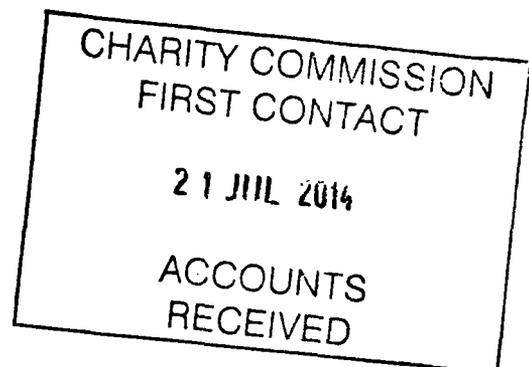


**The London Youth Support Trust (LYST)
Annual Report and Financial Statements
for the year ended 31 December 2013**

**Charity Registration Number: 1086850
Company Number: 4133046**



Contents

CEO's Report	3
Reference and Administrative Details	4
Objectives and Activities	5
Performance and Achievements	6
Governance and Management	7
Financial Review	8
Independent Auditors Report	11
Statement of Financial Activities	13
Balance Sheet	14
Notes to the accounts	15

The CEO's Report for 2013 – 2014

The London Youth Support Trust (LYST) is a charity that gives young people the space and support they need to start a business. We inspire and motivate young entrepreneurs to achieve their potential, and help them to turn their idea or passion into a viable business.

Over the last 12 months, the London Youth Support Trust has undergone rapid expansion. We have won two public sector contracts, launched three outreach projects, and have opened our largest enterprise centre yet in Tottenham. We have doubled the size of our team and are delivering more services than ever, providing enterprise, employment and training opportunities to a wide-reaching audience in more deprived areas of London.

Our new 639 Enterprise Centre in Tottenham, opened in May 2013, is currently hosting 15 fledgling businesses, and has seen over 11,500 Haringey residents walk through the door to receive advice on how to get into enterprise, training or employment. By working with the Mayor of London's office, the Greater London Authority, we are creating a financially self-supporting centre that offers a multitude of services to Haringey residents.

The *Mind Your Own Business* Scheme, a partnership with Southwark Council, is a new and innovative project that gives young people the opportunity to pitch their business idea to a panel for a grant. The scheme has enabled us to work with 31 young people on their business plans, and has awarded £100,000 in funding to 25 start-up businesses led by entrepreneurs aged 16 – 25 years old.

By diversifying our funding streams, creating strong public sector partnerships, and working with partnering organisations to deliver new projects, we have been able to help 50 people start a business. Out of all the businesses that moved on from LYST, 87% have achieved a positive outcome.

This year has seen LYST double both in delivery and turnover. In addition to this, we are working in entirely new areas of London and undertaking activities new to LYST. Our rapid expansion has created a degree of strain with regard to both our management and finances, due to substantial non-recurring costs for our new centres and projects.

We have overcome these challenges by restructuring the management team and changing the financial model to reduce the cost of running our centres. Our strategy for 2014 – 2015 is to open more financially-self-supporting enterprise centres in London, where the rental income generated by the entrepreneurs sufficiently covers the premises costs. We are in the process of closing two of our less cost-effective centres, and are opening a new self-financing centre in Peckham in early 2014. This change will greatly reduce the ongoing running costs for LYST and allow the organisation to grow.

I would like to take this opportunity to thank all the individuals and organisations who make our work possible. The ongoing support and the commitment of our partners, supporters and volunteers have helped transform the lives of hundreds of young people, giving them the skills, space and support they need to take control of their careers.



Robert Whitmore, Chief Executive Officer

Reference and Administrative Details

Directors and Trustees

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report they are collectively known as the Trustees.

