

Sheffield Futures (a company limited by guarantee)

Annual Report

For the year ended 31 March 2023

Charity No 1044940
Company No 02963378

Sheffield Futures (a company limited by guarantee)
Annual report for the year ended 31 March 2023

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Legal and administrative information

Charity registration number: 1044940

Company registration number: 02963378

Registered office: Star House
43 Division Street
SHEFFIELD
S1 4GE

Members: Sheffield City Council
The Sheffield College

Trustees:

K Ball	(resigned 27.09.23)
H Cheung	(resigned 11.10.22)
L Clewes	
D Fox	
K Hardy	
M Harrison	
L Howard	
C Humphreys	
Z Hyatt	(appointed 25.05.23)
E Willis	(appointed 01.10.22)
S Wood	
N Woodhams	(appointed 25.05.23)

Senior leadership team: K Challis (CEO)
C Louca (Health & Wellbeing Services Manager)
A Morrissey (Finance & Compliance Manager)
M Taylor (Operations Manager)

Secretary: A Morrissey

Bankers: Royal Bank of Scotland
5 Church Street
SHEFFIELD
S1 2GF

Legal and administrative information

Solicitors:

Hemingway Solicitors Limited
11 Westbourne Road
SHEFFIELD
S10 2QQ

Auditor:

Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
1 Holly Street
SHEFFIELD
S1 2GT

Report of the trustees

Foreword – Chair of the Board of Trustees

Sheffield Futures is a young people's charity which aims to assist young people in achieving their full potential by providing youth focused, employability and mental health and wellbeing support to those who need it most.

We continue to deliver high quality, imaginative and impactful services for people in our city, whilst the effects of the Covid 19 pandemic and unprecedented increases in the cost of living continue to have a detrimental effect on the mental and economic health and well-being young people.

The process of change has been challenging and constructive, continues to demand our investment which we recognise will continue in the forthcoming year. We have consolidated our leadership team, begun the process of recruiting new trustees with valuable skills and perspectives to take the charity into a new and exciting era.

On behalf of the Board of Trustees, I would like to take this opportunity to thank all our partners, supporters and funders for their continued support in some of the most difficult times, and to offer a huge thank you to all our staff and volunteers for all the fantastic work they do.

Chris Humphreys, Chair of the Board of Trustees.

Our purpose

Aims and objectives

The aims of our charity are enshrined in our charitable objects, as set out in our Memorandum and Articles of Association as follows:

- The advancement of education through the provision of careers guidance and advice on the choices and opportunities in education, training & employment available to all persons undergoing full time and part time education whether in secondary schools, grant maintained schools or independent schools and in further and higher education institutions;
- The provision of careers guidance and advice on the choices and opportunities in education training and employment to people with disabilities;
- The advancement of the education of all persons by the provision of primary, secondary and further education and the provision of training, organised leisure time, recreation and social and physical training and by the provision of advice, guidance, information, support and mentoring;
- To promote our charitable purpose and in particular charitable purposes directed to the benefit of people suffering through unemployment, the advancement of education and the relief of poverty.

Despite and because of the ongoing challenges to young people, our Purpose remains the same. Sheffield Futures is a charity providing employability and well-being support for those who need it most, with a focus on young people up to 25 years old living in Sheffield.

It is our Mission to support, equip and empower people and communities in Sheffield to achieve their full potential in learning, employment and life to secure a positive future.

Our Vision is that all people and communities in Sheffield are supported and equipped with the means to achieve their full potential in life.

Report of the trustees

Principal activities

Our principal activities and interventions are

- Supporting individuals to manage their mental health and wellbeing, branded as Door43. During the year we have reappraised our youth work interventions and these are now firmly based within the wellbeing offer of the charity.
- Delivering careers and employability to help people enter and progress in the labour market, focusing on young people pre 16 in schools and post 16 supporting those who are most vulnerable in the labour market.

Our charity operates a flexible model that ensures the needs of young people are met effectively. To achieve this

- we build effective partnerships with national commissioning bodies, being highly successful in bidding for European Social Funds which have enabled the delivery of employability programmes until December 2024
- we work closely with local organisations to fund our wellbeing services, including Door43 in Star House in the city centre, and in local communities through GP surgeries
- we deliver professional Careers Guidance Services in schools throughout the city, being the largest provider of a pre-16 Career Development offer in Sheffield
- we target communities most in need, providing an effective youth service in a ward with one of the highest levels of deprivations in the city.
- We support colleagues in the third sector, operating as an effective charity to campaign for and give voice to the needs of disadvantaged young people in the city – those who are unemployed; care leavers; those at risk of poverty.

Every year, Sheffield Futures produces an Impact Report for stakeholders which provides evidence of our annual achievements of which we are justifiably proud and which provides a context to our financial accounts. We remain in a period of strategic change following the insourcing of services by Sheffield City Council in October 2020 and two years of a global pandemic. Our Board of Trustees recognizes that these achievements, and this transformation requires investment, which is reflected in our planned year end position.

Statement of public benefit

Our Trustees have complied with their duties in accordance with The Charities Act 2011 to follow the Charity Commission's guidance on the operation of this public benefit.

Our future plans

We continue to operate in the framework of our vision, mission and purpose and build on our incredible impact as well as the changes that were made to our Strategic Leadership Team last year.

We are half way through our three year Strategic Plan and have strengthened the delivery accountability through our team leader led annual Service Delivery Plans, and an ongoing individual process of target setting (Performance Development Review) to create a golden thread of Corporate -Team- Individual.

All of our services and projects will work with young people and adults to have a demonstrable impact against one or more of these goals, delivered by 2025:-

- What we do is clear to those who work for us, with us, use us and fund us
- Our support is developed to include more people who need our help
- We use what we have – our influence, our buildings and our money - responsibly and well
- We are the kind of employer people want to work for

To achieve these goals we have revised our corporate structures, with a stronger emphasis on compliance to maximise our income and Business Development to increase our charitable profile as well as developing new channels of income whilst continuing to reduce costs.

