

Company registration number: 03363009

Charity registration number: 1070693

Young Somerset

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2021

Young Somerset

Contents

| | |
|---|----------|
| Reference and Administrative Details | 1 |
| Trustees' Report | 2 to 8 |
| Statement of Trustees' Responsibilities | 9 |
| Independent Auditors' Report | 10 to 13 |
| Statement of Financial Activities | 14 to 15 |
| Balance Sheet | 16 |
| Statement of Cash Flows | 17 |
| Notes to the Financial Statements | 18 to 30 |

Young Somerset

Reference and Administrative Details

| | |
|--|--|
| Chief Executive Officer | Mr N Harwood |
| Trustees | Mr S G Rance Mrs J S Biggs Ms N J Westerling Ms P A Judge Ms K Prosser Mr D C Elstone Ms S C Hannay Mrs C Tough Mr Scott S Burnett |
| Secretary | Mrs V Trebilcock |
| Principal and Registered Office | Unit 2 Suprema Estate Edington Bridgwater Somerset TA7 9LF The charity is incorporated in England and Wales |

Company Registration Number 03363009

Charity Registration Number 1070693

Bankers The Co-operative Bank p.l.c.
No 2 Cathedral Square
The Cloth market
Newcastle upon Tyne
NE1 1EE

Auditor Four Fifty Partnership Limited
Chartered Accountants & Registered Auditors
34 Boulevard
Weston-super-Mare
Somerset
BS23 1NF

Young Somerset

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2021.

Objectives and activities

Objects and aims

The principal objects of the Charity are:

1. To help young people in the County of Somerset, especially but not exclusively through leisure time activities, to develop their physical, mental and spiritual capabilities that they may grow to full maturity as individuals and members of society and that their conditions of life may be improved
2. To promote the social welfare and the preservation of the health and wellbeing of young people in the said areas by the provision of information, advice and guidance.

The charity seeks to deliver its objectives through building a youth work relationship with young people that is open, honest, trusting, respectful and led by the young person. The charity seeks to support the personal, social, economic, and educational development of young people across Somerset. The projects co-designed (with young people and stakeholders) and delivered by the charity promote inclusion, independence and empowerment as a means of achieving its broad objectives.

Funding is secured from a series of bodies either for the broad approach or, more usually, to deliver specific projects. The charity is seen to be at the forefront of pioneering new projects and approaches.

In all cases, detailed records are maintained of numbers of young people taking advantage of the services provided. Successful achievement of the objectives form part of the feedback to grant awarding bodies.

The Board of Trustees regularly reviews the performance of the charity against the targets set.

Young Somerset

Trustees' Report

Fundraising disclosures

Young Somerset applies for grants according to identified priorities matched against funding opportunities (awareness through networks & mailing lists); we have a core process for bid-writing which holds shared responsibility and every grant application goes through a quality assurance process which involves the finance and senior leadership team, before final sign-off by the CEO. Grants applied for & outcomes (both successful & unsuccessful) are reported to the Board on quarterly basis – and only secured income is used for budgeting purposes.

Young Somerset does not generally raise funds through street collections or telemarketing, so does not make use of third party fund raisers. As such there is no disclosure to make regarding fund-raising standards, other than the above process for grant funding.

Public benefit

Through the fulfilment of the objectives and aims of the charity numerous projects are delivered each year to further public benefit for young people in Somerset.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

This year has seen Young Somerset operate within the unprecedented environment of a global pandemic. In response to the UK national lockdown in March 2020, Young Somerset moved all its delivery services online in tandem with accompanied business infrastructure repositioning into the cloud. That we were able to do this swiftly (within 5 working days), and with security, safety and clinical governance requirements met, is testament to the agile and dynamic ability of the organisation.

Throughout the year, Young Somerset maintained contact with the young people, families and communities it serves; we reached out to more young people through our developing online offer and supported more young people presenting with emotional wellbeing and mental health needs through digital-access therapy. Young Somerset increased its profile, reach, and partnership-working – particularly with statutory colleagues in SCC Children's Social Care, SFT CAMHS and the Police and Violence Reduction Unit. Young Somerset continued to consolidate its position as the "go-to" organisation within the county as statutory organisations recognised the ability and value of youth work in reaching vulnerable young people in incredibly difficult circumstances.

Young Somerset

Trustees' Report

We continued to deliver high quality and safe services – increasing our scale and volume of work. By the end of the year, we had increased to over 65 staff – the largest this organisation has been. We are increasingly asked to work in partnership and have demonstrated sector leadership alongside core delivery of new and responsive services for children, young people, their families and communities.

