

**The London Youth Support Trust (LYST)
Annual Report and Financial Statements
for the year ended 31 December 2014**

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



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CEO's Report for 2014 – 2015

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 turn their idea or passion into a viable business.

After the significant expansion and restructuring that took place in 2013 this year has seen the benefits of these changes flowing through to the organisation both in terms of an improved financial position and a structure which is better able to accommodate change and growth.

Over the course of 2014 we closed our two original centres in Deptford and Hackney. The Deptford Centre was particularly close to our hearts as it is was the very first centre we opened and paved the way for our unique means of supporting entrepreneurs. Although it was sad to let these centres go, it was a necessary step to create a financially sustainable model. In addition to the financial imperative, Deptford and Hackney are now both very different communities to when we arrived; Hackney has become the new centre for the arts and creative industries and Deptford is fast becoming a good place for young professionals looking for an easy commute to the city. As such, they no longer need our support and we hope LYST has played its small part in their regeneration. As a result of our track record in South London, including the very successful Mind Your Own Business project with Southwark Council, we were able to partner with the Council to open the Peckham Enterprise Centre, allowing us to continue supporting enterprise through providing subsidised space in South London. This has led to the opening of another new centre in partnership with Southwark Council on the Aylesbury Estate.

Outside London, Merseyside Youth Support Trust (MYST), our sister charity in Liverpool, has been buzzing with activity. During 2014 they ran a variety of networking events for entrepreneurs and were visited by Abila Pointing, the High Sheriff of Merseyside. In Hull, we've had the pleasure of working alongside Youth Enterprise Hull. Youth Enterprise Hull has continuously demonstrated the entrepreneurial potential of the city's young people. We are also supporting a group of like-minded individuals to establish an enterprise centre in Telford where we are providing support and technical advice.

The importance of partnership working is best embodied by our Step into Enterprise projects. Our Camden into Enterprise project (a partnership with the Princes Trust and Westminster Kingsway College) has flourished, supporting 38 young people whilst the Mind Your Own Business project allocated £115,000 to bring 23 business ideas to fruition. As the Loughborough be Enterprising (LBE) project was such a success in 2013, we were pleased that JP Morgan agreed to fund an expansion of the project, allowing us to support young people with not just basic creative skills, but more advanced skills and business development.

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 a 1,000 young people over the last 14 years giving them the skills, space and support they need to take control of their futures.



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 Jan Pethick Michael St Aldwyn Joanna Rowelle
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 two 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 in 2014 we supported 268 young people in Tottenham, Southwark, and Lambeth.

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 where 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 many 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 provide a subsidised (sub-market rent) space on a sliding scale, reaching commercial levels over 2 years.
- By supporting them within our centre for 2 years, giving on-site support from the Centre Manager and a volunteer mentor.

We are very proud of our track record. LYST started 14 years ago and has helped more than 1,000 young people. For the last five years over 80% of our young people have achieved a positive outcome of either continuing to trade or using the experience they've gained to find employment.

Performance and Achievements

Summary of achievements

- In 2014, we worked with 268 young people across four centres in Tottenham, Deptford, Hackney and Southwark, and three outreach projects, across Lambeth, Camden and Southwark.
- We welcomed 51 new start-up businesses to our centres
- 49 businesses moved on from LYST of which 39 were still trading at the point of departure, 3 entrepreneurs took up full-time employment, went into further education or training, and only 7 ceased trading. This represents a positive outcome for 86% of our departing tenants.
- 15 mentors have shared their expertise and knowledge with 73 of our young entrepreneurs.
- Six current and former LYST clients were highlighted in the *Made in Tottenham* exhibition; a photography exhibition that selected ten Tottenham-based businesses that represented the spirit of enterprise in the area.
- Over 27,751 people came through the door of Tottenham's 639 Enterprise Centre which, since opening in May 2013, has hosted a range of training and support events, became a CitySafe Haven and received a royal visit from His Royal Highness, Prince Charles.
- We relaunched the 639 Enterprise Centre's shared workspace as the Tottenham Business Hub, increasing the number of users to 49.
- Through our Loughborough Be Enterprising (LBE) project we helped 18 young people get started in business and on the back of this received a second round of funding from J.P. Morgan allowing us to expand the project to provide not just basic creative skills, but more advanced skills and business support.
- The Mind Your Old Business (MYOB) project, run in partnership with Southwark Council, allocated £115,000 in funding to help 23 fledgling businesses get started in the borough.
- Outside of London, we supported the development of the Shropshire Youth Support Trust which will be opening in Telford in 2015.
- The Merseyside Youth Support Trust (MYST) held a range of successful networking events and was visited by Abila Pointing, the High Sheriff of Merseyside.

