

YOUTH FIRST LIMITED

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

REPORT AND ACCOUNTS

31 August 2017

**FIELD SULLIVAN LIMITED
CHARTERED ACCOUNTANTS**

**NEPTUNE HOUSE
70 ROYAL HILL
LONDON 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 Committee Report for the period from 8 July 2016 to 31 August 2017

The board present their report and the financial statements for the year ended 31 March 2017. 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 8th July 2016. It is owned by its staff and the young people it serves.

Board

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

The team of non-executive directors in 2016/17 consisted of:

Dolly Nightingale and James O'Keeffe - both elected by YF Lewisham Young People's Forum on Friday 28th October 2016

Nicola Lambell and Aminata Swaray - both elected by YF Staff Forum on 1 Sep 2016

Ian Mills - appointed on 1 April 2016 following a public recruitment process

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

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

Anand Doobay appointed on 3 January 2017 following a public recruitment process

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

Paulette Watson – nominated by Voluntary Action Lewisham - 3 Jan 2017

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

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 four board committees, chaired by non-executive directors and meeting between four and six times a year.

Strategy and Business Committee- chaired by Paula McDonald and responsible for developing YF's five year strategic and business plan

Marketing Committee – chaired by Mash Seriki and responsible for developing a marketing and communication strategy and supporting YF's team of marketing managers

Risk Assessment and Management Committee – chaired by Anand Doobay and responsible for creating and acting on a comprehensive risk register

Remuneration committee – chaired by Ian Mills and responsible for overseeing the rewards of the CEO and senior directors and YF's work force development strategy and performance appraisal and training processes.

Vision and Mission

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

Provide safe and practical activities which educate and empower

And helps young people have fun, socialise, take risks, discover their on identified and acquire the life skills and self-confidence needed to lead happy and fulfilled adult lives.

Youth First Limited

Management Committee Report
for the period from
8 July 2016 to 31 August 2017

In pursuit of the above vision, YF'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 YF as a community belief society is based in the belief that an experienced and committed CEO, supported by equally committed and experienced staff, by young people genuinely looking for successful life 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.

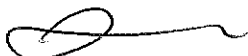
Members of the society

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 2017, 50 shares had been issued.

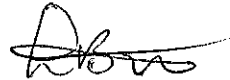
This report was approved by the board on *5 March 2018* and signed on its behalf.



Ian Mills
Chair



Mervyn Kaye
CEO



Linda Brookbanks
Secretary

Youth First Limited

Management Committee Report
for the period from
8 July 2016 to 31 August 2017

The rules of the society requires the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees 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 directors are responsible for keeping adequate accounting records that 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 Co-operative and Community Benefit Society Act 2014. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Youth First Limited (the 'society') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the cash flow statement, the Balance Sheet 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 2017 and of its income and expenditure for the period then ended; 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 committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the management committee 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.

Other information

The management committee are responsible for the other information. The other information comprises the information included in the [describe the annual report] 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 Committee

As explained more fully in the Management Committee's responsibilities statement set out on page 3 the Management Committee 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 Committee 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 Committee either intend to liquidate the society or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Date: 6/3/18

Youth First Limited

Statement of Financial Activities
Income and Expenditure Account
for the period from
8 July 2016 to 31 August 2017

	<u>Note</u>	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total Funds 2017</u>
		£	£	£
Incoming resources				
Incoming resources from generated funds:				
Voluntary income	2	47,950	10,223	58,173
Activities for generating funds				-
Incoming resources from				
charitable activities	3	-	3,170,985	3,170,985
Other incoming resources	4	-	121,424	121,424
		<u>47,950</u>	<u>3,302,632</u>	<u>3,350,582</u>
Total incoming resources				
Resources expended				
Charitable activities	5	41,950	2,658,598	2,700,548
		<u>41,950</u>	<u>2,658,598</u>	<u>2,700,548</u>
Total resources expended				
		<u>6,000</u>	<u>644,034</u>	<u>650,034</u>
Net movement in funds				
Reconciliation of funds				
Total funds brought forward		-	-	-
Total funds carried forward		<u>6,000</u>	<u>644,034</u>	<u>650,034</u>

The surplus for the year represents the total recognised gains for the period
The society commenced all activities within the period
None of the society's activities were discontinued during they current period.