Chairman of Trustees	Philip Howard
Trustees	Rebecca Byrne John Godfrey Michael Higgin Anthony Marks – appointed 8 th April 2013 Jan Pethick Michael St Aldwyn David Zell – resigned 26 th June 2013 Joanna Rowelle – appointed 26 th June 2013
Chief Executive	Rob Whitmore
Executive Director	Clair Ferguson
Financial Controller	Archana Rao
Charity Number	1086850
Company Number	4133046
Registered Office	Tottenham Green Enterprise Centre Town Hall Approach Road Tottenham N15 4RX
Auditors	Kevin J Rhind Corner Cottages Hempstead Norwich NR12 0SH
Bankers	CAF Bank Kings Hill West Malling Kent ME19 4TA

Objectives and Activities

The London Youth Support Trust (LYST) is dedicated to helping young entrepreneurs start and grow successful businesses. We do this by providing affordable business space for up to three years, as well as advice, support and mentoring.

Over the course of their time with us, they graduate to paying market rent, later moving on and vacating their unit for another start-up. LYST started in 2000 and during the year operated five business centres in Tottenham, Deptford, Hackney and Southwark.

Our beneficiaries have a business idea, but don't have the financial means to rent commercial premises, or the social and business networks to help them get started or generate the levels of sales needed to make the business sustainable.

We believe that self-employment supports social mobility and that for young people it is one route out of unemployment, and as a result, 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.

Our mission

The London Youth Support Trust is dedicated to helping young economically disadvantaged people become financially independent by getting started in business. We provide affordable business units from which our beneficiaries grow their own business and access onsite business advice and support.

Who we help

Our beneficiaries are usually unemployed or underemployed. Many come from deprived inner-city areas where our business centres are located.

How we work

Through our enterprise centres, based in economically disadvantaged areas of London, we support young entrepreneurs aged 18 – 30 to become financially independent. We offer young, often unemployed or underemployed young people low-cost premises from which they can develop their businesses, alongside 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.

In London, the high levels of commercial rent, coupled with the demand for large deposits, excludes most young people from becoming business-owners. Our low-rent, high-support model is unique. Each of our centres has a community culture that is cultivated by our passionate centre managers, who encourage businesses to network and trade with each other, and to take up the opportunities that we offer them.

We help entrepreneurs:

- Develop their business idea, create a viable business plan and help them access and apply for start-up funding.
- By providing a subsidised (sub-market rent) space on a sliding scale, reaching commercial levels over 2-3 years.
- By supporting them within our centre for 2-3 years, giving on-site support from the Centre Manager and a personal mentor.

Since LYST started, we have helped over 600 unemployed 18-30 year olds start a business. More than 80% of our entrepreneurs achieve a successful outcome, either continuing to trade (69%), obtaining employment or moving into education.

Performance and Achievements

Summary of achievements

- In 2013, we worked with 189 young people across five enterprise centres in Tottenham, Deptford, Hackney and Southwark, and three outreach projects, across Lambeth, Camden and Southwark.
- In 2013, we welcomed 22 new businesses to our centres, which now host a total of 86 entrepreneurs.
- We launched a new enterprise centre in Tottenham, funded by the Mayor of London's regeneration fund. The centre is an evolved LYST model that has training partners, exhibition space, co-working space, a café, a community hub and space to hire, as well as incubation business units and business support.
- 23 businesses moved on from LYST of which 13 were still trading at the point of departure, 7 entrepreneurs took up full-time employment, went into further education or training, and only 3 ceased trading. This represents a positive outcome for 87% of our departing tenants.
- We ran and expanded two local authority-funded outreach projects, working with a combined 47 16 – 25 year olds in a range of supportive services, from introducing the foundations of starting a business, to developing business plans, applying for funding and signposting training opportunities.
- We started a new project, Loughborough Be Enterprising, recruiting 102 local young people to engage in a creative skills training and enterprise development programme targeting disadvantaged young people in the Lambeth place-based area, including supporting young entrepreneurs to test market products and develop business ideas into self-employment opportunities.
- We held 28 events to encourage networking.
- Our business mentoring programme offered one-to-one sessions with a team of 13 volunteer mentors whose areas of expertise included accounting, marketing, and entrepreneurship.
- Supported the development of Mersey Youth Support Trust (MYST) in Kirkdale, Liverpool.

