

YOUTH FIRST LIMITED

**Registered under the Co-operative and Community Benefit Societies Act 2014
Registered No.: RS007363**

REPORT AND ACCOUNTS

31 August 2020

Field Sullivan Limited
Chartered Accountants
70 Royal Hill
Greenwich
SE10 8RF

Youth First Limited

Status: Society registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014
Registered number RS007363
Registration date 08 July 2016

Registered Office: Bellingham Gateway Youth and Community Centre
185 Brookehowse Road
Bellingham
SE6 3TT

Auditors: Field Sullivan Limited
Statutory Auditor
Chartered Accountants
Neptune House
70 Royal Hill
London SE10 8RF

Bankers: Lloyds Bank
120 Lewisham High St
Lewisham
London
SE13 6JG

Youth First Limited

Management Board Report for the year ended 31 August 2020

The board present their report and the financial statements for the year ended 31 August 2020. The financial statements comply with current statutory requirements and the requirements of the Society's rules.

Registration

Youth First was registered under the Cooperative and Community Benefit Societies Act 2014 as a community benefit society (Registration no 7363) on 8 July 2016. It is owned by its staff and the young people it serves.

Board

Responsibility for Youth First's affairs is vested in a Board of non-executive directors who oversee an executive management team led by Youth First's chief executive officer.

The team of non-executive directors in 2019/20 consisted of:

Employee Directors

Nicola Lambell - elected by Youth First Staff Forum on 1 Sep 2016

Aminata Swaray - elected by Youth First Staff Forum on 1 Sep 2016 resigned 29 July 2020

Perrie Chambers and Devon Carr – both elected by staff from 1 November 2019

Chair

(Interim) Paula McDonald CBE from July 2019 to 20 May 2020 remains vice Chair.

Val Davison - appointed on 21 May 2020 following a public recruitment process

Vice Chair

Paula McDonald CBE

Treasurer

Adam Barrett - appointed on 21 May 2020 following a public recruitment process

Non-Executive Directors

Paula McDonald CBE appointed on 3 January 2017 following a public recruitment process

Mash Seriki - appointed on 3 January 2017 following a public recruitment process

Sharon Long - appointed on 31 October 2018 following a public recruitment process

Catriona MacLaine nee Coleman - appointed from 23 May 2019 following a public recruitment process

Susan Shakespeare - appointed from 23 May 2019 following a public recruitment process

Other Board Members

Cllr Liz Johnston-Franklin – nominated by LBL on 1 December 2016

Paulette Watson – nominated by Voluntary Action Lewisham - 3 Jan 2017 resigned 4 Dec 2019

Youth First CEO – Mervyn Kaye who became a voting member of the board on 1 September 2016

Youth First Limited

Management Board Report
for the year ended
31 August 2020

Non-Executive Advisor

Terry James - appointed on 21 May 2020 following a public recruitment process

Board Committees

The main board meets at least once a quarter working to formal, pre-planned, agendas supported by professionally assembled papers. It is assisted in its work by the following board committees, chaired by non-executive directors and meeting between four and six times a year.

- Finance and investment committee - chaired by Adam Barrett and responsible for monitoring finances and investment decisions.
- Marketing Committee – chaired by Mash Seriki and responsible for developing a marketing and communication strategy and supporting Youth First’s team of marketing managers. (this has been ended from September 2020)
- Risk and Audit Committee – chaired by Catriona MacLaine nee Coleman and responsible for identifying and mitigating strategic and operational risk for Youth First; and independently reviewing the annual accounts.
- Youth and Play programmes impact committee - chaired by Susan Shakespeare and responsible for developing and embedding a theory of change, safeguarding and supporting programs to best impact young people.
- Governance Task Group – chaired by Paula McDonald. A temporary task and finish group looking at improving governance arrangements

Vision and Mission

Youth First’s vision is to create and to sustain an organisation owned and run by its youth workers and the young people it serves which:

- Provides safe and practical activities which educate and empower; and
- Helps young people have fun, socialise, take risks, discover their own identity and acquire the life skills and self-confidence needed to lead happy and fulfilled adult lives.

In pursuit of the above vision, Youth First’s mission is to give its staff and young people a major voice in how it is run; facilitate programs for its young people which develop life skills; foster strong links with parents and schools; and develop cost effective work programs based on responsible use of limited resources.

