



**Annual Report and Accounts**  
For Year ended 31<sup>st</sup> August 2022

**XLP, All Hallows-on-the-Wall, 83, London Wall, EC2M 5ND**

XLP is a company limited by guarantee, registered in England,  
number 4959458 and a registered charity number 1101095

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FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

**DETAILS OF THE CHARITY, TRUSTEES AND ADVISORS**

Status

XLP is a charitable company limited by guarantee, registered in England, and incorporated in 2003. The company was registered as a charity in 2003.

XLP is also historically known as “The X L Project”.

Registered Charity Number	1101095
Registered Company Number	4959458
Registered Office	All Hallows-on-the-Wall 83 London Wall London EC2M 5ND
Trustees	Mr E F C Donaldson OBE Mr A D W Millar (until 06/07/2022) Mr N C Benton Miss E Yentumi Mrs S Douglas Mr K Brese (appointed 13/10/2021)
Chair	Mr E F C Donaldson OBE
Treasurer	Mr N C Benton
Secretary	Mr P J Wood
Chief Executive	Mr L O Watson
Bankers	HSBC Bank PLC 47 Rye Lane Peckham London SE15 5ET
Auditor	Edmund Carr LLP 146 New London Road Chelmsford Essex CM2 0AW

## **WELCOME FROM THE CHIEF EXECUTIVE OFFICER**

It was heralded as the end of the pandemic, and yet the virus kept rearing its head. Moreover, it's clear that the social impacts of the pandemic will carry on for many years to come. Most noticeably, we see mental health challenges and thousands of young people having missed out on important schooling, who are now struggling to catch up. This was the impetus to launch our Tutoring project, aimed at helping young people catch up on missed literacy and numeracy skills. Indeed, it was the pandemic that helped us learn to be agile again and again.

Somewhere in amongst the restrictions that changed month on month, XLP marked its 25<sup>th</sup> anniversary; 25 years of standing with young people and communities who are often overlooked in society; 25 years of love, patience and consistency; 25 years of relational, trust-based, locally-focussed youth work. We are proud to have weathered the pandemic and other storms during that time, but we are prouder still of the changes we've seen in young people. Young people who will start without the privilege, networks and opportunities that many reading these accounts will have had. We believe in a world where all young people should start with the same opportunity, and yet we know that we are a long way off that as a society, so we focus on bridging those gaps and reducing the barriers that so many young people in London face.

As we look forward, we know the need for what we do will continue to grow. We see that as the cost of living crisis forces more families into poverty, and as financial crashes lead to spending cuts within the sector. For this very reason, we need to grow. Our ambition is to grow the number of young people we work with, grow the number of communities and schools we serve, and grow the impact we have in those spaces. The challenge as we scale will be to hang onto the hyper-local, personal, relational approach that is so important to success: understanding the context on the ground, knowing how different communities interact, being known and trusted in those communities.

I hope not to be talking about the pandemic this time next year. Rather, I hope we will be talking about the increased awareness of young people's struggles, of a narrowing educational opportunity gap, of more money being spent on London's youth. But whatever we might hope for, I know I will be talking of young people rising up with resilience, determination and conviction – often against the odds – and towards a better future.

To all those who have supported us in our 25 years and enabled these changes, we are enormously grateful. From the small beginnings in a church in Southwark to the 50-strong team in nine boroughs around London, we simply couldn't have done what we've done without the support, encouragement and generosity of individuals, churches, trusts, foundations, companies, and local government, and I am indebted as ever to all the staff at XLP who enable us to keep delivering life-changing youth work across London.

**Luke Watson, Chief Executive Officer**

## **OBJECTIVES AND ACTIVITIES**

XLP was founded in 1996. Its charitable objects are set out in its governing document and these underpin its operational objectives. The trustees have paid due regard to the Charity Commission's guidance on public benefit when determining the activities of the charity.

**XLP engages in long-term relationships to empower young people from the most disadvantaged backgrounds to complete their education and avoid anti-social behaviour, gangs and criminality, and ultimately to become positive contributors to their communities. We are working to create positive futures for young people living in our inner cities and to make a serious and sustainable impact upon poverty and educational failure.**

The charity seeks to serve children and young people (approx. 10-20 years of age), primarily from inner-London estate communities, who are experiencing a range of life challenges and/or behavioural and educational difficulties. It does this through a portfolio of prevention, intervention and diversionary projects that are focussed on delivering the following outcomes:

- Children and young people with a raised sense of self-worth, self-esteem and increased educational achievement that helps them confidently and positively contribute to society;
- Children and young people with fresh goals and the desire to work hard to achieve them, with the ability to make wise lifestyle choices; and,
- Children and young people with positive attitudes and behaviour towards their communities: their families, peers, local residents, teachers and the police.

XLP works principally in the London boroughs of Southwark, Lewisham, Lambeth, Greenwich, Newham, Tower Hamlets, Islington, Camden and Hackney.

Over the past 12 months, we have worked with over 4,000 young people and their families on a one-to-one and small group basis, concentrating on building long-term, positive, trusted relationships.

It is these relationships that produce trust with young people, which in turn allows a belief that positive change is possible in what are very often difficult life circumstances. This progression of **Trust → Believe → Change** is foundational to what we do.

It takes time to foster trust. It takes a skilled youth worker to know when to encourage and when to challenge. It takes time for a young person to change their mindset and begin to believe in themselves. It needs that trust and belief to be in place for sustained change to happen.

We believe in building these relationships with young people, and creating multiple contexts and opportunities to deepen our engagement with them. Our theory of change is centred on such relationships. Regular and consistent engagement is not only shown to be the most

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effective strategy in long term change, but also necessary for young people with multiple levels of disadvantage.

Our work through the year has continued to comprise a wide range of programmes including:

- A schools programme providing educational support, mentoring, specialist lessons and clubs, and a Literacy and Numeracy (LAN) project
- A communities programme carrying out ‘detached’ youth work on estates, including community bus drop-in sessions, sports and life-skills training, two mobile recording studios working with so called ‘hard-to-reach’ young people, and an arts project that trains in life skills and artistic performance
- A mentoring programme for those on the verge of exclusion or involvement in gangs
- An employability programme that supports young people into apprenticeships and further education by improving their work-readiness
- Summer camps and other outings
- Online youth work in response to restrictions surrounding the COVID crisis

XLP aims to provide multiple contact points with children and young people, working with them in their schools, their communities, and with their families. In this way, robust long-term relationships can be established between XLP youth workers and the children and young people they serve.

