

**The London Youth Support Trust (LYST)  
Annual Report and Financial Statements  
for the year ended 31 December 2015**

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



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## CHIEF EXECUTIVE'S REPORT

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 into a viable business.

We continue to look for opportunities to increase the number of young people we help both in London and in other areas of the United Kingdom. In London we opened a new centre on the Aylesbury Estate in Southwark. We were given the space free of charge by Southwark Council on the understanding we will encourage young people from the estate to start their own businesses. Our centre in Peckham is now fully operational having installed sheds in the centre's previously unused gym hall, transforming it into an enterprise garden for creative businesses.

In Tottenham the well-established Tottenham Green Enterprise Centre continues to operate successfully both in terms of the support it gives to young people and commercially with a good mix of start-up and commercial clients which created a surplus to help fund our business support programme. Additionally the 639 Enterprise Centre has performed well. An external evaluation of the 639 project concluded that the economic impact of our business support provision was £1.40 of gross value added for every £1 of public sector investment; this return will rise to £4.60 over the next 3 years. Since opening in 2013, occupancy rates have been consistently high, 38 businesses have been started, 102 businesses have been assisted and the centre is on track to meet all of its targets by 2017.

The various Step Into Enterprise projects have continued to thrive. After 3 years the Mind Your Own Business project has come to a successful conclusion having supported 30 young people and allocating £120,000 of business start-up funding. The most recent cycle of the Loughborough Be Enterprising project has been a success having provided many young people with creative skills training and also supported them to win funding through the Capita "Your Big Idea" competition. The Breaking Barriers programme supported 15 young people, many of whom were referred by MAC UK, who work with young people experiencing mental health issues or having complex needs.

LYST has continued to support the creation and development of a number of centres outside London. We have helped the Mersey Youth Support Trust become financially resilient by helping them increase the number of Trusts and Foundations funding them. We worked with a group of local supporters in Telford to found the Shropshire Youth Support Trust. In Hull we have helped set up the Hull Youth Support Trust and negotiated favourable terms with Hull City Council and have now signed a lease on a building in Hull.

Although we had a successful year regarding funding we were not able to achieve the level of 2014 with funding falling from £686,815 to £522,235. In spite of a further improvement in the property model this fall in new funding allied to an uncertain funding environment in 2016/17 required us to make some cost saving. We reduced a number of staff posts mainly on the administration and management side which we believe will not impact on our ability to help young people achieve their potential. These steps, taken in August and September 2016, will enable us to begin building our unrestricted reserves which, having increased in 2014, fell from £70,167 to £52,181.

I would like to take this opportunity to thank all the individuals and organisations who make our work possible. In particular I would like to acknowledge the contribution made by the individuals who left us as a result of our cost saving programme. The ongoing support and the commitment of our partners, supporters and volunteers have helped transform the lives of more than 1,000 young people over the last 15 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.

<b>Chairman of Trustees</b>	Philip Howard
<b>Trustees</b>	Rebecca Byrne John Godfrey - resigned 10 September 2015 Michael Higgin Anthony Marks Jan Pethick Michael St Aldwyn Joanna Rowelle
<b>Chief Executive</b>	Rob Whitmore
<b>Executive Director</b>	Clair Ferguson
<b>Financial Controller</b>	Archana Rao
<b>Charity Number</b>	1086850
<b>Company Number</b>	4133046
<b>Registered Office</b>	Tottenham Green Enterprise Centre Town Hall Approach Road Tottenham N15 4RX
<b>Auditors</b>	Kevin J Rhind Corner Cottages Hempstead Norwich NR12 0SH
<b>Bankers</b>	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 2015 has 95 units in four business centres in Tottenham 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 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 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 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, exclude 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 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 mentor.

We are very proud of our track record. LYST started 15 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 2015, we worked with 129 young people across four enterprise centres in Tottenham and Southwark, and two outreach projects, across Lambeth and Southwark. Our business support managers undertook in excess of 340 pre-start advice sessions.
- We welcomed 14 new start-up businesses to our centres and supported an additional 16 to get started through our outreach programme.
- 26 businesses moved on from LYST of which 14 were still trading at the point of departure, 6 took up employment, 2 went into further education or training, and only 4 ceased trading. This represents a positive outcome for 85% of our departing tenants with 54% continuing to trade.
- We completed our first European funded project, Enterprise in the City. The purpose of the project was to help our clients improve the performance of their business. Our target was to support 50 businesses, we over achieved by supporting 55. These businesses created 58 new jobs (the target was 30) and together they achieved an improvement in their performance of a value of £219,000.
- The 639 Centre was externally evaluated by consultants Regeneris and their findings were that overall the centre was running successfully. Over the life time of the project our achievements include:
  - We met our targets of supporting businesses; helping create 89 businesses
  - We have undertaken 801 pre-start sessions over a 3 year period
  - We have provided subsidised business units to 32 beneficiaries
  - We've assisted 61 businesses including undertaking 20 group mentoring sessions

In addition we have achieved the all-important target of full financial sustainability. This was achieved within a 3 year timescale and within budget.

