

THE YOUNG FOUNDATION

England & Wales · Charity number 274345

Details

Other names	MUTUAL AID CENTRE
Status	Registered
Legal form	Charitable company
Company number	01319183
Registered	1977-11-11
Register	View on the Charity Commission register

Contact

Address	Toynbee Hall 28 Commercial Street London E1 6LS
Phone	02089806263
Email	reception@youngfoundation.org
Website	www.youngfoundation.org

Activities

Objects: TO UNDERTAKE CHARITABLE PURPOSES AMONGST PERSONS IN NEED OF SERVICE AND SUPPORT WITHIN THE COMMUNITY.

Activities: Inequalities are widespread, complex and affect many areas of people's lives. We are a research and action based institute with a formidable track record of confronting inequality. We work across the UK and internationally to create insight and innovations which put people at the heart of social change. We do this through research, work with communities and social innovation.

Classification

- **How:** Makes Grants To Organisations, Provides Other Finance, Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, The Prevention Or Relief Of Poverty, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Other Charitable Purposes
- **Who:** The General Public/mankind

Geography

- Northern Ireland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£4,122,436	£4,276,667	£3,654,317	40
2023-12-31	£2,335,271	£3,696,492	£3,711,496	36
2022-12-31	£2,808,413	£2,941,463	£5,025,575	35
2021-12-31	£5,090,124	£2,497,398	£5,205,551	27
2020-12-31	£1,896,383	£2,126,147	£2,612,825	29

Trustees

Name	Role	Appointed
Christopher Geoffrey Dobson		2022-10-27
Jonathan Mark Sobczyk Boddington		2019-07-18
Kate Catherine Hainsworth-Staples		2022-10-27
Kavya Menon		2024-04-25
Kersten England		2018-07-04
Oluwatosin Adegun		2024-04-25
Pamela Janice Warhurst		2024-04-25
Rizwana Shaheen Hamid		2022-10-27
Stephen Melvyn Edward Jacobs		2019-07-18

THE YOUNG FOUNDATION

England & Wales - Charity number 274345

Accounts



The Young Foundation

Report and financial statements

31 December 2024

Company Limited by Guarantee
Registration Number
01319183 (England and Wales)

Charity Registration Number
274345 (England and Wales)

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Reference and administrative information

The Young Foundation is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

It is a Research Councils UK recognised independent research organisation (IRO)

Trustees	Kersten England (Chair) Eddy Adams Oluwatosin Adegun (appointed 25 April 2024) Christopher Dobson Kate Hainsworth Rizwana Hamid Stephen Jacobs Henry Kippin (reappointed 5 August 2024) Kavya Menon (appointed 25 April 2024) Michael Omoniyi Jonathan Sobczyk-Boddington (Chair of Resources, Risk and Assurance) Pamela Warhurst (appointed 25 April 2024)
Chief Executive	Helen Goulden
Company registration number	01319183
Charity registration number	274345
Registered office	Toynbee Hall 28 Commercial Street London E1 6LS
Independent auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC 1 – 3 Bishopsgate London EC2N 3AQ CCLA One Angel Lane London EC4R 3AB

Reference and administrative information

Solicitors Bates Wells
10 Queen Street Place
London
EC4R 1BE

Investment Managers Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Reference and administrative information

The Young Foundation's mission is to enable connected, more sustainable and stronger communities across the UK. We do this through amplifying people's stories and lived experiences and use this as a spur to drive locally-led and owned community action.

We use what we learn across different communities to spot national patterns of need and opportunity, working with partners to support innovations to deliver social impact at a national scale.

We seek to build a shared body of evidence, knowledge and insight about how best to strengthen and empower communities.

We were founded by the great social scientist and innovator Michael Young and originally called the Institute of Community Studies. We became The Young Foundation after Michael's death in 2002. Together we have created and supported over 80 organisations including: *Which?*, *The Open University*, *Language Line*, *Economic and Social Research Council*, *Social Innovation Exchange*, *School for Social Entrepreneurs*, *UpRising* and *Studio Schools Trust*.

OUR FUNDERS AND PARTNERS

Arup Group	Royal Borough of Greenwich
Bedfordshire and Luton Community Foundation	Solent NHS Trust
Big Change Charitable Trust	Something Collective Ltd
Birmingham City Council	Spirit of 2012
The British Academy	Sustrans
Cornwall Council	UK Research and Innovation
The Crown Estate	University College London
Derbyshire County Council	University of Bedfordshire
Greater London Authority	University of Birmingham
King's College London	University of Bristol
Koreo Limited	Verian Group UK Limited
Lloyds Bank plc	Welsh Government – Llywodraeth Cymru
Local Trust	West Midlands Combined Authority
London Borough of Hackney	The Youth Endowment Fund
London Borough of Hounslow	
London Sport	
Luton Borough Council	
Metro Dynamics Limited	
Ministry of Housing, Communities and Local Government	
The National Lottery Community Fund	
The National Lottery Heritage Fund	
Nuffield Foundation	
Power to Change Trust	
The Professional Bodies Research Consortium	

2024 was a good year for The Young Foundation. This was the first full year of delivery for our strategy 'The Power of Participation'. Our strategy shares a vision of a redesigned social contract between people, communities, business and the state, and of a fairer, greener future. The alignment of the organisation's resources, capacity and capabilities to delivery of this strategy has been key to the strong performance of the organisation this year.

Prominent achievements include the establishment – in partnership with the University of Manchester, governmental, civil society and business partners – of the Just Centre, which is dedicated to the co production of equitable solutions to the challenge of climate change. This will benefit from £8m investment by the Economic and Social Research Council. Similarly, the award of £11m from UK Research and Innovation to establish a Community Research Network across all four nations recognises The Young Foundation's pivotal leadership around community led research and builds on the work we have delivered through our community knowledge programme.

As importantly our innovation and practice team have been working up and down the UK in and alongside public, private and community organisations to support innovation, collaborative and whole system working. In the context of the shifting pattern of governance, particularly in the English context, many of the emergent mayoral combined authorities are showing a real interest in developing healthy, vigorous participatory democratic practice alongside those of representative democracy.

Our Communication and External Affairs team has put us at the heart of important debates and within arenas in which we can bring influence to policy development and decision making. We have provided thought leadership and contributions on matters such as a framework for community resilience in the context of the overall resilience of the UK and the contribution of civil society to national prosperity and wellbeing.

All of this work has taken place in the context of the challenge organisations like The Young Foundation – independent 'think and do tanks' without substantial endowments - experience in securing a strong financial position on an ongoing basis. The senior team and Trustees have kept a laser focus on this issue. We are in a stronger position than we have been for some time – with successful business development activity yielding a healthy pipeline of work, and close attention paid to the true costs of delivery as we bid for work and investment. We remain a going concern, with healthy reserves and an unqualified audit judgement. I want to particularly thank Sean Croghan, our Chief Operating Officer, and Jonny Boddington who chairs the Risk, Resources and Accounts committee. They have worked so hard and well in this past year to secure our financial health.