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### **ACHIEVEMENTS AND PERFORMANCE**

#### **Overview**

#### **Outputs**

	<b>2021/22</b>
Boroughs where we work	9
Estate communities where we work	19
Schools and Pupil Referral Units where we work	27
Total Young People (one-to-ones and small groups)	4,280
Regular Young People (one-to-ones and small groups)	1,334

- **94% of regular young people were involved in more than one XLP project**
- **52% of regular young people went on a trip with XLP**
- **76% sustained or improved their social and emotional skills**

#### **Target Population and Indication of Need**

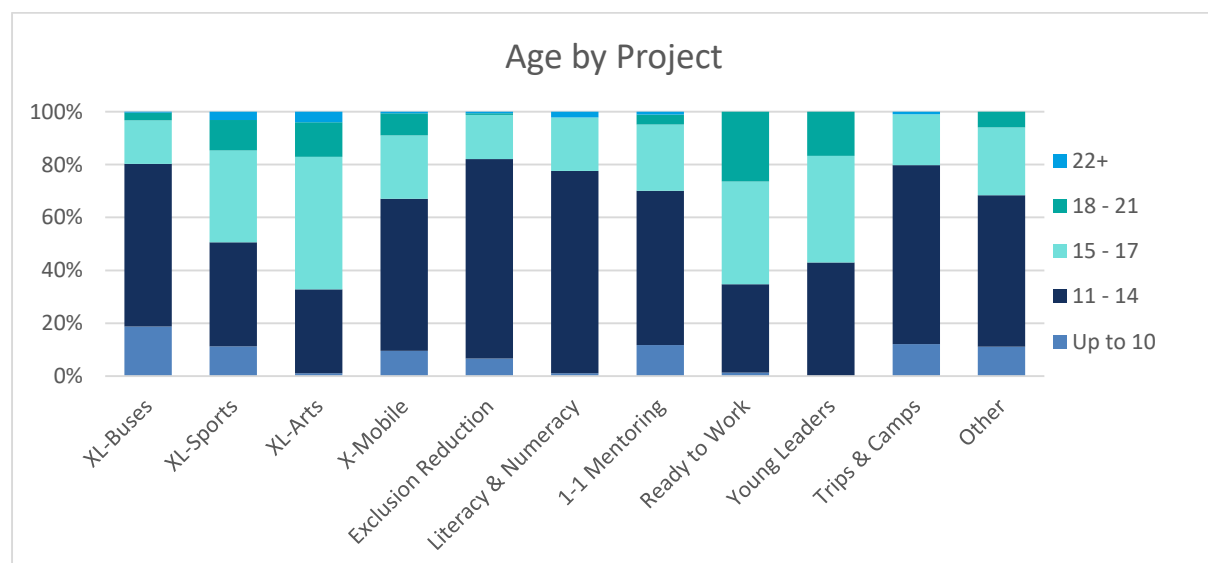
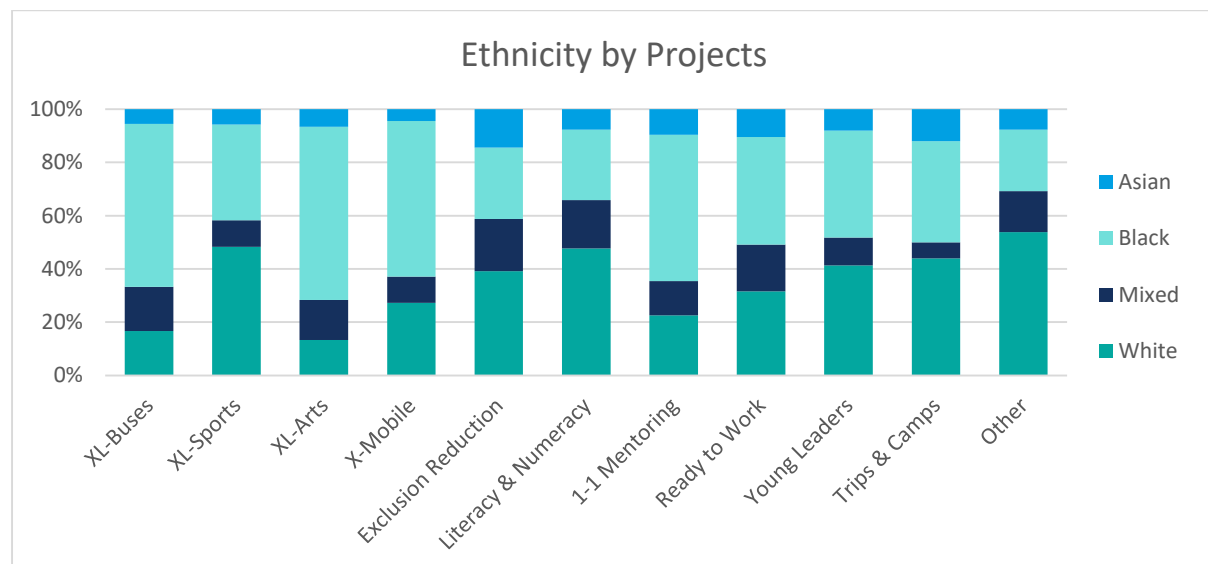
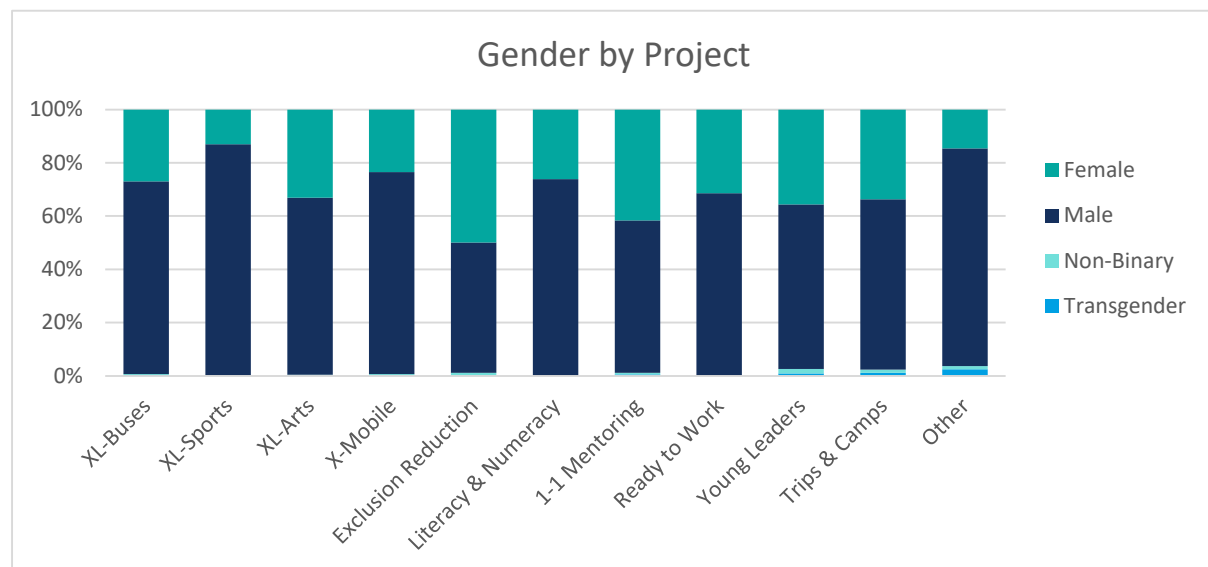
It is well documented that poverty, crime and insufficient access to education lead to worse outcomes for young people. Of course, there are exceptions, and at XLP's heart is a desire to create such exceptions in the lives of those we work with. The government compiles 'indices of multiple deprivation' for all postcodes in the UK every few years using various metrics. Whilst the indices are not designed to identify how deprived individuals are, they give an indication of the areas that the young people are living in, and as such, some of the challenges they are facing. By combining the data collected for young people that XLP works with and the government indices, we saw that:

- 77% are in the poorest 30% of areas
- 74% are in the worst 40% of areas affected by crime
- 64% are in the lowest 50% of access to education

In short, the majority of young people we work with come from areas of higher and highest need.

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## Demographic Engagement





**Achievements against key goals for 2021/2022**

To rebuild the youth work capacity of the team as COVID restrictions are eased

- Some areas took longer to rebuild than others, but all are now beyond the capacity they were pre-pandemic. One of the challenges that has emerged from the pandemic is the need now to increase the number of volunteers again, as these dropped off during the two previous years.

