

Registered Charity No. 1086850
Company Number: 4133046

London Youth Support Trust
(A Company Limited by Guarantee)

Report and Financial Statements

For the year ended 31st December 2012

CHARITY COMMISSION
FIRST CONTACT

25 SEP 2013

ACCOUNTS
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London Youth Support Trust

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Reference and Administrative Details

Directors and Trustees

The directors of the charitable company ("the Charity") are its trustees for the purpose of charity law and throughout this report they are collectively known as the Trustees. They are:

Philip Howard – Chairman
Rebecca Byrne
John Godfrey
Michael Higgin – appointed 21/5/2012
Jan Pethick
Michael St Aldwyn
Robert Whitmore – resigned 21/5/2012
David Zell

Chief Executive Rob Whitmore

Company Secretary Bob Austin

Executive Director Clair Ferguson

Charity Number 1086850

Company Number 4133046

Registered Office Unit B106, Faircharm Studios,
8-12 Creekside, Deptford,
London, SE8 3DX

Auditors Kevin J Rhind,
Corner Cottages, Hempstead,
Norwich, NR12 0SH

Bankers Caf Bank,
Kings Hill, West Malling,
Kent, ME19 4TA

Solicitors DLA Piper,
3 Noble Street,
London EC2V 7EE

Report of the Trustees

LYST's Mission and Purpose

LYST is dedicated to helping young disadvantaged people become financially independent. We provide low cost space, over three years, from where our clients run their own business and access on site business advice and support.

It was founded in 2000 with the aim of supporting young, disadvantaged entrepreneurs, who want to set up a business.

We believe that self-employment supports social mobility and that for some young people it is the best way out of unemployment, and of improving their situation and achieving financial independence.

We want to make self-employment accessible to young people with a good idea and the enthusiasm and commitment to turn it into reality – regardless of whether they have the money, family background or social networks to help them.

How We Work

LYST operates primarily through enterprise centres in areas of high deprivation in London, that offer low cost premises to young, unemployed entrepreneurs, with on-site advice, support and mentoring. We build relationships in the communities from which we draw our clients, so that we understand and respond to local needs.

Increasingly, we are working with young entrepreneurs earlier on in their business journey and long before they are thinking about premises. We provide enterprise support to young people in several local authorities, including, in some cases, awarding start-up grants on behalf of those authorities. Providing support that is not necessarily linked to premises (although in some cases, it may become so at a later date) has enabled us to extend our reach and substantially increase the number of young entrepreneurs that we help. At the same time, we are expanding our services, or creating partnerships, to offer advice and support to young people who want a job or a training place, rather than to start a business. But support for young unemployed entrepreneurs is still at the heart of what we do.

What makes us different is our low-rent, high-support model. In London, high commercial rents and the need for big deposits exclude most young people from the commercial premises market. At the same time, the lack of a base from which to operate is what stops many young entrepreneurs from getting started.

We address this by providing subsidised rents, where our clients pay the equivalent of 50% of market rent in the first year, 75% in the second and near commercial rates in the third year. Our centre managers support them all the way, initially helping them develop their business plans, get training or access funding – and then signposting other opportunities, facilitating cross-trading and generally acting as a sounding-board.

We also offer one-to-one business mentoring, through a growing band of volunteer professional mentors, who guide our young entrepreneurs through the nitty-gritty of running a business.

LYST Performance in Summary

During 2012 we have worked closely with 169 young people, we have managed a network of 92 business incubation units in Deptford, Tottenham, Hackney and Southwark, of which 62 were allocated to LYST clients. We provided premises for 82 businesses. Over the course of the year, we supported 39 business start-ups. Meanwhile, 29 businesses moved on from LYST of which 20 were still trading at the point of departure, 6 ceased trading, and 3 entrepreneurs took up employment. That represents a positive outcome for 80% of our departing tenants.

In addition to those for whom we provided premises, we intensively supported 44 young people in Camden who were exploring enterprise opportunities. And in Southwark we helped 10 young people prepare their business plan so that they could apply for bursary funding, through the Mind Your Own Business Programme and then go on to set up a business.

