

Charity No: 1101799
Company No: 4838559 (England & Wales)

Youth Focus North East
(A company limited by guarantee)

Report and Financial Statements
For the Year Ended 31 March 2023

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Youth Focus North East

Legal and Administrative Information For the Year Ended 31 March 2023

Board of Trustees	Mr P Stout	(Chair)
	Mr M Mason	(Treasurer)
	Mr M F Bagnall	
	Mr T Adams	
	Mrs N Tullock	
	Ms E Vasey	(Resigned 22 November 2022)
	Mr D Hasselberth	
	Ms H Blair	(Resigned 22 November 2022)
	Ms K M Marshall	

Key management

Chief Executive Officer	Mr K Franks
Office Manager	Mrs C Garrity

Registered Office

21 Liddell Terrace
Bensham
Gateshead
Tyne and Wear
NE8 1YN

Auditors

Haines Watts North East LLP
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Bankers

Co-operative Bank
PO Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

Solicitors

Muckle LLP
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Youth Focus North East

Trustees' Report

For the Year Ended 31 March 2023

The trustees, who are also directors of the charitable company for the purposes of company law, submit their annual report and the financial statements of Youth Focus North East for the year ended 31 March 2023.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the 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).

OBJECTIVES AND ACTIVITIES

The main objective and vision of Youth Focus North East is to improve the lives of young people through high quality youth work. Youth Focus North East exist for the benefit of young people and the organisations which support them. Working together Youth Focus North East, invest in the lives of young people, to create lasting change in their own lives and the communities in which they live. Youth Focus North East is rooted in the values of good youth work.

- Honesty
- Respect
- Equality
- Inclusion

We achieve our vision by delivering a series of activities which include:

- Ensuring that young people in our region are actively involved in the development of policy, projects and practice
- Developing sustainable partnerships and enhancing our networks, to improve practice and share knowledge
- Supporting organisations which provide services to young people in the North East
- Developing and share best practice in youth work and services to young people
- Bringing influence to regional and national policy which affects the lives of young people and the professionals who support them.

Public Benefit

All activities undertaken by Youth Focus North East subscribe to our charitable aims and are carried out for the public benefit, particularly youth organisations, youth services and young people in the North East of England. The charitable aims have been developed and decisions relating to activities undertaken by Youth Focus North East have been informed with due regard to the guidance on public benefit published by the Charities Commission.

ACHIEVEMENTS AND PERFORMANCE

As an organisation we continue to grow and currently have 33 employees on our staff team. A number of these are sessional youth workers, delivering much needed youth provision in local communities. We now have staff based in the Great North Children's Hospital and schools. Our developing project, Peer Researchers, has brought us to the attention of new audiences, and has been extremely well-received.

There is a growing sense of optimism that youth work is making a much welcome return as a recognised intervention that makes a positive contribution to improving the outcomes of young people. As we move forward we want to ensure Youth Focus North East plays its part in the revitalisation of youth services in our region. We operate as both an **infrastructure support** body and a **direct deliverer** of services to young people and communities.

Through our infrastructure support we enable organisations across our sector to come together to collaborate, share and learn from best practice and have their views heard. We support them to be well informed on the policy, practice and strategy developments that affect young people. Our direct delivery to young people and communities is mainly delivered from our two operating centres in *Middlesbrough* and *Gateshead* comprising youth centre, outreach work and community based activities to increase wellbeing and improve community cohesion.

Having our foundations firmly rooted in youth work practice through our direct delivery ensures we remain connected to the young people and organisations we serve through our role as an infrastructure support organisation. The dual roles are mutually beneficial and are equally important to us in our overall aim of '**improving the lives of young people through high quality youth work**' and this annual report is a testament to the hard work and support of our staff, trustees, partners and funders.

Impact Report

We work with young people to help them explore the challenges they face, to find new and different ways to articulate their emotions and to harness the qualities they already have and often overlook, as well as helping them to develop new skills. In terms of personal development, during 2022/23 we worked directly with 2200 young people and from our impact measurement processes we know that they overwhelmingly improved their confidence, developed their voice and social interaction skills, improved their knowledge of ways to make a positive change in their lives and how to inform and influence the world around them. We were able to work with young people from all 12 local authorities in the North East region across a wide range of ages.

Strategy

During 2022/23, Youth Focus North East has provided a range of support to both young people and the youth sector in the North East and beyond. Through our infrastructure support we enable organisations across our sector to come together to collaborate, share and learn from best practice and have their views heard. We support them to be well informed on the policy, practice and strategy developments that affect young people. We hold and deliver the function of the Regional Youth Work Unit and are proud co-founders of the North East Youth Alliance.