We have refreshed our business and service plans in light of this year's learning through the pandemic and have been able to actively move forward with a number of initiatives including the development of an increased visibility by working in partnership to access more spaces in the county. We have developed a number of key strategic relationships to achieve this as well as reconsidering our own physical locations. We are moving further towards a clarity of purpose – increasing our ability to deliver Alternative Provision in education (including enterprise) and integrating our emotional wellbeing and mental health work with our other strands of work.

We have invested in key areas of the organisation – particularly in regards to ICT, vehicles, increasing senior leadership roles and core business functionality; this is in order to confidently sustain our work – which is increasingly contract-led and therefore data and quality dependent.

Financial review

Overall performance

Young Somerset reported a surplus in the accounts of £292,005, which has had a significant positive impact on the charity's financial position. This is primarily due to a 39% increase in income but a 26% increase in cost. The deficit of £124,566 brought forward from the previous financial year has therefore been eliminated and the surplus stands at £167,439, which includes £7,380 in restricted funds.

Trustees recognise that Senior Management have worked hard to improve the previous deficit position and are pleased with the level of progress made. This year has seen an unprecedented level of funds raised for the charity in a financial year alongside a more targeted effort to control costs, which have helped manage the overall position. Trustees are delighted to have moved to a surplus reserve position at the year end.

Income review

Over the year, the charity has received income of £1,739,674, which is a 39% increase on the previous financial year. As mentioned previously, the charity has never achieved this level of income in a financial year. This can largely be attributed to the strategic repositioning of Young Somerset, focusing on mental health and wellbeing work to support a refined youth work offer in the county.

Young Somerset

Trustees' Report

Cost review

During the year the charity has incurred total expenditure of £1,447,669 (including costs of generating funds), which is a 26% increase on the previous financial year. £1,442,532 [99.6%] of this was directly expended on charitable objectives including staffing and support costs.

Steps have been taken to deal with the ongoing impact of COVID-19, with planning now underway to:

- move to a different permanent delivery model and infrastructure
- continue development and refinement of digital capacity and expertise
- sustain a wide digital offer for young people into “business as usual”
- plan for a likely short-medium term surge in emotional wellbeing and mental health needs

Over the next twelve months, activity will be seeking to balance increased home-working and efficiency of staff with an increased capacity to support more young people.

Policy on reserves

The Balance Sheet shows a reserves surplus at 31 March 2021 of £167,439 (2020 - deficit of £124,566). The general guidance from the Charity Commission suggests that charities should seek to maintain a level of Reserves equivalent to at least 3 months operating costs (for Young Somerset this would be equivalent to around £362,000 in the 2020/21 financial year). Funding arrangements in the sector (where most funding streams do not allow for significant sums of generation of ‘free’ balances) means reserves of this level remain an aspiration for Young Somerset. The Trustees have evaluated the position of the charity and its future and are confident that the going concern assumption is appropriate.

The Board regularly reviews the charity's solvency position (against Charity Commission test questions) and reviews financial monitoring and control with the management processes of the charity.

Young Somerset continues to develop its position within a challenging sector and will need to move to a position of increasingly competitive and commercial operation. This will require a consideration of its operational methodology and baseline business costings to demonstrate both impact and value in the sector. Young Somerset will develop a long-term vision that accommodates its financial position and acknowledges the change to its approach in securing funding through the securing of contractual work, payment by results and a lesser reliance on grant-funding.

Young Somerset

Trustees' Report

Structure, governance and management

Nature of governing document

The charity was incorporated on 1 May 1997 as a company limited by guarantee and as a registered charity. It is governed by its Memorandum and Articles of Association.

The charity changed its name from Somerset Rural Youth Project to Young Somerset on 29 August 2018 and took the opportunity to refresh its controlling Memorandum and Articles of Association. Key developments include:

- The widening of the age band we can work with – such that Young Somerset can now legitimately work with children and young people up to the age of 25
- A modernisation of governance – including the ability for Board members to vote electronically as well as join meetings virtually (and be considered present)

A Board of Trustees comprising of an independent Chair and up to eight members meets at least four times a year to administer the charity.

Recruitment and appointment of trustees

In the reporting period, Young Somerset appointed one new trustee.