Our Activities in Detail

Demand for LYST's services was stronger than ever in 2012. During the year we:

- Continued to operate our four main youth enterprise incubation centres in Tottenham, Deptford, Hackney and Southwark
- Started two new local authority-funded projects in Camden and Southwark, providing enterprise advice and support, and in some cases funding, to young people in those boroughs
- Started a business mentoring programme for our tenant clients, offering one-to-one sessions with professional volunteer mentors
- Helped a group of Liverpool-based entrepreneurs start the Mersey Youth Support Trust (MYST) in Kirkdale, Liverpool, following the LYST model
- Won a major contract from the Greater London Authority to run the 639 Enterprise Centre, a flagship centre in Tottenham, that opened in May 2013

Our Centres

Deptford (29 Units): Faircharm Studios in Deptford is our oldest centre, where we have been operating since 2001. We helped 8 new businesses get off the ground here in 2012 and 10 Deptford businesses moved on from LYST of which 6 were still trading and 4 ceased trading. We have been in discussions with our landlord at Faircharm because of the possible redevelopment of the site and we are currently exploring options for ourselves and our clients should that go ahead.

Hackney (18 Units): We helped create eight new businesses in Hackney in 2012 and 10 of our entrepreneurs moved on. Of these, 6 continued trading, 3 founders moved into employment and 1 ceased trading.

Tottenham (38 Units of which 15 are subsidised for LYST clients): We have an alternative operating model in our Tottenham Green Enterprise Centre (TGEC), with both subsidised units for LYST clients and commercial units, available for any organisation to rent. TGEC is self-funding. 5 new businesses started at TGEC and 5 moved on, all of which were still trading when they left us.

Southwark (7 units): In Southwark we operated a small number of units within The Salmon Youth Centre in addition to helping other young people on an outreach basis. In total we supported 23 young people of which 10 were offered business space; 9 in The Salmon Centre and 1 in our Deptford Centre. During the year 4 of our entrepreneurs have moved on. Of these 3 are still trading and we have lost contact with 1 but presume they are no longer trading.

Our Projects

Into Enterprise (Camden)

Into Enterprise is a programme to help 18 to 24-year-olds in Camden who are not in education or employment find ways into self-employment, business start-up or further training. People in this age group normally require intensive coaching and hand-holding, because of their relative inexperience. We are delivering a programme of support in partnership with the Prince's Trust and Westminster Kingsway College and had a target of helping 40 young people in the first 12 months. The programme began in May 2012 and had engaged with 44 young people by the end of 2012. Of these 12 are exploring starting a business and 3 have actually begun trading. The main funder, Camden Council, has approved funding for a further two years.

Mind Your Own Business (Southwark)

LYST was awarded a contract from Southwark Council in autumn 2012 to help prepare young people who wanted to apply for a bursary of £5,000 from the Council. The young people from the borough, are aged 18-24, and have a business idea they want to pursue. 150 young people applied for a bursary. Our business support manager worked with 30 of those, helping them develop their business plans and get them ready for a panel of decision-makers in 2013. Once again, as a relatively young group, many of young people involved required intensive support. The panel included, among others, a former LYST entrepreneur, who now runs a successful clothing label. We love the way this project gives an established businesswoman, who got her start from LYST, the opportunity to support the next generation of Southwark entrepreneurs.

Business Mentoring

In 2012 we further developed the business mentoring programme that we had initiated the year before. Our three volunteer mentors, two accountants and an economist, met with clients on a one-to-one basis to help them understand record-keeping, profit and loss accounts, cash flow, marketing and PR. Fourteen clients received mentoring in 2012 and anecdotal evidence suggests that the programme is rewarding for both clients and mentors and a formal evaluation will take place in 2013. The mentors have been impressed by our clients' enthusiasm and drive, but have also observed that clients would benefit from their input at an earlier stage. We are now recruiting more volunteer mentors so that we can offer business mentoring to all new businesses.

639 Enterprise Centre

The 639 Enterprise Centre is situated in the heart of Tottenham, in a building that was damaged in the 2011 riots. LYST won a competitive tender in spring 2012 to run the new centre on behalf of the Greater London Council, and work to refurbish the building, that was damaged in the riots, continued for the rest of the year.

It is a particularly exciting project for LYST. 639 is our first local authority partnership that includes a rent-free building. It involves a substantial element of partnership working with other organisations that help people into work in the broadest sense. 639 partners will serve the whole community and provide employment advice, volunteering opportunities, training and counselling services, as well as traditional enterprise support.

Mersey Youth Support Trust

In the earlier part of the year we helped a group from Liverpool to set up the Mersey Youth Support Trust (MYST), which began trading in April 2012. MYST is a separate entity from LYST but we have supported them through staff recruitment, help with fundraising and many hours of general support and advice. MYST is now providing space for 20 new businesses with 4 of them having to move to larger units.