The Trustees have set the following strategic objectives:

1) Adapt our operating model

Our aim is to help many more young unemployed people utilise their talents and potential to run successful businesses. To achieve this we have been exploring ways to reduce our premises costs. This has resulted in a shift of our financial model from the original concept of renting space from commercial landlords.

As a result we are in the process of closing our Deptford and Hackney centres. Our policy is to find low cost space and to make the centres financially self-supporting, with income generated from tenants covering the running costs of the centres. We now have two centres, the Tottenham Green Enterprise Centre and 639, where we pay either no or low levels of rent. We have been able to develop and begin implementing this strategy because of our track record in running successful youth enterprise centres in London.

2) Increase the number of centres we run in London

We are in the process of opening a third low cost centre in Peckham. This building is council-owned and this sets a precedent to negotiate for empty council premises. This change will help to reduce the ongoing running costs for LYST.

3) Raising our profile

In 2013, LYST dedicated itself to promoting its work and the work of its entrepreneurs. Without social media or a working website, LYST needed to develop its online presence to communicate its message to new entrepreneurs, potential partners and funders, similar organisations. We also needed to connect with and promote our businesses.

We re-built our website, as well as a new one for our largest centre, 639, in Tottenham. They receive a combined 2000 views per month. We have launched a new monthly newsletter, which showcases and promotes our businesses to over 650 subscribers. We have connected with hundreds of new partners and organisations everyday on social media, with 1400 followers on Twitter and 254 followers on Facebook. Each month, we reach an average of 4300 people via websites, newsletters, Twitter and Facebook.

As well as spreading the enterprising word online, we organised 28 events throughout the year, where we met and spoke to over 1,500 people. Our events included inspirational talks, fashion shows, advice workshops, pop up markets and art exhibitions.

Over the course of the 2013, LYST gained significant local news coverage. The launch of the 639 Enterprise Centre in May was covered by BBC News London, Fresh Business Thinking, the Haringey Advertiser, the Haringey Independent, ITV London, Tottenham News, Haringey People and the Tottenham and Wood Green Journal. The centre's open day and 'From Around Here' exhibition were reported on by the Haringey Independent and Haringey People respectively, and two rounds of the Loughborough Be Enterprising project were featured in the South London Press.

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 capabilities, enable them to improve their economic wellbeing, and reduce or eliminate their reliance on state support.

Objectives of the charity

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 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 2013 was eight, one more member than in 2012.

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

LYST has transformed over the course of 2013. It embarked on changing its operating model, started three large projects and doubled in size. Additionally, with regard to our funding, we secured two large public sector and one private sector funded projects. The 639 Enterprise Centre, a joint project with the GLA to create a financially self-sustaining centre, has received start-up funding from the Mayor's Regeneration Fund. We have also been awarded funding from Southwark Council to deliver a bursary programme for business start-up for young people from the borough of Southwark. This is a 3-year programme and will help start 30 businesses in the first year, then at least 10 businesses a year in the future. We were also awarded funding from J.P. Morgan for a creative skills training and enterprise development programme targeting disadvantaged young people in the Lambeth area, including supporting young entrepreneurs to test market produce and develop business ideas into self-employment opportunities.

Our total expenditure rose from £646,361 in 2012 to £1,038,087 in 2013. This increase in expenditure reflects (a) a number of one-off costs associated with establishing our newest centre, 639, in Tottenham and (b) employing additional staff members to run our new centre, the associated office costs as well as one-off capital expenditure associated with the new IT system there. We also updated our out-of-date IT system across the organisation. As a result, there was a deficit for the year of £26,205 which has reduced total reserves to £54,477.

In order to improve our cost-effectiveness in the long-run, we are in process of transitioning from a high rental-cost model to a lower rental-cost model whilst still delivering the same quality of service to our businesses. During the year, we undertook a review of our running costs and the Trustees concluded that in the interests of cost-effectiveness, we would close two of our more expensive centres in Hackney and Deptford. In 2014, we will be opening a new centre in Peckham with much

lower rental costs assigned to the building. We have gained support from many new funders, including the Greater London Authority and Southwark Council and have restructured the team so that we have sufficient fundraising capacity to meet our fundraising strategy for 2014. LYST is now in a much stronger position both in management, financial and operational terms than it was a year ago. We have successfully changed the financial model to reduce the cost of running centres, we have a restructured management team and LYST now has the credibility of having delivered a large publicly funded project and is developing the skills to work with public sector bodies. These steps gives us confidence that we can return to a positive financial position in 2014.