All prospective trustees, whether nominated by an existing trustee or co-opted, are interviewed by the Chair and if appointed, undergo an induction process with the Chair and Chief Executive Officer which involves written information and face to face discussions to ensure that the individual is familiar with the procedures of the charity and its Board of Trustees. Existing trustees meet formally with the Chair once a year and their interests and skills document is regularly reviewed and updated.

Induction and training of trustees

On appointment, trustees are required to complete a skills and interests survey to help align their input with appropriate organisational requirements and developments. Existing trustees meet formally with the Chair once a year when contributions are discussed and reviewed.

Arrangements for setting key management personnel remuneration

The Board of Trustees will annually form a remuneration committee which then considers the roles and responsibilities of the Senior Leadership Team and Chief Executive Officer. The Soulbury Scale is used to benchmark remuneration for the SLT & the CEO remuneration is considered following ACEVO reporting on CEO sector pay along with regional equivalency consideration.

Young Somerset

Trustees' Report

Organisational structure

The Board of Trustees is responsible for determining the policy direction of the charity, for fixing and regularly reviewing the annual budget and for approving the annual accounts. The Chief Executive Officer is responsible for the day to day management in accordance with determined policies.

Throughout the period under review a third party indemnity provision was in force for the benefit of all the Trustees of the charity.

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the Board of Trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's cash flow risks mainly surround the continued financial support from Somerset County Council through the agreed extended credit terms provided. These credit terms were not reviewed in autumn 2020 (YS offer was declined because of COVID) and will be reviewed again in autumn 2021. Six months notice will be given before any changes will be introduced.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Young Somerset

Trustees' Report

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the accounting policies in the financial statements.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The annual report was approved by the trustees of the charity on 5/8/2021 and signed on its behalf by:



Mr S G Rance
Trustee

Young Somerset

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Young Somerset for the purposes of company law) are responsible for preparing the Trustee's Report and the Financial Statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Young Somerset

Independent Auditor's Report to the Members of Young Somerset

Opinion

We have audited the financial statements of Young Somerset (the 'charity') for the year ended 31 March 2021, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 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 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 charity 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

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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Young Somerset

Independent Auditor's Report to the Members of Young Somerset

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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.

Young Somerset

Independent Auditor's Report to the Members of Young Somerset

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 9), the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

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

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- perform analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigate the rationale behind significant or unusual transactions.

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

Young Somerset

Independent Auditor's Report to the Members of Young Somerset

In response to the risk of irregularities and non-compliance with laws and regulations, we design procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the charity's legal advisors.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Four Fifty Partnership Limited

Joy Boswell FCCA, FCA (Senior Statutory Auditor)
For and on behalf of Four Fifty Partnership Limited,
Chartered Accountants & Registered Auditors
34 Boulevard
Weston-super-Mare
Somerset
BS23 1NF

Date: 31 AUGUST 2021

Young Somerset

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2021 £ |
|------------------------------------|------|----------------------------|--------------------------|--------------------|
| Income and Endowments from: | | | | |
| Donations and legacies | 4 | 22,474 | 1,717,200 | 1,739,674 |
| Total income | | 22,474 | 1,717,200 | 1,739,674 |
| Expenditure on: | | | | |
| Raising funds | | (5,137) | - | (5,137) |
| Charitable activities | 6 | (13,776) | (1,428,756) | (1,442,532) |
| Total expenditure | | (18,913) | (1,428,756) | (1,447,669) |
| Net income | | 3,561 | 288,444 | 292,005 |
| Transfers between funds | | 316,445 | (316,445) | - |
| Net movement in funds | | 320,006 | (28,001) | 292,005 |
| Reconciliation of funds | | | | |
| Total funds brought forward | | (159,947) | 35,381 | (124,566) |
| Total funds carried forward | 19 | 160,059 | 7,380 | 167,439 |

The notes on pages 18 to 30 form an integral part of these financial statements.

Young Somerset

Statement of Financial Activities for the Year Ended 31 March 2021 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