Our journey with MYST made us realise how much we have learnt over the past 12 years about running youth support trusts. During 2013 we are looking at how to capture that knowledge so that we can expand the LYST model further.

Achievements

One way in which LYST gauges its success is through the achievements of our clients. There are too many achievements to mention each individually; some are newsworthy and others reflect the dedication and hard work our clients put into making their business a success. Here is just a few of them:

Jasmine, founder of BOKO Creative, based in our Hackney Centre is now an award-winning business, working with clients such as Coca-Cola and Nespresso and employing six staff, as well as interns. "This is a safe environment to grow a business from," says Jasmine. "We feel like an actual company and can plan for the future."

Vidal, a fashion designer, also from our Hackney Centre runs VA Garments. He sells clothes on-line by driving traffic to the website through events and other promotions. More recently he is selling through online fashion website ASOS. Through an introduction made by the Hackney Centre Manager, he was introduced to Barclays Bank and has helped them promote their mobile payment app, Pingit.

Mickela, founder of HR Sports Academy is based in our Tottenham Centre. She established her business to provide after school basketball clubs. Two years after moving into a unit, HR Sports Academy employs 10 part-time coaches, providing in-school and after-school sports activities in schools in Haringey and Hackney. HR Sports Academy has coached more than 3,000 children. "I'm interested in the social impact sport can have," says Mickela. "LYST has inspired me to keep working and develop my business in ways I did not have in mind before."

Fiasko Media, a music business partnership from our Deptford Centre have had an extremely successful year. Boye Adeniyi was interviewed by Jon Snow following the shooting in Woolwich and has been commissioned to do a documentary of "Life in Woolwich". His partner Jeremiah Nten has matched this success by becoming a signed DJ for Sony. Together they were chosen by Radio 1Xtra to play their song for one week.

Other client successes include: **Lenique Louis** had her signature coral and pearl ring featured in Harper's Bazaar. **Monique and Edward Hassan Sadiq** of Erica Renee Skincare met ASDA representatives at a networking event organised by LYST- their product was launched in ASDA's Isle of Dogs store and can now be found in stores across London. Another LYST business - Awake Past Midnight has become the stylist for Little Mix and LYST's youngest client **Sukder Lal** won a Young Mayors Award presented by the Mayor of Greenwich for his Urban Clothing Line.

Strategy and Future Plans

In 2011, the trustees set five strategic objectives for LYST, which we have continued to pursue in 2012.

1) Expand our presence throughout London and the UK so that we are able to help a greater number of young people and be a more attractive proposition for government funding.

We made good progress against this goal, supporting the creation of the Mersey Youth Support Trust in Liverpool and starting Into Enterprise in Camden, where we did not previously have a presence, and Mind Your Own Business in Southwark, which extended our reach in that borough. We won our biggest ever local authority contract to run the 639 Enterprise Centre in Tottenham and won a significant contract to deliver creative skills workshops and enterprise advice to young people in Lambeth, funded by J.P. Morgan.

We are in active discussions with funders about how we can pursue our expansion plans outside London and are using our experience with 639 to seek similar partnerships in other London boroughs.

2) Increase the level of pre-start activities that we undertake particularly for those young people not in employment, education or training.

We are now offering more pre-start help than ever before. Both Into Enterprise in Camden and Mind Your Businesses in Lewisham have increased our work with young unemployed people. They come to us at the very start of their business journey, when they have nothing more than an idea, with little notion of whether or how it is worth taking further.

The expansion of the 639 model, where we manage an enterprise centre that houses a range of partners and offers a wide base of services, including hot-desks and co-working spaces, will further increase the early-stage support we are able to provide.

3) Improve the level of support to clients through the use of volunteers.

We have developed a business mentoring programme that is run entirely with professional volunteers, who have strong business skills that they can share with our clients. We are in the process of expanding our volunteer pool so that we can ensure that every new LYST client is offered a business mentor. We are also starting to explore corporate volunteering and hope to make progress on this during 2013.

4) Raise our profile which will underpin our fundraising and operational activities.

We have raised our profile substantially in the public sector, winning several significant contracts that position us well for future growth.

We recruited a communications intern, through the Rank Foundation's Time to Shine programme, who is working to improve our social media and on-line presence, as well as our wider media exposure.

We have increased the number of our funders among foundations and trusts as well as local authorities and are now turning our attention to expanding corporate and individual giving.

5) Put LYST on a robust financial footing.

We improved our financial position during 2012 and took further steps to support our medium-to-long-term sustainability.