Youth Focus North East

Trustees' Report (*continued*) For the Year Ended 31 March 2023

Particular highlights and areas of work to note include:

The North East Youth Alliance (NEYA)

Jointly led by two core partners, Youth Focus NE and NE Youth. The NEYA has been created to support the development and sustainability of the people and the organisations working to improve the lives of young people across the NE region. Our ambition is to support a culture shift across the sector – to get people in the youth and community sector thinking and working differently. The overall outcomes for the NEYA are:

- Improved capacity, collaboration and coordination in the youth sector leading to improved youth provision in the region,
- Increased influence of young people's voices in shaping of services,
- Increased sustainability of services and support for and with young people.

The NEYA holds a unique position within the region's youth sector, offering guidance, support, advice, training, and staff development opportunities for youth workers and youth work organisations. We enable young people to influence and affect the decisions that concern their lives and communities. We support them to get involved in democracy locally, regionally and nationally, making a change as volunteers, campaigners, decision-makers and leaders. We provide a bridge between national, regional and grassroots organisations; enabling communication, informing policy developments, engaging parts of the youth sector who may otherwise not be able to access national initiatives and knowledge, and provide regional intelligence to national organisations while informing organisations in the region of national developments that could affect their practice and environment.

As we look back on the first two years of the NEYA we can be proud of what we have achieved. Our workforce development offer has been well received by the sector and has attracted interest nationally. We initially aimed to develop two local youth partnerships and are currently working in eight distinct areas, with an increasing interest in further developments in other localities. Our youth voice work has not been without its challenges; but with the regional roadshows and formalised links with UK youth parliament in place we move forward with a renewed vigor and the foundations in place to realise our ambitions.

The Youth Endowment Fund – Peer Action Collective (PAC)

The PAC has provided the young people associated with Youth Focus North East and our many partners with some fantastic opportunities throughout 2022/3. The PAC, a national study on serious youth violence allowed our consortium to employ 12 amazing young peer researchers to work within youth work organisations across the North East.

They designed and conducted their own research study from start to finish. While the study had to be focused on serious youth violence, they were able to choose what topic within this they wanted to concentrate on. Topics included; racism, gender, cyberbullying and education. 298 Participants between the ages of 10-25 took part, giving their views and opinions and having their voices heard. When looking at all of the studies together, as a group, three main themes were identified:

- The role of the peer group as both a support system and a negative influence.
- Lack of mental health support for young people and lack of education, for example, on different countries and cultures, on sexual violence and misogyny and on cyberbullying.
- A lack of support within the education system.

The project produced a number of impactful social action projects in response to these findings and aimed to reduce and/or prevent serious youth violence in communities.

Young people created educational videos, music projects, artwork and posters. They engaged with 180 young changemakers to bring these projects to life, working with The Key to ensure every young person gained important skills and confidence as a result of taking part.

Youth Focus North East

Trustees' Report (*continued*)

For the Year Ended 31 March 2023

In December 2022 we held the first ever North East PAC Showcase event at the Baltic in Gateshead. The event showcased all of the amazing research and social action projects to key stakeholders in the North East. The peer researchers each presented on stage and hosted their own stalls during the breakout time, talking about both their research and social action projects and encouraging others to get involved and make an even bigger impact. It gave young people the opportunity to talk directly to the adults in their lives about the issues which matter to them.

The Spaces Programme:

Funded by the Co-op Foundation, the Spaces programme originally supported young people in improving the design and use of a community space in the Pallister Park area of Middlesbrough. This received extremely positive feedback from the community members and from partners. Through Spaces young people have now delivered a range of social action projects across Middlesbrough that benefit not only themselves and their peers but also the local community. They take the lead in the planning and delivery of every stage of the projects they undertake, and have delivered projects ranging from local heritage photography to food hampers to an Eco Shop.

Children in Need - Positive Pathways

Funded by Children in Need, Positive Pathways delivers youth activities for young people living in East Middlesbrough. This project provides new and fun experiences through open access youth provision and 1-1 support to explore opportunities, raise aspirations, be positively challenged and be supported to be the decision makers of their own pathway.

During our club sessions, the young people engage with different partner organisations that vary from Health to the Police. Through these sessions we aim to make the young people to both feel safe, and to gain a good understanding of these organisations.

Our main focus is giving young people a voice in which activities they'd like to do, what food they would like introduced into the sessions, and generally help them to make healthy choices. We also deliver a range of sports activities to suit the needs of the young people, to expand both their knowledge and experiences around physical activity to lead a healthy lifestyle in the future.

Positive Pathways - North Ormesby

Our North Ormesby youth provision is funded by the National Lottery Community Fund - Big Local initiative. Positive Pathways North Ormesby provides a safe space for young people aged 10 - 18 to develop friendships and life skills in an informal educational manner. We deliver themed sessions around the personal challenges young people face and which they identify as being important to them, including; deprivation, mental health, employability, risk taking behaviour and improving their physical activity.