Youth First Limited

Balance sheet
as at
31 August 2017

	<u>Note</u>	<u>2017</u>	
		£	£
Current assets			
Debtors	8	170,341	
Cash at bank and in hand		<u>918,966</u>	
Total current assets		<u>1,089,307</u>	
Creditors: amounts falling due within one year	9	<u>(439,223)</u>	
Net current assets/(liabilities)			<u>650,084</u>
Net assets	11		<u><u>650,084</u></u>
Capital and reserves			
Called up share capital	10		50
Restricted funds	11		6,000
Unrestricted funds:			
General fund		<u>644,034</u>	
Total unrestricted funds	11		644,034
Total charity funds			<u><u>650,084</u></u>

The Co-operative and Community Benefit Societies' Act 2014 requires the Committee 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.

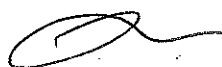
In preparing these financial statements, the Committee of Management are required to select suitable accounting policies as described on page 9 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Committee of Management must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the society will continue in business.

The Committee 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.

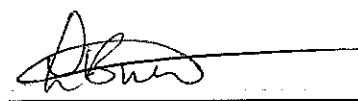
Approved by the Board on and signed on its behalf by: *5 March 2018*



Chair - Ian Mills



CEO - Mervyn Kaye



Secretary - Linda Brookbanks

Youth First Limited

Statement of Financial Activities
Cash Flow Statement
for the period from
8 July 2016 to 31 August 2017

	<u>2017</u>
	£
Operating Activities	
Net incoming resources for the year	650,034
Adjustments to reconcile net income to net cash provided by operations:	
Debtors	(170,341)
Creditors	<u>439,223</u>
Net cash provided by operating activities	268,882
Investing Activities	
Net cash provided by investing activities	-
Financing Activities	
Issuance of share capital	50
Net cash increase for the period	918,916
Cash at the beginning of the period	-
Cash at the end of the period	<u><u>918,966</u></u>

Youth First Limited

Notes to the accounts
for the period from
8 July 2016 to 31 August 2017

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

(ii) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees 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.

(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.

Youth First Limited

Notes to the accounts
for the period from
8 July 2016 to 31 August 2017

2 Voluntary income

	Restricted Funds	Unrestricted Funds	Total Funds 2017
	£	£	£
Jack Petchey	16,950	-	16,950
London Borough of Lewisham	8,500	-	8,500
Department for Culture Media & Sport	15,000	-	15,000
Bellingham Community Project Ltd	7,500	-	7,500
Subscriptions and contributions	-	10,223	10,223
Total	47,950	10,223	58,173

3 Incoming resources from charitable activities

	Restricted Funds	Unrestricted Funds	Total Funds 2017
	£	£	£
YNGM	-	4,200	4,200
Phoenix Community Housing (Bellingham & Downham) Limited	-	5,785	5,785
London Borough of Lewisham contract payments	-	3,161,000	3,161,000
Total	-	3,170,985	3,170,985

4 Other incoming resources

	Restricted Funds	Unrestricted Funds	Total Funds 2017
	£	£	£
Tuck shop income	-	372	372
Miscellaneous income	-	9,054	9,054
Rental income: Short term bookings	-	20,376	20,376
Rental income: Long term bookings	-	91,622	91,622
Total	-	121,424	121,424