Report of the trustees

We have refreshed our corporate brand, introduced a new, more accessible website and increased our social media presence and this will enable us to develop the space at our young people's access point, Star House. Reducing costs will remain a focus of attention to ensure we have a cost-effective infrastructure, and, building on our achievement in 2021/22, we will continue our investment in Star House as a space for young people across the city.

Our priority will be to secure replacement funding for European Social Funds, which cease in December 2024, to fund our well regarded, impactful employability offer, and to increase the breadth and coverage of our mental health and wellbeing offer, Door 43, to meet the increased demand from young people.

Our Chief Executive Officer will be retiring from Sheffield Futures in December 2023 and recruitment of a new leader for the charity will be a focus of activity during the summer, to create a seamless handover with no loss of momentum.

Financial review

	2023	2022
	£	£
Income generated in the year	1,826,275	1,920,728
Expenditure against income	<u>2,472,013</u>	<u>2,422,730</u>
Resulting in a net deficit	<u>(645,738)</u>	<u>(502,002)</u>
Actuarial gain on defined benefit pension scheme	<u>567,000</u>	<u>397,000</u>

The net loss for the year was £646k before pension adjustments. The overall pension liability has decreased in the year to £242k (2022: £739k). This reflects changes in actuarial assumptions in Note 15.

Total funds as at 31 March 2023 was a Surplus of £4,117k (2022: £4,108k). Excluding pension liabilities, reserves were a surplus £4,272k (2022: £4,847k). The trustees consider the overall reserves position to remain strong.

Cash reserves remain healthy at £2,747k (2022: £3,450k). At over £2.7m, cash reserves are in excess of the trustees' reserves policy to hold as a minimum 3 months full forward expenditure. The trustees therefore consider the current cash reserves position to remain strong.

Operating Performance

Overall contract income decreased by £1.7m in this financial year to £629k. This was because the contract income from the SCC Youth Services contract stopped in September 2020. The SCC Youth Services contract ran through to 30 September 2020, and we have continued to deliver a high-quality service that supports young people of Sheffield. 2021 income included 6 months of the SCC Youth Service contract whereas the contract income from 2022 is solely from other projects. These include Project Apollo, Door 43, and Social Prescribing.

During 2021/22 we have continued to successfully deliver across a range of funded multi-year grant awards, representing approximately 27% of turnover in 2021/22. The funding grants were received from a wide variety of funders including Primary Care Networks (£253k) and Doing Good Business (£202k), Children in Need – Corona Response (£38k), and a new line of funding from the European Social Fund – Feel Well, Work Well (£28k).

Rental income increased by £98k following the popularity of providing a one stop shop where young people can receive an enhanced range of services in one location. Fundraising and donations decreased during this year because of the impact of Covid 19 restrictions on fund raising events.

Report of the trustees

Pension: South Yorkshire Pension Authority

As at the date of signing these Financial Statements, the Trustees have agreed with Sheffield City Council and South Yorkshire Pension Fund that the liability under the terms of the pension scheme has been transferred to Sheffield City Council. Included in these Financial Statements is the liability under FRS 102, as calculated by independent advisors as at 31 March 2023. After the discussions with Sheffield City Council and South Yorkshire Pension Fund concluded, the final liability being transferred will be agreed.

The revaluation of the South Yorkshire pension deficit has been acknowledged and built into future financial plans and cash flow analysis for the charity. The pension deficit has been assessed alongside our other net assets and there is no material effect to the overall balance sheet position of the charity.

Our Governance Arrangements

Sheffield Futures is a charitable company limited by guarantee which was incorporated on 31 August 1994 (Company registration number: 02963378); and registered as a charity on 14 March 1995 (Charity registration number: 1044940). The registered office is Star House, 43 Division Street, Sheffield S1 4GE. The charitable company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

As a company limited by guarantee, the charitable company has members in the place of shareholders. The role of the membership is to safeguard the business of the charitable company as defined in the memorandum of association. This activity is transacted in accordance with company law which stipulates due process and procedure. The current membership of the charitable company comprises Sheffield City Council and The Sheffield College. Both member organisations have one representative each and representatives are also trustees. Declaration of interests are made at the start of each meeting. The trustees are confident that no excess influence has been applied by any of its members.

The Trustees and Management Structure

Sheffield Futures is controlled by a Board of Trustees. Trustees are also directors for the purpose of Company law. Our Articles of Association allow for between 4 and 14 trustees at any one time. The term that trustees can serve is not time limited. The trustees have responsibility for the sole and entire management of the business of the charity. The day to day running of the charity and the exercise of executive responsibility is delegated to the Chief Executive Officer.

Trustees are a group of volunteers with expertise in a wide range of fields. The Board of Trustees formally meets six times per year to monitor and review service delivery and agree areas of policy. The trustees receive a range of reports and presentations at formal Board meetings to keep them well informed about the work of Sheffield Futures. Between formal board meetings, a number of Board workshops are scheduled each year where trustees can consider and advise on individual service delivery and developments area in more depth. Trustee learning workshops are also provided where required. Trustees also engage with the charity, staff and volunteers in a wide variety of ways throughout the year - including supporting new initiatives and visiting projects; and act as champions across a range of key areas – including Health & Safety and Quality & Impact. We have a trustee with lead responsibility for safeguarding.

Names of Sheffield Futures trustees who served during the 2022/23 period, as well as the name of the Chief Executive Officer, other members of the Senior Leadership Team, and other relevant people and organisations are given on page 1.

Report of the trustees

On appointment, trustees undertake an induction programme and undergo a structured introduction to the operation of the charity. They also receive a Trustee Pack to familiarise them with the work of Sheffield Futures, and their roles and responsibilities as a trustee. The Board of Trustees carries out a Board review on an annual basis. Trustees are invited to complete an annual skills audit, and development opportunities are provided where gaps in skills have been identified.

Sheffield Futures aims to ensure a diverse Board reflecting both the local population and the skillset required for strong governance. Following a targeted recruitment drive starting in 2014, 50% of trustees are women and trustees come from a range of ethnic backgrounds. Two Board positions are offered to young people who have been recipients of our services in the past, appointed through the nomination process recommended and enacted by our panel of Young Advisers. Trustees are recruited for their skills and experience in the areas of children and young people, and in business. They are sought in a variety of ways including, but not limited to, specific recruitment and advertising, hosted events, and through attendance at network meetings. The members, in accordance with the Memorandum and Articles of Association, select the trustees. In addition to their duties as trustees, Board members are responsible for developing new external relationships and building on positive working partnerships for the charity.