To maximise opportunities under COVID restrictions to support young people and their communities

- XLP remained agile, innovative and committed throughout the pandemic and was able to continue all work in one way or another. There were also new opportunities that arose, such as the development of new outdoor projects, including a cycling and running club, that might not have happened without the enforced restrictions of the pandemic.

To build the infrastructure of the organisation as we begin to plan to scale and grow

- Fundraising, HR, Operations and Finance have all grown and seen important changes to processes and systems. We hired a Director of Operations as a new role, building capacity to manage these changes.

To continue to develop our impact management and measurement, ensuring that good output, outcome and impact data are available going forwards

- There were some significant wins, most notably the development of the database to ensure all activities were monitored within the one system. This is a considerable improvement on the status several years ago, when each project had one or more systems to capture data, and no way of communicating with one another. Not only are we able to gain new insight and data (for example, discovering that 94% of regular young people were involved in more than one project, and other facts listed above), but it also encourages projects to collaborate internally and provide a better service to young people. Another significant milestone was being invited to apply for funding specifically to build capacity in this area, which will be invaluable if successful as there remains plenty to be done.

To increase the value of our free reserves in order to maintain our free reserves above the three-month level as activity and expenditure increase, in order to give us a sustainable platform for future growth and increase our resilience in times of economic uncertainty

- We were able to increase the value of our free reserves from £358,325 to £568,362, representing an increase from 3.1 months to 3.7 months of charitable expenditure. This growth was significant in the light of the effects of COVID on the charity sector.

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**Report on Activities for the year**

The Coronavirus pandemic and its restrictions were far fewer in the year 2021 to 2022, but a continued commitment to making quick decisions, learning from previous restrictions, and to doing whatever we could to keep the work going with young people ensured we were able to keep working with those considered most vulnerable. This year did not see as strict lockdown recommendations as the previous year, although there was an ongoing balance required to decide between the physical, mental and emotional needs of the young people and their communities generally and the specific risks associated with Covid and proximity to others.

The table below shows activities carried out during the year across the projects, which were impacted by lockdown restrictions to differing degrees. As noted last year, we now measure regular attendees as a more meaningful reflection of those with whom we have an impact.

<b>Project</b>	<b>Total Attendees</b>	<b>Regular Attendees</b>	<b>1-1 Sessions</b>	<b>Group Sessions</b>	<b>Total Sessions</b>
<b>Buses</b>	1659	400	119	528	647
<b>Sports</b>	1640	357	218	658	876
<b>Arts</b>	855	139	75	112	187
<b>X-Mobile</b>	220	44	42	106	148
<b>Exclusion Reduction</b>	437	189	1026	317	1343
<b>Literacy &amp; Numeracy</b>	145	89	50	160	210
<b>1-1 Mentoring</b>	200	41	657	17	674
<b>Ready to Work</b>	99	30	120	66	186
<b>Young Leaders</b>	121	45	135	67	202

## **Communities Programme**

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### **Bus Project**

We have a fleet of three custom built double decker buses and two vans that have been converted to create bespoke mobile youth centres with games consoles, recording studios, craft and play areas, kitchen facilities and more to help engage and build relationship with young people aged 11-18. These vehicles enable detached youth work where the team delivers high-quality relationship-focused youth work connecting to some of the hardest to reach young people in London. This year, we added a third bus with modern facilities that have helped us reach more young people and give them a sense of ownership and a safe space to meet peers and adults. By using mobile youth centres over building-based ones allows us to go where the need is greatest and offer provision in areas where it is otherwise missing or in need of more.

In the year ahead, we hope to grow from 19 to 22 projects, helping us reach and build relationships with more young people and offer an environment that young people want to come to, engage in and find hope through trusted relationships. We also hope to build our volunteer team particularly now COVID restrictions are over, to ensure consistency of relationship and open up even greater diversity of opportunity for young people.

### **Sports Project**

The sports project delivers weekly two-hour football training sessions to groups of young people, together with additional tournaments, targeted one-to-one mentoring, and additional matches with the XLP 11-a-side team (created to support young people struggling to find further sporting opportunities, or facing unemployment and educational failure).

The sessions aim to challenge attitudes and behaviours, encourage working positively with others, help set goals (with guidance on how to achieve them), and create an alternative to gangs, crime and anti-social behaviour. A further aim is to help young people to train as FA Level 1 Coaches, and encourage them to volunteer as coaches or sessional youth workers with XLP. Last year’s 20-year-old football coach went on to get a job as first team coach for a semi-professional team.

### **Arts Project**

The Arts project is focused on discovering, developing and delivering artistic talent with a wide range of young people, through a variety of art forms and groups as well using our fixed studio space and mobile studio (X-mobile) vans. It requires excellent youth work skills combined with specific music production technical competency. On a given afternoon, a youth worker might be helping a young person to express themselves by recording the lyrics in a recording booth to seeing over 100 people join an open mic session where young people are performing and experimenting with new material they have produced.

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As we look forwards, we hope to create more career opportunities for young people, to develop a pool of young professionals who can train other young people in schools and communities, and to explore more art forms, such as fashion, art, film, theatre and dance.

### **Schools Programme**

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#### **Exclusion Reduction Project**

The XLP schools team works in over 27 schools and alternative provision establishments. We engage with students on the verge of exclusion, faced with complex external pressures such as the effects of poverty, broken relationships, domestic violence, peer pressure, mental health, abuse, gangs, and a lack of self-value. These issues are tackled through a trauma-informed approach and by delivering exclusion reduction sessions, both individually and in a group context. Alongside this, we prioritise journeying with schools for the long term with the aim of being embedded in a school’s culture and foundation. School is such a formative place and stage for so many young people, and it is part of the XLP approach to try to see young people in multiple settings, including their community, their home and their place of education.

#### **Literacy and Numeracy Project**

The Literacy and Numeracy (LAN) project currently works in five schools, with the aim to grow to 12 schools in the year ahead. There are two main elements to the project:

1. Group tutoring lessons led by XLP youth workers within schools for young people in years 7 to 9 using our SAFMEDS (Say-All-Fast-Minute-Every-Day-Shuffled) approach. This precision teaching tool helps us to identify weaknesses in a child’s learning and support them in different areas.
2. One-to-one tutoring led by trained volunteer tutors who are matched with young people working towards their GCSE’s. These young people fit into four cohorts: those working towards resitting exams between September and December; those studying for their Mock exams; those studying towards summer GCSE’s; and summer tuition for those preparing to start their GCSE year. Young people receive one hour of tuitions per week with the goal of helping them to raise their predicted grades and pass their GCSE’s.

### **Mentoring Programme**

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Mentoring provides young people with a consistent adult supporter, advisor and role model. One-to-one mentoring provides relational, tailored support to young people who are disengaged from education, who struggle with their confidence and wellbeing, and who want help making positive choices for their future. Over the last year, as we’ve come out of the pandemic, we have worked with a greater number of young people with anxiety concerns

that have been exacerbated by lockdowns and disruption. Mentoring has helped to rebuild their confidence, enabling them to re-engage with education, with society, and attend activities and build friendships.

Young people are referred to XLP’s community mentoring programme through schools, statutory services and health services. We have capacity to match 80 young people a year with a volunteer mentor from their local community, who offers weekly support for the year. Mentoring sessions usually consist of visiting local cafés, parks and local attractions – to have fun, build connection, support their education and expand their worldview. Once a year, all mentors and mentees go away for a weekend residential to help cement their relationships and this is often a place of real breakthrough.