It is open to young people of all backgrounds and identities. It is also committed to employing staff and using volunteers who are highly professional and natural role models; have high aspirations for the young people they service; never give up on individual young people when difficulties arise; and prioritise safeguarding, early intervention and risk assessment.

The emergence of Youth First as a community benefit society is based on the belief that an experienced and committed CEO, supported by equally committed and experienced staff, by young people genuinely looking for successful lives as adults and by the highest standards of corporate governance and commercial best practice, will provide the catalyst needed to deliver its vision and mission.

Youth First Limited

Management Board Report
for the year ended
31 August 2020

Achievements and Performance

In the period Sept 19 to Feb 20, pre COVID related restrictions of March 20 Youth First provided open access positive activities from 5 Youth Clubs and 5 adventure playgrounds, a Schools safety program and Street based within Lewisham. This saw us reach 2860 young people.

After the introduction of the required COVID restrictions delivery was altered to meet the changing needs of young people. This included the provision of regular 121 sessions, small 'bubble' based face to face sessions for young people judged to be at most risk/need at the 10 sites, virtual youth clubs, a virtual social media led activities offer and continued street based work. Given the speed of development and ever changing restrictions targets were not set for these activities, however reports from beneficiaries and funders have been favourable and we continue to adapt the offer to meet changing needs.

Since the start of the pandemic Youth First has provided **363 'Virtual Youth Club' Sessions**, delivered over Zoom and bringing the experience of our youth clubs to the front rooms and mobile devices of children at home. These live group sessions reached **over 200 young people**.

They were accompanied by a 'Virtual Offer' programme of live workshops, discussion sessions and competitions provided to our over **2000 Instagram followers** each then available for people to access as recordings on our instagram page.

Our targeted 1 to 1 support reached **143 young people**, over a course of 478 phone or text conversations. 6 of these young people were referred to us by Lewisham Council through the FISS referral service.

Financial Review

The executive and non-executive directors consider the financial performance by the community benefit society during the year to have been satisfactory given the initial reserves position of the organisation and the funding environment. The financial statements are set out on pages 11 to 25.

The annual income for 2019/20 as shown in the Statement of Financial Activities was £2,893,823 (2018/19: £3,037,492), representing a decrease of 5% (£143,669). With annual expenditure of £2,777,558 (2018/19: £3,083,116), this generates an overall surplus of £116,265 (2018/19: deficit of £45,624).

The total funds at the year ended 31 August 2020 stands at £1,232,811; of which unrestricted £1,157,226 and restricted £75,585. An increase in unrestricted reserves of £80,346 representing an improvement of over 6%. Restricted reserves increased from £39,666 last year to £75,585 in 2019/20.

Reserve policy and position

Executive and non-executive directors seek to retain a prudent level of reserves from unrestricted income. Executive and non-executive directors reviewed and updated their reserves policy during the year.

Youth First Limited

Management Board Report
for the year ended
31 August 2020

Youth First holds financial reserves to be applied to future activities in two categories:

- Unrestricted: are available to be applied, at the discretion of the executive and non-executive directors to any of Youth First's charitable purposes. This includes designated funds which could be put aside by the executive and non-executive directors for specific future purposes.
- Restricted: are to be applied to the specific purpose intended by the donor.

Youth First is funded by few sources of income, with the main source being a contract to deliver services for the London Borough of Lewisham. This is supplemented with some grants and donations from a variety of other sources. This lack of income diversity poses a risk that should the contract by which the majority of Youth First's income and its core income is received, is not renewed, Youth First will have insufficient income to continue to operate for more than approximately 3-4 months. However, the Board is taking steps to mitigate this risk through adding capacity around business development and the creation of a clear Business Development Plan.

Executive and non-executive directors base the reserves policy on the identified needs to support one or more, but not all of the following:

- Provide sufficient working capital for the following year, particularly to provide against a downturn in revenue generation and an uncertain fundraising climate.
- Mitigate the risk of losing our main source of funding to cover 3 to 4 months of expenditure, including the 4 months of delivery cost, additional fund raising support, redundancy cost and legal costs of wind up
- Mitigate the risk of unforeseeable expenditure, with particular consideration of building costs
- Support innovative grassroots training programmes where such require a period of development and testing prior to proving their case to external funders including an apprenticeship programme and SEND training
- Mitigate the risk of having reduced funding and the need to reorganise/ redesign the service in line with total available funding.
- Invest in organisational development, strengthening our organisational infrastructure to better support front-line delivery and boost long-term stability and sustainability.