The trustees have set the following strategic objectives:

1. Create a more sustainable operating model

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 to securing low cost premises. So in 2014 we closed our two original centres in Deptford and Hackney leaving us with four centres where we paid either no or below market levels of rent. We will open another centre under this model in 2015. We have been able to develop and begin implementing this strategy because of our track record, over the last fourteen years, in running successful youth enterprise centres in London.

2. Increase the number of cost effective centres we run in London

In 2014 we opened The Peckham Enterprise Centre. This building is council-owned and this sets a precedent of us being able to negotiate for empty council premises. This development will help to reduce the ongoing running costs for LYST.

3. Strengthen the support we offer our clients

Our Centre Managers are the first port of call for our clients accessing business and personal

support. As the number of young people we support is increasing we've strengthened this by engaging volunteer mentors to provide specialist advice in the areas of finance and marketing. 15 mentors have shared their expertise and knowledge with 73 of our young entrepreneurs.

4. Raising our profile

Over the course of 2014, we utilised a variety of channels to raise the profile of both LYST and our entrepreneurs, reaching out to partners, supporters, potential clients and funders. Our websites served as platforms showcasing what both LYST and our entrepreneurs have achieved, attracting over 2000 visitors per month. Through our mailing lists, we reach out to our network of over 800 supporters, whilst on a daily basis we interact with over 2,200 people via social media.

Whilst we take pride in our online activity, we are conscious of ensuring that we remain accessible to those who are not regular internet users. As a building that serves a variety of purposes, the 639 Enterprise Centre in itself serves as a particularly effective means of promoting LYST and our entrepreneurs to the Tottenham community. Over the course of the year, we held a range of events within our centres and alongside our outreach activities, attracting local people, those interested in starting businesses and key influencers in the community. Event highlights included the relaunch of the 639 Enterprise Centre's shared workspace as the Tottenham Business Hub, showcase events highlighting young people on the Loughborough Be Enterprising project and a Dragons's Den-style pitching event for entrepreneurs on the Mind Your Own Business (MYOB) project.

During 2014, LYST gained significant local and national news coverage. In February, His Royal Highness Prince Charles visited the 639 Enterprise Centre gaining coverage in the Telegraph, The Daily Mirror and The Tottenham and Wood Green Independent. As a particularly strong example of the Mayor of London Regeneration fund, the 639 Enterprise Centre was featured on both London Live and BBC London interviewing two 639 start-up businesses. Additionally, the well-attended November Loughborough Be Enterprising showcase resulted in a 2 page spread 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 periodically 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 2014 was eight, which was the same number of members as in 2013.

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

During 2014, LYST went through a period of relative consolidation in terms of activity. However, many of the decisions we made in 2013 came to fruition, resulting in a marked improvement in our financial position. The closing of our two original high cost centres in Deptford and Hackney resulted in our property costs falling from £321,960 in 2013 to £249,923, while the opening of lower cost properties in Tottenham and Southwark allowed us to maintain our overall level of activity and increase our rental income from £196,301 to £250,896. This means a net improvement of £126,632 in property costs but more importantly, we are now covering all property costs from our rental income.

Our total expenditure decreased from £1,038,087 in 2013 to £820,134 in 2014. This decrease in expenditure reflects a number of one-off costs associated in 2013 with establishing our centre, 639, in Tottenham. Additionally the beneficial effects of the staff restructuring implemented in 2013 came through and allowed us to keep costs under control while we sustained our range of activities.

We were able to maintain a high level of grant income in 2014 with some notable achievements, namely £106,010 in funding from a European funded project. This was our first experience with funding of this kind and formed part of the Enterprise in the City programme; a partnership with the Prince's Trust and Westminster Kingsway College.

We also received a second round of funding from JP Morgan amounting to £124,000 for the Loughborough Be Enterprising project in Lambeth, following on from the success of the project we ran in 2013. The project will continue into 2016. As the benefits of the new operating model start to come through it means that there were net outgoing resources of £12,765 on restricted reserves and incoming resources of £130,462 on unrestricted reserves. As we have had to fund a substantial proportion of costs in respect of projects associated with a number of restricted funds this has resulted in a transfer between funds of £91,027. At the end of the financial year unrestricted reserves have increased from £39,435 to £70,167 and there are restricted reserves carried forward of £102,007, which will be used to fund the relevant projects during 2015.