Sheffield Futures operates a Conflicts of Interest policy. Conflicts of interest are made and recorded at the start of every formal meeting.

The Board of Trustees currently has one sub-committee – The Audit Committee. This ensures the adequacy of internal controls, reviews the management of risk within Sheffield Futures, and monitors the relationship with the external auditors. The committee also retains an overview of the strategies, policies and operations of Sheffield Futures to ensure effective management of the charitable company's financial resources. The role includes recommendations to the Board of Trustees for the formal approval of the Annual Report and Accounts. The Audit Committee meets quarterly, minutes are circulated to the full Board, and decision making is escalated to the full Board for approval where required.

Strategy and decision making processes

The Board of Trustees and senior leadership team agree our organisational strategy. The senior management team – in agreement with the Board of Trustees – also produces an annual plan identifying vision for the year ahead, highlighting key targets and development goals over the period. Progress against this plan is measured on a frequent basis by senior leadership through meetings to review budgets, contract management processes, new and on-going business development matters, and recommendations which are presented to the Board. Each service area produces an annual delivery plan taking account of contractual requirements. Decision making is delegated to services and teams, and performance management meetings take place for each service area to enable senior management to provide a support and challenge function and close monitoring and review of progress to date. This process is informed by the relevant service level data.

Trustees' Responsibilities Statement

The Trustees (who are also directors of Sheffield Futures for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;

Report of the trustees

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Risk management

The Board oversees all risks annually, particularly those of a strategic nature, and is supported in this by the Audit Committee through which the assessment of operational risk is delegated and reviewed quarterly. The key risks facing the organisation have been identified in a Risk Register.

Risk management is embedded throughout the organisation, led by the Chief Executive and senior leaders, who obtain detailed risk profiles from service managers following local reviews of processes. The results and recommendations from these reviews are provided to the Audit Committee for presenting to the full Board.

Principal risks and uncertainties

As with many charities at the current time, sustainability of our organisation remains a key challenge. We continue to balance our income targets so that we achieve a varied portfolio of funds providing excellent services and make strategic investments and funding decisions to balance risk. Each funding opportunity is carefully considered against our core criteria of financial, operational and strategic risk.

With our main contract with Sheffield City Council having ended, our charity has restructured into a much smaller organisation with a refreshed focus. An initial eighteen month transformation programme has been delivered and our Board of Trustees continue to approve investment that ensure long-term sustainability; and we are fortunate to have healthy reserves and a city-centre asset – Star House.

We are making robust plans where possible, funding opportunities for charities continue to reduce for our sector – particularly unrestricted funding; and there is also increased competition. As such, we plan to continue to sustain and develop new partnerships across the public, charity and private sectors.

Report of the trustees

Internal control and risk management

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A company business plan and an annual budget approved by the Trustees
- Regular consideration by the Trustees of financial results and variance from budgets
- Delegation of authority
- Appointment of internal auditors
- Identification and management of risks.

Risk managers are charged with responsibility for ensuring mitigating action is undertaken to protect the charitable company against all identified risks, with priority given to the highest scoring, biggest impact risks.

The trustees are of the opinion that sufficient procedures, internal controls and systems are in place to mitigate the highest impact risks faced by the charitable company.

Financial risk management objectives and policies

All charities consider the effective use of its financial instruments to manage its financial risk. The stability of our future income will be a key factor in the health of the charity. The general economic climate and loss of a major source of income will change the activities delivered. Our analysis of our policies and objectives will remain aligned with the overall strategic direction of the charity.

With current sufficient reserves in excess of the current policy of 3 months reserves, we are in a place to continue to manage our liquidity, whilst still ensuring that we invest the highest levels of funding into front line service delivery. The board, in consultation with the senior leadership team are exploring opportunities to develop our effectiveness in the following key areas:

Interest rate risk

The charity does not have any material borrowings other than creditor balances that are normal in the process of operating any organisation. Therefore interest rate risk is mitigated and further lending will only occur with the strictest scrutiny of our board. The FRS102 pension deficit interest risk currently identified will also significantly decrease in future years following the changes in the pension liability following the transfer of the Youth Services contract.

Liquidity risk

The charity seeks to manage its financial risk by ensuring that we have the right level of liquid funds to meet expected future cash outflows. Cash is invested into low risk financial holdings, typically associated with banks.

Insurance effected for Trustees

The charity company has purchased insurance for the trustees of the charity against liability arising for negligence in relation to the charitable company, as permitted under the Companies Act 2006.

Reserves

The charity reserves policy makes provision to retain a minimum of three months of normal operating costs. This should be sufficient to fund any planned and unforeseen falls in the short term working capital needs between major strands of contract income.

Included within the total reserves is the current FRS 102 pension deficit. This figure is based on actuarial assumptions of the liability following the tri-annual valuation. Future changes to the pension deficit following the loss of the Sheffield City Council Youth Service contract will further improve the overall reserves value.

The trustees continually review the appropriateness of our reserves policy on an annual basis.

Report of the trustees

Our policies and standards

Sheffield Futures pay policy

In setting overall pay levels for our staff, Sheffield Futures takes account of pay practice in other similarly sized charities and, where necessary, private sector organisations for specialist and technical roles.

We aim for a sustainable and consistent pay policy which meets the needs of our organisation and is supported by a robust performance management processes for all employees in the organisation. Sheffield Futures has applied for accreditation with the Living Wage Foundation.

Pay policy for senior management

The pay of the senior staff is reviewed annually and any increases in remuneration are in line with increases applied to the pay scales used for other staff within the organisation. As part of the Sheffield Futures terms and conditions of employment, the organisation has agreed a locally defined approach to pay scales that are benchmarked against organisations of a similar size and sector.

Performance management

The organisation has robust policies and procedures in place to address individual performance concerns and all staff receive regular feedback on performance via regular Performance Development Reviews. Standards of behaviour are clearly expressed in the Code of Business Conduct and any failure to adhere to these is appropriately addressed.