| | Note | Unrestricted funds £ | Restricted funds £ | Total 2020 £ |
|------------------------------------|------|----------------------------|--------------------------|--------------------|
| Income and Endowments from: | | | | |
| Donations and legacies | 4 | 486,430 | 767,693 | 1,254,123 |
| Other trading activities | 5 | 633 | - | 633 |
| Total income | | <u>487,063</u> | <u>767,693</u> | <u>1,254,756</u> |
| Expenditure on: | | | | |
| Raising funds | | (6,896) | (1,959) | (8,855) |
| Charitable activities | 6 | <u>(287,046)</u> | <u>(855,052)</u> | <u>(1,142,098)</u> |
| Total expenditure | | <u>(293,942)</u> | <u>(857,011)</u> | <u>(1,150,953)</u> |
| Net income/(expenditure) | | 193,121 | (89,318) | 103,803 |
| Transfers between funds | | <u>(150,005)</u> | <u>150,005</u> | - |
| Net movement in funds | | 43,116 | 60,687 | 103,803 |
| Reconciliation of funds | | | | |
| Total funds brought forward | | <u>(203,063)</u> | <u>(25,306)</u> | <u>(228,369)</u> |
| Total funds carried forward | 19 | <u>(159,947)</u> | <u>35,381</u> | <u>(124,566)</u> |

All of the charity's activities derive from continuing operations during the above two periods.

The notes on pages 18 to 30 form an integral part of these financial statements.


Young Somerset

(Registration number: 03363009)
Balance Sheet as at 31 March 2021

| | Note | 2021 £ | 2020 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 13 | 53,974 | 4,536 |
| Current assets | | | |
| Stocks | 14 | - | 3,263 |
| Debtors | 15 | 162,764 | 197,267 |
| Cash at bank and in hand | 16 | 383,968 | 181,344 |
| | | <u>546,732</u> | <u>381,874</u> |
| Creditors: Amounts falling due within one year | 17 | <u>(433,267)</u> | <u>(510,976)</u> |
| Net current assets/(liabilities) | | <u>113,465</u> | <u>(129,102)</u> |
| Net assets/(liabilities) | | <u>167,439</u> | <u>(124,566)</u> |
| Funds of the charity: | | | |
| Restricted | | 7,380 | 35,381 |
| Unrestricted | | <u>160,059</u> | <u>(159,947)</u> |
| Total funds | 19 | <u>167,439</u> | <u>(124,566)</u> |

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements on pages 14 to 30 were approved by the trustees, and authorised for issue on 5/8/2021 and signed on their behalf by:


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Mr S G Rance
Trustee

The notes on pages 18 to 30 form an integral part of these financial statements.

Young Somerset

Statement of Cash Flows for the Year Ended 31 March 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash income | | 292,005 | 103,803 |
| Adjustments to cash flows from non-cash items | | | |
| Depreciation | | <u>6,922</u> | <u>2,032</u> |
| | | 298,927 | 105,835 |
| Working capital adjustments | | | |
| Decrease in stocks | 14 | 3,263 | 1,422 |
| Decrease/(increase) in debtors | 15 | 34,503 | (112,039) |
| (Decrease)/increase in creditors | 17 | (63,217) | 121,038 |
| (Decrease)/increase in deferred income | | <u>(14,492)</u> | <u>59,238</u> |
| Net cash flows from operating activities | | 258,984 | 175,494 |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | 13 | <u>(56,360)</u> | <u>(6,568)</u> |
| Net increase in cash and cash equivalents | | 202,624 | 168,926 |
| Cash and cash equivalents at 1 April | | <u>181,344</u> | <u>12,418</u> |
| Cash and cash equivalents at 31 March | | <u><u>383,968</u></u> | <u><u>181,344</u></u> |

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 18 to 30 form an integral part of these financial statements.

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

1 Charity status

The charity is limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Unit 2
Suprema Estate
Edington
Bridgwater
Somerset
TA7 9LF

Statement of compliance

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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

Young Somerset 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 presentation currency of the financial statements is the Pound Sterling (£).

3 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| Asset class | Depreciation method and rate |
|---------------------|---|
| Equipment | 3, 4 or 5 years straight line |
| Motor vehicles | 10 years straight line for other vehicles |
| Plant and equipment | 3 years straight line |

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

Fund structure

National Federation of Youth Music

Creating opportunities for young people to learn music making skills and to create pathways to the music industry.

Youth Work

A restricted fund established to deliver services in engaging with young people in rural communities to a wider audience.

Wellbeing

A programme to deliver mental health support to young people within Somerset and the surrounding area.

EMPH

A scheme to provide mental health practitioners to young people in Somerset, including recruiting and supervising new mental health practitioners gaining professional qualifications whilst studying at Exeter University.

Skills development

A project to assist young people in acquiring the skills needed to secure future employment and manage to live independently.