- Through the pilot of the 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 only basic creative skills, but more advanced skills and business support. During phase two we engaged over 100 young people, 81 completed the skills development programme, 16 young people started in business, 30 moved into education and 4 into employment.
- We opened our fourth low cost centre on the Aylesbury Housing Estate in Southwark. It was a disused learning centre which we have transformed into an enterprise centre. The building, owned by Southwark Council, is in an area due for regeneration and we have secured the building for a minimum of 2 years to utilise this otherwise empty space. Additionally we supported the creation of 2 sister charities outside London in Telford and Hull.

The trustees have set the following strategic objectives:

### **1. Implement a sustainable property model and increase the number of centres we run**

This year we've been able to move towards a property model where our rental income covers our property costs. We believe that our model works best when the property costs are covered by the rents from our tenants meaning the additional support we provide can be paid for by grants and contracts alongside securing a building where we pay a low rent. With this approach at our core, we

intend to progress the extension of our model and knowledge both within and beyond London.

During 2016 we will undertake a further review of our property strategy. We currently operate under short-term leases which do not allow us to confidently plan for the longer-term. Despite this, our centres have become beacons in the community and we want our property strategy to help us secure our position in communities for the long-term. Our model depends on us finding the physical space to house incubated entrepreneurs and run our services from. We will develop a presentation, for local authorities or other organisations that have under-utilised space which demonstrates the social impact and financial return of one of our centres on the local community.

## **2. Continue to support our clients to achieve positive outcomes**

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. 12 mentors have shared their expertise and knowledge with our young entrepreneurs. Some of the topics covered have been around finance, marketing, business planning and spreadsheets for improved monitoring of the business performance.

## **3. Expand what we do beyond London**

There's potential for our model in areas where there are high numbers of young people not in education, employment or training. So far we've focused most of our attention in areas of high deprivation within London but there's a great deal of interest in our model beyond the Capital. We've developed a Regional Expansion Strategy and secured the funding to support further development of this work.

# 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 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 and recent financial performance of the charity. 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 31<sup>st</sup> December 2015 was seven (2014: eight).

### **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**

The Charity's principal funding sources are (a) rents from commercial tenants and LYST clients and (b) grants for specific projects and donations. These funds enable the Charity to run its various centres and provide support and mentoring to its clients.

The decision to shift our property model away from high cost, heavily subsidised centres to a cheaper structure with a mix of commercial tenants and start-ups continues to benefit LYST financially. Property costs decreased from £249,923 to £203,067 while rental income continued to grow from £250,896 to £292,276. This means an improvement of £88,236 in 2015 which, together with the savings of £126,483 achieved in 2014, has resulted in a net increase in this source of funding of £214,719 over two years. Most importantly the property portfolio is now generating an annual surplus of £89,000.

However our total expenditure increased from £820,134 in 2014 to £884,020 in 2015. This increase in expenditure was mainly associated with an increase in staff costs relating to the 639 and JP Morgan projects.

We were unable to maintain the level of grant income we achieved in 2014; our grant income dropped from £686,815 to £522,235. In part this was caused by receiving a grant from JP Morgan towards the end of 2014 which improved our income figures in 2014 when the lion's share of the delivery costs occurred in 2015. The income associated with this was shown in restricted reserves in our 2014 accounts.

In spite of the improvement on the property side the increase in costs and falling grant income made it prudent to implement some cost reductions. There is little flexibility in our financial model now that we have changed the property model and hence it was necessary to cut salary costs. This was achieved by restructuring our administration and management functions. These steps were taken in August and September 2016 and will result in significant savings, in excess of £100,000 in a full year.

The effect of these cost reductions will have their main financial impact in 2017 but we believe they will help stabilise the financial position in 2016 and there should be no further reduction in our unrestricted reserves.