Certifications

Sheffield Futures works to the following standards and certifications:

The Code of Fundraising Practice – outlines the quality and legal standards expected of all charitable fundraising organisations across the UK. Sheffield Futures' fundraising approach is governed by the Sheffield Futures fundraising policy, which includes both the charity and anyone acting on its behalf, either as a voluntary fundraiser or commercial support. The policy states that Sheffield Futures adheres to all standards expected of charitable fundraising organisations across the UK, made clear in the Code of Fundraising Practice. Sheffield Futures subscribes to the Fundraising Regulator, which stands for best practice in fundraising, to protect donors and support the vital work of fundraisers. There have been no failures by the charity to meet the fundraising standards or schemes that Sheffield Futures is subscribed to, and there have been no complaints received for the purpose of fundraising and fundraising activities.

Matrix Standard – a quality framework to assess and measure information, advice and/or guidance services.

Mindful Employer – an employers' charter promoting good employment practices for employees or job applicants who have mental health problems.

Disability Confident – an employer's charter promoting good employment practices for disabled employees or job applicants.

Sheffield Volunteer Standard - a locally developed quality mark giving independent recognition that an organisation manages a structured volunteering programme.

Going concern assumption

Sheffield Futures proposed strategic direction is set out in the Report of the Trustees where we highlight our achievements, new projects and ability to develop new funding streams that will underpin our future strategic direction. The trustees of the charity are therefore confident that Sheffield Futures will remain a Going Concern for the foreseeable future and beyond.

Austerity and other external influences do create high levels of uncertainty for us as a charity, but we also recognise that there are numerous opportunities to develop our existing services and grow new projects or partnerships. To aid our development we have been diversifying our portfolio of income and implementing a robust reserves plan for the last five years, in preparation for our future growth.

Report of the trustees

Taking account of the above and the level of reserves held, the cash available to the Charity to December 2024 will ensure that there is sufficient funding to support our existing commitments. As a result of the above, the trustees, after reviewing cashflow forecasts prepared for a 12 month period after the date these financial statements are signed, do not believe that there are any material uncertainties, which cast significant doubt on the ability of Sheffield Futures to continue as a going concern.

Statement as to disclosure to our auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the charitable company receives notice under Section 488(1) of the Companies Act 2006.

In approving the Report of the Trustees, the Trustees are also approving the Strategic Report in their capacity as company directors.

BY ORDER OF THE BOARD



A Morrissey
Company Secretary

Date: 30/11/2023



Independent auditor's report to the members of Sheffield Futures (a company limited by guarantee)

Opinion

We have audited the financial statements of Sheffield Futures (the 'charitable company') for the year ended 31 March 2023, which comprise Statement of Financial Activities (the summary Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements section' of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of Sheffield Futures (a company limited by guarantee)

Other information

The other information comprises the information included in the 'Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report, prepared for the purposes of company law, included in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Report of the Trustees.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of trustees

As explained more fully in the 'Trustees' Responsibilities Statement set out on pages 7 & 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Sheffield Futures (a company limited by guarantee)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The charitable company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; Charities SORP (FRS102), FRS 102, Charities Act 2006, Data protection Act 2018, the Charity code of Governance and the provision of the trust deed.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquires through our review of board minutes and legal expenses.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Audit procedures performed by the engagement team included:
 - Evaluation of the controls established to address the risk related to irregularities and fraud.
 - Testing manual journal entries, in particular journal entries determined to be large or relating to unusual transactions based on our understanding of the business.
 - Identifying and testing related party transaction
 - Completion of audit procedures to conclude on the compliance of disclosure in the annual report and accounts with applicable financial reporting requirements.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement teams.
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation.
 - Knowledge of the industry in which the client operates
 - Understanding of the legal and regulatory requirements specific to the entity.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Independent auditor's report to the members of Sheffield Futures (a company limited by guarantee)

Use of our report

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

A handwritten signature in dark ink that reads "Grant Thornton UK LLP".

Peter Edwards
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield
Date: 30/11/2023

Statement of financial activities (incorporating the income and expenditure account)

	Note	Restricted £	Unrestricted £	Total 2023 £	Total 2022 £
Income from:					
Grant income		838,822	-	838,822	522,126
Contract income		-	454,561	454,561	628,700
Other income	4	-	520,571	520,571	769,555
Bank interest receivable	6	-	12,323	12,323	348
Total income	16	838,822	987,455	1,826,277	1,920,728
Expenditure on:					
Service delivery costs	5	760,686	777,249	1,537,935	1,479,876
Other running costs	5	-	934,079	934,079	942,854
Total expenditure	5	760,686	1,711,328	2,472,014	2,422,730
Net deficit/Surplus		78,136	(723,873)	(645,737)	(502,002)
Other recognised gains/(losses)					
Effects of defined benefit pension settlement	15	-	-	-	-
Actuarial gain/(loss) on defined benefit pension scheme	15	-	567,000	567,000	397,000
Net movement in funds		78,136	(156,873)	(78,737)	(105,002)
Fund balances brought forward at 1 April 2022		46	4,108,831	4,108,877	4,213,879
Fund balances carried forward at 31 March 2023	16	78,182	3,951,958	4,030,140	4,108,877

All income and expenditure relate to continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.