### **Employability Programme**

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The employability project is made up of two distinct projects, both with the objective of reducing the number of NEET (not in education, employment or training) young people:

1. Young Leaders

This project focusses on those still in education (or who should be) and are at risk of becoming NEET when they turn 16. Given the nature of the young people we work with and some of those who will be furthest from the job market and will struggle to find work when they are older, it is not enough to start such projects at 18. As such, the Young Leaders groups are aimed at building life skills and supporting young people to improve their chances of staying in school and/or getting and keeping employment. Many of these skills gained are so-called soft skills (e.g., confidence, self-awareness, teamwork), whilst others revolve around the very tangible things required to get into work (e.g., phone credit, a CV, suitable clothing for interviews).

2. Ready to Work

The project runs over six weeks and aims to build similar skills to the Young Leaders project. After the initial course, young people receive support for up to a year.

### **Apprentices**

XLP also runs an apprenticeship training year focussed on urban youth and community work, together with project-specific training. It sits within the Employability Programme as it is aimed at young people we have engaged previously to gain the skills needed to enter employment after the year of training. Apprentices work towards a level 2 youth work qualification and are aged between 18 and 25; they would otherwise be NEET.

The year not only helps young people as they enter the job market, but also enables them to use their skills, experience and cultural cachet with the young people just a few years younger.

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It is noticeable how much their younger peers look up to them, and how much this in itself can transform their own attitudes and sense of identity and confidence to work. The year has the added benefit of creating a pipeline of youth workers as we hope that some will be interested and competent enough at the end of the year to apply for a job with XLP.

In 2021/22, four apprentices joined the XLP team, together with two staff through the Government’s Kickstart scheme and one through Jack Petchey’s internship programme. To date, apprentices have typically joined the Sports or Arts projects, but we hope to grow the project to ten apprentices in 2022/23 covering a wider breadth of projects.

### **Other**

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#### **Summer camps and outings**

During 2021-22 we ran 11 residential trips for 148 young people. These trips help young people to broaden their horizons, visit new places and create lifelong memories, whilst also giving building strong and positive relationships with trusted youth workers. It is often on such trips that transformational moments are seen, with real breakthrough across the ages.

A survey of young people we work with highlighted the importance of these trips and showed it to be the main thing they would like to see us doing more.

#### **Training**

In addition, XLP participates in three-year degree programmes providing qualifications in Theology and Youth Ministry. The XLP degree students on these programmes fulfilled the practical parts of their courses by working on XLP projects that also provide additional continuity within the teams.

#### **Youth Advisory Group**

This group is made up of past and current beneficiaries from across XLP, aged from 16 upwards. New members are selected by the group annually, with old members leaving to make space for new. It meets monthly to discuss XLP and offer feedback and suggestions for improvements of projects and make a significant contribution to the work of XLP. The group receives leadership training and mentoring support to develop confidence and listening skills.

## **FINANCIAL AND RISK REVIEW**

### Income and Expenditure

Total Income received for the year was £2,319,325, £274,689 (13%) higher than £2,044,636 for 2021 despite once again cancelling our fundraising dinner in the light of ongoing COVID risks.

The main sources of voluntary income for the period are set out in Note 2. The charity is hugely grateful to all its donors.

Expenditure of £1,939,404 showed a significant increase of £438,393 (29%) from £1,501,011 for 2021. This increase reflects both our ability to return to much of our normal levels of activity and that we were able to increase the size of our team by 20% across the year, restarting work in some areas that we had stopped whilst also filling some gaps in teams that had been left empty due to the limits on activity during the pandemic.

This performance resulted in restricted funds increasing to £769,350 (2021: £619,383) and free reserves increasing to £568,362 (2021: £358,325). The increase in restricted funds primarily results from success in funding our Employability projects, including funding to increase the number of young people able to join our apprenticeship programme. We also received some funds late in the year that will be carried over and utilised in the coming year.

Donations and other fundraised income of £2,289,682 increased by 18% from £1,933,724 in 2021. Non-bus grants increased by £164,344 (from £1,271k to £1,435k) and donations from businesses increased by £29,230 (from £305k to £335k). Other donations increased by £86,534 (from £164k to £250k); this is a significant reversal of the £137k decrease of the previous year and reflects our use of new online giving platforms and an increased ability for supporters to take part in sponsored events. Grants for the running of the bus project decreased by £36,361, however capital grants of £129,000 allowed us to complete the conversion of a new bus during the year, which was launched in August 2022. Donations from churches and were down by £6,834 and income from events was reduced by £3,455.

XLP does not use a professional fundraising service and has not received any complaints from donors regarding our fundraising activities.

Our principal expenditure is staff costs. In the last twelve months these increased by nearly 25%, in line with the planned increases in the size of the staff team through the year. We expect staff costs to continue to rise over the next 12 months at a similar rate as we continue to grow our team to increase project delivery in line with expected increased income.

The costs of running our projects also increased significantly this year through a combination of the ending of most COVID restrictions and our capacity to deliver more youth work. The costs of running our community vehicles increased as we were able to fully utilise our buses once more.

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Our fundraising ratio remained at 5% of the total of voluntary income and activities for generating funds. We expect this to return to 7-10% in future years. Support costs increased by 10% as set out in Note 8.

### Balance Sheet

Fixed assets increased slightly to £245,719, as a result of the conversion of our newest community bus. Each of the other vehicles owned has a continuing useful life and the carrying value is therefore considered by the trustees to be prudent.

Current assets largely comprise cash on deposit. As the base rate has now risen, we are taking steps to ensure we achieve an appropriate interest rate on deposited cash. Debtors largely relate to accrued income that related to the financial year but was received post year-end. The main “creditor” is deferred income of £253,584 representing grants given in 2021/22 for work that will take place in the next financial year.

### Reserves Policy

The policy aims to establish free reserves at a level to cover at least three months of charitable expenditure. At year end, free reserves of £568,362 represented 3.7 months of cover, an increase from 3.1 months in 2021. This is a continuation of the growth that has taken place since 2019 despite challenging circumstances, and as the charity continues to increase its activity (and thus expenditure), we will seek to grow the value of free reserves in the coming year in order to maintain the three-month reserve position.

In addition to the free reserves, the charity also holds restricted funds of £769,350 and a fixed asset fund of £245,719, giving total funds of £1,583,431 at 31 August 2022.

### Going Concern

The trustees have reviewed the outturn for the year particularly noting the increased levels of both restricted and unrestricted reserves, along with the progress made against the approved budget for 2022/23. Following this and the review of our funding position going forward, the trustees have a reasonable expectation that the charity will have sufficient resources to meet its liabilities as they fall due for the foreseeable future. The trustees therefore consider it appropriate for the accounts to be signed on a going concern basis.



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### Risk Review

The trustees conduct an annual review of the major risks to which the charity is exposed and the controls established to mitigate those risks. In addition to the risks associated with the impact of COVID, the trustees consider that the most significant current risks to XLP relate to lack of funding, loss of key personnel and safeguarding with the attendant reputational risks.

The charity's funding strategy encourages a diversification of funding sources whilst continuing to expand the funding base for the charity. Funding is received from charitable trusts, major private and corporate donors, fundraising events and donations from churches and individuals, and during this period, from the Government through the furloughing scheme.

Senior managers cover the core areas of the organisation (youth work, safeguarding, impact, culture, finances and fundraising) and provide support to the Chief Executive Officer as well as continuity in times of absence.