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 sufficient unrestricted reserves to fund for a number of months our core costs, including rent subsidy since as this is an integral part of our activity, in the event of unexpected events affecting the Charity's financial position including a fall in funds raised from outside the Charity. At 31 December 2013 unrestricted reserves stood at £30,732. The Trustees believe that this is below the level needed by the Charity and are taking steps, including those taken to improve our cost-effectiveness outlined in the Financial Review and to ensure sufficient fundraising capacity, to increase over the next three years the level of unrestricted reserves to a targeted level of £ 150,000. This target will continue to be reviewed by the Trustees on an annual basis in light of the scale and pace of change in the Charity's operating model and its success in raising outside funds for designated projects.

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 Management

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.

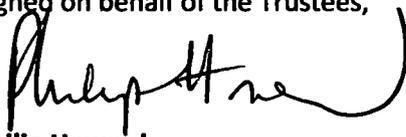
Auditors

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,

A handwritten signature in black ink, appearing to read 'Philip Howard', written over a large, faint circular watermark or stamp.

Philip Howard
Chairman

Dated 9th July 2014

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 2013 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent 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 2013 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 *15th July 2014*

London Youth Support Trust

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

For the year ended 31st December 2013

		<u>Restricted</u> <u>Funds</u>	<u>Unrestricted</u> <u>Funds</u>	<u>2013</u>	<u>2012</u>
	Notes	£	£	£	£
Incoming Resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income					
Grants and donations	3	575,794	239,686	815,480	520,267
<i>Incoming resources from charitable activities</i>					
Rents receivable	4	33,456	162,845	196,301	167,225
Investment income	5	-	101	101	148
Total Incoming Resources		<u>609,250</u>	<u>402,632</u>	<u>1,011,882</u>	<u>687,640</u>
Resources Expended					
<i>Cost of generating funds</i>					
Cost of generating voluntary income	6	7,266	22,185	29,451	36,510
<i>Charitable Activities</i>					
Rent and service charges	6	98,855	223,105	321,960	253,729
Support to young entrepreneurs and businesses	6	529,375	127,324	656,699	339,808
Governance costs	6	-	29,977	29,977	16,314
		<u>628,230</u>	<u>380,406</u>	<u>1,008,636</u>	<u>609,851</u>
Total Resources Expended	6	<u>635,496</u>	<u>402,591</u>	<u>1,038,087</u>	<u>646,361</u>
Net (Expenditure)/ Income for the Year	8	<u>(26,246)</u>	<u>41</u>	<u>(26,205)</u>	<u>41,279</u>
Transfers between funds		-	-	-	-
Net Movement in Funds		<u>(26,246)</u>	<u>41</u>	<u>(26,205)</u>	<u>41,279</u>
Fund Balances Brought Forward		49,991	30,691	80,682	39,403
Fund Balances Carried Forward	16	<u>£23,745</u>	<u>£30,732</u>	<u>£54,477</u>	<u>£80,682</u>

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 15 to 26 form part of these financial statements

London Youth Support Trust
Balance Sheet
As at 31st December 2013

		<u>2013</u>		<u>2012</u>	
	Notes	£	£	£	£
Fixed Assets					
Tangible Assets	10		846		1,398
Current Assets					
Debtors	11	149,573		129,661	
Cash at Bank and in Hand	12	99,881		159,372	
		<u>249,454</u>		<u>289,033</u>	
Creditors: Amounts falling due within one year	13	147,041		187,933	
		<u> </u>		<u> </u>	
Net Current Assets			102,413		101,100
			<u> </u>		<u> </u>
Total Assets less Current Liabilities			103,259		102,498
Creditors: amounts falling due after more than one year					
	14		48,782		21,816
			<u>48,782</u>		<u>21,816</u>
			£54,477		£80,682
			<u> </u>		<u> </u>
Reserves					
Restricted Funds	16		23,745		49,991
Unrestricted Funds	16		30,732		30,691
			<u>54,477</u>		<u>80,682</u>
Total Funds	18		£54,477		£80,682
			<u> </u>		<u> </u>

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 19th June 2014 and signed on its behalf by:



Philip Howard
Trustee

The notes on pages 15 to 26 form part of these financial statements

**London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2013**

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.