The contract to run the 639 Enterprise Centre was the first time we were able to secure a rent-free building. We plan to pursue this model elsewhere, as leases come up for renewal. This lower-cost operating model will reduce our costs, and our reliance on fundraising to pay our rents, thus freeing up resources to help more young people.

We have developed a more diversified fund-raising strategy by working with local authorities and aim to build up this source of funding to 50% of our total. We are now turning our attention to corporate funders and increasing the number of individual donors.

We have not yet achieved our goal of rebuilding reserves to the point where we hold six months operating costs in reserve. This therefore remains a priority.

Governance and Management

Public Benefit

We have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. All our charitable activities focus on advancement opportunities to allow young people of Greater London to develop their full capabilities, to enable them to improve their economic wellbeing, and to reduce or eliminate their reliance on state support.

Objectives of the Charity and Organisation

The trustees are responsible for the overall policies and direction of LYST. The day to day management of the Charity is delegated to our staff team; Chief Executive, Executive Director and centre managers.

The trustees meet four times a year to review strategy, planning, development, financial and administrative matters. In addition, we have established an executive committee that meets monthly and is attended by the CEO, the Executive Director and the Chair to deal with issues that emerge in between the meetings of trustees.

Ensuring Our Work Delivers Our Aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. It looks at the success of each key activity and the benefits these activities have brought to the people we are set up to help. The review also helps us to ensure that our aims, objectives and activities remain focused on our stated purposes.

Trustee Induction and Training

The Board has established procedures for recruiting and supporting trustees. New trustees attend an induction meeting to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision-making process, the business plan, recent financial performance of the charity and a job description. They also meet key employees and members of the wider staff team.

Members of the Charity

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up. The total number of guarantees at 31st December 2012 was seven, the same number as in 2011.

Governing Document

London Youth Support Trust (LYST or the Charity) is a company limited by Guarantee and a registered charity governed by its Memorandum and Articles of Association dated 7 December 2000 as amended by special resolution dated 17 May 2001. It was registered as a charity with the Charity Commission on 31 May 2001.

Appointment of Trustees

As set out in the Articles of Association the Trustees are also the Members. The Members have the power to appoint new Trustees.

Financial Review

Overall our financial position has improved in 2012 although we have yet to realise our goal of rebuilding our reserves such that we hold unrestricted reserves equal to six months running costs.

The nature of the LYST model is that we provide subsidised rents to our target client group. This means that our rental income is insufficient to cover the operating costs of the charity. We raise the balance from trusts, foundations and individual donors. We were able to increase the number of donors from 20 in 2011 to 23 in 2012. This resulted in an increase in income of £70,431.

The Income and Expenditure Account shows an increase in grants and donations. As a result we have been able to report net income for the year of £41,279, compared with £24,901 in 2011. This positive outcome, together with our projections for 2013, underpins our belief that we remain on the path to a strengthened and sustainable financial position.

Reserves Policy

In formulating our reserves policy, we have taken account of the regular commitments of the Charity. Our aim is to achieve a position where we hold unrestricted reserves equal to six months running costs, including rent subsidy since that is an integral part of our activity. At our current levels this is equal to £300,000. The Trustees are taking steps which they believe will enable this level of reserves to be attained in the medium term.

Risk Management

In light of Corporate Governance guidance contained within the Charities Statement of Recommended Practice issued in March 2005 the Trustees have reviewed the major strategic, business and operational risks to which the Charity is exposed. Systems have been established and implemented to mitigate those risks and procedures have been implemented to minimise any potential impact on the Charity should any of those risks materialise.

Trustees' Responsibility in Relation to the Financial Statements

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the financial activities of the Charity and of its financial position at the end of that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to 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.

In accordance with company law, as the Charity's Trustees, we certify that:

- so far as we are aware, there is no relevant audit information of which the Charity's auditors are unaware; and
- as the Trustees of the Charity we have taken all the steps that we ought to have in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of this information.

The Trustees have complied with the duty in section 4 of the 2011 Charities Act to have regard to guidance issued by the Charity Commission.

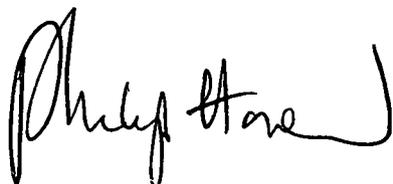
Auditors

A resolution proposing Kevin J. Rhind is re-appointed as auditors of the charity will be put to the Annual General Meeting.

Small Company Rules

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to small companies and subject to the small companies regime.