We have broadened and deepened staff engagement this year. We have built upon the strong foundation of regular whole staff meetings, team meetings and good line management to introduce more frequent interaction between staff and Trustees. The work of the People and Culture subcommittee has benefitted from meetings with the staff Equality and Diversity group. We have introduced a staff and trustee Policy and

Strategy Forum. And we are engaged in productive conversations about whether to institute a more formal industrial relations framework for the organisation. I want to thank Kate Hainsworth who has overseen much of this as chair of the People and Culture committee.

I am privileged to work with a great team of Trustees at The Young Foundation. Trustees are engaged, appreciative, supportive and appropriately challenging as they undertake their governance responsibilities for the organisation. No Board stands still and this year saw the arrival of three new Trustees who have brought fresh perspectives to our work. And our Board membership itself is more diverse than it has ever been.

My final thanks go to Helen Goulden our CEO. The passion, drive and commitment she brings to her leadership of The Young Foundation is outstanding. It is a pleasure to work alongside her.

Kersten England CBE
Chair of Trustees, The Young Foundation

Once again, 2024 was a turbulent operating environment both in the UK and globally and a challenging context in which to be running a small charity with an unwavering and ambitious vision to demonstrate the power of participation enabled through research and innovation through.

Through our Communications and External Affairs team, we built a targeted and mainstream big picture narrative for why deeper participation across sectors and within communities is a fundamental condition of a more fair and sustainable society.

We demonstrated how deeper participation of and engagement with marginalised communities to foster a more inclusive and fairer society and economy, specifically focused on the critical need to advance a just transition to net zero and sustainable environment.

Through our Institute for Community Studies and The Young Foundation's wider participatory research and strategic design and insight activities, we consolidated our brand and focus to evidence the power and impact of a more participatory society.

Our Innovation and practice team grew in scale and impact, providing much needed support for 'how' to innovate, work differently, collaboratively and systemically in local and combined authorities, the private sector and in local communities across the UK.

The Young Foundation is fortunate in having significant reserves (relative to the size of our charity) to weather the often unpredictable and ever more competitive funding landscape. However, this did not prevent us posting a deficit in 2024.

Our concerted focus on 2024 was to develop more repeatable and replicable services to our commissioners and the ongoing dedication of The Young Foundation team has resulted in entering 2025 with significantly more secured income than in previous years.

This work, including major national programmes such as the £11m UKRI-funded Community Research Network programme and ongoing work with key national partners is a testament to the relevance of our work and mission. It demonstrates that despite some powerful counter-narratives espoused by political leaders and commentators that the appetite for growing a more participatory, safe and inclusive society is real – and wanted.

I would like to extend my sincere and heartfelt thanks to Kersten England and our committed and engaged board of Trustees, our committed staff, associates, partners and community leaders across the UK. Thank you.

Helen Goulden OBE
Chief Executive Officer

The Trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with audited financial statements of The Young Foundation (the charitable company) for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 31 of the attached accounts and comply with the charity's Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2019 or later.

OBJECTIVES AND RELEVANT POLICIES

Objectives and activities for the public benefit

The objects of The Young Foundation as set out in its Memorandum of Association are:

- a) The relief of needs arising from financial hardship, mental or physical illness, disability, or old age;
- b) The promotion of equality and diversity for the benefit of the public through research and the design and delivery of services that address exclusion;
- c) The promotion of health;
- d) The promotion of research and education in the social sciences and the dissemination of the useful outcomes of such research; and
- e) The advancement of purposes charitable in England and Wales by the development of organisations and activities and the exchange of ideas.

The objects are considered by the Trustees to be for the public benefit as defined in the Charity Commission's guidance on public benefit. In order to achieve these objectives, The Young Foundation undertakes research to identify and understand social needs and then develops practical initiatives and institutions to address those, combining ideas, analysis and practical action.

Our research work also permeates all our programmes. We are a Research Councils UK recognised independent research organisation (IRO).

The charity does not undertake any external fundraising and there have been no complaints made to the Fundraising Regulator during the current or prior year.

ACHIEVEMENTS AND PERFORMANCE

Year One of our Five Year Strategy

At the end of 2023, The Young Foundation launched a new five-year strategy, underpinned by a vision that everyone in the UK should experience the power of participation to shape a more just and fair society. 2024 represented the first full year of this new strategy, and we can claim some significant success in advancing our mission throughout the year.

The Young Foundation team know that the complexity of our challenges demands entirely new kinds of collaboration, community involvement and cross-sector innovation, requiring the participation of all sectors, places and people to shape a fairer future.

We want to see a society where there is deeper participation:

- in our democracy and in the creation of a fairer, more inclusive economy;
- across sectors and communities to innovate to tackle social, environmental and economic challenges; and
- in local communities; building agency, confidence and the conditions to make positive social and environmental change

The work of The Young Foundation in 2024 was within a very turbulent operating environment. As such, it represented a step change in how we think about the intention and impact of our work. In summary, we focused on much more targeted impact through our external affairs activities, a growth in our Innovation activities, a strategic consolidation of our research efforts and – for the first time – a strategic commitment to the climate crisis and a just transition.

The following report sets out our activities and impact across five key areas of interest;

- **Shaping and enabling participation:** thought leadership, campaigns and programmes which create the narrative for why participation matters.
- **Planet:** supporting policy change, action and local participation for a socially just transition to net zero.
- **Place:** working in UK places, bringing people, businesses and influencers together for locally-led social, civic and political change.
- **Prospects:** driving a fairer future through collaboration between communities, businesses and policymakers.
- **EDI:** our internal and external work to advance Equity, Diversity and Inclusion.

Shaping participation, not just policy

In 2024, The Young Foundation's work consistently emphasised a central belief: democracy thrives when communities are active participants – not passive recipients – in decision-making. This ethos underpinned major initiatives designed to shift power dynamics in UK public life. Key interventions included:

Rewriting governance: "Rewriting the rulebook"

"Participation should not be an afterthought or box-ticking exercise – it must be built into the rulebook of governance itself." – Rewriting the Rulebook (July 2024)

This flagship publication advocated embedding public participation at the heart of mission-driven government. Drawing from the grassroots energy of the *We're Right Here* campaign, it challenged traditional Westminster-centric models of policymaking. The report recommended practical ways to integrate deliberative methods and participatory budgeting, influencing discourse in several political party policy platforms around the 2024 general election.

Localised listening

An array of projects across the country, including in **Basingstoke**, **Liverpool**, and **East London**, illustrated the power of hyper-local research to inform local investment and regeneration decisions. The [Shaping the Future](#) report from Basingstoke, for example, emerged from in-depth resident dialogues, focusing on youth opportunity, safety, and housing.