Donated facilities, including premises leased to the Trust at a peppercorn rent are included at the value to the charity where this can be quantified and a third party is bearing the cost.

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.

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2013

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.

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. A proportion of salary costs are allocated to governance costs on a basis consistent with time spent by the relevant staff members.

j. Tangible Fixed Assets

Individual assets costing £500 or more are capitalised at cost. Fixed assets, which are grant funded, are charged to revenue in the year in which the expenditure is incurred.

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 2013

3. Donations and Grants

	Restricted	Unrestricted	<u>2013</u>
	£	£	Total
			£
Basil Posten	-	10,000	10,000
Benoit and Cecile D'Angelin	-	5,000	5,000
Byrne Charitable Trust	-	15,000	15,000
Camden Council	16,350	-	16,350
Catherine and John Armitage	-	30,000	30,000
Deptford Challenge Trust	12,000	-	12,000
Garfield Weston Foundation	-	30,000	30,000
Greater London Authority	308,414	-	308,414
Jan Pethick	-	10,000	10,000
JP Morgan Chase	126,300	-	126,300
North London Enterprise	-	5,650	5,650
Philip Howard	-	30,000	30,000
Progress Foundation	-	5,000	5,000
Sainsbury's	-	10,000	10,000
Southwark Council	55,000	-	55,000
The Clothworkers' Foundation	10,000	-	10,000
The Grocers' Charity	-	1,700	1,700
The Leathersellers' Company	-	20,000	20,000
The Potter Foundation	-	20,833	20,833
The Rank Foundation	47,730	-	47,730
The Schroder Foundation	-	30,000	30,000
The Tallow Chandlers Benevolent Fund	-	2,500	2,500
Grant Aid Received	-	11,253	11,253
Other Donations	-	2,750	1,750
	<u>£575,794</u>	<u>£239,686</u>	<u>£815,480</u>

In addition to the above, the Trust was granted a three-year lease over a building in Tottenham High Road by the Greater London Authority at a rent of £1 a year. The Trustees have been unable to obtain a realistic market value for the rent, which would be payable under a normal commercial lease on this property as it is subject to various planning restrictions and the Trust is obligated to use parts of the building for community purposes, which do not generate any income to the Trust. The Greater London Authority owns this property so is not incurring any external costs in providing it to the Trust.

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 £196,301 (2012: £167,225).

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 2013

6. Resources Expended

	Restricted Six39 £	Restricted Lambeth £	Restricted Southwark £	Restricted Rank Foundation £	Restricted Time to Shine £	Restricted Into Enterprise £	Restricted Deptford £	Restricted Clothworkers £
<i>Fundraising and Publicity</i>								
Consultancy Fees	-	7,266	-	-	-	-	-	-
	-	7,266	-	-	-	-	-	-
<i>Charitable Expenditure</i>								
Rent, Rates, Utilities and Service Charges	98,806	-	-	-	-	49	-	-
<i>Support to Young Entrepreneurs and Businesses</i>								
Staff Salaries, NI and Pensions	174,552	86,960	68,037	6,948	17,730	15,598	12,000	-
Consultancy Fees	18,000	-	-	-	-	-	-	-
Grants to Other Charities	-	-	-	23,052	-	-	-	-
Information Technology	7,542	-	-	-	-	-	-	-
Office Costs	15,390	-	-	-	-	269	-	-
Project and Other Staff Costs	4,967	15,874	431	-	-	434	-	-
Bad Debts Written Off	1,840	-	-	-	-	-	-	-
Capital Items and Depreciation	57,296	-	-	-	-	-	-	2,455
	279,587	102,834	68,468	30,000	17,730	16,301	12,000	2,455
<i>Governance</i>								
Accountancy, Bank Charges and Audit Fees	-	-	-	-	-	-	-	-
Salaries and NI	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total Resources Expended	378,393	110,100	68,468	30,000	17,730	16,350	12,000	2,455