Youth First therefore believes that its unrestricted reserves should be between three and four months' expenditure. This means that we would seek to hold unrestricted free reserves of between £750k and £1m.

In case of a need to wind up, we would donate remaining funds to similar organisations to be decided upon by the board.

At 31 August 2020, total reserves were £1,232,811 comprising £75,585 in restricted funds, and free reserves of £1,157,226. This is equivalent to 3-4 months' of expenditure which is at the top of the agreed range.

Executive and non-executive directors therefore believe unrestricted reserves stand at a satisfactory level in light of the adopted policy.

Youth First Limited

Management Board Report
for the year ended
31 August 2020

Funding sources

The principal funding sources for the society in 2019/20 were by way of grant and contract income from the following sources:

London Borough of Lewisham
Young Londoners' Fund
Jack Petchey
London Youth
Lewisham Homes
Phoenix Community Housing
Home Office

Going Concern

The Board has reviewed the financial position and consequently believes there are sufficient resources to manage the reasonably foreseeable operational and financial risks. The board therefore considers there is a reasonable expectation that Youth First has adequate resources to continue in operational existence for at least a year from the date of signing this Management Board Report and Accounts and for the reasonably foreseeable future. For this reason the board continues to adopt the going concern basis of accounting in preparing the accounts.

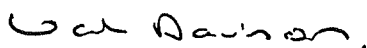
Plan for the Future

In January 2020 Youth First was successful in a competitive tender process and chosen as LBL's preferred provider to deliver youth provision to a 4 year contract commencing from 1 April 2020 valued at £2.2m. Due to the unforeseen challenge posed by COVID LBL then delayed this contract and instead offered a 12 month extension to our current contract at the lower value of £2.3m. In Dec 2020 a new 4 year contract valued at £1.3m to commence on 1 April 2021 was provisionally agreed. Although a much reduced value it does, alongside a relative restructure which will take place Jan to April 21, secure Youth First finances for the next 4 years. This also provides a new platform for future growth. As a key aspect of this growth Youth First has decided to reconstitute as a CIO from 1 April 2021. In practice this means Youth First Community Benefit Society will transfer its employees and assets and novate contracts to the new Youth First CIO. The new entity will continue with the broad mission and aims of the current entity, be registered with the Charity Commission and meet associated governance and audit requirements from its commencement. To this end a 'closure' audit of Youth First Community Benefit Society accounts will be carried out in March 2020 to be signed off by the current board members.

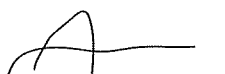
Members of the society

The shares of the society have a nominal value of £1 each, issued to persons upon admission to membership of the society. Each member shall hold only one share. At 31 August 2020, 50 shares had been issued.

This report was approved by the board on 26 February 2021 and signed on its behalf.



.....
Val Davison
Chair



.....
Mervyn Kaye
CEO



.....
Linda Brookbanks
Secretary

Youth First Limited

Management Board Report
for the year ended
31 August 2020

The members of the management board are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Law relevant to Co-operative and Community Benefit Societies require the board to prepare financial statements for each financial year. The board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the society and of the income and expenditure of the society for that period. In preparing these financial statements, the members of the management board are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgments and estimates that are reasonable and prudent;
- c) state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The members of the management board are responsible for keeping proper accounting records that are sufficient to show and explain the society's transactions and disclose with reasonable accuracy at any time the financial position of the society and enable them to ensure that the financial statements comply with the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOUTH FIRST LIMITED**Opinion**

We have audited the financial statements of Youth First Limited (the 'society') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the society's members, as a body, in accordance with section 83 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the society's affairs as at 31 August 2020 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOUTH FIRST LIMITED - continued**Other information**

The management board are responsible for the other information. The other information comprises the information included in the report and accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of internal control over transactions has not been maintained; or
- the society has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Management board

As explained more fully in the Management board's responsibilities statement set out on page 7 the Management board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management board are responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management board either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOUTH FIRST LIMITED - continued

Auditor's responsibilities for the audit of the financial statements

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

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



Timothy Sullivan FCA (Senior Statutory Auditor)
for and on behalf of Field Sullivan Limited
Statutory Auditors and Chartered Accountants
Neptune House, 70 Royal Hill, London SE10 8RF