This co-creation model has served as a blueprint for other councils seeking to build legitimacy and resilience in local decision-making. These methods did not simply document need; they actively empowered residents to make change.

Supporting grassroots research and innovation: Community Knowledge Fund

The UKRI-backed *Community Knowledge Fund* (CKF) was evaluated in our [Local Knowledge, National Potential](#) report which shared insights from our role as an intermediary funder of research and innovation for UKRI. With 53 grassroots research teams across the UK tackling issues from rural exclusion to AI literacy, the fund revealed how community-generated knowledge provides a strong and valid counter balance to top-down academic insight. This project has already influenced UKRI's future funding approaches, embedding participatory research methods within their core strategy. This small fund and learning programme also paved the way for a much more significant role in funding Community Research Networks across the whole of the UK.

Planet

Supporting policy change, action and local participation for a socially just transition to net zero

Given the existential nature of the climate crisis, our 2024 business plan included on building an explicit team focused on how The Young Foundation could support a just and fair transition to net zero. We succeeded in securing a new senior leadership focus on building a collaborative, strategic consultancy and delivery offer for a Just Transition.

Our work across 2024 included the development and further testing of a pioneering Index of Readiness for Net Zero, and development of policy, innovation, funding and place-based models that tackle exclusions in net zero.

The Young Foundation developed replicable products and services that are primed to suit local government, combined authorities, private sector businesses, housing, real estate, and science and innovation businesses to advance a fair and just transition.

Our journey to net zero report: Understanding household and community participation issued a stark warning that 'existing net zero transition policies are likely to make the poor poorer, and push struggling communities further into deprivation and exclusion'. The report found the poorest 40% of UK households at risk of 'transition poverty' unless policies become more inclusive, with eight policy recommendations. This report, funded by the Nuffield Foundation and the British Academy was highly effective in bringing key government officials into discussion about what this could mean for net zero policy. The Government has since announced a National Public Participation Strategy.

The Young Foundation has directly informed national dialogue on retrofit and community engagement policies. And our five-point plan reframed retrofit discourse toward inclusive, place-based thinking. These outputs helped build momentum for the JUST Centre (launched Nov 2024), translating research into regional action. This ESRC funded centre led by the University of Manchester sees The Young Foundation in a crucial role as Impact and Innovation Partner, drawing on our extensive networks and track record of innovation to support social change.

'existing net zero transition policies are likely to make the poor poorer, and push struggling communities further into deprivation and exclusion.'

'Our research shows there is a will, an appetite, and even an urgency amongst the public... But this has to be enabled through policy and practice that works with real people's lives, and the places they live in.'

Place

Working with communities, organisations and policy makers to drive change in local places

When our places are set up in ways that support participation, innovation and collaboration, huge potential is unlocked.

One of the central pillars of The Young Foundation's work is to direct funding and resources to supporting community-led research and innovation, putting residents at the heart of local change. Key to this is opening more (and different) opportunities for people to share their work, ideas, priorities and aspirations in ways that negotiate and transcend differences and historical divisions. Building curiosity, empathy and action were at the heart of initiatives such as the Community Knowledge Fund, supporting community groups and organisations around the UK with grants worth between £10k and £100k. Embracing knowledge creation 'by everyone, for everyone', this Fund launched in February 2024, when grants totalling £240k were awarded to 24 organisations and community groups across the UK as part of an initial development phase.

"Research and innovation are central to the future of everyone in the UK, and everyone should be able to contribute to and benefit from the research and innovation endeavour. I am delighted that this funding will support communities to do that."

Ottoline Leyser, Chief Executive, UKRI

Among [the 12 projects](#) progressing with the Community Knowledge Fund are one focused on understanding the [root causes of racism in UK cities](#); three supporting young people (based in [Wales](#), [Manchester](#), and [Devon](#)); a number focused on sustainable living including a [community mapping programme](#), and projects exploring [energy consumption](#), [retrofit](#), [agriculture](#), and [clean water](#); a [community health project](#); work exploring [inter-generational dialogue](#); and research into the impact of [living in temporary accommodation](#).

We're Right Here: The campaign for community power

Embracing our mission to support better-connected, stronger communities, The Young Foundation was (and remains) proud to be part of [We're Right Here](#), the campaign for community power.

Working alongside community leaders and campaigning organisations across the UK, We're Right Here seeks to push decision-making into the hands of communities, creating a fairer society shaped with the people who know and love the places in which they live.

The Devolution Bill marked a turning point for the We're Right Here campaign. At the end of 2024, the campaign celebrated our first campaign win. The government confirmed that the Community Right to Buy, giving local people a first right of refusal when community assets come up for sale, would feature in the Bill.

Turning Private Sector companies towards a new way of creating social value

First published in 2023, the Quest for the S of ESG provided the intellectual anchor and framework for embedding social purpose in business strategies and enhancing local capacity. Over the course of 2024, our work to support The Crown Estate a portfolio holder of £18bn of assets to work towards the implementation of a principles-based approach to social value, enabling a highly diverse portfolio of assets to work towards a common goal of building lasting and shared prosperity for the nation.

Collectively, and in concert with a range of other place and community-based interventions, these activities have guided multiple local authorities, universities and businesses to embed more participatory, research-based planning in place-making and regeneration strategies. It has also led to enhanced opportunities to work with private sector organisations who recognise the importance of engaging more meaningfully in their communities to advance ESG and Social Value agendas.

Places where everyone belongs

Feeling like you belong, are heard and have influence in the place you live is key to building trust and cohesion across the places we live. The Young Foundation is proud to have supported the development of The Race Equalities Taskforce in the West Midlands Combined Authority which continued its work across 2024.

With the 'Hounslow going green: your home, your say' project, we worked with people in west London to create more resilient neighbourhoods. In a long-standing partnership with Luton Council, we were successful in securing £1.9m funding from the National Lottery Community Fund. As part of Luton Borough Council's ground breaking Fairness Taskforce, we worked with local organisations to offer a new action learning programme that has re-imagined and redefined community leadership for social justice in Luton.

"We are immensely proud to continue our work with Luton's amazing community leaders, who are so passionately committed to the future of Luton. The Fairness Task Force specifically tackles issues facing local people in Luton, informed by their lived experiences, and mobilises the whole system to create change together, offering huge potential to share learnings and findings more widely across the UK."

The Young Foundation, CEO

Advancing the importance of nature recovery across the UK, The Young Foundation was proud to partner with Derbyshire County Council and the University of Derby on a project co-creating a Local Nature Recovery Strategy. Between June 2024 and September 2024, The Young Foundation worked in partnership with Derbyshire County Council and the University of Derby to engage with key stakeholders across the county. The work has involved bringing together diverse perspectives from partners, communities, and citizens across Derbyshire to begin to co-create a vision for nature recovery that responds to the needs of today and meets the challenges of the

future. This [early, deep engagement work](#) was integral in building a shared ownership of nature recovery strategy in which everyone could play a part.