Balance sheet

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	8	1,424,750	1,515,712
Investments	9	-	72,500
		<u>1,424,750</u>	<u>1,588,212</u>
Current assets			
Debtors	11	686,088	251,085
Cash at bank and in hand		<u>2,746,820</u>	<u>3,450,090</u>
		<u>3,432,908</u>	<u>3,701,175</u>
Creditors: amounts falling due within one year	12	<u>(585,518)</u>	<u>(441,510)</u>
Net current assets		<u>2,847,390</u>	<u>3,259,665</u>
Net assets excluding pension scheme liability		<u>4,272,140</u>	<u>4,847,877</u>
Defined benefit pension scheme liability	15	<u>(242,000)</u>	<u>(739,000)</u>
Net liabilities including pension scheme liability		<u><u>4,030,140</u></u>	<u><u>4,108,877</u></u>
Funds			
Restricted funds	16	78,182	46
Pension reserve	16	(242,000)	(739,000)
Unrestricted funds excluding pension liability	16	<u>4,193,958</u>	<u>4,847,831</u>
Total funds	16	<u><u>4,030,140</u></u>	<u><u>4,108,877</u></u>

The financial statements were approved and authorised for issue by the Board of trustees on 30/11/23

Chris Humphreys

C Humphreys
 Director

Company number: 02963378

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of cash flows

	Note	2023 £	2022 £
Cash (used)/ inflow from operating activities	18	<u>(771,005)</u>	<u>(156,064)</u>
Cash flows from investing activities			
Purchase of fixed assets		(17,088)	(16,573)
Investments		72,500	-
Interest received	6	12,323	348
Cash provided/(used) by investing activities		<u>67,735</u>	<u>(16,225)</u>
(Decrease)/increase in cash and cash equivalents in the year		(703,270)	(172,289)
Cash and cash equivalents at the beginning of the year		<u>3,450,090</u>	<u>3,622,379</u>
Total cash and cash equivalents at the end of the year	20	<u><u>2,746,820</u></u>	<u><u>3,450,090</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

1 Charitable company information

Sheffield Futures is a charitable company limited by guarantee (company number 02963378). The registered office is Star House, 43 Division Street, Sheffield, South Yorkshire, S1 4GE.

Sheffield Futures is a young people's charity which aims to assist young people in achieving their full potential by providing mentoring and specialist support to those who need it most.

2 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Sheffield Futures meets the definition of a Public Benefit Entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value, unless otherwise stated in the relevant accounting policy notes. The financial statements are presented in pound sterling (£).

Basis of Consolidation

Consolidated financial statements have not been prepared on the basis that the directors believe that results of the subsidiary company are not material to the group.

Going concern assumption

Sheffield Futures proposed strategic direction is set out in the Report of the Trustees where we highlight our achievements, new projects and ability to develop new funding streams that will underpin our future strategic direction. The trustees of the charity are therefore confident that Sheffield Futures will remain a Going Concern for the foreseeable future and beyond.

Austerity and other external influences do create high levels of uncertainty for us as a charity, but we also recognise that there are numerous opportunities to develop our existing services and grow new projects or partnerships. To aid our development we have been diversifying our portfolio of income and implementing a robust reserves plan for the last five years, in preparation for our future growth.

Taking account of the above and the level of reserves held, the cash available to the Charity to December 2024 will ensure that there is sufficient funding to support our existing commitments. As a result of the above, the trustees, after reviewing cashflow forecasts prepared for a 12 month period after the date these financial statements are signed, do not believe that there are any material uncertainties, which cast significant doubt on the ability of Sheffield Futures to continue as a going concern.

Fund accounting

Unrestricted funds are donations and other income received, or generated, for expenditure, available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure for these purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Income

All income and expenditure is accounted for on an accruals basis.

Grant Income

Revenue grants are credited as incoming resources when they are receivable provided conditions for receipt have been complied with, unless they relate to a specified future period where they are deferred to the Balance Sheet and released in future periods.

Notes to the financial statements

Contract Income

Contract income relates to the income streams received for the delivery of specific services as part of our charitable activities. Contract Income is recognised as incoming resources when they match the contract conditions. All other funds are deferred to the Balance Sheet and released in future periods.

Other Income

Other income represents a mix of Sales, Rental Income and incoming resources from other miscellaneous activities. The following narrative provides further detail of each of these incoming funded objects.

Sales Income - Charitable trading income that is generated from contracts or services is recognised when it is earned. Such income is received in advance of entitlement and is deferred to the Balance Sheet to be released to the Statement of Financial Activities in future periods.

Rental Income - Rental income is the funds received from various partners who hold licences to co-occupy our multi-site facilities and pay a contribution towards the day to day running costs. Income is recognised when it matches the agreed terms in the occupancy licence agreement.

Miscellaneous Income - Miscellaneous income is generated from fundraising activities and other events that occur in the financial reporting period. Fundraising income is recognised when the cash is received.

Expenditure

There are three categories of expenditure that are referenced in Note 5 of the financial accounts:

- Expenditure incurred for service delivery are the direct costs associated with the front line activities of the charitable body and the associated direct support costs.
- Expenditure incurred for other running costs includes the costs of our head office, including the staffing costs.
- Expenditure incurred for governance is the annual costs of the charitable audit.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation.

Fixed assets which individually cost below £500 are not capitalised.

Depreciation is calculated to write down the cost of all tangible fixed assets held for charity use other than land, by equal annual instalments over their estimated useful economic lives. The rates generally applicable are:

Freehold buildings	-	2% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

Cash and cash equivalents

Cash at bank and in hand totals all charitable cash holdings, including petty cash balances.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Investments

Investments are stated at cost less any provision for diminution in value.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

Notes to the financial statements

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the statement of financial activities over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the statement of financial activities on a straight line basis over the lease term. Sheffield Futures does not have any finance leasing arrangement in the reporting period and details of the operating leases can be found in Note 23.

Financial Instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

Retirement benefits

Defined Benefit Pension Scheme

The charitable company participates in the South Yorkshire Pension Fund. The scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the prospective benefits method on the basis of quadrennial valuations and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the charitable company.

The current service cost and costs from settlements and curtailments are included in the statement of financial activities. Past service costs are spread over the period until the benefit increases. The net of interest on the scheme liabilities and the expected return on scheme assets are included in interest payable or paid as appropriate. Actuarial gains and losses are reported in the statement of financial activities.

Defined Contribution Pension Scheme

The trustees approved a change of provider for the defined contribution pension scheme to commence in June 2020. Newly recruited staff will be auto-enrolled into the Aviva and Standard Life schemes. Contributions are currently in line with the contributions set by the Pensions Regulator.

3 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates are as follows:

Retirement benefit scheme

The determination of the pension cost and defined benefit obligation of the defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experience or future changes in assumptions will be reflected in subsequent periods. Note 15 provides information on the assumptions used in these financial statements.

