution levels were maintained for staff enrolled in a London Youth pension scheme prior to 30 April 2014; other staff who are eligible and do not opt out are auto-enrolled at statutory rates.

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As at 31 August 2015 London Youth had four active members of The Pensions Trust Growth Plan 4, which is a defined contribution scheme. Contributions are made by employees and employers respectively at 3-5% and 6-8% of pensionable salary into Series 4 of the Growth Plan.

Defined benefit scheme

The charity participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded, is not contracted-out of the State scheme and is a multi-employer pension plan.

Growth Plans 1 and 2 are defined benefit schemes, and Growth Plan 3 is a money purchase pension scheme which also has some historical guarantees. Growth Plans 1, 2 and 3 are closed and are multi-employer pension schemes for which it is not possible to identify separately the assets and liabilities of participating employers.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 to August 2013 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee of the plan commissions an actuarial valuation of the Plan every three years to determine the funding position of the Plan by comparing the assets with the past service liabilities at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these. The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore, revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

Rate of return pre retirement	4.9
Rate of return post retirement:	
Active/Deferred	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary is currently finalising the 2014 valuation and results will be communicated in due course. At 30 September 2013, the market value of the Plan's assets was £772 million and the Plan's Technical Provisions (i.e. past service liabilities) was £927 million. The update, therefore, revealed a shortfall of assets compared with the value of liabilities of £155 million, equivalent to a funding level of 83%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Payments made under the existing recovery plan were £46,693 (2014: £46,231).

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan, and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of

previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. Therefore, the amounts of debt can be volatile over time.

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

Were London Youth to have no active members, it could be deemed to have withdrawn from the plan, and the debt on withdrawal triggered.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan.

19 Associated charities and related parties

The Joseph Levy Endowment Trust is an associated charity which has three Trustees in common with The Federation of London Youth Clubs, and uses the same principal office. The Trustees in common are A Julian Beare, Keith Ward and Jennifer Izekor. The objects of The Joseph Levy Endowment Trust are to promote and support the instruction of young people of all walks of life in the principles of discipline, loyalty and good citizenship in such ways as the Trustees shall from time to time think fit and, in particular, by furtherance of the charitable purposes of London Youth. During the year, the charity received £842,600 (2014: £51,405) from The Joseph Levy Endowment Trust. This included a capital grant of £833,578 which The Federation of London Youth Clubs hopes to donate back to The Joseph Levy Endowment Trust; it granted £100,000 to The Joseph Levy Endowment Trust during the year (2014: Nil).

During the year, Guy Davison, a Trustee of The Federation of London Youth Clubs, made a donation to the charity in the amount of £25,000.

The charity is also related to two dormant companies, London Youth Federation and London Union of Youth Clubs, by virtue of the common directors A Julian Beare, Keith Ward and Jennifer Izekor; both are companies limited by guarantee.

London Youth is a corporate Trustee of the Jimmy Dixon Charitable Trust, The Sulgrave Foundation, Raymond Plummer Settlement and Bradfield Club. The Federation of London Youth Clubs received £50,000 from the Jimmy Dixon Trust (2014: £50,000) to support the Athan 31 youth action programme and £7,000 from The Sulgrave Foundation (2014: £7,000) to support its sports development work. The Sulgrave Charitable Trust and Bradfield Club are member clubs who paid the standard £100 membership fee in the year (2014: £100).

There are no other transactions with related parties of which the Trustees are aware.



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Company Registration: 258577