The safeguarding policy and procedures of the Charity are reviewed by the trustees, senior management and the Chief Executive Officer. Trustees are updated regularly at Board meetings on safeguarding matters. All staff are trained annually in safeguarding and training is provided for mentors and other volunteers including Trustees.

## **PLANS FOR FUTURE PERIODS**

The charity plans to continue its present activities in future years, and to add activities as resources permit. Our focus during 2022/23 will remain upon the activities in our existing boroughs with young people, whilst delving deeper into impact management and preparing for growth.

Key goals for 2022/23 are:

- To grow the youth work towards the stated goal of every project operating in every borough
- To develop greater diversity within the senior leadership
- To build the infrastructure of the organisation as we begin to plan to scale and grow
- To continue to develop our impact management and measurement, ensuring that good output, outcome and impact data are available going forwards, in particular with an overhaul of our database using the lessons learned from the last few years
- To increase our fundraising events, which had largely had to stop since the start of the pandemic
- To increase the value of our free reserves to maintain our free reserves above the three-month level as activity and expenditure increase, in order to give us a sustainable platform for future growth and increase our resilience in times of economic uncertainty

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## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### Constitution

The charity was established under a Memorandum of Association and is governed under its Articles of Association.

### Trustees

Trustees are appointed with reference to relevant skills, diversity and XLP's values. Under the Articles, new trustees are appointed by the Board of Trustees and one third of the members of the Board (the longest serving) retire each year, but are eligible to be re-appointed if still qualified.

New trustees go through an induction process and receive trustee training as appropriate.

The trustees schedule four quarterly meetings a year and hold further meetings during the year as required. During the financial period, the trustees met as a Board seven times.

### Organisational Structure

The organisation is led by the Board of Trustees, which oversees and monitors the work of XLP and makes decisions on overarching issues such as vision and long-term strategy, and agrees the budget in conjunction with the Chief Executive (CEO).

The oversight of the day-to-day work of XLP is delegated to the senior managers and led by the CEO. The trustees appoint a small committee of trustees to agree the remuneration of the CEO and other senior staff. Operations (youth work) and Support Services (office) teams meet regularly and take responsibility for XLP's day-to-day operations and service delivery.

### Co-operation with Other Organisations

XLP works in association and partnership with a number of local organisations, in furtherance of its charitable purposes. These include schools, Pupil Referral Units and other Alternative Provision establishments, London Borough Councils, Youth Offending Teams, various Housing and Tenants' Associations, the Police, Police Community Support Officers, Safer Neighbourhood Teams, together with other local charities. XLP also works with a number of youth work organisations and churches across London.

## **STATEMENT OF TRUSTEES’ RESPONSIBILITIES**

The trustees (who are also directors of XLP for the purposes of company law) are responsible for preparing the Trustees’ Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 2019 (FRS 102);
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company’s auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity’s governing document, the Charities Act 2011 and 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 published on 16 July 2014.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies’ exemption.

**XLP – TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

Approved by the Trustees on 24<sup>th</sup> May 2023 and signed on their behalf by:

*Edward Donaldson*

Mr E F C Donaldson OBE (Chair)

# **XLP – INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF XLP FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

## **Opinion**

We have audited the financial statements of XLP (the ‘charitable company’) for the year ended 31 August 2022 which comprise the Statement of Financial Activities, Balance Sheet Statement of Cash Flows and notes to the financial statements, including 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 August 2022, 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 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**

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

## **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 annual report. Our opinion on the

## **XLP – INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF XLP FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

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 course of 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 this gives rise to 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.

### **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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees’ report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees’ responsibilities statement set out on page 23, 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.

### **Auditor responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

## **XLP – INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF XLP FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows;

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.

We assessed the susceptibility of the company’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur by;

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud
- Considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.

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

- Performed analytical procedures to identify any unusual or unexpected relationships
- Tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed 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.



## **XLP – INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF XLP FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude 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 auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the charitable company’s trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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

**XLP – INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF XLP  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Edmund Carr LLP*

EDMUND CARR LLP

Statutory Auditor

146 New London Road

Chelmsford

Essex

CM2 0AW

Date: 24 May 2023

Edmund Carr LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**XLP – STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

**STATEMENT OF FINANCIAL ACTIVITIES**

		<b>Unrestricted</b>	<b>Restricted</b>	<b>2021/22 Total</b>	<b>2020/21 Total</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income from:</b>					
Donations and other fundraised income	2	551,776	1,737,906	2,289,682	1,933,724
Investment income – bank interest		-	-	-	6
Charitable Activities	3a	2,510	760	3,270	615
Other trading activities	3b	16,855	9,518	26,373	26,077
HMRC Job Retention Scheme		-	-	-	84,214
<b>Total Income</b>		<b>571,141</b>	<b>1,748,184</b>	<b>2,319,325</b>	<b>2,044,636</b>
<b>Expenditure on:</b>					
<b>Raising Funds</b>	6	111,072	-	111,072	101,148
<b>Charitable Activities</b>	7,8,9	341,918	1,486,414	1,828,332	1,399,863
<b>Total Expenditure</b>		<b>452,990</b>	<b>1,486,414</b>	<b>1,939,404</b>	<b>1,501,011</b>
<b>Net income/(expenditure)</b>		<b>118,151</b>	<b>261,770</b>	<b>379,921</b>	<b>543,625</b>
<b>Transfers between funds</b>	14	<b>111,803</b>	<b>(111,803)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>229,954</b>	<b>149,967</b>	<b>379,921</b>	<b>543,625</b>
<b>Reconciliation of Funds</b>					
Total Funds brought forward		<b>584,127</b>	<b>619,383</b>	<b>1,203,510</b>	<b>659,885</b>
<b>Total Funds carried forward</b>		<b>814,081</b>	<b>769,350</b>	<b>1,583,431</b>	<b>1,203,510</b>

The statement of financial activities includes all gains and losses in the year.

**XLP – BALANCE SHEET  
AS AT 31<sup>ST</sup> AUGUST 2022**

**BALANCE SHEET**

			<b>31st August 2022</b>	<b>31st August 2021</b>
	Note	£	£	£
<b>Fixed Assets</b>				
Tangible Assets	11		245,719	225,802
<b>Current Assets</b>				
Stock		2,242		2,256
Debtors	12	112,478		158,614
Cash at bank and in hand		1,555,186		1,195,131
		<u>1,669,906</u>		<u>1,356,001</u>
<b>Current Liabilities</b>				
Creditors: amounts falling due within one year	13	332,194		378,293
		<u></u>		<u></u>
<b>Net Current Assets</b>			<u>1,337,712</u>	<u>977,708</u>
<b>Net Assets</b>			<u><b>1,583,431</b></u>	<u><b>1,203,510</b></u>
<b>Funds of the Charity</b>				
Restricted Income Funds	14		769,350	619,383
Unrestricted General Funds	15		568,362	405,705
Unrestricted Fixed Asset Funds	15		245,719	178,422
<b>Total Charity Funds</b>			<u><b>1,583,431</b></u>	<u><b>1,203,510</b></u>

For the year ending 31st August 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the board on 24<sup>th</sup> May 2023 and signed on its behalf by

*Edward Donaldson*

Mr E F C Donaldson OBE (Chair)