LYST is now in a much improved financial position, having successfully implemented a lower cost operational model. This has put LYST in a stronger position to grow its operation over the coming years which will result in us being able to support many more young people.

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 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 2014 unrestricted reserves stood at £70,167. While this is an improvement on 2013 the Trustees believe that this remains below the level needed by the Charity. However, they are confident that as a result of the steps we've taken to improve our cost-effectiveness, while ensuring sufficient fundraising capacity, we are on track to increase, over the next two 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.

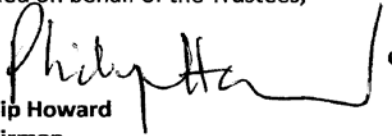
Auditors

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,


Philip Howard
Chairman
London Youth Support Trust

Date: 10/09/15

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 2014 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 2014 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 *16 September 2015*

Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

For the year ended 31st December 2014

		<u>Restricted</u> <u>Funds</u>	<u>Unrestricted</u> <u>Funds</u>	<u>2014</u>	<u>2013</u>
	Notes	£	£	£	£
Incoming Resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income					
Grants and donations	3	422,545	264,270	686,815	815,480
<i>Incoming resources from charitable activities</i>					
Rents receivable	4	-	250,896	250,896	196,301
Investment income	5	-	120	120	101
Total Incoming Resources		<u>422,545</u>	<u>515,286</u>	<u>937,831</u>	<u>1,011,882</u>
Resources Expended					
<i>Cost of generating funds</i>					
Cost of generating voluntary income	6	-	25,056	25,056	29,451
<i>Charitable Activities</i>					
Rent and service charges	6	117,146	132,777	249,923	321,960
Support to young entrepreneurs and businesses	6	318,164	200,070	518,234	656,699
Governance costs	6	-	26,921	26,921	29,977
		<u>435,310</u>	<u>359,768</u>	<u>795,078</u>	<u>1,008,636</u>
Total Resources Expended	6	<u>435,310</u>	<u>384,824</u>	<u>820,134</u>	<u>1,038,087</u>
Net Income/ (Expenditure) for the Year	8	(12,765)	130,462	117,697	(26,205)
Transfers between funds		91,027	(91,027)	-	-
Net Movement in Funds		<u>78,262</u>	<u>39,435</u>	<u>117,697</u>	<u>(26,205)</u>
Fund Balances Brought Forward		23,745	30,732	54,477	80,682
Fund Balances Carried Forward	16	<u>£102,007</u>	<u>£70,167</u>	<u>£172,174</u>	<u>£54,477</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

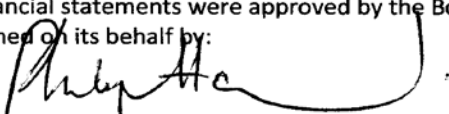
London Youth Support Trust
Balance Sheet
As at 31st December 2014

	Notes	<u>2014</u>		<u>2013</u>	
		£	£	£	£
Fixed Assets					
Tangible Assets	10		1,818		846
Current Assets					
Debtors	11	237,663		149,573	
Cash at Bank and in Hand	12	67,782		99,881	
			305,445	249,454	
Creditors: Amounts falling due within one year	13	76,258		147,041	
Net Current Assets			229,187	102,413	
Total Assets less Current Liabilities			231,005	103,259	
Creditors: amounts falling due after more than one year	14		58,831	48,782	
			£172,174	£54,477	
Reserves					
Restricted Funds	16		102,007	23,745	
Unrestricted Funds	16		70,167	30,732	
Total Funds	18		£172,174	£54,477	

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 10/09/15 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 2014

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 2014

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 £1,000 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 2014

3. Donations and Grants

	Restricted	Unrestricted	<u>2014</u> Total
	£	£	£
Basil Postan	-	10,000	10,000
Benoit and Cecile d'Angelin	-	5,000	5,000
Byrne Charitable Trust	-	15,000	15,000
Camden Council	3,200	-	3,200
Catherine and John Armitage	-	30,000	30,000
Enterprise in the City	106,010	-	106,010
Experian Charity Fund	-	5,000	5,000
Greater London Authority	105,825	-	105,825
Jan and Belinda Pethick Charitable Fund	-	10,000	10,000
JP Morgan Chase	124,000	-	124,000
London Stock Exchange	-	20,000	20,000
Mercers Trustees	-	25,000	25,000
Philip Howard	-	15,000	15,000
Progress Foundation	-	15,000	15,000
Robert Crenian	-	21,963	21,963
Southwark Council	35,000	-	35,000
The Drapers' Charitable Fund	-	20,000	20,000
The Leathersellers' Company	-	20,000	20,000
The Rank Foundation	43,510	-	43,510
The Schroder Foundation	-	30,000	30,000
The Tallow Chandlers Benevolent Fund	-	2,500	2,500
Westminster Kingsway College	5,000	-	5,000
Workspace	-	4,550	4,550
Grant Aid Received	-	9,012	9,012
Other Donations	-	6,245	6,245
	<hr/>	<hr/>	<hr/>
	£422,545	£264,270	£686,815
	<hr/>	<hr/>	<hr/>

In addition to the above in 2013, 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 £250,896 (2013: £196,301).