Detached Youth Work Team

A restricted project to engage young people in vulnerable and at risk groups in a range of activities to develop skills and social engagement.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

4 Income from donations and legacies

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|--|----------------------------|--------------------------|---------------------|
| Donations and legacies; | | | |
| Incoming resources from Government and Other Public Authorities | - | 1,447,363 | 1,447,363 |
| Donations | 3,070 | 2,050 | 5,120 |
| Other Income | 8,504 | 76,301 | 84,805 |
| Incoming resources from Charitable Organisations | 10,900 | 179,047 | 189,947 |
| Grants, including capital grants; | | | |
| COVID support grants | - | 12,439 | 12,439 |
| Total for 2021 | <u>22,474</u> | <u>1,717,200</u> | <u>1,739,674</u> |
| Total for 2020 | <u>486,430</u> | <u>767,693</u> | <u>1,254,123</u> |

5 Income from other trading activities

| | Unrestricted funds £ | Total funds £ |
|-----------------------|----------------------------|---------------------|
| Total for 2021 | <u>-</u> | <u>-</u> |
| Total for 2020 | <u>633</u> | <u>633</u> |

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Expenditure on charitable activities

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|--|------|-------------------------|-----------------------|------------------|
| Youth services | | 4,741 | 243,059 | 247,800 |
| Depreciation, amortisation and other similar costs | | 2,042 | 4,880 | 6,922 |
| Staff costs | | 1,940 | 1,180,817 | 1,182,757 |
| Governance costs | 7 | 5,053 | - | 5,053 |
| Total for 2021 | | 13,776 | 1,428,756 | 1,442,532 |
| Total for 2020 | | 287,046 | 855,052 | 1,142,098 |

7 Analysis of governance and support costs

Other support costs

| | Unrestricted funds £ | Total funds £ |
|-----------------------|-------------------------|------------------|
| Audit fees | 5,053 | 5,053 |
| Total for 2021 | 5,053 | 5,053 |
| Total for 2020 | 6,611 | 6,611 |

8 Net incoming/outgoing resources

Net incoming resources for the year include:

| | 2021 £ | 2020 £ |
|------------------------------|-----------|-----------|
| Audit fees | 5,053 | 6,073 |
| Depreciation of fixed assets | 6,922 | 2,031 |

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses from the charity during the year.

10 Staff costs

The aggregate payroll costs were as follows:

| | 2021 £ | 2020 £ |
|--|------------------|----------------|
| Staff costs during the year were: | | |
| Wages and salaries | 1,064,929 | 762,244 |
| Social security costs | 90,261 | 50,037 |
| Pension costs | 29,424 | 19,065 |
| Other staff costs | 3,280 | 1,251 |
| | <u>1,187,894</u> | <u>832,597</u> |

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

| | 2021 No | 2020 No |
|---------------|------------|------------|
| Youth workers | 40 | 44 |
| Other | 10 | 7 |
| | <u>50</u> | <u>51</u> |

No employee received emoluments of more than £60,000 during the year.

11 Auditors' remuneration

| | 2021 £ | 2020 £ |
|-----------------------------------|--------------|--------------|
| Audit of the financial statements | <u>5,053</u> | <u>6,073</u> |

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

13 Tangible fixed assets

| | Furniture and equipment £ | Motor vehicles £ | Total £ |
|-------------------------|------------------------------------|------------------------|----------------|
| Cost | | | |
| At 1 April 2020 | 15,657 | 62,825 | 78,482 |
| Additions | 32,380 | 23,980 | 56,360 |
| Disposals | (1,307) | - | (1,307) |
| At 31 March 2021 | <u>46,730</u> | <u>86,805</u> | <u>133,535</u> |
| Depreciation | | | |
| At 1 April 2020 | 11,121 | 62,825 | 73,946 |
| Charge for the year | 6,521 | 401 | 6,922 |
| Eliminated on disposals | (1,307) | - | (1,307) |
| At 31 March 2021 | <u>16,335</u> | <u>63,226</u> | <u>79,561</u> |
| Net book value | | | |
| At 31 March 2021 | <u>30,395</u> | <u>23,579</u> | <u>53,974</u> |
| At 31 March 2020 | <u>4,536</u> | <u>-</u> | <u>4,536</u> |

14 Stock

| | 2021 £ | 2020 £ |
|--------|-----------|--------------|
| Stocks | <u>-</u> | <u>3,263</u> |

15 Debtors

| | 2021 £ | 2020 £ |
|---------------|----------------|----------------|
| Trade debtors | 140,514 | 175,205 |
| Prepayments | 17,855 | 19,263 |
| Other debtors | 4,395 | 2,799 |
| | <u>162,764</u> | <u>197,267</u> |