Collectively, these – and other - place-based partnerships have led to greener neighbourhood designs, community-led retrofit schemes, and inclusive planning becoming standard practice for local councils. They demonstrate The Young Foundation's clear strategy to support communities to define and design their places, backed by funding, research, and strategic partnership—with measurable influence on policy and on-the-ground practice across the UK.

Prospects

Better prospects and brighter futures for young people

In 2024, The Young Foundation significantly amplified youth leadership and voice, using participatory research, grassroots interventions, and innovation support. Our work has shaped both local practice (eg, peer-led violence prevention, youth-involved policing strategies) and national policy discourse (eg, democratic engagement, youth innovation funding).

Greater community power and local participation in social, civic, and political change drives a fairer future, particularly when amplifying 'less heard' voices and supporting young people. Our 'Low participation election' feature set out the challenge of youth electoral engagement, noting that despite heavy mobilisation efforts (eg, podcasts and social media), turnout hit a historic low of 60%, with particularly weak youth turnout.

This work underscored the importance of involving young people in democratic processes, describing how low youth turnout "raises questions of how people relate to the places they live, and whether or not they feel they have the power to participate locally. We continued policy conversations around empowering youth in democracy and greater devolution of civic agency to communities – a priority in Labour's agenda post-election the same year.

However, the range of challenges facing young people are many; in particular incidents of violence. In 2024, The Young Foundation continued its seven-year programme to engage victim, perpetrators and witnesses of serious violence through The Peer Action Collective.

The Peer Action Collective

Youth violence is destroying lives... young people's insights, experiences, and hopes for a better future must be at the heart of our responses.

Funded by the Youth Endowment Fund, the #iwill Fund (a joint investment between The National Lottery Community Fund and the Department for Culture, Media and Sport) and the Co-op. The Young Foundation is the national partner on this programme supporting young people to tackle the root causes of youth violence in their communities.

Training 16–20-year-olds to lead grassroots research and action on youth violence across England and Wales. From 2020 to 2023, the programme heard from [more](#)

[than 6,000 young people](#) who laid out the challenges they face growing up in Britain today. 2024 represented the start of the second phase of the Collective. From Birmingham to Haringey, from Cardiff to Bradford, from Gateshead to Bristol, from Blackburn to Middlesbrough, and from Exeter to Hull, this second phase began its next journey to engage a further 5,500 young people. Collectively, they continue to build the evidence base and take direct action on the root causes driving violence.

The Spark Awards

Accelerating our work to amplify youth voice and action, in 2024, we collaborated with Big Change to deliver the Spark Awards, supporting 18- to 25-year-olds to reimagine the future and create deep-rooted, lasting change.

Through the Spark Awards, Big Change funded and supported 10 young leaders who had pilot-ready projects that address the problems young people face, and have potential to create lasting change.

The selected changemakers received a grant of up to £40k to develop their project, and a 12-month tailored learning and development programme, delivered by The Young Foundation, worth up to £10k. This programme supported the delivery of the winning pilot ideas, develop young people's leadership skills, and supporting their personal growth.

Big decisions for future generations

We have been working with the Nuclear Waste Service and Arup to support a new youth forum of 16- to 25-year-olds to tackle one of the UK's biggest environmental challenges, ensuring the voice of young people is at the heart of decisions on nuclear waste disposal, which will have a long-lasting, multiple-generation impact. The forum is informing routes to engage with other young people and local communities, addressing the pros and cons, risks and possibilities of waste disposal, and helping shape lasting solutions with informed local support. This is pioneering project for the sector which we hope will inspire other institutions, such as those in the nuclear, energy and water sector, to better embed youth voice in their decision-making.

Culture shift – Equity, Diversity and Inclusion

Across and within our projects, we are continued to see change to **institutional culture and embedding inclusive values** across professional, policy, and community spaces.

This included mobilising both our research, strategic advice and innovation capabilities across all teams.

Research report *Beyond Buzzwords* emerged from consultation with over 7k professionals across 17 regulatory bodies. It provided the most comprehensive sectoral view yet on the challenges of embedding Equity, Diversity, and Inclusion (EDI) beyond training sessions or HR policies. It foresaw a risk of EDI backsliding due to political polarisation, and championed the need for inclusive leadership metrics in

professional standards alongside the power of developing learning communities to foster peer-to-peer accountability.

This report was implemented in bodies such as the General Medical Council and the Royal Town Planning Institute, directly influencing standards and practice.

Conscious of the need to enact what we espouse, staff created our EDI Forum working closely with both Trustees and our HR team to apply a critical EDI lens to our working practices and policies. This sat alongside the development of our Policy and Strategy Forum, a shared space for all staff and Trustees to explore topics of shared interest that have potential for The Young Foundation to expand its reach and impact.

Achievements and performance - conclusion

The Young Foundation delivered once again a wide variety of programmatic, campaigning and research activities to operationalise its five year strategy: that everyone in the UK should experience the power of participation.

FINANCIAL REVIEW

Results for the year

The reported deficit in the year to December 2024 of £57k reflects, before transfers, a surplus of £100k on restricted funds (2023: £1,039k deficit) and a deficit of £157k on unrestricted funds (2023: £275k deficit).

Total income increased £1,787k to £4,122k (2023: £2,335k). Unrestricted income for the years was £2,150k (2023: £1,840k)

Charitable expenditure of £4,277k (2023: £3,696k) is a 16% increase on 2023 expenditure.

Restricted income was £1,972k (2023: £495k). Restricted income includes £1,495k in respect of the Community Research Networks grant awarded by UKRI. This is the first tranche of the total grant £8,967k, which covers five years from 2024 to 2029.

There is an unrestricted deficit of £83k in the year (2023: £280k). As noted below the charity continues to operate within its reserves policy. The focus for 2024 was on medium term growth whilst retaining appropriate margins on projects to ensure that support costs are funded, as much as possible. Unrestricted income from grants and earned fees from charitable activities increased by 20% from £1,669k to £1,998k, although this was £170k short of the growth target set.

Reserves policy and financial position

Total reserves at 31 December 2024 were £3,654k (2023: £3,711k) of which £720k (2023: £694k) were restricted for specific purposes. The designation for the Property Fund was maintained at £2,400k in the year. Funds designated for YAIF management continue to be held for that purpose.

The policy of the Trustees is to hold sufficient reserves in a liquid form to meet short term obligations and having considered the risks facing the charity and its level of activity, have decided that this is equivalent to six months staff costs and six months' other unrestricted

Trustees' report Year ended 31 December 2024

expenditure. At 31 December 2024, the minimum unrestricted reserve figure was £1,420k (2023: £1,334k). The total unrestricted reserves at 31 December 2024 were £2,935k (2023: £3,018k) which represents 14 months unrestricted expenditure.