Many young people who attend our sessions at North Ormesby recognise the issues they are surrounded by and are passionate about advocating for a better environment for not only them but the other residents around them.

Paul Hamlyn Foundation (PHF) – Gateshead

Our PHF work in Gateshead is designed to be a programme led by disadvantaged young people that enables them to have real influence, rather than just a voice. A programme that shifts the power dynamic between organisations towards a more collaborative approach to meeting the needs of young people with a focus on embedding young people as leaders of systemic change. Organisations working separately are helping young people to secure positive outcomes, but we are missing opportunities to put those outcomes together and build on them in a way that then enables young people to really break the cycle of deprivation and dependency.

Youth Focus North East

Trustees' Report (*continued*) For the Year Ended 31 March 2023

Traditionally, attempts to link organisations and support collaboration are led by professionals – while some young people have a voice, they are rarely allowed to make and enact decisions that result in meaningful structural change. With PHF support we are working with local organisations to develop a new way of working alongside young people that takes them from being “service users” to become meaningful partners in affecting systemic local change. With better support more young people will have a positive transition of adulthood and will learn the skills to reflect, learn and develop forward-thinking approaches.

Free Space

The Free Space project aims to connect young people through a love of music. Free Space is a collaborative project delivered jointly by Sage Gateshead and Youth Focus North East and comes from a piece of consultation we carried out in early 2021. Young people tell us that Sage Gateshead feels as though it is for a specific group of young people; for example, those who are very proficient at playing musical instruments. Sage Gateshead has funded this project because they want to be more inclusive through a broader offer to a wider group of young people.

Newcastle Hospitals NHS Foundation Trust (NUTH)

A partnership between Youth Focus North East and NUTH has resulted in new roles for two workers to work with young people and young adults (age 16 - 25) with diabetes, within the Great North Children's Hospital. This is part of an exciting project funded by NHS England to transform the long term health and social outcomes of young people with diabetes, helping to promote the social development of young patients aged 16 - 25 years via a range of activities, combining education with enjoyment, challenge resilience and learning. Alongside this project, a further youth worker is supporting young patients across the hospital with the aim of improving the advocacy for groups of patients currently under represented, assisting in the transition to adult and tertiary care, accompanying young people to hospital appointments and undertaking support on the wards.

Arts Council England - Youth Advisory Board.

We are working alongside Youth Focus North West and Youth Work Unit - Yorkshire and Humber to form and facilitate the Arts Council Youth Advisory Board for the North. This opportunity allows young people to lead on the projects and the policies they want to work on, as well as engaging in a range of activities and tasks that directly connect to Arts Council England policy and programme development. In the last year, this has included opportunities such as speaking at national meetings and presenting thoughts on key policy areas, taking part in consultation work and listening to other young people and hearing their views. Young people have had the opportunity to travel to other regions and engage in arts and culture whilst developing their skills, knowledge and networks.

The Belong Collective

Funded by the Coop and Astra Foundations the Belong Collective aims to be a cross sector network, which is focused on connecting practitioners to share learning, challenges, good practice, and new thinking about youth loneliness.

The focus of this work is wider than just the youth sector - supporting those who work and engage with young people to consider youth loneliness and embed effective solutions to tackle it. In partnership with UK Youth; we are leading the work to co-design resources and deliver training which will enable practitioners to support young people to articulate feelings of loneliness, explore their emotions around this challenging issue and develop practical actions that begin to help young people take positive steps forward.

FINANCIAL REVIEW

Principal Funding Sources

Youth Focus North East is funded from a variety of sources including charitable trusts and foundations, public sector funding and earned income. Over a number of years, we have built up a very strong relationship with the Co-op Foundation, who are supporting a number of our programmes on youth loneliness. The National Lottery Community Fund are a very significant funding partner for our organisation who are funding the five year programme to develop the North East Youth Alliance. Youth Endowment Fund, Paul Hamlyn Foundation, Children in Need, Arts Council England, Astra Foundation and Virgin Money Foundation are substantial supporters. Successful fundraising applications have secured money from new funders for 2022/23 from Garfield Weston Foundation, Dulverton Trust, Percy Bilton Charity, Tees Valley Youth Watch, Willian Trust and You've Got This.

Investment Policy

As at the 31 March 2023 Youth Focus North East held £85,265 in their Virgin Money instant access account. Two long term investment bonds have been maintained. However, to ensure appropriate liquidity, money is held in the Virgin Money Instant access account, to cover potential short falls in the cash flow. Youth Focus North East currently has investment accounts with Cambridge and Counties and Secure Trust totalling £128,625.