Notes to the financial statements

4 Other income

	Restricted £	Unrestricted £	Total 2023 £	Total 2022 £
Sales	-	180,591	180,591	168,745
Rental Income	-	184,864	184,864	410,877
Miscellaneous	-	155,116	155,116	189,933
	-	520,571	520,571	769,555

5 Total expenditure

	Service delivery costs £	Other running costs £	Governance £	Total 2023 £	Total 2022 £
Costs directly allocated to activities					
Staff costs	1,119,073	539,763	-	1,658,836	1,570,306
Other staff related costs	1,800	10,519	-	12,319	14,321
Premises	9,241	258,860	-	268,101	216,252
Delivery costs	298,965	-	-	298,965	334,381
Transport costs	11,815	157	-	11,972	1,164
Total directly allocated to activities	1,440,894	809,299	-	2,250,193	2,142,322
Support costs allocated to activities					
General office and finance administration	24,148	11,647	-	35,795	108,746
Depreciation	72,893	35,159	-	108,052	112,486
Support services	-	34,089	-	34,089	27,030
Redundancy costs	-	8,185	-	8,185	-
Audit fees	-	-	35,700	35,700	32,146
Total support costs allocated to activities	97,041	89,080	35,700	221,821	280,408
Total Costs	1,537,935	898,379	35,700	2,472,014	2,422,730

Depreciation, Finance and Administration costs are all apportioned using a percentage of the total staff cost for each of these cost categories. All other costs are direct resources expended for these categories.

6 Net interest

Included with the deficit of income over expenditure are the following amounts in respect of net interest.

	2023 £	2022 £
Interest payable:		
Net interest expense on defined benefit pension scheme liabilities	20,000	22,000
Interest receivable:		
Other interest received	12,323	348

Notes to the financial statements

7 Trustees and employees

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	1,408,623	1,330,872
Social security costs	114,951	102,492
Pension costs	185,261	221,942
	<u>1,708,835</u>	<u>1,655,306</u>
Redundancy costs including pension payments	8,185	-
	<u>1,717,020</u>	<u>1,655,306</u>

The average number of full-time equivalent employees of the charitable company during the year was 48 (2022: 48).

There was one employee earning over £60,000 (2022: one).

No trustees (2022: no trustees) received remuneration in their capacity as a Young Advisor, nor as a trustee. No other trustees or person with a family business connection with a trustee, received remuneration or reimbursement of expenses in the year, directly or indirectly from the charitable company.

8 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Computer Equipment £	Total £
Cost				
At 1 April 2022	2,558,975	788,552	364,418	3,711,945
Additions	-	14,831	2,257	17,088
At 31 March 2023	<u>2,558,975</u>	<u>803,383</u>	<u>366,675</u>	<u>3,729,033</u>
Depreciation				
At 1 April 2022	1,125,746	709,139	361,343	2,196,228
Provided in the year	51,180	53,448	3,427	108,055
At 31 March 2023	<u>1,176,926</u>	<u>762,587</u>	<u>364,770</u>	<u>2,304,283</u>
Net book amount at 31 March 2023	<u>1,382,049</u>	<u>40,796</u>	<u>1,905</u>	<u>1,424,750</u>
Net book amount at 31 March 2022	<u>1,433,229</u>	<u>79,412</u>	<u>3,072</u>	<u>1,515,712</u>

All tangible fixed assets were used for charitable purposes.

Notes to the financial statements

9 Investments

Interests in Subsidiary

At 31 March 2023 the company had interests in the following subsidiary:

Subsidiary	Types of shares held	Proportion held (%)	County of incorporation	Nature of business
Project Apollo Limited	72,500 ordinary shares	100%	United Kingdom	Other social work activities
				Total
				£
Cost and net book value				
At 31 March 2022				72,500
Written off in the year				<u>(72,500)</u>
At 31 March 2023				<u><u>-</u></u>

The company invested in the share capital of Project Apollo Limited in 2018, at a cost of £72,500 and held 100% of the ordinary share capital. The registered office was Star House, 43 Division Street, Sheffield, S1 4GE. Upon completion of the project, Project Apollo Limited transferred back to Sheffield Futures Limited the amount paid for the ordinary share capital of £72,500 on 27 March 2023, and the investment of £72,500 was therefore written off to £nil.

10 Results of the subsidiary company

	2023	2022
	£	£
Income	-	324,901
Expenditure	<u>-</u>	<u>245,448</u>
Profit	<u><u>-</u></u>	<u><u>79,453</u></u>

The company was incorporated in the United Kingdom.

11 Debtors

	2023	2022
	£	£
Trade debtors	381,340	197,052
Amounts owed by subsidiary undertakings	-	18,212
Prepayments	74,914	35,821
Accrued income	<u>229,834</u>	<u>-</u>
	<u><u>686,088</u></u>	<u><u>251,085</u></u>

Notes to the financial statements

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	93,290	73,050
Other Creditors	105,920	-
HMRC Creditor (including VAT & PAYE)	51,782	48,785
Payroll creditors (including pension contributions due)	4,699	14,196
Accruals	85,007	51,672
Deferred income (note 13)	244,820	253,806
	<u>585,518</u>	<u>441,510</u>

13 Deferred income

	2023	2022
	£	£
Balance at 1 April 2022	253,806	125,118
Amounts released to income	(1,452,461)	(1,103,325)
Amounts received in the year	1,443,475	1,232,012
Balance at 31 March 2023	<u>244,820</u>	<u>253,806</u>

In the year £nil (2022: £nil), of the prior year deferred income balance, was paid back to Sheffield City Council.