Therefore, the Trustees consider that they have sufficient funds to meet the reserves policy and are considering how best to invest these funds to balance preserving liquidity to maintain day to day activity whilst also generating income and/or long-term growth.

Going concern

The Trustees continue to adopt the going concern basis in preparing the annual financial statements. In adopting this basis, they have reviewed all appropriate budgets and forecasts. The Trustees are not aware of any material uncertainties that suggest that The Young Foundation cannot continue as a going concern.

Investment policy and performance

Under the Memorandum and Articles of Association the Trustees have general powers of investment. The Trustees held the charity's funds and HSBC and also invested in the Cazenove Charity Responsible Multi-Asset Fund in 2024. The Cazenove fund aims to provide 4% income and capital growth in line with inflation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Young Foundation's governing documents are its Memorandum and Articles of Association dated 15 June 1977 as amended on 16 March 2005 and 21 February 2021.

The Board of Trustees met five times in 2024. In addition to the Board of Trustees there is a Resources, Risk and Assurance Committee (RRAC) which held five full meetings in 2024. The Committee was chaired by the treasurer, Jonathan Sobczyk Boddington. The People and Culture and Governance Committees met during 2024.

The following Trustees were in office on 31 December 2024 and served throughout the year except where shown.

Trustees	Appointments/ Resignations	Board meetings attended in 2024 (and number available)
Kersten England		5(5)
Eddy Adams		2(5)
Tosin Adegun	Appointed 25th April 2024	3(4)
Jonny Sobczyk Boddington		3(5)
Chris Dobson		3(5)
Kate Hainsworth		3(5)
Rizwana Hamid		3(5)
Stephen Jacobs		4(5)
Henry Kippin	Reappointed 5 August 2024	2(4)
Kavya Menon	Appointed 25 April 2024	4(4)
Mike Omoniyi		0(5)
Matthew Taylor	Resigned 22 March 2024	0(1)
Pamela Warhurst	Appointed 25 April 2024	2(4)

Details of all the Trustees are posted on our website, youngfoundation.org

Candidate Trustees meet with the Chair, the Chief Executive and the Nominations and Governance Committee following which their application is considered by the Nominations and Governance Committee. The induction of Trustees is undertaken on an informal basis with the Chief Executive and senior management team and through attendance at The Young Foundation and external events.

The day-to-day management and running of the charity has been delegated to the Chief Executive and the senior management team. The senior management team prepares an annual operational plan and budget which is approved by the Trustees. The senior management team take responsibility for the execution of the operational plan and budget and report on progress to the Trustees.

Key management personnel

The key management personnel of The Young Foundation are the Chair and Board of Trustees together with the Chief Executive and Directors who form the senior management team.

The remuneration of the Chief Executive is set and reviewed by the nominations committee. The remuneration of the other key management personnel is set by the CEO taking into consideration factors such as what the organisation can afford to pay, inflation and external benchmarking.

Risk management

The Board's Resources, Risk and Assurance Committee has reviewed the major operational risks and the Board has reviewed the strategic risks including the ways in which these are monitored, managed and mitigated by the senior management team.

Key risks

The key risks identified by the Board are summarised below together with management actions to mitigate these risks.

Income Generation and sustainability

The main risk to The Young Foundation is the inability to generate sufficient income to enable full cost recovery and be a financially sustainable organisation. It is essential that we maintain close relationships with funders and explore all funding opportunities. We have developed and continue to refine our processes for bidding for funding to ensure full cost recovery. Cost inflation has also become a key risk and we have put measures in place to mitigate this.

Staff engagement

The Young Foundation has a pattern of hybrid working, with staff able to mix home and office working. We have monthly all staff team meetings and weekly stand-ups to ensure that managers keep in close contact with their team. We have upgraded some of our IT systems and equipment and we provide appropriate office furniture for staff who need it. We continue to seek staff opinion and feedback through team meeting discussions and staff surveys, through work with the EDI Forum, and through fruitful negotiations with Union representatives.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Young Foundation for the purposes of company law) are responsible for preparing the Trustees' 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, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for the year. 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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:

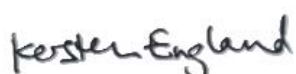
- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

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

This report was approved by the Trustees on 29th July 2025 and signed on their behalf by:



Kersten England CBE
Chair of the Board of Trustees

Opinion

We have audited the financial statements of The Young Foundation (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 December 2024 and of 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.

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 report and financial statements, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the report and financial statements. 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.

Other information (continued)

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 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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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.

Responsibilities of Trustees (continued)

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:

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; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- ◆ performed analytical procedures to identify any unusual variances;
- ◆ tested journal entries to identify unusual transactions;

Auditor's responsibilities for the audit of the financial statements (continued)

- ◆ tested the authorisation of expenditure; and
- ◆ reviewed the implementation and design of controls and procedures in place around the grants payable system.

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; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

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

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.



Edward Finch (Senior statutory auditor)
for and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

03 September 2025

Statement of financial activities Year ended 31 December 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	Unrestricted funds £	Restricted funds £	2023 Total funds £
Incorporating income and expenditure account							
Income from							
Donations		600	-	600	4,000	-	4,000
Investments	2	134,731	10,138	144,869	141,666	-	141,666
Charitable activities							
. Grants and other earned fees	1a	1,998,447	1,961,824	3,960,271	1,668,507	495,391	2,163,898
. Other	1b	16,696	-	16,696	25,707	-	25,707
Total income		2,150,474	1,971,962	4,122,436	1,839,880	495,391	2,335,271
Expenditure on							
Charitable activities	3	2,410,602	1,866,065	4,276,667	2,170,794	1,525,698	3,696,492
Net losses on social investments		-	5,917	5,917	16,791	9,041	25,832
Total expenditure		2,410,602	1,871,982	4,282,584	2,187,585	1,534,739	3,722,324
Net gains on listed investments	8	102,969	-	102,969	72,974	-	72,974
Net (expenditure)/ income before transfers		(157,159)	99,980	(57,179)	(274,731)	(1,039,348)	(1,314,079)
Transfers between funds	12	74,309	(74,309)	-	(5,215)	5,215	-
Net (expenditure)/ income and net movement in funds for the year		(82,850)	25,671	(57,179)	(279,946)	(1,034,133)	(1,314,079)
Reconciliation of funds:							
Total funds brought forward		3,017,583	693,913	3,711,496	3,297,529	1,728,046	5,025,575
Total funds carried forward		2,934,733	719,584	3,654,317	3,017,583	693,913	3,711,496

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages to 32 to 43 form part of these financial statements.