Signed on behalf of the Trustees



**Philip Howard
Chairman**

Dated:

9 September 2013

London Youth Support Trust

Independent Auditors' Report to the Members of London Youth Support Trust

We have audited the financial statements of London Youth Support Trust for the year ended 31st December 2012 which comprise of the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Reporting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's Members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Members as a body, for our audit work, for this report, or the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

As explained more fully in the Statement of Trustees' Responsibilities the Charity's Trustees who are also the Directors of London Youth Support Trust for the purposes of company law are responsible for the preparation of the Trustees' Annual Report and the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion 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.

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 been consistently applied and adequately disclosed; the reasonableness of 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 financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs at 31st December 2012 and of the 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
- have been prepared in accordance with the Companies Act 2006.

London Youth Support Trust

Independent Auditors' Report to the Members of London Youth Support Trust

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual report for the financial year for which 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 if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and to take advantage of the small companies' exemption in preparing the Trustees' Annual Report.



Kevin J. Rhind (Senior Statutory Auditor)

For and on behalf of

Kevin J. Rhind, Statutory Auditor

Corner Cottages,
Hempstead,
Norwich. NR12 0SH

Dated this 10 September 2013

London Youth Support Trust

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

For the year ended 31st December 2012

	Notes	<u>Restricted</u> <u>Funds</u> £	<u>Unrestricted</u> <u>Funds</u> £	<u>2012</u> £	<u>2011</u> £
Incoming Resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income					
Grants and donations	3	307,471	212,796	520,267	449,836
<i>Incoming resources from charitable activities</i>					
Rents receivable	4	61,335	105,890	167,225	175,982
Investment income	5	-	148	148	177
Total Incoming Resources		368,806	318,834	687,640	625,995
Resources Expended					
<i>Cost of generating funds</i>					
Cost of generating voluntary income	6	36,510	-	36,510	30,287
<i>Charitable Activities</i>					
Rent and service charges	6	179,467	74,262	253,729	245,701
Support to young entrepreneurs and businesses	6	211,585	128,223	339,808	310,035
Governance costs	6	-	16,314	16,314	15,071
Total Resources Expended	6	427,562	218,799	646,361	601,094
Net Income/ (Expenditure) for the Year	8	(58,756)	100,035	41,279	24,901
Transfers between funds		108,747	(108,747)	-	-
Net Movement in Funds		49,991	(8,712)	41,279	24,901
Fund Balances Brought Forward		-	39,403	39,403	14,502
Fund Balances Carried Forward	15	£49,991	£30,691	£80,682	£39,403

All incoming resources and resources expended are derived from continuing activities. The Statement of Financial Activities includes all gains and losses recognised in the period.

The Notes on pages 14 to 23 form part of these financial statements

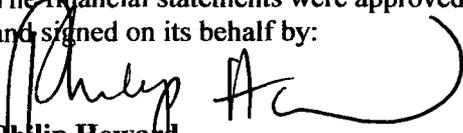
London Youth Support Trust
Balance Sheet
As at 31st December 2012

	Notes	<u>2012</u>		<u>2011</u>	
		£	£	£	£
Fixed Assets					
Tangible Assets	10		1,398		-
Current Assets					
Debtors	11	129,661		77,642	
Cash at Bank and in Hand		159,372		155,310	
		<hr/>		<hr/>	
		289,033		232,952	
Creditors: Amounts falling due within one year	12	187,933		164,603	
		<hr/>		<hr/>	
Net Current Assets			101,100		68,349
			<hr/>		<hr/>
Total Assets less Current Liabilities			102,498		68,349
			<hr/>		<hr/>
Creditors: amounts falling due after more than one year	13		21,816		28,946
			<hr/>		<hr/>
			£80,682		£39,403
			<hr/>		<hr/>
Reserves					
Restricted Funds	15		49,991		-
Unrestricted Funds	15		30,691		39,403
			<hr/>		<hr/>
Total Funds	17		£80,682		£39,403
			<hr/>		<hr/>

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 applicable to small companies and subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 9 September 2012 and signed on its behalf by:


Philip Howard
Trustee

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012

1. **Accounting Policies**

a. **Basis of Preparation**

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2008), the Companies Act 2006 and with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

b. **Company Status**

The Charity is a company limited by guarantee. The guarantors are the Members. The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 per member of the Charity. The Charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Charity's activities.

c. **Fund Accounting**

General funds are unrestricted funds available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements.

d. **Incoming Resources**

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income from donations is accounted for on a received basis except where the term of the donation stipulates otherwise.