Youth First Limited

Notes to the accounts
for the period from
8 July 2016 to 31 August 2017

5 Charitable activities

	<u>Note</u>	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total Funds 2017</u>
		£	£	£
Programme costs		19,450	74,932	94,382
Tuck shop purchases		-	1,962	1,962
Commissioned Youth Provision		-	326,367	326,367
Staff costs	6	7,500	1,343,525	1,351,025
Agency staff		3,000	190,968	193,968
Human resources		-	12,441	12,441
Rent and rates		-	286,905	286,905
Gas and electricity		-	45,923	45,923
Office move		-	12,943	12,943
Repairs and maintenance		-	96,488	96,488
Other property costs		-	89,186	89,186
ICT		-	74,805	74,805
Legal and professional		12,000	36,157	48,157
Insurance		-	19,324	19,324
Participation and engagement		-	1,487	1,487
Marketing		-	5,603	5,603
Bank and credit card charges		-	824	824
Bad debts		-	37,698	37,698
Sundry		-	1,060	1,060
		<u>41,950</u>	<u>2,658,598</u>	<u>2,700,548</u>

6 Staff costs and numbers

	<u>2017</u>
	£
Staff costs were as follows:	
Salaries and wages	1,056,889
Social Security costs	86,451
Pension costs	207,685
Total	<u>1,351,025</u>

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

Youth First Limited

Notes to the accounts
for the period from
8 July 2016 to 31 August 2017

6 Staff costs and numbers continued

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

	<u>2017</u>
	No.
Full time equivalents	28.29
Total	<u><u>28.29</u></u>

The society operates a pension scheme for employees. No contributions were outstanding at the year end.

7 Trustee remuneration and expenses

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

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

8 Debtors

	<u>2017</u>
	£
Trade debtors	10,206
Other debtors	2,844
Prepayments	157,291
Total	<u><u>170,341</u></u>

9 Creditors: amounts falling due within one year

	<u>2017</u>
	£
Trade creditors	13,998
Taxation and social security	163,158
Other creditors	52,277
Accruals	209,790
Total	<u><u>439,223</u></u>

Youth First Limited

Notes to the accounts
for the period from
8 July 2016 to 31 August 2017

10 Share capital

	<u>Nominal</u> <u>value</u>	<u>2017</u> <u>Number</u>	<u>2017</u> <u>£</u>
Allotted, called up and fully paid:			
Ordinary shares	£1 each	50	50
Movement in share capital in period			
At 8 July 2016			-
Issued in period			50
At 31 August 2017			50

11 Analysis of net assets between funds

	<u>General</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>Total</u> <u>Funds</u> <u>£</u>
Current assets	1,083,307	6,000	1,089,307
Current liabilities	(439,223)	-	(439,223)
Net assets at 31 August 2017	644,084	6,000	650,084

Youth First Limited

Notes to the accounts
for the period from
8 July 2016 to 31 August 2017

12 Movements in funds

	<u>At 8 July 2016</u> £	<u>Incoming resources</u> £	<u>Outgoing resources</u> £	<u>Transfer between funds</u> £	<u>At 31 August 2017</u> £
Restricted funds:					
Jack Petchey	-	16,950	(13,450)	-	3,500
London Borough of Lewisham	-	8,500	(6,000)	-	2,500
Department for Culture, Media and Sport	-	15,000	(15,000)	-	-
Bellingham Community Project Ltd	-	7,500	(7,500)	-	-
Total restricted funds	<u>-</u>	<u>47,950</u>	<u>(41,950)</u>	<u>-</u>	<u>6,000</u>
Unrestricted funds					
General fund	-	3,302,632	(2,658,598)	-	644,034
Total unrestricted funds	<u>-</u>	<u>3,302,632</u>	<u>(2,658,598)</u>	<u>-</u>	<u>644,034</u>
Total funds	<u>-</u>	<u>3,350,582</u>	<u>(2,700,548)</u>	<u>-</u>	<u>650,034</u>

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.

Department of Culture, Media and Sport: This was to support payment of a consultancy considering new business opportunities based on an applied for grant for this purpose.

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.