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 2014

6. Resources Expended

	Restricted Six39 £	Restricted Lambeth £	Restricted Southwark £	Restricted Rank Foundation £	Restricted Time to Shine £	Restricted Into Enterprise £	Restricted Enterprise in the City £	Restricted Clothworkers £
<i>Fundraising and Publicity</i>								
Consultancy Fees	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Charitable Expenditure</i>								
Rent, Rates, Utilities and Service Charges	117,146	-	-	-	-	-	-	-
	<u>117,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Support to Young Entrepreneurs and Businesses</i>								
Staff Salaries, NI and Pensions	-	43,791	46,740	32,317	8,510	5,016	142,406	-
Consultancy Fees	-	2,800	-	-	-	-	-	-
Grants to Other Charities	-	-	-	-	-	-	-	-
Information Technology	9,176	-	-	-	-	-	-	7,545
Office Costs	-	-	-	-	-	3,184	-	-
Project and Other Staff Costs	-	12,496	1,500	2,683	-	-	-	-
Bad Debts Written Off	-	-	-	-	-	-	-	-
Capital Items and Depreciation	-	-	-	-	-	-	-	-
	<u>9,176</u>	<u>59,087</u>	<u>48,240</u>	<u>35,000</u>	<u>8,510</u>	<u>8,200</u>	<u>142,406</u>	<u>7,545</u>
<i>Governance</i>								
Accountancy, Bank Charges and Audit Fees	-	-	-	-	-	-	-	-
Salaries and NI	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources Expended	126,322	59,087	48,240	35,000	8,510	8,200	142,406	7,545
	<u>126,322</u>	<u>59,087</u>	<u>48,240</u>	<u>35,000</u>	<u>8,510</u>	<u>8,200</u>	<u>142,406</u>	<u>7,545</u>

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2014

6. Resources Expended

	Total Restricted £	Unrestricted £	Total 2014 £	2013 £
<i>Fundraising and Publicity</i>				
Professional Fees	-	400	400	13,831
Salaries and NI	-	24,656	24,656	15,620
	<hr/>	<hr/>	<hr/>	<hr/>
	-	25,056	25,056	29,451
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Charitable Expenditure</i>				
Rent, Rates, Utilities and Service Charges	117,146	132,777	249,923	321,960
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Support to Young Entrepreneurs and Businesses</i>				
Staff Salaries, NI and Pensions	278,780	142,432	421,212	445,984
Consultancy Fees	2,800	1,108	3,908	18,410
Grants to Other Charities	-	-	-	23,052
Information Technology	16,721	18,541	35,262	28,938
Office Costs including Insurances	3,184	11,931	15,115	36,359
Project and Other Staff Costs	16,679	14,997	31,676	30,418
Bad Debts Written Off	-	9,747	9,747	13,235
Capital Items and Depreciation	-	1,314	1,314	60,303
	<hr/>	<hr/>	<hr/>	<hr/>
	318,164	200,070	518,234	656,699
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Governance</i>				
Accountancy, Bank Charges and Audit Fees	-	7,747	7,747	15,021
Salaries and NI	-	19,174	19,174	14,956
	<hr/>	<hr/>	<hr/>	<hr/>
	-	26,921	26,921	29,977
	<hr/>	<hr/>	<hr/>	<hr/>
Total Resources Expended	435,310	384,824	820,134	1,038,087
	<hr/>	<hr/>	<hr/>	<hr/>

London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2014

7. Employee Information

	<u>2014</u> Number	<u>2013</u> Number
The average number of persons employed by the Trust during the year was:		
Direct Charitable Expenditure	15.25	12.5
Fundraising	1	2
Governance	.75	.5
	—	—
	17	15
	—	—
Staff Costs:	£	£
Wages and Salaries	411,514	425,061
Social Security Costs	36,791	36,649
Pension Costs	16,737	14,850
	—	—
	£465,042	£476,560
	—	—

During the year, retirement benefits were accruing to 5 employees (2013: 5) in respect of money purchase schemes.