Grants are accounted for on a receivable basis and are credited to income. Unspent balances are carried forward on the appropriate fund. Any grants restricted to future accounting periods are deferred and recognised in those accounting periods.

For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Volunteer time is not included in the financial statements.

e. **Restricted Funds**

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure, which meets these criteria, is identified to the fund.

f. **Investment Income**

Investment income is included when receivable by the Charity.

g. **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 Income and Expenditure Account as incurred.

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012

h. Resources Expended

All expenditure is accounted for on an accruals basis and includes any non-recoverable VAT. The cost headings comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

i. Governance Costs

Governance costs of the Charity are the costs of running the Charity such as the costs of meetings, audit and statutory compliance.

j. Tangible Fixed Assets

Individual assets costing £500 or more are capitalised at cost.

Depreciation is provided on all tangible fixed assets in order to write off their cost, less estimated residual value, over their expected useful lives, on the following basis:

Office Equipment and Fixtures	-	33%	straight line basis
Computer Equipment	-	33%	straight line basis

k. Pensions

The Charity operates defined contribution, externally funded pension schemes covering some employees. The pension cost charge represents contributions payable by the Charity to the funds in respect of the year.

2. Provisions Available for Smaller Entities

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements.

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012

3. Donations and Grants

	Restricted	Unrestricted	<u>2012</u> Total
	£	£	£
Catherine and John Armitage	-	30,000	30,000
Basil Posten	-	10,000	10,000
Benoit and Cecile D'Angelin	-	5,000	5,000
Byrne Charitable Trust	-	15,000	15,000
Camden Council	23,250	-	23,250
Crispin Odey	-	5,000	5,000
Deptford Challenge	5,000	-	5,000
Esmeé Fairbairn Foundation	25,000	22,500	47,500
ERDF	5,188	-	5,188
Garfield Weston Foundation	-	25,000	25,000
Greater London Authority	100,000	-	100,000
Jan Pethick	-	10,000	10,000
Man Group plc	30,000	-	30,000
Other Donor	-	5,000	5,000
Peter de Haan Charitable Trust	-	16,250	16,250
Philip Howard	-	10,000	10,000
Southwark Council	20,000	-	20,000
The Leathersellers' Company	-	20,000	20,000
The Potter Foundation	-	22,917	22,917
The Rank Foundation	36,333	-	36,333
The Schroder Foundation	45,000	-	45,000
Trust for London	12,500	-	12,500
United St Saviours	5,000	-	5,000
Gift Aid Received	-	7,500	7,500
Other Donations	200	8,629	8,829
	<hr/>	<hr/>	<hr/>
	£307,471	£212,796	£520,267
	<hr/>	<hr/>	<hr/>

4. Operating Lease Income

Rental income from operating leases is credited to the statement of financial activities on a straight-line basis over the lease. The aggregate rentals receivable under operating leases were £167,225 (2011: £175,982).

5. Investment Income

All of the Charity's investment income arises from interest bearing deposit accounts and arose solely in the United Kingdom.

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012

6. Resources Expended

	Restricted Change Up £	Restricted Deptford £	Restricted Hackney £	Restricted Salmon Centre £	Restricted Support £	Restricted Into Enterprise £	Restricted Six39 £	Total Rest'd Expenditure £
<i>Fundraising and Publicity</i>								
Salaries and NI	-	-	-	-	36,510	-	-	36,510
	-	-	-	-	36,510	-	-	36,510
<i>Charitable Expenditure</i>								
Rent, Rates, Utilities and Service Charges	(99)	80,380	92,111	5,058	-	99	1,918	179,467
<i>Support to Young Entrepreneurs and Businesses</i>								
Staff Salaries, NI and Pensions	-	37,929	25,267	12,236	30,000	25,959	26,618	158,009
Consultancy Fees	-	-	-	-	-	-	25,330	25,330
Information Technology	-	3,664	1,345	-	-	-	719	5,728
Office Costs	-	1,304	563	78	-	122	3,749	5,816
Other Including Other Staff Costs	652	97	1,529	16	-	822	5,143	8,259
Bad Debts Written Off	-	3,474	2,625	2,344	-	-	-	8,443
Depreciation	-	-	-	-	-	-	-	-
	652	46,468	31,329	14,674	30,000	26,903	61,559	211,585
<i>Governance</i>								
Accountancy, Bank Charges and Audit Fees	-	-	-	-	-	-	-	-
Salaries and NI	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total Resources Expended	553	126,848	123,440	19,732	66,510	27,002	63,477	427,562