Balance sheet 31 December 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	7	13,507		24,653	
Investments	8	<u>2,494,989</u>		<u>2,951,621</u>	
			2,508,496		2,976,274
Current assets					
Debtors	9	905,675		912,812	
Cash at bank and in hand		<u>613,333</u>		<u>460,212</u>	
		1,519,008		1,373,024	
Liabilities:					
Creditors: amounts falling due within one year	10	<u>(373,187)</u>		<u>(637,802)</u>	
Net current assets			1,145,821		735,222
Total assets less current liabilities			3,654,317		3,711,496
The funds of the charity:					
Unrestricted funds:					
. General funds	12		478,581		561,431
. Designed funds			2,456,152		2,456,152
Restricted funds	13		<u>719,584</u>		<u>693,913</u>
			3,654,317		3,711,496

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

The financial statements were approved by the Trustees on 29th July 2025 and signed on their behalf, by:

Kersten England

Kersten England CBE, Chair of Trustees

The Young Foundation
Company registration number 01319183 (England and Wales)

The notes on pages 32 to 43 form part of these financial statements.

Statement of cash flows 31 December 2024

	Notes	2024 £	2023 £
Cash outflow from operating activities:			
Net cash used in operating activities	A	(518,823)	(1,110,355)
Cash outflow from investing activities:			
Interest and dividends from investments		144,869	153,666
Purchase of tangible fixed assets		(7,367)	(9,960)
Purchase of investments		(49,556)	(374,208)
Repayments of investments		528,096	21,899
Net cash outflow from investing activities		616,042	(208,603)
Change in cash and cash equivalents in the year		97,219	(1,318,958)
Cash and cash equivalents at 1 January 2024	B	584,369	1,903,327
Cash and cash equivalents at 31 December 2024	B	681,588	584,369

Notes to the statement of cash flows for the year to 31 December 2024

A Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	(57,179)	(1,314,079)
Adjustments for:		
Depreciation charge	15,467	14,923
Impairment of social investments	5,917	25,832
Unrealised gains on listed investments	(102,969)	(72,974)
Interest and dividends from investments	(144,869)	(141,666)
Decrease in debtors	26,379	225,050
(Decrease)/Increase in creditors	(261,569)	152,559
Net cash used in operating activities	(518,823)	(1,110,355)

B Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	613,333	377,913
Cash held by investment managers	68,255	124,157
Instant access cash accounts	-	82,299
Total cash and cash equivalents	681,588	584,369

C Analysis of changes in net funds

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash	377,913	235,420	613,333
Cash held by investment managers	124,157	(55,902)	68,255
Cash equivalents	82,299	(82,299)	-
Total	584,369	97,219	681,588

Principal accounting policies 31 December 2024

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2024.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ the valuation of social investments, which are held at cost less any provision for diminution in value or non-recoverability (see page 36 for additional detail);
- ◆ the allocation of support costs; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern basis.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements based on appropriate budgets and forecasts.

As a result of this review, the Trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Company status

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds are set aside at the discretion of the Trustees for specific projects or strategic priorities.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged against the specific fund.

Income recognition

Income is recognised in the statement of financial activities when the charitable company has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Where The Young Foundation is a member of a consortium, for example on certain EU funded programmes, only the income and expenditure which is specific to The Young Foundation is recognised in the financial statements.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income recognition (continued)

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included in expenditure. Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services of equivalent economic benefit on the open market.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

All expenditure is inclusive of irrecoverable VAT.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs of projects, including governance costs and where appropriate charitable grants.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued.

Allocation of support and governance costs

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out centrally.

Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Support costs are allocated across unrestricted charitable expenditure on the basis of the number of staff employed in each activity. Support costs are allocated to restricted funds in accordance with the terms of each fund.

Tangible fixed assets and depreciation

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

- ◆ IT equipment - 33% on a straight-line basis
- ◆ Office equipment - 25% on a straight-line basis

Other financial instruments

The charity has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other'. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

Social investments

Social investments are investments made directly in pursuit of the charity's charitable purposes. Unquoted equity investments are held at cost, less any provision for diminution in value or add any increase in value, while loans are recorded at cost less any provisions to reflect non-recoverability. All social investments are assessed annually for impairment. All gains and losses on social investments are taken to the Statement of Financial Activities as they arise and are recognised within charitable activities.

Listed Investments

Listed investments that are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value as at the reporting date using the closing quoted market price.

All gains and losses on investments are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and transaction value. Unrealised gains and losses for the year are calculated as the difference between the fair value at the year end and the opening carrying value, or the transaction value if acquired in the financial year. Realised and unrealised gains and losses on investments are combined in the Statement of Financial Activities.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Pension contributions

The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. Therefore, as required by FRS 102, the charity accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. There is currently no deficit funding plan in place, other than increased employer contributions, and therefore no liability has been recognised.

In February 2015, a defined contribution scheme, (the Peoples Pension) was established for staff not working on research. Contributions in respect of the defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employee contributions.

Notes to the financial statements Year ended 31 December 2024

1a Income from charitable activities – grants and other fees earned

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Communities	627,208	285,348	912,556
Research	471,983	73,957	545,940
Social Investment and Innovation	899,256	1,602,519	2,501,775
2024 Total funds	1,998,447	1,961,824	3,960,271

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Communities	387,198	192,212	579,410
Research	704,142	48,330	752,472
Social Investment and Innovation	577,167	254,849	832,016
2023 Total funds	1,668,507	495,391	2,163,898

1b Income from charitable activities – other income

	Unrestricted funds £	Restricted funds £	2024 Total funds £
VAT recovery	15,504	-	15,504
Speaking fees, events and publications	1,192	-	1,192
2024 Total funds	16,696	-	16,696

	Unrestricted funds £	Restricted funds £	2023 Total funds £
VAT recovery	21,239	-	21,239
Speaking fees, events and publications	3,593	-	3,593
Other	875	-	875
2023 Total funds	25,707	-	25,707

Notes to the financial statements Year ended 31 December 2024

2 Income from investments

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Interest receivable on cash deposits	8,314	-	8,314
Interest receivable from social investments	18,828	10,138	28,966
Income receivable from investment fund	107,589	-	107,589
2024 Total funds	134,731	10,138	144,869

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Interest receivable on cash deposits	33,999	-	33,999
Income receivable from investment fund	107,667	-	107,667
2023 Total funds	141,666	-	141,666

3 Expenditure on charitable activities

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2024 Total funds £
Communities	501,850	213,506	200,555	119,378	1,035,289
Research	257,747	619,167	35,153	22,967	935,034
Social Investment and Innovation	369,970	448,362	1,428,650	59,362	2,306,344
2024 Total funds	1,129,567	1,281,035	1,664,358	201,707	4,276,667

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2023 Total funds £
Communities	315,293	239,874	458,192	84,949	1,098,308
Research	411,293	319,831	238,652	-	969,776
Social Investment and Innovation	344,788	539,715	743,905	-	1,628,408
2023 Total funds	1,071,374	1,099,420	1,440,749	84,949	3,696,492

Allocation of support costs

Support costs have been allocated across charitable expenditure on the basis of the number of staff employed in each activity. The net costs after allocation are shown below

	2024 £	2023 £
Development, Administration, Finance and Human Resources		
Information technology	1,237,233	1,060,781
Governance costs		
. Auditor's remuneration	19,500	15,950
. Staff costs	24,302	22,689
	1,281,035	1,099,420

Notes to the financial statements Year ended 31 December 2024

4 Staff costs and remuneration of key management personnel

	2024 £	2023 £
Wages and salaries	1,800,866	1,531,166
Social security costs	191,958	167,860
Other pension costs	164,118	184,252
	2,156,942	1,883,278

The average head count during 2024 was 40 (2023 – 36).