Company Registration no. 4959458

**XLP – STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

**STATEMENT OF CASH FLOWS**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
<b><u>Cash flows from operating activities</u></b>		
<b>Net cash provided by (used in) operating activities (Note 1)</b>	<b>462,395</b>	<b>538,597</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of fixed assets	(102,340)	(190,212)
<b>Net cash provided by (used in) investing activities</b>	<b>(102,340)</b>	<b>(190,212)</b>
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>360,055</b>	<b>348,385</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>1,195,131</b>	<b>846,746</b>
<b>Cash and cash equivalents at the end of the reporting period (Note 2)</b>	<b>1,555,186</b>	<b>1,195,131</b>
<b><u>Note 1</u></b>		
<b>Net income/(expenditure) for the reporting period</b>	<b>379,921</b>	<b>543,625</b>
Adjustments for:		
Depreciation	82,423	59,214
Loss on disposal of fixed assets	-	-
(Increase)/decrease in stocks	14	28
(Increase)/decrease in debtors	46,136	(67,918)
Increase/(decrease) in creditors	(46,099)	3,648
<b>Net cash provided by (used in) operating activities</b>	<b>462,395</b>	<b>538,597</b>
<b><u>Note 2</u></b>		
<b>Analysis cash and cash equivalents</b>		
Cash in hand	1,548,731	1,188,676
Notice deposits	6,455	6,455
<b>Total cash and cash equivalents</b>	<b>1,555,186</b>	<b>1,195,131</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014; the Financial reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102); the Charities Act 2011; and UK Generally Accepted Practice as it applies from 1 January 2019.

The charity constitutes a public benefit entity as defined by FRS102.

**b) Going concern**

The Charity is funded from a diverse number of sources, including charitable trusts, major private and corporate donors, fundraising events and donations from individuals, churches and other local organisations. As such it is not reliant upon one source of income. Taking this into account together with the strength of the balance sheet and their review of performance against plan to date, the Trustees believe that, while uncertainty exists, there is no material uncertainty regarding the Charity's ability to continue as a going concern and consequently consider that the financial statements are appropriately prepared on such a basis.

**c) Recognition of income**

Income is included in the Statement of Financial Activities when the charity becomes entitled to the resources, it is more likely than not that the charity will receive the resources and the monetary value can be measured with sufficient reliability.

**d) Incoming resources**

Donations and grants are included in the accounts when the general income criteria are met. When donors specify they are to be used for a future accounting period they are treated as deferred income. Fees received for courses commencing after the period end are also recognised as deferred income. Contributions, fees and tax recoverable from the Inland Revenue under the Gift Aid scheme are recognised on an accruals basis when there is a valid declaration from the donor.

**e) Resources Expended**

Expenditure is accounted for on an accruals basis, inclusive of VAT, which cannot be recovered. The majority of costs are attributable to specific charitable activities. Support costs include central functions and are allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating staff costs by the time spent and other costs by their usage. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

**f) Capitalisation and Depreciation**

All fixed assets are initially recorded at cost.

Tangible fixed assets costing more than £500 are capitalised in the accounts.

## **XLP – NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment – computers 50% straight line, other equipment 25% straight line

Motor Vehicles – 20% straight line

Fixtures & Fittings – 10% straight line

g) **Stocks**

Stocks held for resale are measured at the lower of cost or net realisable value.

h) **Pensions**

XLP contributes to a defined contribution pension scheme on behalf of employees the cost of which is disclosed in note 4 below.

i) **Funds accounting**

Funds held by the charitable company are:

Unrestricted general funds – funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Fixed Asset funds – funds committed to fixed assets as set out in note 15.

Restricted funds – funds that can only be used for particular purposes within the objects of the charitable company. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. The nature and purpose of each fund is explained further in the notes to the financial statements.

j) **Operating Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term.

k) **Taxation**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**XLP – NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

**2. DONATIONS AND OTHER FUNDRAISED INCOME**

			<b>2021/22</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations from churches	17,200	24,878	42,078
Donations from businesses	194,301	140,376	334,677
Other Donations	224,477	25,733	250,210
Grants for bus project	-	85,718	85,718
Capital Grants	-	129,000	129,000
Other grants	103,291	1,332,201	1,435,492
Total Donations and grants	<u>539,269</u>	<u>1,737,906</u>	<u>2,277,175</u>
Income from events	12,507	-	12,507
	<u><u>551,776</u></u>	<u><u>1,737,906</u></u>	<u><u>2,289,682</u></u>

Government grants totalled £189,628 of income; of this, £162,058 is included within restricted “Other grants” above and £1,800 is included within unrestricted “Other grants”, whilst £25,770 is included within restricted “Grants for bus project”.

**2020/21 comparative figures:**

			<b>2020/21</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations from churches	15,001	33,911	48,912
Donations from businesses	143,501	161,946	305,447
Other Donations	157,103	6,573	163,676
Grants for bus project	-	122,079	122,079
Capital Grants	-	6,500	6,500
Other grants	197,526	1,073,622	1,271,148
Total Donations and grants	<u>513,131</u>	<u>1,404,631</u>	<u>1,917,762</u>
Income from events	15,962	-	15,962
	<u><u>529,093</u></u>	<u><u>1,404,631</u></u>	<u><u>1,933,724</u></u>

Government grants totalled £209,981 of restricted income; of this, £122,108 is included within “Other grants” above, whilst £87,873 is included within “Grants for bus project”.



**XLP – NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

3.

a) INCOME FROM CHARITABLE ACTIVITIES

			<b>2021/22</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Training Fees	2,510	760	3,270
	<u>2,510</u>	<u>760</u>	<u>3,270</u>

2020/21 comparative figures:

			<b>2020/21</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Training Fees	219	396	615
	<u>219</u>	<u>396</u>	<u>615</u>

b) INCOME FROM TRADING ACTIVITIES

			<b>2021/22</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Speaking engagements	80	50	130
Sales & other contributions to costs	1,490	1,788	3,278
Rental Income	15,285	7,680	22,965
	<u>16,855</u>	<u>9,518</u>	<u>26,373</u>

2020/21 comparative figures:

			<b>2020/21</b>
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Speaking engagements	50	-	50
Sales & other contributions to costs	24,578	249	24,827
Rental Income	1,200	-	1,200
	<u>25,828</u>	<u>249</u>	<u>26,077</u>

**XLP – NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

**4. STAFF COSTS**

a) Employment Costs

**2021/22**

**Total  
£**

Gross Pay	1,287,432
Pensions Contributions	28,361
Social Security costs (Employers National Insurance)	122,757
	<u>1,438,550</u>

- b) An average of 49 people were employed by the company during the year of which 5 were part-time.
- c) One employee received remuneration benefits of between £60,000 and £70,000. Total earnings of key management personnel was £77,456.
- d) The trustees received no remuneration during the year. The charity purchased trustee indemnity insurance on behalf of the trustees. Trustees' expenses reimbursed during the year amounted to nil.

**2020/21 comparative figures:**

e) Employment Costs

**2020/21**

**Total  
£**

Gross Pay	1,033,885
Pensions Contributions	22,601
Social Security costs (Employers National Insurance)	95,843
	<u>1,152,329</u>

- f) An average of 40 people were employed by the company during the year of which 7 were part-time.
- g) One employee received remuneration benefits of between £60,000 and £70,000. Total earnings of key management personnel was £75,208.
- h) The trustees received no remuneration during the year. The charity purchased trustee indemnity insurance on behalf of the trustees. Trustees' expenses reimbursed during the year amounted to nil.

**XLP – NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

**5. TAXATION**

As a registered charity, the entity is entitled to those reliefs from taxation which are available to charities.