11/3/21

Youth First Limited

Statement of Financial Activities and Income and Expenditure Account for the year ended 31 August 2020

| | | 2020 | 2020 | 2020 | 2019 | 2019 | 2019 |
|--|------|--------------------------|----------------------------|---------------------|--------------------------|----------------------------|---------------------|
| | Note | Restricted Funds £ | Unrestricted Funds £ | Total Funds £ | Restricted Funds £ | Unrestricted Funds £ | Total Funds £ |
| Incoming resources | | | | | | | |
| Incoming resources from generated funds: | | | | | | | |
| Voluntary income | 3 | 140,349 | 19,297 | 159,646 | 54,685 | 20,157 | 74,842 |
| Activities for generating funds | | - | - | - | - | - | - |
| Incoming resources from charitable activities: | 4 | 7,975 | 2,515,581 | 2,523,556 | 30,623 | 2,850,355 | 2,880,978 |
| Other incoming resources | 4 | - | 208,362 | 208,362 | - | 79,076 | 79,076 |
| Investment income | 5 | - | 2,259 | 2,259 | - | 2,596 | 2,596 |
| Total incoming resources | | <u>148,324</u> | <u>2,745,499</u> | <u>2,893,823</u> | <u>85,308</u> | <u>2,952,184</u> | <u>3,037,492</u> |
| Resources expended | | | | | | | |
| Charitable activities | 7 | 112,405 | 2,665,153 | 2,777,558 | 78,172 | 3,004,944 | 3,083,116 |
| Total resources expended | | <u>112,405</u> | <u>2,665,153</u> | <u>2,777,558</u> | <u>78,172</u> | <u>3,004,944</u> | <u>3,083,116</u> |
| Net movement in funds | | 35,919 | 80,346 | 116,265 | 7,136 | (52,760) | (45,624) |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 39,666 | 1,076,880 | 1,116,546 | 32,530 | 1,129,640 | 1,162,170 |
| Total funds carried forward | | <u>75,585</u> | <u>1,157,226</u> | <u>1,232,811</u> | <u>39,666</u> | <u>1,076,880</u> | <u>1,116,546</u> |

The surplus for the year represents the total recognised profit for the period
None of the society's activities were discontinued during the current period.

Youth First Limited

Balance sheet
as at
31 August 2020

| | Note | 2020 | | 2019 | |
|---|------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Current assets | | | | | |
| Debtors | 10 | 391,702 | | 207,558 | |
| Cash at bank and in hand | | 1,324,019 | | 1,821,777 | |
| Total current assets | | <u>1,715,721</u> | | <u>2,029,335</u> | |
| Creditors: amounts falling due within one year | | | | | |
| | 11 | (482,860) | | (812,739) | |
| Provisions for liabilities | 15 | - | | (100,000) | |
| Net current assets/(liabilities) | | | 1,232,861 | | 1,116,596 |
| Net assets | 13 | | <u>1,232,861</u> | | <u>1,116,596</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 50 | | 50 |
| Restricted funds | 14 | | 75,585 | | 39,666 |
| Unrestricted funds: | | | | | |
| General fund | | <u>1,157,226</u> | | <u>1,076,880</u> | |
| Total unrestricted funds | 14 | | 1,157,226 | | 1,076,880 |
| Total charity funds | | | <u>1,232,861</u> | | <u>1,116,596</u> |

The Co-operative and Community Benefit Societies' Act 2014 requires the Board of Management to prepare financial statements for each financial year to give a true and fair view of the state of affairs of the society at the end of the period end and of the surplus or deficit for the year then ended.

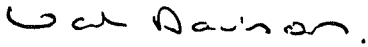
In preparing these financial statements, the Board of Management are required to select suitable accounting policies as described on page 5 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Board of Management must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The Board of Management are responsible for the keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the society and to enable them to ensure the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The Committee of Management are also responsible for safeguarding the assets of the society and hence taking reasonable steps for the protection and prevention of fraud and other irregularities.