Included within deferred income are the following:

	2023	2022
	£	£
Primary Care Network Peak Edge	-	719
Primary Care Network Upper Don Valley	16,899	11,975
Primary Care Network North	1,285	707
Primary Care Network Porter Valley	1,248	937
Primary Care Network West 5 Care	8,202	7,548
Primary Care Network University Health	5,545	6,419
Primary Care Network Peak Edge (New)	1,649	-
Primary Care Network Foundry Medical	2,956	2,578
Primary Care Network SAPA5	332	1,187
The National Lottery Community Fund - Building Better Opportunities	-	7,440
IAG Services	61,776	118,961
Counselling – Corona Response	742	50,842
Feel Well, Work Well	-	2,832
Sheffield CCG (NHS) - Door43 Delivery	14,713	9,262
Sheffield City Council - Social Prescribing	53,446	28,969
Youth Work & Young Advisors Commission	20,954	-
Pathways to Success	14,643	-
Property Income	5,675	-
BBO Doing Good Business	31,325	-
Small Grants	3,430	3,430
Total	<u>244,820</u>	<u>253,806</u>

Notes to the financial statements

14 Financial instruments

	2023 £	2022 £
Financial assets measured at amortised cost		
Trade debtors	381,340	197,052
Cash at bank and in hand	2,746,820	3,450,090
	<u>3,128,160</u>	<u>3,647,142</u>
Financial liabilities measured at amortised cost		
Trade creditors	(93,290)	(73,050)
Other creditors	(105,920)	-
Deferred income	-	(7,440)
Accruals	(85,007)	(51,672)
	<u>(284,217)</u>	<u>(132,163)</u>
Other assets and liabilities		
Tangible fixed assets	1,424,750	1,588,212
Amounts owed by subsidiary undertakings	-	18,212
Prepayments	74,914	35,821
Accrued income	229,834	-
Payroll creditor	(4,699)	(14,196)
HMRC tax creditor	(51,782)	(48,785)
Deferred income	(244,820)	(246,366)
	<u>1,428,197</u>	<u>1,332,898</u>
	<u>4,272,140</u>	<u>4,847,877</u>

15 Retirement benefits

Defined Contribution Pension Scheme

Sheffield Futures operates a defined contribution scheme administered by Standard Life. However, as of May 2020 the defined contribution is now administered by Aviva instead of Standard Life.

Contributions to the scheme in the year were £90,330 (2022: £72,940).

Defined Benefit Pension Scheme

Some long serving employees of Sheffield Futures participate in the South Yorkshire Pension Fund, a defined benefit statutory scheme administered by the South Yorkshire Pensions Authority in accordance with the Local Government Pension Scheme Regulations 1995. An actuarial valuation of this fund was carried out in accordance with the Regulations as at 31 March 2023.

Pension costs are assessed in accordance with the advice of a qualified actuary using the accrued benefits method. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The actuarial value of the scheme's assets at 31 March 2023 showed a deficit in relation to the benefits that had accrued to members, after allowing for expected future increases in salary of 3.00%. At the point that employees transferred from Sheffield City Council, the trustees had reached agreement with the policy committee of Sheffield City Council that the past deficit relating to employees of Sheffield Careers Guidance Services would be funded by Sheffield City Council.

Notes to the financial statements

In accordance with FRS 102, the net pension liability of the defined benefits scheme is included on the balance sheet of Sheffield Futures. The most recent actuarial valuation of the scheme has been updated by an independent qualified actuary, taking account of the requirements of FRS 102. Scheme assets are stated at their market value.

The assumptions and movements relating to the defined benefit scheme are shown below:

The principal assumptions used by the actuary were:

	2023	2022	2021
	% pa	% pa	% pa
CPI Inflation	2.80	2.70	2.70
Rate of increase in salaries	3.55	4.20	3.95
Rate of increase in pensions	2.95	3.20	2.80
Discount rate	4.75	2.70	2.10

The post retirement mortality assumptions used to value the liability at 31 March 2023 are based on the "SAPS All pensioners 'amounts' tables, years of birth projection, Long Cohort with a minimum 1.75% improvement".

The assumed life expectations on retirement age 65 are:

	2023	2022
	Years	Years
Retiring today/current pensioners:		
Males	20.5	22.6
Females	23.7	25.4
Retiring 20 years/future pensioners		
Males	21.5	24.1
Females	25.2	27.3

The split of assets in the scheme as at 31 March 2023 was:

	2023	2022
	Value	Value
	£	£
Equities	1,398,080	1,339,140
Government bonds	472,880	486,960
Other bonds	-	-
Property	164,480	182,610
Cash/liquidity	20,560	20,290
Other	-	-
Total market value of assets	2,056,000	2,029,000
Present value of scheme liabilities	(2,298,000)	(2,768,000)
Net pension liability*	(242,000)	(739,000)

Under FRS102 the rate of return is not split between the assets of the scheme.

Included in these Financial Statements is the liability under FRS 102, as calculated by independent advisors as at 31 March 2023.

Notes to the financial statements

The movement in the deficit in the year, included in the financial statements, was as follows:

	2023 £	2022 £
Current service cost	(107,000)	(149,000)
Administration cost	-	-
Past Service cost	-	-
Effect of settlements	-	-
Curtailment cost	-	-
Net interest cost	(20,000)	(22,000)
	<u>(127,000)</u>	<u>(171,000)</u>
Contributions	57,000	64,000
	<u>(70,000)</u>	<u>(107,000)</u>
Actuarial gain/(loss) in respect of current year	567,000	397,000
	<u>497,000</u>	<u>290,000</u>
Deficit in scheme at beginning of year	(739,000)	(1,029,000)
Deficit in scheme at end of year	<u>(242,000)</u>	<u>(739,000)</u>

The unfunded portion of this liability is £Nil (2022: £Nil).