The average, full time equivalent number of staff analysed by function is:

	2024	2023
Charitable activities	30.5	25.7
Support	7.8	7.5
	38.3	33.2

The number of higher paid employees was:

	2024 No.	2023 No.
£60,001 - £70,000	3	2
£70,001 - £80,000	1	-
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	7	5

These employees are accruing retirement benefits under either a defined benefits or defined contribution scheme. Employer contributions made in respect of these individuals totalled £48,214 (2023 – £55,488).

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis comprises the Trustees, the Chief Executive and the senior management team. The total remuneration (including taxable benefits, employer's pension contributions and national insurance costs) of the key management personnel for the year was £623,762 (2023 – £556,422). The cost of key leadership personnel employed as contractors on an interim basis during the year was £nil (2023: £nil).

No remuneration was paid to any trustee during the year. Trustees' travel and accommodation expenses of £637 were reimbursed during the year to three Trustees. (2023 – £831, four Trustees).

Notes to the financial statements Year ended 31 December 2024

5 Net expenditure for the year

This is stated after charging:

	2024 £	2023 £
Auditor's remuneration (excluding VAT):		
. Audit – current year	16,250	15,950
Depreciation	15,467	14,923

6 Taxation

During the years ended 31 December 2024 and 2023 The Young Foundation was a registered charity and therefore not liable to income tax or corporation tax on income derived from its charitable activities as it fell within the various exemptions available to registered charities.

7 Tangible fixed assets

	IT equipment £	Office equipment £	Total £
Cost			
At 1 January 2024	55,474	3,046	58,520
Additions	4,321	-	4,321
At 31 December 2024	59,795	3,046	62,841
Depreciation			
At 1 January 2024	33,613	254	33,867
Charge for the year	14,705	762	15,467
At 31 December 2024	48,318	1,016	49,334
NBV at 31 December 2024	11,477	2,030	13,507
NBV at 1 January 2024	21,861	2,792	24,653

8 Investments

	2024 £	2023 £
a) Social investments	75,630	128,885
b) Listed investments	2,419,359	2,822,736
Total at 31 December	2,494,989	2,951,621
a) Social investments	YAIF Social Investment 2024 £	YAIF Social Investment 2023 £
Fair value at 1 January 2024	128,885	176,616
Impairment charge	(25,159)	(25,832)
Repayments	(28,096)	(21,899)
Fair value at 31 December 2024	75,630	128,885
Historic cost	744,000	744,000

8 Investments (continued)

Social investments (continued)

The Young Foundation has made social investments through the Young Academy Investment Fund which has been established by The Young Foundation with funding from the Social Incubator Fund, which was administered by the Big Lottery Fund on behalf of the Cabinet Office and UBS. The initial investments were made by way of convertible loan notes. Many of these instruments have now been converted into loans with repayments linked to revenue.

At 31 December 2024 the split was as follows:

	2024	2023
	£	£
Convertible loan notes/Equity	63,985	63,985
Revenue participation loans	11,645	64,900
	75,630	128,885

The social investments include convertible loan notes issued to Think for the Future, Potentially and CPDBee and revenue participation loans to Edukit, Proversity, Infused Learning, Structural Learning, Smart Schools Council, Talent-Ed Education, GT Scholars, Panjango, and East Learning CIC.

The Young Foundation holds shares in a community interest company Mydex Data Services. At this stage in Mydex's development, it has been decided to not to put a value on the shareholding in The Young Foundation's financial statements. The shareholding is treated as a social investment as it is made directly in pursuit of The Young Foundation's charitable purposes.

The Young Academy investments were reviewed internally for diminution in value. In 2024, there was an increase in the impairment provision of £25,159 (2023 - £65,422), however this was offset by recovery of previously impaired investments £19,242 (2023 - £39,590). The valuation of social investments is based on the most up to date information available to Trustees on future income and cash flows and following the year end, no further material diminution in value has been noted.

b) Listed investments

	Cazenove	Cazenove
	2024	2023
	£	£
Market value at 1 January 2024	2,822,736	2,753,074
Additions	49,556	374,208
Disposals	(500,000)	-
Decrease in cash	(55,902)	(377,520)
Unrealised Investment gain	102,969	72,974
Market value at 31 December 2024	2,419,359	2,822,736
Historic cost	2,800,000	2,800,000

Notes to the financial statements Year ended 31 December 2024

8 Investments (continued)

Listed investments (continued)

100% of the listed investment portfolio is held within the Cazenove Charity Responsible Multi Asset Fund.

At 31 December 2024, the split of the fund's assets was as follows:

	2024	2023
	£	£
Fixed interest	253,322	329,450
UK equities	83,615	80,170
Overseas equities	1,716,409	1,872,211
Property	90,578	137,588
Alternative investments	207,180	279,160
Cash	68,255	124,157
	2,419,359	2,822,736

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review section of the Trustees' Annual Report. The main risk to the Charity from financial instruments in the future lies in the combination of uncertain investment markets and volatility in yield, which is mitigated through the Charity's investment policy.

9 Debtors and prepayments

	2024	2023
	£	£
Trade debtors	294,281	257,948
Prepayments and accrued income	611,394	654,864
	905,675	912,812

10 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	59,017	114,817
Other creditors	178,341	153,316
Accrued expenditure	59,386	137,125
Deferred income	76,443	232,544
	373,187	637,802

Included in creditors is deferred income as set out below:

	2024	2023
	£	£
Deferred income at 1 January 2024	232,544	172,445
Resources deferred in the year	76,443	232,544
Amounts released in the year	(232,544)	(172,445)
Deferred income at 31 December 2024	76,443	232,544

Deferred income comprises funds received in advance in relation to several contracts in progress at the year end.

Notes to the financial statements Year ended 31 December 2024

11 Liability of members

The charity is a company limited by guarantee, each member being liable for a sum not exceeding £1 in the event of the company being wound up.