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2013

6. Resources Expended

	Total Restricted £	Unrestricted £	Total 2013 £	2012 £
<i>Fundraising and Publicity</i>				
Professional Fees	7,266	6,565	13,831	-
Salaries and NI	-	15,620	15,620	36,510
	<hr/>	<hr/>	<hr/>	<hr/>
	7,266	22,185	29,451	36,510
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Charitable Expenditure</i>				
Rent, Rates, Utilities and Service Charges	98,855	223,105	321,960	253,729
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Support to Young Entrepreneurs and Businesses</i>				
Staff Salaries, NI and Pensions	381,825	64,159	445,984	227,160
Consultancy Fees	18,000	410	18,410	40,630
Grants to Other Charities	23,052	-	23,052	-
Information Technology	7,542	21,396	28,938	16,988
Office Costs including Insurances	15,659	20,700	36,359	10,637
Project and Other Staff Costs	21,706	8,712	30,418	29,881
Bad Debts Written Off	1,840	11,395	13,235	14,255
Capital Items and Depreciation	59,751	552	60,303	257
	<hr/>	<hr/>	<hr/>	<hr/>
	529,375	127,324	656,699	339,808
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Governance</i>				
Accountancy, Bank Charges and Audit Fees	-	15,021	15,021	9,871
Salaries and NI	-	14,956	14,956	6,443
	<hr/>	<hr/>	<hr/>	<hr/>
	-	29,977	29,977	16,314
	<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended	635,496	402,591	1,038,087	646,361
	<hr/>	<hr/>	<hr/>	<hr/>

**London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2013**

7. Employee Information

	<u>2013</u> Number	<u>2012</u> Number
The average number of persons (full time equivalent) employed by the Trust during the year was:		
Direct Charitable Expenditure	12.5	7.85
Fundraising	2	1
Governance	.5	.15
	—	—
	15	9
	—	—
Staff Costs:	£	£
Wages and Salaries	425,061	230,656
Social Security Costs	36,649	23,365
Pension Costs	14,850	16,092
	—————	—————
	£476,560	£270,113
	—————	—————

During the year, retirement benefits were accruing to 5 employees (2012: 6) in respect of money purchase schemes.

No employee was paid more than £60,000 (2012 – 0).

No Trustees received any remuneration or expenses from the Trust during the period.

8. Net Incoming/Outgoing Resources

	<u>2013</u> £	<u>2012</u> £
Net Incoming/Outgoing Resources is stated after charging:		
Depreciation	552	257
Auditors' Remuneration:		
For audit services	4,000	3,600
For taxation services	300	-
	—————	—————

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 2013

10. Tangible Fixed Assets

	Furniture & Fittings	Office & Computer Equipment	Total
	£	£	£
Cost			
At 1st January 2013			
and			
At 31st December 2013	850	27,781	28,631
	-----	-----	-----
Depreciation			
At 1st January 2013	850	26,383	27,233
Charge for the year	-	552	552
	-----	-----	-----
At 31st December 2013	850	26,935	27,785
	-----	-----	-----
Net Book Values			
At 31st December 2013	-	846	846
	-----	-----	-----
At 31st December 2012	-	1,398	1,398
	-----	-----	-----

11. Debtors

	2013	2012
	£	£
Rent Debtors	6,823	14,366
Donations and Grants Receivable	92,300	79,517
VAT Recoverable	14,020	5,374
Gift Aid Receivable	11,250	7,500
Prepayments	4,616	1,314
Loan to Mersey Youth Support Trust	20,000	20,000
Staff Travel Loans	564	1,590
	-----	-----
	£149,573	£129,661
	-----	-----

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. Cash at Bank and in Hand

Included within the bank balances at 31 December 2013 is an amount of £39,450 in respect of the Southwark Bursary Fund. The Trust holds these monies on behalf of Southwark Council for the sole purpose of disbursing bursary payments when approved and they are not available to the Trust to be used for any other purpose.