Reserves Policy

Youth Focus North East believes it is important to maintain a reserves policy to ensure effective resource management, and to enable financial viability and longer-term sustainability. The Board of Trustees uses a continual process of careful financial management, and will aim to review, establish and maintain adequate reserves to enable the organisation to function effectively. A cautious approach to investment is adopted, maximising income by using interest-earning, short-term, accessible bank accounts.

The Board of Trustees has established a reserves policy considering the financial position of the charity, the performance in recent years, and the expectations of future years, being realistic about the difficulties of the current economic climate. The goal is to ensure Youth Focus North East have the working capital required to enable financial viability and longer-term sustainability to achieve their overall charity mission.

Unrestricted funds of the charity have been divided into two funds – Designated and Free Reserves.

Designated Reserves will cover:

- Organisational liabilities covering core costs which include rent, insurances, utility charges, professional services – payroll, accountancy.
- Costs to cover redundancy.
- Worst case scenario - managing the closure of the charity in the event of any sudden decline in funding:
 - normal staffing and operating activities for two-month period.
 - wrap up costs (Senior Management at reduced hours) for a two-month period.

Free Reserves include:

- the need to cover any cash flow shortfalls in income;
- the possibility of long-term sickness or maternity;
- support the development of new activities which requires a period of time prior to seeking external funding;
- investment in organisational improvement (eg.. staff training);
- the ability to raise funding to strengthen infrastructure to boost long-term stability and sustainability.

Youth Focus North East

Trustees' Report (*continued*) For the Year Ended 31 March 2023

The current total amount for 31 March 2023 for reserves are:

Restricted: £322,918 (2022 - £242,624)
Unrestricted: £223,605 (2022 - £268,216)

The breakdown of unrestricted reserves being:

Designated Reserves: £85,406 (2022 - £66,101)
Free Reserves: £138,199 (2022 - £202,115)

Youth Focus North East's ambition for overall unrestricted reserves is to hold between 6 – 12 months of operating costs with free reserves to continue to achieve our charitable mission. The Board of Trustees will review the amount of designated and free reserves annually to ensure they are within the thresholds mentioned above.

PLANS FOR THE FUTURE

2023 sees us coming to the end of our current business planning cycle and we will be focusing on producing a new strategy to have in place for the beginning of 2024. In November 2022, we became a registered training centre with the Skills and Education Group. This development is the start of a planned journey to diversify our income through a more formalised training and consultancy offer. We have established a new brand identity 'ENGAGE' for this development and it will form a key element of our new strategy.

Other areas of development we are keen to explore moving forward include clear processes for influencing, local, regional and national policy; development of Local Youth Partnership Models; explore how apprenticeships and the levy transfer scheme can be used to support and develop the youth workforce; seek new opportunities for cross sector collaboration (including with funders and commissioners); exploring the role of youth work in new settings i.e. health, schools, culture etc. and examining the opportunities for Corporate Partnerships to support our own and the sectors sustainability.

Note from The Board of Trustees

It is with the utmost sense of sadness and grief that our Chair of Trustees, great friend, inspirational leader, and youth champion, Pete Stout passed away on Thursday 7th September 2023.

Pete had been involved with our organisation since its establishment in 1989. Over the years his contribution has been immense, not only across the North East region, but also nationally and internationally. His life touched the lives of thousands of young people, workers and organisations; his memory will live long based on what he stood for, campaigned for and believed in.

Pete was a huge support to our organisation, youth work and young people. He truly cared about the profession of youth work and was immensely proud of the work we all do for young people. He was a man of the utmost integrity and commitment, and a great colleague and friend. We will miss him greatly.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The company was established under a Memorandum of Association on 19 July 2003, which sets out the objects and powers of the charitable company, it is governed under its Articles of Association. The company registered as a charity on 28 January 2004. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

Recruitment and appointment of trustees

Trustees of the charity are drawn from youth and community, voluntary, public and private sectors. Each trustee is officially appointed at the Annual General Meeting. Our trustees are reappointed on a three-year rotational basis. Two trustees resign each year and have the opportunity to be reappointed for another fixed period. The Chair of the Board is nominated from existing members and their appointment to the position takes place at the AGM.

Trustee Induction and Training

Each trustee receives an induction pack on joining the organisation, outlining key structures, policies, procedures and responsibilities. The trustees each have a job description and personal specification, outlining their role as a trustee of the charity. Trustees also attend the Board/staff development day where training and planning is included in the programme.