No employee was paid more than £60,000 (2013 – 0).

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

8. Net Incoming/Outgoing Resources

	<u>2014</u> £	<u>2013</u> £
Net Incoming/Outgoing Resources is stated after charging:		
Depreciation	1,314	552
Auditors' Remuneration:		
For audit services	4,200	4,000
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 2014

10. Tangible Fixed Assets

	Furniture & Fittings	Office & Computer Equipment	Total
	£	£	£
Cost			
At 1st January 2014	850	27,781	28,631
Additions	-	2,286	2,286
At 31st December 2014	<u>850</u>	<u>30,067</u>	<u>30,917</u>
Depreciation			
At 1st January 2014	850	26,935	27,785
Charge for the year	-	1,314	1,314
At 31st December 2014	<u>850</u>	<u>28,249</u>	<u>29,099</u>
Net Book Values			
At 31st December 2014	<u>-</u>	<u>1,818</u>	<u>1,818</u>
At 31st December 2013	<u>-</u>	<u>846</u>	<u>846</u>

11. Debtors

	2014	2013
	£	£
Rent Debtors	19,947	6,823
Donations and Grants Receivable	189,653	92,300
VAT Recoverable	-	14,020
Gift Aid Receivable	3,750	11,250
Prepayments	4,313	4,616
Loan to Mersey Youth Support Trust	20,000	20,000
Staff Travel Loans	-	564
	<u>£237,663</u>	<u>£149,573</u>

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 2015 and it is interest free.

12. Cash at Bank and in Hand

Included within the bank balances at 31 December 2014 is an amount of £16,860 (2013: £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 2014**

13. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade Creditors	30,194	57,681
Southwark Bursary Fund	16,860	39,450
Loan from Trustee	-	35,000
Other Creditors	-	1,077
VAT	4,225	-
Accruals	24,979	13,833
	<u>£76,258</u>	<u>£147,041</u>

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

	2014	2013
	£	£
Tenants Deposits	£58,831	£48,782
	<u>£58,831</u>	<u>£48,782</u>

15. Other Commitments

At 31st December 2014 the Charity had the following annual commitments under operating leases, as follows:

	Land and Buildings	
	2014	2013
	£	£
Expiry Date		
Within one year	£40,000	£70,301
Between two to five years	£20,001	£1
	<u>£60,001</u>	<u>£70,301</u>

**London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2014**

16. Movement in Funds

	At 1 January 2014	Incoming Resources	Outgoing Resources	At 31 December Transfers	2014
	£	£	£	£	£
Restricted Funds					
Greater London Authority	-	105,825	(126,322)	20,497	-
Enterprise in the City	-	106,010	(142,406)	36,396	-
Into Enterprise	-	8,200	(8,200)	-	-
Lambeth	16,200	124,000	(59,087)	20,894	102,007
Rank Foundation	-	35,000	(35,000)	-	-
Southwark	-	35,000	(48,240)	13,240	-
Time To Shine	-	8,510	(8,510)	-	-
The Clothworkers' Foundation	7,545	-	(7,545)	-	-
	-----	-----	-----	-----	-----
	23,745	422,545	(435,310)	91,027	102,007
	-----	-----	-----	-----	-----
Unrestricted Funds					
General Reserve	30,732	515,286	(384,824)	(91,027)	70,167
	-----	-----	-----	-----	-----
Total Funds	54,477	937,831	(820,134)	-	172,174
	=====	=====	=====	=====	=====

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.
Enterprise in the City	Enterprise in the City, which is an ERDF funded project, aims to develop collaborations and networks between young business people so they can access new markets and business opportunities. The project is targeted at the businesses that vacate units in LYST's four business incubation centres in the capital. Funding has been obtained for this project from the ERDF to the end of 2015.
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.

**London Youth Support Trust
Notes to the Financial Statements
for the year ended 31st December 2014**

Lambeth	The Lambeth Fund was established with donations 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 run until February 2016 and adequate funding has been obtained for this.
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.

18. 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	-	102,007	-	102,007
Unrestricted Funds	1,818	127,180	(58,831)	70,457
	-----	-----	-----	-----
	1,818	229,187	(58,831)	172,174
	=====	=====	=====	=====

19. Related Party Transactions

In 2013 the Trust received an interest free unsecured loan of £35,000 from Philip Howard, a Trustee. The loan was repaid in full in December 2014.