**London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2013**

13. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade Creditors	57,681	51,300
Deferred Income	-	126,300
Southwark Bursary Fund	39,450	-
Loan from Trustee	35,000	-
Other Creditors	1,077	1,317
Accruals	13,833	9,016
	<u>£147,041</u>	<u>£187,933</u>

14. Creditors: Amounts falling due after more than one year

	2013	2012
	£	£
Tenants Deposits	<u>£48,782</u>	<u>£21,816</u>

15. Other Commitments

At 31st December 2013 the Charity had the following annual commitments under operating leases, as follows:

	Land and Buildings	
	2013	2012
	£	£
Expiry Date		
Within one year	£70,301	£144,650
Between two to five years	£1	£nil
	<u> </u>	<u> </u>

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2013

16. Movement in Funds

	At 1 January 2013 £	Incoming Resources £	Outgoing Resources £	At 31 December Transfers £	2013 £
Restricted Funds					
Greater London Authority	36,523	341,870	(378,393)	-	-
Deptford Challenge Trust	-	12,000	(12,000)	-	-
Into Enterprise	-	16,350	(16,350)	-	-
Lambeth	-	126,300	(110,100)	-	16,200
Rank Foundation	-	30,000	(30,000)	-	-
Southwark	13,468	55,000	(68,468)	-	-
Time To Shine	-	17,730	(17,730)	-	-
The Clothworkers' Foundation	-	10,000	(2,455)	-	7,545
	49,991	609,250	(635,496)	-	23,745
Unrestricted Funds					
General Reserve	30,691	402,632	(402,591)	-	30,732
Total Funds	80,682	1,011,882	(1,038,087)	-	54,477

17. Purpose of Restricted Funds

Greater London Authority	This represents a grant from the Greater London Authority to 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 Trust has a three year lease on the building and funding from the Greater London Authority for the period of the lease.
Deptford Challenge Trust	This was a grant to help fund the cost of recruiting a part time volunteer co-ordinator for the Trust.
Into Enterprise	This represents funding from Camden Council 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.
Lambeth	The Lambeth Fund was established with a donation from JP Morgan Chase. Its purpose was to fund the development of the Loughborough Be Enterprising Project, which was targeted at young people from the Loughborough Junction area of Lambeth. The project provided workshops and mentoring for the target group of young people. The project is due to be completed in May 2014 and adequate funding has been obtained for this.

**London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2013**

Rank Foundation	This represents a further grant from the Rank Foundation to help the Trust develop a federated or similar model. 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.
Southwark	This represents a grant for the Trust to administer a scheme by Southwark Children's Services to give £150,000 in bursaries to young people in Southwark to enable them to set up their own businesses. In addition to the grant monies the Trust holds monies on behalf of Southwark Children's Services in respect of the bursaries payable under this scheme. These monies are held in a separate designated account.
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.
The Clothworkers' Foundation	This represents a grant towards the cost of upgrading the Trust's IT network to provide better productivity and support to the Trust's clients. The Trust will continue to upgrade the network in the coming year.

18. Analysis of Net Assets Between Funds

	<u>Tangible Fixed Assets</u> £	<u>Net Current Assets</u> £	<u>Long Term Liabilities</u> £	<u>Total</u> £
Restricted Funds	-	23,745	-	23,745
Unrestricted Funds	846	78,568	(48,782)	30,732
	<u>846</u>	<u>102,413</u>	<u>(48,782)</u>	<u>54,477</u>

19. Related Party Transactions

During the year, the Trust paid on normal commercial terms consultancy fees to R Whitmore, of £nil (2012: £32,550). At the balance sheet date £nil was due to R Whitmore (2012: £20,000).

During the year the Trust received an interest free unsecured loan of £50,000 from Philip Howard, a Trustee. At the balance sheet date £35,000 was outstanding with no fixed repayment terms for this balance.