Risk Management

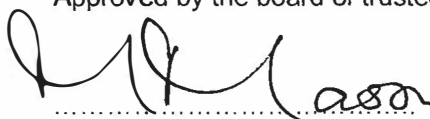
The trustees have examined the major strategic business and operational risks which the charity faces and review these risks on a regular basis. Some of the risks reviewed include:

- Damage to the building, property and equipment resulting in costs or loss of services
- Sudden loss of funding due to claw back or poor work performance
- Injury to staff and young people engaged in projects
- Significant dispute with staff or staff members leading to legal action
- Not preparing adequately for end of current projects leading to subsequent loss of work or staff
- Not responding effectively to serious safeguarding issues resulting in harm to individuals or others
- Cyber-attack into our IT systems accessing or losing data, particularly sensitive information
- We will look at emergencies that affect the running of our organisation

Organisational structure

Youth Focus North East is governed by the Board of Trustees, consisting of professionals from the public and voluntary sector. The interface between strategic and operational management is through regular board meetings, attended by Chief Executive and Office Manager, and separate meetings between the Chair and the Chief Executive. The operational management is overseen by the Chief Executive and the staff team consists of: a Programmes Manager, seven Development Officers, one Youth Support Worker, an Office Manager and three part-time Administration Officers. Youth Focus North East also employs consultants on a contractual basis.

Approved by the board of trustees on 3 November 2023 and signed on its behalf by:



Marc Mason - Trustee

**Independent Auditors' Report to the members of Youth Focus North East
For the year ended 31 March 2023**

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Other Matter – Corresponding figures unaudited

In the prior year the charitable company was independently examined in line with section 145 of the Charities Act 2011 as its income level was under £1 million. However, as its income levels have now exceeded this threshold it is now being audited in line with the provisions of section 144 of that Act. The corresponding figures in the financial statements are therefore unaudited.

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 group's or parent 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.

Independent Auditors' Report to the members of Youth Focus North East (*continued*)
For the year ended 31 March 2023

Other information

The trustees are responsible for the 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. 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.

Opinions 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Independent Auditors' Report to the members of Youth Focus North East (*continued*)
For the year ended 31 March 2023

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, 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'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.

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of those charged with governance;
- assessing the risk of management override including identifying and testing journal entries;
- confirmation received directly from the banks to verify the balance at 31 March 2023.

Independent Auditors' Report to the members of Youth Focus North East (*continued*)
For the year ended 31 March 2023

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

Use of Our Report

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



Craig Henderson (Senior Statutory Auditor)
For and on behalf of Haines Watts North East Audit LLP

Statutory Auditors & Chartered Accountants

17 Queens Lane
Newcastle upon
Tyne NE1 1RN
3 November 2023

Youth Focus North East

Statement of Financial Activities (including Income and Expenditure Account) For the Year Ended 31 March 2023

	Notes	General Unrestricted Funds £	Designated Unrestricted Funds £	Restricted Funds £	As restated Total Funds 2023 £	Total Funds 2022 £
Income from:						
Donations and legacies	4	-	-	-	-	1,352
Charitable activities	5	66,142	-	1,025,863	1,092,005	857,168
Other trading activities	7	1,924	-	-	1,924	1,899
Investments	6	3,234	-	-	3,234	1,578
		<u>71,300</u>	<u>-</u>	<u>1,025,863</u>	<u>1,097,163</u>	<u>861,997</u>
Expenditure on:						
Charitable activities	8	119,831	-	941,649	1,061,480	768,006
		<u>119,831</u>	<u>-</u>	<u>941,649</u>	<u>1,061,480</u>	<u>768,006</u>
Net income/(expenditure)		(48,531)	-	84,214	35,683	93,991
Transfers between funds	18	(55,932)	19,305	36,627	-	-
Net movement in funds		<u>(104,463)</u>	<u>19,305</u>	<u>120,841</u>	<u>35,683</u>	<u>93,991</u>
Reconciliation of funds						
Total funds brought forward		246,239	66,101	198,500	510,840	416,849
Total funds carried forward		<u>141,776</u>	<u>85,406</u>	<u>319,341</u>	<u>546,523</u>	<u>510,840</u>

All income and expenditure derive from continuing activities.

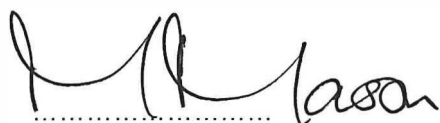
The statement of financial activities includes all gains and losses recognised during the year.