### **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 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 2015 our total reserves amounted to £102,672 but of this £50,491 were restricted and can only be used to fund the projects that the monies were received for. This means our unrestricted reserves stood at £52,181 which is down from £70,167 in 2014. The Trustees believe that this remains considerably below the level needed by the Charity. However, the Trustees are confident that the steps taken to reduce salary costs and improve our cost effectiveness while ensuring sufficient fundraising capacity will put LYST 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 the corporate governance guidance contained within the Charities' Statement of Recommended Practice issued in January 2015 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.

The principal risks and uncertainties that the Charity faces and the strategies the Trustees have taken to mitigate these are:

#### **1. Over reliance on grant income.**

Strategy: increase the surplus generated by property. Reduce fixed salary costs as much as practicable. Ensure grant income sources are well diversified. Maintain good relationships with funders. Increase public sector support either by securing funding or by obtaining premises at a low cost.

#### **2. Difficulty of maintaining low cost property model in London**

Strategy: increase our support for out of London activities. Develop a strategy to persuade London Boroughs to let us use redundant council buildings. Consider other ways of helping young start-ups in London to allow us to maintain the same level of support from smaller buildings.

#### **3. Low level of reserves.**

Strategy: increase surplus from property as these are unrestricted reserves while keeping salary costs tightly under control. Look to find a funder or backer who is willing to provide support to the Charity through unrestricted grants or underwrite the charity.

#### **4. Over dependence on a few key staff especially centre managers.**

Strategy: train up more staff. Consider a development of the "from dreaming to doing" website to reduce dependency on key staff or leverage up their expertise to support more people.

### **Trustees' Responsibility in Relation to the Financial Statements**

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

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

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

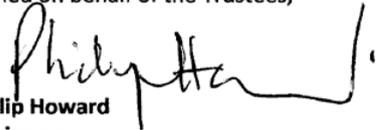
### **Auditors**

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

### **Small Company Rules**

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in January 2015) 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: 15 Sept 2016

# 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 2015 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 regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charitable Company's Trustees 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 Charitable Company and the Charitable Company's Trustees 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 set out on page 9, 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly, we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 2015 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 applicable to smaller entities; and
- 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**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 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 23 Sept 2016

**London Youth Support Trust**  
**Statement of Financial Activities**  
*(Incorporating an Income and Expenditure Account)*

**For the year ended 31st December 2015**

		<u>Restricted</u>	<u>Unrestricted</u>		
	<b>Notes</b>	<u>Funds</u>	<u>Funds</u>	<u>2015</u>	<u>2014</u>
		£	£	£	£
<b>Incoming Resources</b>					
<i>Incoming resources from generated funds:</i>					
Voluntary income					
Grants and donations	3	308,294	213,941	<b>522,235</b>	686,815
<i>Incoming resources from charitable activities</i>					
Rents receivable	4	-	292,276	<b>292,276</b>	250,896
Investment income	5	-	7	<b>7</b>	120
<b>Total Incoming Resources</b>		<u>308,294</u>	<u>506,224</u>	<u><b>814,518</b></u>	<u>937,831</u>
<b>Resources Expended</b>					
<i>Cost of generating funds</i>					
Cost of generating voluntary income	6	-	14,244	<b>14,244</b>	25,056
<i>Charitable Activities</i>					
Rent and service charges	6	104,220	98,847	<b>203,067</b>	249,923
Support to young entrepreneurs and businesses	6	369,245	276,120	<b>645,365</b>	518,234
Governance costs	6	-	21,344	<b>21,344</b>	26,921
		<u>473,465</u>	<u>396,311</u>	<u><b>869,776</b></u>	<u>795,078</u>
<b>Total Resources Expended</b>	6	<u>473,465</u>	<u>410,555</u>	<u><b>884,020</b></u>	<u>820,134</u>
<b>Net (Expenditure)/ Income for the Year</b>	8	(165,171)	95,669	<b>(69,502)</b>	117,697
<b>Transfers between funds</b>		113,655	(113,655)	-	-
<b>Net Movement in Funds</b>		<u>(51,516)</u>	<u>(17,986)</u>	<u><b>(69,502)</b></u>	<u>117,697</u>
<b>Fund Balances Brought Forward</b>		102,007	70,167	<b>172,174</b>	54,477
<b>Fund Balances Carried Forward</b>	16	<u>£50,491</u>	<u>£52,181</u>	<u><b>£102,672</b></u>	<u>£172,174</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 25 form part of these financial statements