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

16 Cash and cash equivalents

| | 2021 £ | 2020 £ |
|--------------|----------------|----------------|
| Cash on hand | 331 | 279 |
| Cash at bank | 383,637 | 181,065 |
| | <u>383,968</u> | <u>181,344</u> |

17 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|-----------------|----------------|----------------|
| Trade creditors | 280,809 | 334,881 |
| Accruals | 13,912 | 23,057 |
| Deferred income | 138,546 | 153,038 |
| | <u>433,267</u> | <u>510,976</u> |

18 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2021 £ | 2020 £ |
|----------------------------|---------------|---------------|
| Land and buildings | | |
| Within one year | 8,563 | 10,258 |
| Between one and five years | 52,250 | - |
| | <u>60,813</u> | <u>10,258</u> |
| Equipment | | |
| Between one and five years | 9,253 | 14,236 |

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

19 Funds

| | Balance at 1 April 2020 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2021 £ |
|--|------------------------------------|----------------------------|----------------------------|------------------|-------------------------------------|
| Unrestricted | | | | | |
| <i>Unrestricted funds</i> | | | | | |
| General fund | (159,947) | 22,474 | (18,913) | 316,445 | 160,059 |
| Restricted | | | | | |
| Restricted fund | 1,815 | - | (1,815) | - | - |
| National Foundation for Youth Music | 4,318 | 54,233 | (51,171) | - | 7,380 |
| Youth Work Team | - | 165,898 | (167,831) | 1,933 | - |
| Wellbeing | - | 909,120 | (709,397) | (199,723) | - |
| EMHP | - | 518,363 | (412,368) | (105,995) | - |
| Skills Development | - | 69,585 | (86,173) | 16,588 | - |
| Detached Youth Work | 29,248 | - | - | (29,248) | - |
| Total restricted | <u>35,381</u> | <u>1,717,199</u> | <u>(1,428,755)</u> | <u>(316,445)</u> | <u>7,380</u> |
| Total funds | <u>(124,566)</u> | <u>1,739,673</u> | <u>(1,447,668)</u> | <u>-</u> | <u>167,439</u> |

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

| | Balance at 1 April 2019 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 31 March 2020 £ |
|--|------------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|
| Unrestricted funds | | | | | |
| <i>Unrestricted funds</i> | | | | | |
| General fund | (203,063) | 487,063 | (293,942) | (150,005) | (159,947) |
| Restricted | | | | | |
| Restricted fund | 1,642 | 450 | (277) | - | 1,815 |
| National Foundation for Youth Music | 3,194 | 67,932 | (66,808) | - | 4,318 |
| Cuckoo Meadow | - | 11,294 | (11,294) | - | - |
| Youth Work Team | 598 | 233,163 | (233,761) | - | - |
| Wellbeing | (30,740) | 267,741 | (367,680) | 130,679 | - |
| EMHP | - | 127,288 | (143,134) | 15,846 | - |
| Enterprise Development Fund | - | 8,000 | (11,480) | 3,480 | - |
| Detached Youth Work | - | 51,825 | (22,577) | - | 29,248 |
| Total restricted funds | <u>(25,306)</u> | <u>767,693</u> | <u>(857,011)</u> | <u>150,005</u> | <u>35,381</u> |
| Total funds | <u>(228,369)</u> | <u>1,254,756</u> | <u>(1,150,953)</u> | <u>-</u> | <u>(124,566)</u> |

Young Somerset

Notes to the Financial Statements for the Year Ended 31 March 2021

20 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted £ | Total funds at 31 March 2021 £ |
|-----------------------|----------------------------|-----------------|---|
| Tangible fixed assets | 29,354 | 24,620 | 53,974 |
| Current assets | 186,990 | 359,742 | 546,732 |
| Current liabilities | (56,285) | (376,982) | (433,267) |
| Total net assets | <u>160,059</u> | <u>7,380</u> | <u>167,439</u> |

| | Unrestricted funds £ | Restricted £ | Total funds at 31 March 2020 £ |
|-----------------------|----------------------------|-----------------|---|
| Tangible fixed assets | 719 | 3,817 | 4,536 |
| Current assets | 114,626 | 267,248 | 381,874 |
| Current liabilities | (275,292) | (235,684) | (510,976) |
| Total net assets | <u>(159,947)</u> | <u>35,381</u> | <u>(124,566)</u> |

21 Related party transactions

There were no related party transactions in the year.