Youth Focus North East

Balance Sheet As at 31 March 2023

		2023	As restated 2022
	Notes	£	£
Fixed assets			
Tangible assets	13	11,962	14,236
Current assets			
Investments	14	128,625	127,595
Debtors	15	104,789	85,732
Cash at bank in hand		330,165	305,823
		<u>563,579</u>	<u>519,150</u>
Liabilities			
Creditors: amounts falling due within one year	16	(29,018)	(22,546)
Net current assets		<u>534,561</u>	<u>496,604</u>
Net assets		<u>546,523</u>	<u>510,840</u>
Charity Funds			
Unrestricted funds			
- General fund		141,776	246,248
- Designated funds		85,406	66,101
Restricted funds		319,341	198,491
	18	<u>546,523</u>	<u>510,840</u>

The financial statements were approved by the trustees on 3 November 2023 and signed on their behalf by:



M Mason - Treasurer

Company Number: 4838559

The notes on pages 17 to 29 form part of these financial statements

Youth Focus North East

Statement of Cash Flows
For the Year Ended 31 March 2023

	Notes	2023 £	2022 £
Net cash flow from operating activities:			
Net cash provided by operating activities	22	25,147	56,402
Cash flow from investing activities			
Interest received		3,234	1,578
Payments to acquire tangible fixed assets		(3,009)	(13,859)
Net cash flow from investing activities		225	(12,281)
Net increase and cash equivalents		25,372	44,121
Cash and cash equivalents at the beginning of the year		433,418	389,297
Cash and cash equivalents at the end of the year		458,790	433,418
Cash and cash equivalents consist of:			
Cash at bank and in hand		330,165	305,823
Short term investments		128,625	127,595
		458,790	433,418

Notes to the Financial Statements
For the Year Ended 31 March 2023

1. Accounting policies

1.1 Basis of preparation of accounts

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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

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

1.2 Going concern

The financial statements have been prepared on a going concern basis. The trustees have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the trustees have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated funds is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2023

1.4 Income recognition

All income is recognised in the Statement of Financial Activities (SoFA) when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Investment income relates to interest earned through holding assets on deposit.

1.5 Expenditure recognition and irrecoverable VAT

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes all direct and support costs incurred in the management of the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.6 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	over the term of lease
Fixtures and fittings	15% reducing balance
Computer equipment	33.3% straight line

Notes to the Financial Statements *(continued)*
For the Year Ended 31 March 2023

1.8 Current asset investments

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with instant access from the date of opening of the deposit or similar account.

1.11 Creditors and provisions

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

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.13 Leases

Rentals payable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

1.14 Pensions

The charitable company contributes to a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the SoFA.

2. Legal status

Youth Focus North East is a Company Limited by Guarantee in England and Wales. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The address of the registered office is given in the charity information in the reference and administration pages of these financial statements.

Notes to the Financial Statements (continued)
For the Year Ended 31 March 2023

3. Comparatives for the Statement of Financial Activities as restated

	Notes	General Unrestricted Funds £	Designated Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from:						
Donations and legacies	4	1,352	-	-	1,352	24,833
Charitable activities	5	143,086	-	714,082	857,168	567,935
Investment income	6	1,578	-	-	1,578	2,678
Other trading activities	7	1,899	-	-	1,899	112
		<u>147,915</u>	<u>-</u>	<u>714,082</u>	<u>861,997</u>	<u>595,558</u>
Expenditure on:						
Charitable activities	8	41,441	-	726,565	768,006	554,101
		<u>41,441</u>	<u>-</u>	<u>726,565</u>	<u>768,006</u>	<u>554,101</u>
Net income/(expenditure)		106,474	-	(12,483)	93,991	41,457
Transfers between funds	18	(26,240)	5,719	20,521	-	-
Net movement in funds		<u>80,234</u>	<u>5,719</u>	<u>8,038</u>	<u>93,991</u>	<u>41,457</u>
Reconciliation of funds						
Total funds brought forward		166,014	60,382	190,453	416,849	375,392
Total funds carried forward		<u>246,248</u>	<u>66,101</u>	<u>198,491</u>	<u>510,840</u>	<u>416,849</u>

Youth Focus North East

Notes to the Financial Statements *(continued)* For the Year Ended 31 March 2023

4. Donations and legacies

	2023	2022
	£	£
Government grants	-	1,352
	-	1,352

Government grants have been received from the Coronavirus Job Retention Scheme.

5. Incoming from charitable activities

	2023	2022
	£	£
National Lottery Community Fund - NE Youth Alliance	199,164	196,852
Youth Endowment Fund	238,143	175,037
North Ormesby Development Fund	10,680	34,344
Free Spaces Project	-	7,100
Middlesbrough Phil Foundation	-	7,107
Community Foundation	-	9,996
Thorntree	-	2,500
Co-op Foundation Building Connections Fund: National Resources	-	31,165
Co-op Foundation - #iwill Community Spaces Fund	35,396	19,625
National Youth Agency	33,309	46,785
Clothworks Grant	-	9,200
Centre for Youth Impact	5,220	-
Tess Valley Community	12,569	-
RSBC – Live Life Go Further	-	8,502
Uplift Fund – National Lottery Community	-	65,945
Innox Foundation	-	25,000
Holiday Activity Fund	21,944	20,966
Kickstart	-	13,311
Virgin Money Foundation	13,740	27,266
Astra Foundation	107,111	32,984
Children in Need	47,457	21,522
Community Renewal Fund	31,396	13,085
Paul Hamlyn	30,000	30,000
Garfield Weston	30,000	-
Arts Council	7,400	-
Sage Gateshead	7,900	-
County Durham Community Foundation	10,000	-
Dulverton Trust	34,790	-
Great North Children's Hospital	19,200	-
British Youth Council	3,750	-
Police and Crime Commissioner Cleveland	47,007	-
Great North Children's Hospital – Diabetes	30,233	-
Northumbria VRU	9,666	-
Other	105,930	58,876
	1,092,005	857,168