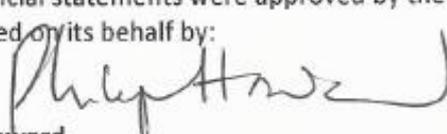
**London Youth Support Trust**  
**Balance Sheet**  
**As at 31st December 2015**

	Notes	<u>2015</u>		<u>2014</u>	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	10		<b>4,275</b>		1,818
<b>Current Assets</b>					
Debtors	11	<b>214,323</b>		237,663	
Cash at Bank and in Hand	12	<b>66,404</b>		67,782	
			<u><b>280,727</b></u>	<u>305,445</u>	
<b>Creditors:</b> Amounts falling due within one year	13	<b>128,210</b>		76,258	
				<u>76,258</u>	
<b>Net Current Assets</b>			<b>152,517</b>		229,187
<b>Total Assets less Current Liabilities</b>			<u><b>156,792</b></u>		<u>231,005</u>
<b>Creditors:</b> amounts falling due after more than one year	14		<b>54,120</b>		58,831
			<u><b>£102,672</b></u>		<u>£172,174</u>
<b>Reserves</b>					
Restricted Funds	16		<b>50,491</b>		102,007
Unrestricted Funds	16		<b>52,181</b>		70,167
<b>Total Funds</b>	18		<u><b>£102,672</b></u>		<u>£172,174</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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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

  
Philip Howard  
Trustee

15 Sept 2016

The notes on pages 15 to 25 form part of these financial statements

**London Youth Support Trust**  
**Notes to the Financial Statements**  
**for the year ended 31st December 2015**

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 2015), the Companies Act 2006 and with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP ) issued in January 2015.

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 2015**

**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 2015**

**3. Donations and Grants**

	Restricted	Unrestricted	<u>2015</u> Total £
	£	£	£
Basil Postan	-	10,000	<b>10,000</b>
Big Potential Fund	24,380	-	<b>24,380</b>
Byrne Charitable Trust	-	15,000	<b>15,000</b>
Catherine and John Armitage	-	30,000	<b>30,000</b>
Charterhouse	10,000	-	<b>10,000</b>
Enterprise in the City	120,755	-	<b>120,755</b>
Garfield Weston Foundation	-	20,000	<b>20,000</b>
Greater London Authority	65,871	-	<b>65,871</b>
David Howard	-	5,000	<b>5,000</b>
Philip Howard	-	10,000	<b>10,000</b>
Jan and Belinda Pethick Charitable Fund	-	3,500	<b>3,500</b>
Progress Foundation	-	15,000	<b>15,000</b>
RBS	16,635	-	<b>16,635</b>
Sainsbury	-	10,000	<b>10,000</b>
Schroders	-	1,800	<b>1,800</b>
Souter Charitable	-	3,000	<b>3,000</b>
The Draper's Charitable Fund	-	25,000	<b>25,000</b>
The Leathersellers' Company	-	20,000	<b>20,000</b>
The Rank Foundation	52,653	-	<b>52,653</b>
The Schroder Foundation	-	30,000	<b>30,000</b>
The Worshipful Company of Weavers	15,000	-	<b>15,000</b>
Westminster Kingsway College	3,000	-	<b>3,000</b>
Grant Aid Received	-	6,394	<b>6,394</b>
Other Donations	-	9,247	<b>9,247</b>
	<hr/>	<hr/>	<hr/>
	<b>£308,294</b>	<b>£213,941</b>	<b>£522,235</b>
	<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 £292,276 (2014: £250,896).

**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 2015**

**6. Resources Expended**

	Restricted Six39 £	Restricted Lambeth £	Restricted Southwark £	Restricted Rank Foundation £	Restricted Big Potential Fund £	Restricted Into Enterprise £	Restricted Enterprise in the City £
<i>Fundraising and Publicity</i>							
Consultancy Fees	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-	-	-
<i>Charitable Expenditure</i>							
Rent, Rates, Utilities and Service Charges	104,220	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Support to Young Entrepreneurs and Businesses</i>							
Staff Salaries, NI and Pensions	-	71,799	25,000	62,711	-	4,157	171,116
Consultancy Fees	-	-	-	-	-	-	-
Grants to Other Charities	-	-	-	5,050	-	-	-
Information Technology	-	-	-	-	-	-	-
Office Costs	-	-	-	-	-	-	-
Project and Other Staff Costs	-	20,731	-	8,681	-	-	-
Bad Debts Written Off	-	-	-	-	-	-	-
Capital Items and Depreciation	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	92,530	25,000	76,442	-	4,157	171,116
<i>Governance</i>							
Accountancy, Bank Charges and Audit Fees	-	-	-	-	-	-	-
Salaries and NI	-	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-	-	-
<b>Total Resources Expended</b>	<b>103,950</b>	<b>92,530</b>	<b>25,000</b>	<b>76,442</b>	<b>-</b>	<b>4,157</b>	<b>171,116</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