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012

6. Resources Expended

	Total Restricted £	Unrestricted £	Total 2012 £	2011 £
<i>Fundraising and Publicity</i>				
Professional Fees	-	-	-	5,222
Salaries and NI	36,510	-	36,510	25,065
	-----	-----	-----	-----
	36,510	-	36,510	30,287
	-----	-----	-----	-----
<i>Charitable Expenditure</i>				
Rent, Rates, Utilities and Service Charges	179,467	74,262	253,729	245,701
	-----	-----	-----	-----
<i>Support to Young Entrepreneurs and Businesses</i>				
Staff Salaries, NI and Pensions	158,009	69,151	227,160	225,863
Consultancy Fees	25,330	15,300	40,630	-
Information Technology	5,728	11,260	16,988	18,245
Office Costs	5,816	4,821	10,637	10,074
Other Including Other Staff Costs	8,259	21,622	29,881	33,550
Bad Debts Written Off	8,443	5,812	14,255	5,636
Depreciation	-	257	257	16,667
	-----	-----	-----	-----
	211,585	128,223	339,808	310,035
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<i>Governance</i>				
Accountancy, Bank Charges and Audit Fees	-	9,871	9,871	9,700
Salaries and NI	-	6,443	6,443	5,371
	-----	-----	-----	-----
	-	16,314	16,314	15,071
	-----	-----	-----	-----
Total Resources Expended	427,562	218,799	646,361	601,094
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London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012

7. Employee Information

	<u>2012</u> Number	<u>2011</u> Number
The average number of persons (full time equivalent) employed by the Trust during the year was:		
Direct Charitable Expenditure	7.85	8
Fundraising	1	.7
Governance	.5	.15
	—	—
	9	9
	==	==
Staff Costs:	£	£
Wages and Salaries	230,656	218,491
Social Security Costs	23,365	22,123
Pension Costs	16,092	15,685
	—	—
	£270,113	£256,299
	=====	=====

During the year, retirement benefits were accruing to 6 employees (2011: 4) in respect of money purchase schemes.

No employee was paid more than £60,000 (2011 – 0).

With the exception of the fees paid to one Trustee (see note 18), no Trustees received any remuneration or expenses from the Trust during the period.

8. Net Incoming/Outgoing Resources

	<u>2012</u> £	<u>2011</u> £
Net Incoming/Outgoing Resources is stated after charging:		
Depreciation	257	16,667
Auditors' Remuneration: For audit services	3,600	3,900
	=====	=====

9. Taxation

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Trust's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012

10. **Tangible Fixed Assets**

	Furniture & Fittings	Office & Computer Equipment	Total
	£	£	£
Cost			
At 1st January 2012	850	26,126	26,976
Additions	-	1,655	1,655
	<hr/>	<hr/>	<hr/>
At 31st December 2012	850	27,781	28,631
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1st January 2012	850	26,126	26,976
Charge for the year	-	257	257
	<hr/>	<hr/>	<hr/>
At 31st December 2012	850	26,383	27,233
	<hr/>	<hr/>	<hr/>
Net Book Values			
At 31st December 2012	-	1,398	1,398
	<hr/>	<hr/>	<hr/>
At 31st December 2011	-	-	-
	<hr/>	<hr/>	<hr/>

11. **Debtors**

	2012	2011
	£	£
Rent Debtors	14,366	9,441
Gift Aid Receivable	7,500	12,760
Grants Receivable	79,517	49,144
VAT Recoverable	5,374	5,438
Prepayments	1,314	-
Loan to Mersey Youth Support Trust	20,000	-
Staff Travel Loans	1,590	859
	<hr/>	<hr/>
	£129,661	£77,642
	<hr/>	<hr/>

The loan to Mersey Youth Support Trust (MYST) was made to provide financial assistance during the start-up of the operations in Liverpool and its fund raising activities. The money was advanced by LYST with the full knowledge of the cornerstone funder of the project, the Rank Foundation, and their agreement that it should be treated as a loan to be repaid in full by MYST. Repayments of the loan are expected to commence in 2014 and it is interest free.