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2023

6. Investment income

	2023	2022
	£	£
Interest receivable	3,234	1,578
	<u>3,234</u>	<u>1,578</u>

7. Other trading activities

	2023	2022
	£	£
Fundraising income	1,924	1,899
	<u>1,924</u>	<u>1,899</u>

8. Expenditure on charitable activities

	Activities Undertaken Directly	Support Costs	Total 2023	Total 2022
	£	£	£	£
Staff costs	488,231	29,034	517,265	391,785
Direct project costs	411,654	-	411,654	296,128
Travel	29,981	-	29,981	8,433
Training	48	-	48	175
Communications	78	-	78	94
Premises costs	53,704	-	53,704	59,122
Depreciation	5,283	-	5,283	4,921
Audit and accountancy fees	-	6,000	6,000	2,880
Other costs	37,467	-	37,467	4,468
	<u>1,026,446</u>	<u>35,034</u>	<u>1,061,480</u>	<u>768,006</u>

9. Allocation of support costs

	Basis of allocation	2023	2022
		£	£
Staff costs	Allocation of time	29,034	27,924
Governance costs (note 10)	Invoiced	6,000	2,880
		<u>35,034</u>	<u>30,804</u>

10. Governance costs

	2023	2022
	£	£
Independent examiner's remuneration	-	2,880
Independent auditor's fee	6,000	-
Non-audit fees	3,240	-
	<u></u>	<u></u>

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2023

11. Net income/(expenditure)

This is stated after charging:

	2023	2022
	£	£
Depreciation	5,283	4,921
	<u> </u>	<u> </u>

12. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The total staff costs and employee's benefits was as follows:

	2023	2022
	£	£
Salaries and wages	469,563	353,240
Social security costs	32,117	26,144
Pension costs	15,585	12,401
	<u>517,265</u>	<u>391,785</u>
	<u> </u>	<u> </u>

The average monthly number of employees during the year was as follows:

	2023	2022
	No.	No.
Direct	31	30
Support	3	3
	<u>34</u>	<u>33</u>
	<u> </u>	<u> </u>

No employee received total employee benefits (excluding employer pension costs) of more than £60,000 (2022 - none).

The charity trustees neither were paid nor received any other benefits from employment in the year (2022 - £nil) neither were they reimbursed expenses during the year (2022 - nil). No charity trustee received payment for professional services or other services supplied to the charity (2022- nil).

The key management personnel of the charity comprise the trustees, Chief Executive Officer and the Office Manager. The total amount of employee benefits received by key management personnel of the charity is £94,706 (2022 - £92,211).

Notes to the Financial Statements *(continued)*
For the Year Ended 31 March 2023

13. Tangible fixed assets

	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1 April 2022	29,303	53,387	82,690
Additions	-	3,009	3,009
At 31 March 2023	29,303	56,396	85,699
Depreciation			
At 1 April 2022	29,303	39,151	68,454
Charge for the year	-	5,283	5,283
At 31 March 2023	29,303	44,434	73,737
Net book value			
At 31 March 2023	-	11,962	11,962
At 31 March 2022	-	14,236	14,236

14. Investments

	2023 £	2022 £
Short term deposits	128,625	127,595

15. Debtors

	2023 £	2022 £
Trade debtors	71,977	34,925
Other debtors	1,699	3,148
Prepayments and accrued income	31,113	47,659
	104,789	85,732

Notes to the Financial Statements (*continued*)

For the Year Ended 31 March 2023

16. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	12,363	15,439
Other creditors	6,872	3,372
Accruals and deferred income	9,783	3,735
	<u>29,018</u>	<u>22,546</u>

17. Pension costs

The scheme is a defined contribution scheme and the pension charge represents the amount payable by the charity to the fund in respect of the year.

Pension contributions payable for the year ended 31 March 2023 amount £15,585 (2022 - £10,153).

At the balance sheet date £3,648 (2022 - £1,380) contributions were payable.