**London Youth Support Trust**  
**Notes to the Financial Statements**  
**for the year ended 31st December 2015**

**6. Resources Expended**

	Total Restricted £	Unrestricted £	Total 2015 £	2014 £
<i>Fundraising and Publicity</i>				
Professional Fees	-	-	-	400
Salaries and NI	-	14,244	<b>14,244</b>	24,656
	<hr/>	<hr/>	<hr/>	<hr/>
	-	14,244	<b>14,244</b>	25,056
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Charitable Expenditure</i>				
Rent, Rates, Utilities and Service Charges	104,220	98,847	<b>203,067</b>	249,923
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Support to Young Entrepreneurs and Businesses</i>				
Staff Salaries, NI and Pensions	334,783	163,428	<b>498,211</b>	421,312
Consultancy Fees	-	5,124	<b>5,124</b>	3,908
Grants to Other Charities	5,050	-	<b>5,050</b>	-
Information Technology	-	27,557	<b>27,557</b>	35,262
Office Costs including Insurances	-	19,253	<b>19,253</b>	15,115
Project and Other Staff Costs	29,412	50,448	<b>79,860</b>	31,676
Bad Debts Written Off	-	8,817	<b>8,817</b>	9,747
Capital Items and Depreciation	-	1,493	<b>1,493</b>	1,314
	<hr/>	<hr/>	<hr/>	<hr/>
	369,245	276,120	<b>645,365</b>	518,234
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Governance</i>				
Accountancy, Bank Charges, Interest and Audit Fees	-	7,901	<b>7,901</b>	7,747
Salaries and NI	-	13,443	<b>13,443</b>	19,174
	<hr/>	<hr/>	<hr/>	<hr/>
	-	21,344	<b>21,344</b>	26,921
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Resources Expended</b>	<b>473,465</b>	<b>410,555</b>	<b>884,020</b>	<b>820,134</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**London Youth Support Trust  
Notes to the Financial Statements  
for the year ended 31st December 2015**

**7. Employee Information**

	<b><u>2015</u></b> <b>Number</b>	<b><u>2014</u></b> <b>Number</b>
The average number of persons employed by the Trust during the year was:		
Direct Charitable Expenditure	<b>14</b>	15.25
Fundraising	<b>1</b>	1
Governance	<b>2</b>	.75
	—	—
	<b>17</b>	17
	=	=
Staff Costs:	£	£
Wages and Salaries	<b>470,123</b>	411,514
Social Security Costs	<b>41,921</b>	36,791
Pension Costs	<b>13,854</b>	16,737
	—	—
	<b>£525,898</b>	£465,042
	=	=

During the year, retirement benefits were accruing to 5 employees (2014: 5) in respect of money purchase schemes.

No employee was paid more than £60,000 (2014 – 0).

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

**8. Net Incoming/Outgoing Resources**

	<b><u>2015</u></b> £	<b><u>2014</u></b> £
Net Incoming/Outgoing Resources is stated after charging:		
Depreciation	<b>1,493</b>	1,314
Auditors' Remuneration: For audit services	<b>4,200</b>	4,000
	=	=

**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**  
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**10. Tangible Fixed Assets**

	<b>Furniture &amp; Fittings</b>	<b>Office &amp; Computer Equipment</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1st January 2015	850	30,067	<b>30,917</b>
Additions	3,950	-	<b>3,950</b>
At 31st December 2015	<u>4,800</u>	<u>30,067</u>	<b><u>34,867</u></b>
<b>Depreciation</b>			
At 1st January 2015	850	28,249	<b>29,099</b>
Charge for the year	474	1,019	<b>1,493</b>
At 31st December 2015	<u>1,324</u>	<u>29,268</u>	<b><u>30,592</u></b>
<b>Net Book Values</b>			
At 31st December 2015	<u>3,476</u>	<u>799</u>	<b><u>4,275</u></b>
At 31st December 2014	<u>-</u>	<u>1,818</u>	<b><u>1,818</u></b>