12. **Creditors: Amounts falling due within one year**

	2012	2011
	£	£
Trade Creditors	51,300	20,252
Deferred Income	126,300	94,583
Other Creditors	1,317	19,332
Accruals	9,016	30,436
	<hr/>	<hr/>
	£187,933	£164,603
	<hr/>	<hr/>

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012

13. **Creditors: Amounts falling due after more than one year**

	2012 £	2011 £
Tenants Deposits	£21,816	£28,946

14. **Other Commitments**

At 31st December 2012 the Charity had the following annual commitments under operating leases, as follows:

	Land and Buildings	
	2012 £	2011 £
Expiry Date		
Within one year	144,650	51,643
Between 2 – 5 Years	-	102,337

15. **Movement in Funds**

	At 1 January 2012 £	Incoming Resources £	Outgoing Resources £	At 31 December Transfers £	2012 £
Restricted Funds					
Into Enterprise	-	23,250	(27,002)	3,752	-
Change Up	-	-	(553)	553	-
Deptford	-	46,902	(126,848)	79,946	-
Fund Raising	-	25,000	(33,510)	8,510	-
Greater London Authority	-	100,000	(63,477)	-	36,523
Hackney	-	107,454	(123,440)	15,986	-
Rank Foundation	-	30,000	(30,000)	-	-
Salmon Centre/Southwark	-	33,200	(19,732)	-	13,468
Time To Shine	-	3,000	(3,000)	-	-
	-	368,806	(427,562)	108,747	49,991
Unrestricted Funds					
General Reserve	39,403	318,834	(218,799)	(108,747)	30,691
Total Funds	39,403	687,640	(646,361)	-	80,682

16. **Purpose of Restricted Funds**

Into Enterprise

The Into Enterprise Fund was established with a donation from Camden council. Its purpose is to provide a range of interventions including enterprise training, business start up support and progression into education, employment and training opportunities in the borough of Camden.

**London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012**

Change Up	The Change Up fund was established with a donation from The Rank Foundation. Its purpose was to establish work and living units in South London. The Trust had to provide funds from the general fund to support this centre. The Trust is no longer actively involved in this project.
Deptford	The Deptford fund was funded by donations from Deptford Challenge and Trust for London. Its purpose is to establish and support new workspace units to let out to young business people in Deptford. A substantial proportion of the costs of running this centre are met from general funds.
Fund Raising	This represents grants from the Esmeé Fairbairn Foundation to cover the cost of the Trust employing the services of a professional fundraiser. The Trust has had to provide funds from the general fund to cover some of these costs.
Greater London Authority	This represents a grant from the Greater London Authority to help fund the establishment of an Enterprise Centre at 639 High Road Tottenham, where people can get started in business, gain employment skills or give something back to the Community. The Centre will open in May 2013 and funding has been obtained for the period of the lease that the Trust will be taking on.
Hackney	The Hackney fund was funded by donations from the Man Group, The Schroder Foundation and ERDF. The purpose was to support the costs of running the Hackney centre. The Trust has had to provide funds from the general fund to cover some of these costs.
Rank Foundation	This represents a grant from the Rank Foundation to help the Trust develop a federated or similar model. There is a further grant of £30,000 receivable in 2013. During the year, the Trust used these monies to support the activities of Mersey Youth Support Trust (MYST) and to explore other areas where a similar model could be developed.
Time To Shine	This represents a grant from the Rank Foundation to cover the cost of the Trust employing an Intern under the Time to Shine programme.
Salmon Centre/Southwark	The Salmon Centre fund was originally established by a donation from United St Saviours. The purpose was to support the costs of running work units in the Salmon Centre in Bermondsey. Subsequently, the Trust has received a grant from Southwark Council of £20,000 with further funding to come to enable the Trust to continue its work in the Southwark area of London.

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2012

17. Analysis of Net Assets Between Funds

	<u>Tangible</u> <u>Fixed Assets</u>	<u>Net Current</u> <u>Assets</u>	<u>Long Term</u> <u>Liabilities</u>	<u>Total</u>
	£	£	£	£
Restricted Funds	-	49,991	-	49,991
Unrestricted Funds	1,398	51,109	(21,816)	30,691
	<u>1,398</u>	<u>101,100</u>	<u>(21,816)</u>	<u>80,682</u>

18. Transactions with Trustees

During the year the Trust paid on normal commercial terms consultancy fees to R Whitmore, one of the trustees, of £12,000 (2011: £nil). There were no monies owed to R Whitmore at the Balance sheet date (2011: £nil).

19. Related Party Transactions

Having retired as a Trustee on 25 May 2012 to become the Chief Executive of the Trust, the Trust paid on normal commercial terms consultancy fees to R Whitmore, of £20,550 (2011: £nil). At the balance sheet date £20,000 was due to R Whitmore (2011: £nil).