Youth Focus North East

Notes to the Financial Statements (continued) For the Year Ended 31 March 2023

18. Movement in funds

For the year ended 31 March 2023

	At 1 April 2022 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2023 £
Unrestricted funds:					
General funds	246,248	71,300	(119,831)	(55,932)	141,785
Designated funds:					
Redundancy fund	66,101	-	-	19,305	85,406
Total unrestricted funds	312,349	71,300	(119,831)	(36,627)	227,191
Restricted fund					
Infrastructure Support	56,532	240,783	(251,866)	3,207	48,656
Direct Delivery - Gateshead	15,772	202,742	(150,650)	1,419	69,283
Direct Delivery – Middlesbrough	92,072	326,779	(253,488)	17,671	183,034
Direct Delivery – Regional	34,115	255,559	(285,645)	14,330	18,359
Total restricted funds	198,491	1,025,863	(941,649)	36,627	319,332
Total funds	510,840	1,097,163	(1,061,480)	-	546,523

For the year ended 31 March 2022 as restated

	At 1 April 2021 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2022 £
Unrestricted funds:					
General funds	166,014	147,915	(41,441)	(26,240)	246,248
Designated funds:					
Redundancy fund	60,382	-	-	5,719	66,101
Total unrestricted funds	226,396	147,915	(41,441)	(20,521)	312,349
Restricted funds					
Infrastructure Support	89,140	251,502	(286,545)	2,435	56,532
Direct Delivery - Gateshead	11,012	30,000	(27,513)	2,273	15,772
Direct Delivery – Middlesbrough	72,508	242,045	(238,303)	15,822	92,072
Direct Delivery – Regional	17,793	190,535	(174,204)	(9)	34,115
Total restricted funds	190,453	714,082	(726,565)	20,521	198,491
Total funds	416,849	861,997	(768,006)	-	510,840

Notes to the Financial Statements (*continued*)
For the Year Ended 31 March 2023

Restricted funds

Infrastructure Support

- Policy and Influencing (influencing policy and practice on behalf of young people and the sector)
- Inform and Support Service Design and Improvement (supporting and delivering workforce development. Collect and disseminate data and research to inform, develop and support the sector)
- Championing (embedding youth voice and leadership across organizations and the sector)
- Capacity Building (enabling and supporting collaboration at a local and regional level)

Direct Delivery - Gateshead

Providing direct delivery work to support young people and communities in Gateshead and the immediate surrounding areas of Tyne and Wear.

- Social Action
- Open Access/Detached Provision
- Health & Well-Being
- Youth Voice
- Skills Development

Direct Delivery – Middlesbrough

Providing direct delivery work to support young people and communities in Middlesbrough and the immediate surrounding areas of Tees Valley.

- Social Action
- Open Access/Detached Provision
- Health & Well-Being
- Youth Voice
- Skills Development

Direct Delivery – Regional

Providing support to young people and communities across the North East.

- Social Action
- Health & Well-Being
- Youth Voice
- Skills Development

Redundancy Fund

This is a designated fund created by the trustees to set aside funds for potential redundancy liabilities should projects cease.

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2023

15. Prior period adjustment

A prior period adjustment has been made in respect of;

Incorrect classification of fund balances between restricted funds and unrestricted funds.

Change to the balance sheet

	As previously reported £	Adjustment £	31 March 2022 £
Funds			
Unrestricted funds	202,115	44,133	246,248
Designated funds	66,101	-	66,101
Restricted funds	242,624	(44,133)	198,491
	<u>510,840</u>	<u>67,770</u>	<u>510,840</u>

Change to the statement of financial activities

No change to the statement of financial activities.

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2023

19. Analysis of net assets between funds

For the year ended 31 March 2023

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	11,962	-	-	11,962
Net current assets/(liabilities)	129,823	85,406	319,332	534,561
	<u>141,785</u>	<u>85,406</u>	<u>319,332</u>	<u>546,523</u>

For the year ended 31 March 2022 as restated

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	13,859	-	-	13,859
Net current assets/(liabilities)	232,389	66,101	198,491	496,981
	<u>246,248</u>	<u>66,101</u>	<u>198,491</u>	<u>510,840</u>

20. Related party transactions

There have been no related party transactions in the current or prior year.

21. Operating lease commitments

	2023 £	2022 £
Within one year	15,960	6,622
Interest receivable	-	-
	<u>15,960</u>	<u>6,622</u>

22. Reconciliation of net income/(expenditure) to net cash inflow from operating activities

	2023 £	2022 £
Net income for the period	35,683	93,991
Adjustments for:		
Interest receivable	(3,234)	(1,578)
Depreciation of tangible fixed assets	5,283	4,921
(Increase)/decrease in debtors	(19,057)	(31,942)
(Decrease)/increase in creditors	6,472	(8,990)
Net cash flow from operating activities	<u>25,147</u>	<u>56,402</u>