**11. Debtors**

	<b>2015</b>	<b>2014</b>
	£	£
Rent Debtors	<b>21,653</b>	19,947
Donations and Grants Receivable	<b>159,827</b>	189,653
VAT Recoverable	-	-
Gift Aid Receivable	<b>6,250</b>	3,750
Prepayments	<b>4,914</b>	4,313
Loan to Mersey Youth Support Trust	<b>18,250</b>	20,000
Other including Staff Travel Loans	<b>3,429</b>	-
	<u><b>£214,323</b></u>	<u>£237,663</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 commenced in 2015 and it is interest free. Of the loan £15,250 is repayable after more than one year.

**12. Cash at Bank and in Hand**

Included within the bank balances at 31 December 2015 is an amount of £1,981 (2014: £16,860) 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. There is also £20,000 (2014: Nil) in respect of monies held on behalf of the Hull Youth Support Trust.

**London Youth Support Trust**  
**Notes to the Financial Statements**  
**for the year ended 31st December 2015**

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

	<b>2015</b>	<b>2014</b>
	£	£
Trade Creditors	<b>57,063</b>	30,194
Southwark Bursary Fund	<b>1,981</b>	16,860
Hull Youth Support Trust	<b>20,000</b>	-
Bank Overdraft	<b>21,770</b>	-
Other Creditors	<b>5,655</b>	-
VAT	<b>3,656</b>	4,225
Accruals	<b>18,085</b>	24,979
	<b>£128,210</b>	£76,258

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

	<b>2015</b>	<b>2014</b>
	£	£
Tenants Deposits	<b>£54,120</b>	£58,831

**15. Other Commitments**

At 31st December 2015 the Charity had the following annual commitments under operating leases, as follows:

	<b>Land and Buildings</b>	
	<b>2015</b>	<b>2014</b>
	£	£
<b>Expiry Date</b>		
Within one year	<b>£40,000</b>	£40,000
Between two to five years	<b>£20,001</b>	£20,001

**London Youth Support Trust  
Notes to the Financial Statements  
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**16. Movement in Funds**

	<b>At 1 January 2015</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>At 31 December Transfers</b>	<b>2015</b>
	£	£	£	£	£
<b>Restricted Funds</b>					
Big Potential Fund	-	24,380	-	-	<b>24,380</b>
Enterprise in the City	-	120,755	(171,116)	50,361	-
Into Enterprise	-	3,000	(4,157)	1,157	-
Greater London Authority	-	65,871	(104,220)	38,349	-
Lambeth	102,007	-	(92,531)	-	<b>9,476</b>
Rank Foundation	-	52,653	(76,441)	23,788	-
RBS	-	16,635	-	-	<b>16,635</b>
Southwark	-	25,000	(25,000)	-	-
	102,007	308,294	(473,465)	113,655	<b>50,491</b>
<b>Unrestricted Funds</b>					
General Reserve	70,167	506,224	(410,555)	(113,655)	<b>52,181</b>
<b>Total Funds</b>	<b>172,174</b>	<b>814,518</b>	<b>(884,020)</b>	<b>-</b>	<b>102,672</b>

**17. Purpose of Restricted Funds**

Big Potential Fund	This represents a grant from the Big Potential Fund to support LYST clients to become investment ready. This project will be carried out and completed during 2016.
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.
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.

**London Youth Support Trust  
Notes to the Financial Statements  
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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 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.
RBS Step Into Enterprise	This represents funding from RBS for the Step Into Enterprise Programme in Southwark. Its purpose is to help unemployed people explore whether self-employment is an option for them.
Southwark	This represents grants from Charterhouse and The Worshipful Company of Weavers towards the setting up of a new centre in Camberwell.

**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	-	50,491	-	<b>50,491</b>
Unrestricted Funds	4,275	102,026	(54,120)	<b>52,181</b>
	-----	-----	-----	-----
	4,275	152,517	(54,120)	<b>102,672</b>
	=====	=====	=====	=====

**London Youth Support Trust**  
**Notes to the Financial Statements**  
**for the year ended 31st December 2015**

19. **Related Party Transactions**

During the year the Trust received an interest free unsecured loan of £nil (2014: £35,000) from Philip Howard, a Trustee. The loan was repaid in full in December 2014. Therefore there were no related party transactions in the year.