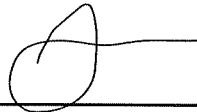
Youth First Limited

Balance sheet
as at
31 August 2020

Approved by the Board on 26 February 2021 and signed on its behalf by:



Chair - Val Davison



CEO - Mervyn Kaye



Secretary - Linda Brookbanks

Youth First Limited

Statement of Financial Activities
Cash Flow Statement
for the year ended
31 August 2020

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Operating Activities | | |
| Net incoming resources for the year | 116,265 | (45,624) |
| Adjustments to reconcile net income to net cash provided by operations: | | |
| Decrease/(increase) in debtors | (184,144) | 838,820 |
| (Decrease)/increase in creditors | (329,879) | (733,167) |
| (Decrease)/increase in provisions | (100,000) | - |
| Net cash provided by operating activities | (497,758) | 60,029 |
| Financing Activities | | |
| Issuance of share capital | - | - |
| Net cash provided by financing activities | - | - |
| Net cash (decrease)/increase for the period | (497,758) | 60,029 |
| Cash at the beginning of the period | 1,821,777 | 1,761,748 |
| Cash at the end of the period | 1,324,019 | 1,821,777 |

Youth First Limited

Notes to the accounts
for the year ended
31 August 2020

1 Statutory information

Youth first was registered under the Cooperative and Community Benefit Societies Act 2014 as a community benefit society (Registration no 7363) on 8th July 2016, domiciled in England and Wales. It is owned by its staff and the young people it serves. In the event of the society being wound up the liability in respect of the shares is restricted to £1 per member of the society.

The address of the registered office is;

Bellingham Gateway Youth and Community Centre
185 Brookehowse Road
Bellingham, SE6 3TT

These financial statements were authorised for issue by the board on 26 February 2021.

The charity meets the definition of a public benefit entity under FRS 102.

The presentation currency is £ sterling.

2 Accounting policies

(i) Basis of accounting

As a society has exempt charitable status the financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on July 2014 and the Charities Act 2011.

(ii) Fund accounting

Unrestricted funds are available for use at the discretion of the executive and non-executive directors in furtherance of the general objectives of the society.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(iii) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the society is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full when receivable.
- Donated services and facilities are included at the value to the society where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is recognised on an accruals basis.

Youth First Limited

Notes to the accounts
for the year ended
31 August 2020

(iv) Resources expended

Expenditure is accounted for on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

- Costs of generating funds comprise the costs associated with attracting voluntary income.
- Charitable expenditure comprises those costs incurred by the society in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirement of the society and include the audit fees and costs linked to the strategic management of the society.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

(v) Pensions

The society operates a defined contribution pensions scheme. Contributions are charged to the profit and loss account for the year in which they are payable to the scheme. Difference between contributions payable and contributions actually paid in the year they are shown as either accruals or prepayments at the year end.

(vi) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

(vii) Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

(viii) Trade creditors

Trade creditors are obligations pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Youth First Limited

Notes to the accounts
for the year ended
31 August 2020

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

(ix) Provisions

Provisions are recognised when the charity has an obligation at the reporting date as a result of a past event, it is probable that the charity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

3 Voluntary income

| | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|---------------------------------|--------------------------|----------------------------|-----------------------------|-----------------------------|
| Jack Petchey | 12,500 | - | 12,500 | 16,432 |
| London Borough of Lewisham | - | - | - | 27,078 |
| Subscriptions and contributions | - | 5,840 | 5,840 | 8,903 |
| YLF - Carnival routes | 47,024 | - | 47,024 | - |
| YLF - Staying safe in London | 24,765 | - | 24,765 | 8,950 |
| Home Office | 21,936 | - | 21,936 | - |
| Lewisham Homes | - | - | - | 6,360 |
| Urban Connect | - | 1,865 | 1,865 | 4,514 |
| Riverside Young Seniors Project | 15,630 | - | 15,630 | - |
| Streetgames UK | - | 4,200 | 4,200 | - |
| Phoenix Community Housing | 18,494 | - | 18,494 | 22,348 |
| Other donations | - | 7,392 | 7,392 | 2,605 |
| Total | 140,349 | 19,297 | 159,646 | 97,190 |

4 Incoming resources from charitable activities

| | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|----------------------------|--------------------------|----------------------------|-----------------------------|-----------------------------|
| London Borough of Lewisham | - | 2,485,581 | 2,485,581 | 2,819,050 |
| Universal school safety | - | 30,000 | 30,000 | 31,305 |
| Millwall Community Trust | 7,975 | - | 7,975 | 8,275 |
| Total | 7,975 | 2,515,581 | 2,523,556 | 2,858,630 |