**6. RAISING FUNDS**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Costs of generating donations			
Salaries	89,095	-	89,095
Other costs	12,763	-	12,763
	<b>101,858</b>		<b>101,858</b>
Fundraising event costs	9,214	-	9,214
	<b>111,072</b>		<b>111,072</b>

**2020/21 comparative figures:**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Costs of generating donations			
Salaries	95,923	-	95,923
Other costs	4,925	-	4,925
	<b>100,848</b>		<b>100,848</b>
Fundraising event costs	300	-	300
	<b>101,148</b>		<b>101,148</b>

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**7. ANALYSIS OF COSTS OF CHARITABLE ACTIVITIES**

	<b>Community Projects</b>	<b>Training</b>	<b>Borough and other outreach work</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries	283,673	-	931,246	1,214,919
Bus and transport costs	49,006	-	69,218	118,224
Direct Project Costs	44,276	-	107,854	152,130
Donations and sponsorships	-	-	-	-
Support Costs (note 8)	77,574	-	232,720	310,294
Governance Costs (note 9)	8,191	-	24,574	32,765
	<b>462,720</b>	<b>-</b>	<b>1,365,612</b>	<b>1,828,332</b>

**2020/21 comparative figures:**

	<b>Community Projects</b>	<b>Training</b>	<b>Borough and other outreach work</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries	111,101	-	759,127	870,228
Bus and transport costs	34,260	3,000	59,296	96,556
Direct Project Costs	28,183	2,902	85,949	117,034
Donations and sponsorships	-	-	-	-
Support Costs (note 8)	45,288	1,540	236,003	282,831
Governance Costs (note 9)	5,318	181	27,715	33,214
	<b>224,150</b>	<b>7,623</b>	<b>1,168,090</b>	<b>1,399,863</b>

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**8. SUPPORT COSTS**

	<b>Community Projects</b>	<b>Training</b>	<b>Borough and other outreach work</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries	29,338	-	88,013	117,351
Office Accommodation	16,567	-	49,699	66,266
IT Equipment and support	11,717	-	35,152	46,869
Office and admin costs	19,952	-	59,856	79,808
	<b>77,574</b>	<b>-</b>	<b>232,720</b>	<b>310,294</b>

**2020/21 comparative figures:**

	<b>Community Projects</b>	<b>Training</b>	<b>Borough and other outreach work</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries	27,199	925	141,742	169,866
Office Accommodation	8,127	276	42,350	50,753
IT Equipment and support	2,705	92	14,095	16,892
Office and admin costs	7,257	247	37,816	45,320
	<b>45,288</b>	<b>1,540</b>	<b>236,003</b>	<b>282,831</b>

**9. GOVERNANCE COSTS**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
Fees payable to auditor (note 10)	14,199	16,890
Legal Fees	1,381	13
Salaries	17,185	16,311
	<b>32,765</b>	<b>33,214</b>

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**10. NET INCOME FOR THE PERIOD**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	82,423	59,214
Fee payable to auditor:		
Audit	9,000	8,800
Payroll Services	5,199	8,090
	<b>14,199</b>	<b>16,890</b>

**11. TANGIBLE FIXED ASSETS**

	<b>Furniture &amp; Fixtures</b>	<b>Motor Vehicles</b>	<b>Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>				
At 1 September 2021	16,224	381,669	105,510	503,403
Additions	-	75,414	26,926	102,340
Disposals	-	-	(24,401)	(24,401)
<b>At 31 August 2022</b>	<b>16,224</b>	<b>457,083</b>	<b>108,035</b>	<b>581,342</b>
<b>DEPRECIATION</b>				
At 1 September 2021	4,732	203,247	69,622	277,601
Charge for the year	1,622	52,526	28,275	82,423
Eliminated on disposal	-	-	(24,401)	(24,401)
<b>At 31 August 2022</b>	<b>6,354</b>	<b>255,773</b>	<b>73,496</b>	<b>335,623</b>
<b>NET BOOK VALUE</b>				
At 1 September 2021	11,492	178,422	35,888	225,802
<b>At 31 August 2022</b>	<b>9,870</b>	<b>201,310</b>	<b>34,539</b>	<b>245,719</b>

**12. DEBTORS**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
Income tax recoverable under gift aid scheme	33,260	11,731
Other debtors	12,178	11,716
Prepayments and accrued income	67,040	135,167
	<b>112,478</b>	<b>158,614</b>

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**13. CREDITORS: amounts falling due within one year**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>
PAYE and Social Security	32,817	28,406
Other creditors	36,793	45,824
Accruals and deferred income	262,584	304,063
	<b><u>332,194</u></b>	<b><u>378,293</u></b>

Accruals and deferred income includes deferred income of £253,584 all of which arose in the year (2020/21 - deferred income of £295,063).

**14. RESTRICTED FUNDS**

	<b>1st September 2021</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer to/(from) Unrestricted Fund</b>	<b>31st August 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>1 Bus project funds</b>	-	163,957	163,957	-	-
<b>2 Vehicle Capital Fund</b>	750	129,000	-	106,650	23,100
<b>3 Exclusion Reduction Programme</b>	239,452	507,456	573,176	579	173,153
<b>4 Mentoring funds</b>	3,355	224,436	184,436	-	43,355
<b>5 X-Mobile</b>	36,110	94,623	82,587	899	47,247
<b>6 Arts funds</b>	77,883	73,500	75,455	3,675	72,253
<b>7 Employability funds</b>	145,462	265,596	151,508	-	259,550
<b>8 Sports funds</b>	63,140	118,538	145,460	-	36,218
<b>9 Literacy &amp; Numeracy</b>	30,026	130,569	71,571	-	89,024
<b>10 Impact Project (Capacity)</b>	-	-	-	-	-
<b>11 Other funds</b>	23,205	40,509	38,264	-	25,450
	<b><u>619,383</u></b>	<b><u>1,748,184</u></b>	<b><u>1,486,414</u></b>	<b><u>111,803</u></b>	<b><u>769,350</u></b>

1. Bus project funds include a number of grants from trusts, companies, local authorities and local community organisations given for periods of up to three years for the operation of the Community Bus project.
2. The Vehicle Capital Fund relates primarily to funds given towards the purchase and conversion of a new community bus during the year. The transfer of £106,650 to the fixed asset fund relates to the capitalisation of this expenditure (note 15).

## **XLP – NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

3. Exclusion Reduction Programme – includes funds from trusts, companies, local authorities, local churches and individuals given in support of the work within schools and connected to schools across our boroughs, with the aim of reducing and preventing exclusions of young people from mainstream education. This has become the primary focus of our borough projects.
4. Mentoring – includes both one-off and multi-year grants for the operation of the Mentoring programme, from organisations including The Henry Smith Charity, the Jerusalem Trust, The Hampstead and Wells Campden Trust, The Livingbridge Foundation and the Diocese of London.
5. X-Mobile - funding for the support of the X-Mobile project in London Boroughs, including from Universal Music, Vivendi, World Traders, Benefact Trust and the Ford Britain Trust.
6. Arts Funds - funding from Youth Music, Vivendi, Benefact Trust, the London Borough of Newham and others for projects that promote the practice and expression of performing arts.
7. Employability funds – towards our Ready to Work, Young Leaders, Job Creation and Youth Advisory Group programmes, including a significant three-year grant from the Citi Foundation and grants from the Horlock Educational Trust and the London Borough of Newham.
8. Sports Funds – including grants from Comic Relief, BBC Children in Need, London Youth and Fight for Peace, as well as a grant for a sports internship from the Jack Petchey Foundation.
9. Literacy & Numeracy – grants from trusts and companies including the Constable Educational Trust and The Charity of Sir Richard Whittington towards the promotion of literacy and numeracy skills in schools. This project connects closely with our Exclusion Reduction Programme.
10. Impact Project (Capacity) – a project to develop increased capacity for recording and reporting on the impact of the work across the organisation. Whilst there were no funds received this year, this project will resume during the 2022/23 financial year.
11. Other Funds – includes funding towards other smaller projects including summer camps and Snow Camp.