	2023 £	2022 £
Return on plan assets excluding interest income	(15,000)	135,000
Changes in the assumptions underlying the present value of the scheme liabilities:		
current year	582,000	262,000
Actuarial gain/(loss)	<u>567,000</u>	<u>397,000</u>

	2023 £	2022 £
Opening defined benefit obligation at 1 April	2,768,000	2,796,000
Current service cost	107,000	149,000
Past service cost	-	-
Interest cost	75,000	60,000
Employee contributions	18,000	25,000
Actuarial loss/(gain)	(582,000)	(262,000)
Curtailment cost	-	-
Settlements	-	-
Benefits paid	(88,000)	-
Closing defined benefit obligation at 31 March	<u>2,298,000</u>	<u>2,768,000</u>

Changes in the fair value of the plan assets are as follows:

	2023 £	2022 £
Opening fair value of scheme assets at 1 April	2,029,000	1,767,000
Interest income	55,000	38,000
Return on plan assets excluding interest income	(15,000)	135,000
Employer contributions	48,000	64,000
Employee contributions	18,000	25,000
Settlements	-	-
Administration expenses	-	-
Benefits paid	(79,000)	-
Closing fair value of scheme assets at 31 March	<u>2,056,000</u>	<u>2,029,000</u>

Notes to the financial statements

	2023 £	2022 £
Total cost recognised as an expense:		
Current service cost	107,000	149,000
Past service cost	-	-
Curtailment cost	-	-
Interest cost	20,000	22,000
Admin expenses	-	-
Effect of Settlements	-	-
	<u>127,000</u>	<u>171,000</u>

	2023 £	2022 £
The pension cost shown in note 7 includes:		
Defined Contribution Pension Scheme (Aviva)	78,261	72,940
Defined Benefit Contribution Scheme (South Yorkshire Pension Fund)		
- service cost	107,000	149,000
- past service cost	-	-
	<u>185,261</u>	<u>221,940</u>

16 Statement of funds

	At 1 April 2022 £	Income £	Expenditure £	At 31 March 2023 £
Unrestricted funds				
Pension reserve	(739,000)	567,000	(70,000)	(242,000)
General fund	4,847,831	987,455	(1,641,328)	4,193,958
Total unrestricted funds	<u>4,108,831</u>	<u>1,554,455</u>	<u>(1,711,328)</u>	<u>3,951,958</u>
Restricted funds				
Doing Good Business – ESF	-	207,121	(146,443)	60,678
Feel Well Work Well - ESF	-	211,542	(212,347)	(805)
Pathways to Success	-	18,491	(18,491)	0
Door43 – Primary care network Upper Don Valley	-	23,788	(23,788)	0
Door43 – Primary care network Network North	-	35,477	(35,477)	0
Door43 – Primary care network Porter Valley	-	32,681	(32,681)	0
Door43 – Primary care network West Five	-	62,931	(62,931)	0
Door43 – Primary care network University	-	26,019	(26,019)	0
Door43 – Primary care network Peak Edge	-	34,183	(34,183)	0
Door43 – Primary care network Foundry	-	17,817	(17,817)	0
Door43 – Primary care network SAPA5	-	37,041	(37,041)	0
European Social Fund – Feel Well Work Well	-	41,075	(41,075)	0
Small Grants – Various Funders	46	-	-	46
Apollo Too	-	90,656	(72,393)	18,263
Total revenue grants restricted funds	<u>46</u>	<u>838,822</u>	<u>(760,686)</u>	<u>78,182</u>
Total funds	<u>4,108,877</u>	<u>2,393,277</u>	<u>(2,472,014)</u>	<u>4,030,140</u>

Notes to the financial statements

17 Analysis of net assets between funds

	Restricted funds £	General funds £	Total £
Fixed assets	-	1,424,750	1,424,750
Current assets	78,182	3,354,726	3,432,908
Current liabilities	-	(585,518)	(585,518)
Defined Benefit Pension scheme liability	-	(242,000)	(242,000)
Total net assets	78,182	3,951,958	4,030,140

18 Cash (outflow)/inflow from operating activities

	2023 £	2022 £
Net deficit	(645,737)	(502,002)
Depreciation	108,055	112,488
Interest charge	20,000	22,000
Investment income	(12,323)	(348)
(Increase)/decrease in debtors	(435,008)	57,304
Decrease/(increase) in creditors	144,008	69,495
Defined benefit pension scheme costs less payments	50,000	85,000
Net cash (outflow)/inflow from operating activities	(771,005)	(156,062)

19 Reconciliation of net cash inflow/outflow to movement in net funds

	2023 £	2022 £
Decreases in cash in the year and movement in net funds	(703,270)	(172,289)
Net funds at beginning of the year	3,450,090	3,622,379
Net funds at end of the year	2,746,820	3,450,090

Notes to the financial statements

20 Analysis of changes in net funds

	At 1 April 2022	Cash flows	Other non-cash changes	At 31 March 2023
	£	£	£	£
Net cash:				
Cash at bank	3,450,090	(703,270)	-	2,746,820

21 Capital commitments

There were no capital commitments at 31 March 2023 or 31 March 2022.

22 Contingent liabilities

There were no contingent liabilities at 31 March 2023 or 31 March 2022.

23 Leasing commitments

Minimum operating lease and rental payments fall due as follows:

	2023 Land and buildings £	2023 Other £	2022 Land and Buildings £	2022 Other £
In one year or less	-	10,087	-	18,778
Between one and five years	-	8,007	-	18,094
In five years or more	-	18,094	-	36,872

24 Members' funds

Under Clause 7 of the Memorandum of Association all members undertake to contribute to the assets of the charitable company such an amount as may be required, not exceeding £1 in the event of it being wound up during their period of membership, or within one year afterwards.

Notes to the financial statements

25 Transactions with related parties

The membership of the charitable company consists of Sheffield City Council and Sheffield College. Due to the nature of the charitable company's operations and the composition of the board and its members (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the board may have an interest. All transactions involving organisations in which a member of the board may have an interest are conducted in accordance with the charitable company's normal procurement procedures.

Sheffield City Council held at least 1/5 of voting rights and therefore under the Local Government and Housing Act 1989 the charitable company was defined under local authority influence, as distinct from local government control. However since the contract with SCC has ceased so as the significant control.

During the year, the charitable company transacted with the following related parties as follows:

	2023	2022
	£	£
Sheffield City Council		
Income received	70,000	457,546
Purchases made	1,080	1,080
Balance payable to Sheffield City Council as at 31 March	1,080	-
Balance owed from Sheffield City Council as at 31 March	3,060	378

	2023	2022
	£	£
Sheffield College		
Income received	-	-
Purchases made	-	-
Balance payable to Sheffield College as at 31 March	-	-
Balance owed from Sheffield College as at 31 March	-	-

	2023	2022
	£	£
Project Apollo Limited		
Income received	-	224,067
Purchases made	-	158,163
Balances payable to Project Apollo as at 31 March	-	-
Balances owed from Project Apollo as at 31 March	-	18,212