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5 Other incoming resources

| | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|------------------------------------|--------------------------|----------------------------|-----------------------------|-----------------------------|
| Tuck shop income | - | 1,848 | 1,848 | 1,300 |
| Schools income | - | 2,535 | 2,535 | 12,305 |
| Job retention scheme | - | 58,491 | 58,491 | - |
| Business Rates Support | - | 105,000 | 105,000 | - |
| Miscellaneous income | - | 1,808 | 1,808 | 7,978 |
| Rental income: Short term bookings | - | 2,913 | 2,913 | 17,481 |
| Rental income: Long term bookings | - | 35,767 | 35,767 | 40,012 |
| Total | - | 208,362 | 208,362 | 79,076 |

6 Investment income

| | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|---------------------------|--------------------------|----------------------------|-----------------------------|-----------------------------|
| Interest on cash deposits | - | 2,259 | 2,259 | 2,596 |
| Total | - | 2,259 | 2,259 | 2,596 |

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7 Charitable activities

| | Note | Restricted Funds £ | Unrestricted Funds £ | Total Funds 2020 £ | Total Funds 2019 £ |
|------------------------------|------|--------------------------|----------------------------|-----------------------------|-----------------------------|
| Programme costs | | 34,585 | 65,628 | 100,213 | 202,448 |
| Tuck shop purchases | | - | 2,294 | 2,294 | 3,821 |
| Commissioned Youth Provision | | - | 133,811 | 133,811 | 286,118 |
| Staff costs | 8 | 77,820 | 1,474,109 | 1,551,929 | 1,516,837 |
| Pension (exceptional item) | 15 | - | - | - | 100,000 |
| Agency staff | | - | 203,357 | 203,357 | 197,592 |
| Human resources | | - | 14,161 | 14,161 | 12,925 |
| Rent and rates | | - | 273,773 | 273,773 | 286,617 |
| Gas and electricity | | - | 69,336 | 69,336 | 57,687 |
| Office move | | - | - | - | (19,562) |
| Repairs and maintenance | | - | 103,976 | 103,976 | 109,922 |
| Other property costs | | - | 67,174 | 67,174 | 72,914 |
| ICT | | - | 66,081 | 66,081 | 21,357 |
| Legal and professional | | - | 70,910 | 70,910 | 71,562 |
| Membership and subscriptions | | - | 1,595 | 1,595 | - |
| Audit | | - | 5,180 | 5,180 | 4,925 |
| Insurance | | - | 22,817 | 22,817 | 34,578 |
| Participation and engagement | | - | 367 | 367 | 6,657 |
| Marketing | | - | 74,287 | 74,287 | 85,401 |
| Bank and credit card charges | | - | 2,012 | 2,012 | 2,103 |
| Bad debts | | - | - | - | 4,538 |
| Office expenditure | | - | 9,562 | 9,562 | 20,773 |
| Sundries | | - | 4,723 | 4,723 | 3,904 |
| Total | | 112,405 | 2,665,153 | 2,777,558 | 3,083,116 |

8 Staff costs and numbers

| | 2020 £ | 2019 £ |
|------------------------------|------------------|------------------|
| Staff costs were as follows: | | |
| Salaries and wages | 1,229,742 | 1,215,216 |
| Social Security costs | 95,496 | 103,512 |
| Pension costs | 178,283 | 180,749 |
| Other staff costs | 48,408 | 17,360 |
| Total | 1,551,929 | 1,516,837 |

One employee received income (excluding employers pension contribution) between £60,000-£70,000 (2019: 1).

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The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

| | 2020 No. | 2019 No. |
|-----------------------|--------------|--------------|
| Full time equivalents | 30.49 | 29.96 |
| Total | 30.49 | 29.96 |

At the year end £2,013 (2019: £163) of contributions were outstanding.

The society operates two pension schemes for its employees:

- Standard Life which is open to all new employees and is a defined contribution pension scheme; and
- LGPS which 26 employees who transferred from Lewisham Council in 2016 belong to, is a defined benefit scheme, but due to the contractual indemnity that the London Borough of Lewisham have entered into, is treated as a defined contribution scheme for accounting purposes by the society.

9 Board member remuneration and expenses

No board members received any remuneration during the year. Expenses amounting to £ nil were reimbursed to board members.

No board member or other person related to the society had any personal interest in any contract or transaction entered into by the society during the year.