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2020/21 comparative figures:

	1st September 2020	Income	Expenditure	Transfer to/(from) Unrestricted Fund	31st August 2021
	£	£	£	£	£
1 Bus project funds	-	147,752	147,752	-	-
2 Vehicle Capital Fund	120,496	6,500	-	126,246	750
3 Exclusion Reduction Programme	59,203	494,557	314,308	-	239,452
4 XL-Mentoring funds	-	129,871	126,516	-	3,355
5 X-Mobile	12,256	86,308	62,454	-	36,110
6 Arts funds	40,646	80,783	43,546	-	77,883
7 Employability funds	57,564	206,400	118,502	-	145,462
8 Sports funds	-	153,538	90,398	-	63,140
9 Literacy & Numeracy	-	62,195	32,169	-	30,026
10 Impact Project (Capacity)	1,530	17,807	19,337	-	-
11 Other funds	25,742	19,565	20,319	1,783	23,205
	<b>317,437</b>	<b>1,405,276</b>	<b>975,301</b>	<b>128,029</b>	<b>619,383</b>

1. Bus project funds include a number of grants from trusts, companies, local authorities and local community organisations given for periods of up to three years for the operation of the XL-R8 Community Bus project.
2. The Vehicle Capital Fund relates primarily to remaining funds given by The Story of Christmas towards the purchase of a fourth community bus during the year. Income received last year from Allchurches Trust was used to make this bus ULEZ compliant. The transfer of £126,246 to unrestricted funds relates to the purchase of two new buses during the year of which one was fitted out for use and entered service; the expenditure has been capitalised and is now represented by fixed assets in Designated Funds (note 15).
3. Exclusion Reduction Programme – includes funds from trusts, companies, local authorities, local churches and individuals given in support of the work within schools and connected to schools across our boroughs, with the aim of reducing and preventing exclusions of young people from mainstream education. This has become the primary focus of our borough projects.
4. XL-Mentoring – includes both one-off and multi-year grants for the operation of the XL-Mentoring programme, from organisations including The Henry Smith Charity, the Jerusalem Trust and The Hampstead and Wells Campden Trust.
5. X-Mobile - funding for the support of the X-Mobile project in London Boroughs, including from Universal Music, Vivendi, the Charles Hayward Foundation, World Traders and the Backstage Trust.
6. Arts Funds - funding from the Big Lottery and others for projects that promote the practice and expression of performing arts.

## **XLP – NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2022**

7. Employability funds – towards our Ready to Work, Young Leaders and Youth Advisory Group programmes, including a significant three-year grant from the Citi Foundation and grants from the Horlock Educational Trust and London Youth.
8. Sports Funds – including grants from Comic Relief, BBC Children in Need, London Youth and the Mayor of London's Young Londoners Fund, as well as a grant for a sports internship from the Jack Petchey Foundation.
9. Literacy & Numeracy – grants from the trusts and companies towards the promotion of literacy and numeracy skills in schools. This project connects closely with our Exclusion Reduction Programme.
10. Impact Project (Capacity) – a one-year grant from the Youth Endowment Fund towards the development of increased capacity for recording and reporting on the impact of the work across the organisation.
11. Other Funds – includes funding towards other smaller projects including the Jack Petchey Foundation for awards made to young people, and funds for summer camps and Snow Camp.

In addition to these specific funds, the Charity again received a number of grants targeted towards continuing work whilst under the changing restrictions around coronavirus, including from the London Community Response Funds, the National Lottery Community Fund, BBC Children in Need, the Barclays 100 x 100 awards and a number of other trusts and foundations. Most of these funds have been recorded as income and utilised amongst the various project funds listed above as required. Remaining funds have been carried over within the Exclusion Reduction Programme funds, due to their primary aim of supporting our work to keep young people in mainstream education, whilst in some cases also available for use within the wider range of youth work that enables us to identify and support young people who face the risk of exclusion.

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**15. UNRESTRICTED FUNDS**

	<b>1<sup>st</sup> September 2021</b>	<b>Resources to fund fixed assets</b>	<b>Net Resources Generated/ (Utilised)</b>	<b>Transfer from Restricted Fund</b>	<b>Transfer from General Fund</b>	<b>31<sup>st</sup> August 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Funds	405,705	-	98,234	111,803	(47,380)	568,362
Fixed Asset Funds	178,422	102,340	(82,423)	-	47,380	245,719
	<u>584,127</u>	<u>102,340</u>	<u>15,811</u>	<u>111,803</u>	<u>-</u>	<u>814,081</u>

The Fixed Asset Fund represents the amount of charity funds utilised in capital investments in the charity's motor vehicles (including its community buses), fixtures and fittings, and office equipment. The funds are carried at the net book value of the fixed assets. There are no outstanding loans, or endowment funds used to finance their acquisition. The transfer from the General Fund to the Fixed Asset Fund represents the value at 1<sup>st</sup> September 2021 of non-vehicle assets that were transferred to this fund.

**2020/21 comparative figures:**

	<b>1<sup>st</sup> September 2020</b>	<b>Resources to fund fixed assets</b>	<b>Net Resources Generated/ (Utilised)</b>	<b>Transfer from Restricted Fund</b>	<b>31<sup>st</sup> August 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General Funds	270,649	-	7,027	128,029	405,705
Designated Fund - Vehicles	71,799	156,939	(50,316)	-	178,422
	<u>342,448</u>	<u>156,939</u>	<u>(43,289)</u>	<u>128,029</u>	<u>584,127</u>

**16. COMMITMENTS UNDER OPERATING LEASES**

At the year end, the charity had total commitments under non-cancellable operating leases as set out below.

	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	2,393	2,430
Later than 1 and not later than 5 years	9,571	190
Later than 5 years	2,193	-
	<u><b>14,157</b></u>	<u><b>2,620</b></u>

The charity has entered into agreements with the Church of England for the use of All Hallows on the Wall, London Wall. A formal lease agreement has not yet been completed.

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**17. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)**

	<b>Tangible fixed assets</b>	<b>Other net assets</b>	<b>2021/22 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Restricted	-	769,350	769,350
Unrestricted			
- General Fund	-	568,362	568,362
- Fixed Asset Fund	245,719	-	245,719
	<u>245,719</u>	<u>1,337,712</u>	<u>1,583,431</u>

**2020/21 comparative figures:**

	<b>Tangible fixed assets</b>	<b>Other net assets</b>	<b>2020/21 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Restricted	-	619,383	619,383
Unrestricted			
- General Fund	47,380	358,325	405,705
- Designated Fund	178,422	-	178,422
	<u>225,802</u>	<u>977,708</u>	<u>1,203,510</u>

**18. RELATED PARTIES**

The charity received donations without conditions from Trustees in the year of £6,931 (2021: £2,416). There were no other related party transactions that require disclosure under FRS102.

**19. COMPANY LIMITED BY GUARANTEE**

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

**20. CONTROL**

The Company is controlled by its members.