10 Debtors

| | 2020 £ | 2019 £ |
|----------------|----------------|----------------|
| Trade debtors | 23,202 | 35,547 |
| Other debtors | - | - |
| Prepayments | - | 172,011 |
| Accrued income | 368,500 | - |
| Total | 391,702 | 207,558 |

11 Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 203,169 | 441,519 |
| Taxation and social security | 80,424 | 118,752 |
| Other creditors | 43,026 | 49,564 |
| Accruals | 156,241 | 194,929 |
| Deferred income | - | 7,975 |
| Total | 482,860 | 812,739 |

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12 Share capital

| | Nominal value | 2020 Number | 2020 £ | 2019 £ |
|--|------------------|----------------|-----------|-----------|
| Allotted, called up and fully paid: Ordinary shares | £1 each | 50 | 50 | 50 |
| Movement in share capital in period | | | | |
| At 1 September 2019 | | | 50 | 50 |
| Issued in period | | | - | - |
| At 31 August 2020 | | | <u>50</u> | <u>50</u> |

13 Analysis of net assets between funds

| | General Funds 2020 £ | Restricted Funds 2020 £ | Total Funds 2020 £ |
|------------------------------|-------------------------------|----------------------------------|-----------------------------|
| Current assets | 1,640,136 | 75,585 | 1,715,721 |
| Current liabilities | (482,860) | - | (482,860) |
| Net assets at 31 August 2020 | <u>1,157,276</u> | <u>75,585</u> | <u>1,232,861</u> |
| | General Funds 2019 £ | Restricted Funds 2019 £ | Total Funds 2019 £ |
| Current assets | 1,989,669 | 39,666 | 2,029,335 |
| Current liabilities | (912,739) | - | (912,739) |
| Net assets at 31 August 2019 | <u>1,076,930</u> | <u>39,666</u> | <u>1,116,596</u> |

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14 Movements in funds

| | At 1 September 2019 £ | Incoming resources £ | Outgoing resources £ | Transfer between funds £ | At 31 August 2020 £ |
|--|-----------------------------|----------------------------|----------------------------|--------------------------------|---------------------------|
| <i>Restricted funds:</i> | | | | | |
| Jack Petchey | 21,677 | 12,500 | (23,504) | - | 10,673 |
| London Borough of Lewisham | 12,610 | - | - | - | 12,610 |
| London Youth | 4,539 | - | - | - | 4,539 |
| Millwall Community Trust Phoenix Community Housing | - | 7,975 | (7,975) | - | - |
| Street Games | 840 | - | - | - | 840 |
| Riverside Young Seniors Project | - | 15,630 | (10,930) | - | 4,700 |
| Home Office | - | 21,936 | (21,936) | - | - |
| YLF - Carnival Routes | - | 47,024 | (10,454) | - | 36,570 |
| YLF - Staying safe in Lewisham | - | 24,765 | (19,112) | - | 5,653 |
| Total restricted funds | 39,666 | 148,324 | (112,404) | - | 75,585 |
| <i>Unrestricted funds</i> | | | | | |
| General fund | 1,076,880 | 2,745,499 | (2,665,153) | - | 1,157,226 |
| Total unrestricted funds | 1,076,880 | 2,745,499 | (2,665,153) | - | 1,157,226 |
| Total funds | 1,116,546 | 2,893,823 | (2,777,557) | - | 1,232,811 |

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| | At 1 September 2018 £ | Incoming resources £ | Outgoing resources £ | Transfer between funds £ | At 31 August 2019 £ |
|---------------------------------|-----------------------------|----------------------------|----------------------------|--------------------------------|---------------------------|
| Restricted funds: | | | | | |
| Jack Petchey | 13,249 | 16,432 | (8,004) | - | 21,677 |
| London Borough of Lewisham | - | 17,589 | (4,979) | - | 12,610 |
| London Youth | - | 8,950 | (4,411) | - | 4,539 |
| Lewisham Homes | - | 6,360 | (6,360) | - | - |
| Millwall Community Trust | - | 8,275 | (8,275) | - | - |
| Street Games | - | 840 | - | - | 840 |
| Phoenix Housing | - | 22,348 | (22,348) | - | - |
| ELF | 19,281 | - | (19,281) | - | - |
| Urban Connect | - | 4,514 | (4,514) | - | - |
| Total restricted funds | 32,530 | 85,308 | (78,172) | - | 39,666 |
| Unrestricted funds | | | | | |
| General fund | 1,129,640 | 2,952,184 | (3,004,944) | - | 1,076,880 |
| Total unrestricted funds | 1,129,640 | 2,952,184 | (3,004,944) | - | 1,076,880 |
| Total funds | 1,162,170 | 3,037,492 | (3,083,116) | - | 1,116,546 |

Purposes of Restricted Funds:

Jack Petchey Foundation : To support activities in youth clubs where funds are applied for by young people themselves and therefore are restricted to be spent on these activities only. E.g. Cinema trip

London Borough of Lewisham: This includes two Local Assembly awards for additional youth work and three awards from Lewisham Young Mayor's Young People's Funding Pot awarded to us for three separate projects.

Phoenix Community Housing (Bellingham & Downham) Ltd: Grant to support Youth First in providing holiday activities for young people living in the Phoenix Community Links area.

ELF: Grant is to pay for external consultants to prepare the Futures Report.

Bellingham Community Project Ltd: This is a grant to pay for a % of the senior youth work salary at Bellingham gateway in order to increase the offer to the surrounding community.

Urban Connect: Funds received to run Goldsmith Youth Club.

London Youth: Funds were awarded to run sports activities in a number of our sites and to run youth leadership activities in North and South Lewisham Borough.

Millwall Community Trust: Money from the Football foundation via Millwall Community fund to carry out a feasibility study to enable the capital development of our Riverside location.

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Home Office - Anti-Knife Crime Community Fund - funded safety workshops aimed at raising young people's awareness of knife crime and related personal safety. This was a 6 month project running from October 2019 to March 2020.

YLF - Staying safe in Lewisham is a 3 year project (October 2019 to September 2022) funded by the GLA Young Londoner's Fund to deliver personal safety workshops with over 500 young people at risk of exclusion through youth clubs in Lewisham. It covers themes including substance misuse, knife crime, sex and healthy relationships, online safety and emotional wellbeing.

YLF - Carnival Routes is a 3 year project (January 2020 - December 2022) funded by the GLA Young Londoner's Fund to engage young people at risk of involvement in crime in a preventive programme of carnival-themed performing arts and crafts workshops building their resilience and self-esteem. Focused on the Woodpecker Youth Club, workshops will build towards celebratory carnival events each year. Workshops will provide a safe space for young people to build stronger peer relationships and receive support from expert youth workers.

Riverside Young Seniors project - this project over 9 months (Oct 2019 to July 2020) provided weekly focused sessions for older young people aged 13+ to build stronger peer and adult relationships, with access to mental and sexual health counselling and support and positive activities chosen with and tailored to their needs. Sessions include cooking and sharing a meal, workshop discussions, structured activities and drop-in sports and wellbeing activities.

15 Provisions for liabilities

| | Provision for pension costs £ | Total £ |
|-----------------------------------|-------------------------------------|--------------|
| At 1 September 2019 | 100,000.00 | 100,000.00 |
| Pension provision settled in year | (100,000.00) | (100,000.00) |
| At 31 August 2020 | <u>-</u> | <u>-</u> |

The pension provision is a one off payment which relates to ill health retirement of a Youth First member of staff who was TUPE'd from the London Borough of Lewisham when the youth service spun out of the council. This figure is half of the London Borough of Lewisham estimate and this liability was settled in full in the year.

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16 Covid -19

Since the beginning of the year we have continued to deliver activities to young people in the London Borough of Lewisham in line with our vision and mission. This is within the extremely difficult context of the COVID19 pandemic and has required us to continually adapt services and support to ensure we adequately protect the wellbeing of young people and our workforce. To this end we have worked with our funders to agree continued funding and the development of activity that blends both restricted number face to face and virtual activities. This has reduced the number of young people we have worked with compared to 2018/19.

Moving forward we remain confident that post vaccine roll out the delivery of youth services can return to largely face to face delivery. We will also retain the ability to deliver virtually and look at the best ways to exploit this in the future.

It is clear that the economic shock of the pandemic will combine with ongoing austerity to increase need whilst conversely increase competition for lower amounts of potential funding from the state, charitable and private sector. This poses great challenges for Youth First. The securing of a 4 year contract from our current main funder (LBL) although at a reduced £1.3m value will however provide a good platform for future delivery and growth. In addition the process of transition to this platform will strengthen the quality of the reduced workforce to offer further increased efficiency and impact for our beneficiaries and funders. We therefore remain confident that this, combined with our transfer to a CIO form, will enable Youth First to weather the challenging climate ahead and return to surplus and growth in the near future.

During the year the charity received;

| | |
|------------------------|----------|
| Job retention scheme | £58,491 |
| Business rates support | £105,000 |

17 Post balance sheet event

The society has decided to transfer to a Charitable Incorporated Organisation (CIO) in the later part of 2021.