12 Movement in funds

	Balance at 1 January 2024 £	Net income/ (expenditure) £	Transfers £	Balance at 31 December 2024 £
Restricted funds	693,913	99,980	(74,309)	719,584
Unrestricted funds				
. General fund	561,431	(157,159)	74,309	478,581
Designated funds				
. YAIF Management Fund	56,152	-	-	56,152
. Property fund	2,400,000	-	-	2,400,000
	<u>3,017,583</u>	<u>(157,159)</u>	<u>74,309</u>	<u>2,934,733</u>
Total funds	<u>3,711,496</u>	<u>(57,179)</u>	<u>-</u>	<u>3,654,317</u>

The property fund represented the charity's investment in property which created a hub for social innovation and for nurturing new organisations as well as acting as a base from which the charity could carry out its operations. The property was sold in early 2021. However, £2.9m was designated by the Trustees for possible future use in the purchase of a property. During 2023, the Trustees amended this designated sum to £2.4m.

During 2022, UBS allowed its YAIF restricted funds to be reclassified as unrestricted. £100,000 of these funds were designated to fund the future management costs of the YAIF investments. In 2024 management costs of £Nil were allocated against the YAIF Management Fund (2023 - £8,828).

Restricted funds represent grant income for specific charitable projects as set out in note 13.

	Balance at 1 January 2023 £	Net expenditure £	Transfers £	Balance at 31 December 2023 £
Restricted funds	1,728,046	(1,039,348)	5,215	693,913
Unrestricted funds				
. General fund	332,549	(265,903)	494,785	561,431
Designated funds				
. YAIF Management Fund	64,980	(8,828)	-	56,152
. Property fund	2,900,000	-	(500,000)	2,400,000
	<u>3,297,529</u>	<u>(274,731)</u>	<u>(5,215)</u>	<u>3,017,583</u>
Total funds	<u>5,025,575</u>	<u>(1,314,079)</u>	<u>-</u>	<u>3,711,496</u>

12. Movement in funds (continued)

Restricted fund analysis

The movement in restricted funds in 2024 was:

	Balance at 1 January 2024	Income	Expenditure	Net investment loss	Transfers	Balance at 31 December 2024
	£	£	£	£	£	£
Research						
EU Horizon 2020- Clever Cities	(93,852)	-	(1,870)	-	-	(95,722)
Kings' College London - Undisciplined Spaces	22,851	53,214	(30,888)	-	-	45,177
Spirit of 2012	2,524	-	(2,524)	-	-	-
University of Birmingham - Excite	-	20,743	(20,743)	-	-	-
ESRC C4 Centre	-	-	(2,096)	-	-	(2,096)
Total Research	(68,477)	73,957	(58,121)	-	-	(52,641)
Communities						
Nuffield Foundation Net Zero	15,198	-	(22,054)	-	6,856	-
Power To Change Legacy Grant	17,922	-	(4,644)	-	-	13,278
Power to Change Strategic Grant	11,163	-	-	-	-	11,163
Power to Change Dashboard Grant	8,712	-	(1,139)	-	-	7,573
DCMS Volunteering Journeys	45,610	-	-	-	-	45,610
Research England-Sheffield Hallam University- National Civic Impact Accelerator	-	285,348	(285,348)	-	-	-
British Academy Place Sensitive Participatory Policy	3,546	-	(6,747)	-	3,201	-
Total Communities	102,151	285,348	(319,932)	-	10,057	77,624
Social Innovation and Practice						
The National Lottery Community Fund Luton's Fairness Taskforce	-	82,375	(63,903)	-	-	18,472
The Young Academy Social Incubator Fund Grant	80,145	10,138	-	(5,917)	(84,366)	-
Local Trust Disaster Preparedness	-	25,000	(25,000)	-	-	-
UKRI Community Research Network	-	1,495,144	(896,686)	-	-	598,458
UKRI Community Grant Fund	502,423	-	(502,423)	-	-	-
Cabinet Office BOOST	49,324	-	-	-	-	49,324
YA Revenue Participation	13,260	-	-	-	-	13,260
BEIS COP26 Climate Challenge Cup	15,087	-	-	-	-	15,087
Total Social Innovation and Investment	660,239	1,612,657	(1,488,012)	(5,917)	(84,366)	694,601
Total Restricted Funds	693,913	1,971,962	(1,866,065)	(5,917)	(74,309)	719,584

The EU Horizon 2020 – Clever Cities project is ultimately funded by the European Union. Project activities were completed in 2023 and the final funding claim submitted in 2024. The European Union accepted the claim in 2025.

12. Movement in funds (continued)

Restricted fund analysis (continued)

The Young Academy is an impact first investment fund set up by The Young Foundation to provide finance to early-stage social ventures whose work tackles education inequality in England. During the year a transfer of £84,366 was made from The Young Academy Social Incubator restricted fund to unrestricted funds, on the basis that the original grant has been fully dispersed. During the year a transfer of £6,856 was made from unrestricted funds to the Nuffield Foundation Net Zero restricted fund to support the work of that fund, and a transfer of £3,201 was made from unrestricted funds to the British Academy Place Sensitive Participatory Policy restricted fund to support the work of that fund.

The UKRI Community Research Network is a fund to empower communities to develop grassroots research agendas and build capability and expertise in community led forms of research and innovation. The Young Foundation will distribute grants funded by UKRI totalling £8,967k to community organisations during a five-year period ending in 2029.

The UKRI Community Grant Fund is a fund to build long-term capacity for a more collaborative, open, and equitable research and innovation system which communities across the UK – particularly those that lack power and influence – can have an active role in and directly benefit from. The Young Foundation distributed grants funded by UKRI totalling £1,245k to community organisations during the two-year period to 31 December 2024.

The movement in restricted funds in 2023 was:

	Balance at 1 January 2023 £	Income £	Expenditure £	Net investment gain £	Transfers £	Balance at 31 December 2023 £
<i>Research</i>						
<i>EU Horizon 20 20- Clever Cities</i>	14,039	-	(107,891)	-	-	(93,852)
<i>NCS Trust CIC Civic Journey</i>	277,808	(30,738)	(259,950)	-	12,880	-
<i>EU Horizon 20 20- UPLIFT</i>	25,596	18,856	(44,452)	-	-	-
<i>Kings' College London - Undisciplined Spaces</i>	55,528	3,000	(35,677)	-	-	22,851
<i>Spirit of 2012</i>	-	39,535	(37,011)	-	-	2,524
<i>University of Birmingham-Excite</i>	-	17,677	(17,677)	-	-	-
Total Research	372,971	48,330	(502,658)	-	12,880	(68,477)
<i>Communities</i>						
<i>Nuffield Foundation Net Zero</i>	89,318	64	(74,184)	-	-	15,198
<i>Power To Change Legacy Grant</i>	34,107	-	(16,185)	-	-	17,922
<i>Power to Change Strategic Grant</i>	11,163	11,250	(11,250)	-	-	11,163
<i>Power to Change Dashboard Grant</i>	8,845	-	(133)	-	-	8,712
<i>DCMS Volunteering Journeys</i>	45,640	-	(30)	-	-	45,610
<i>Research England- Sheffield Hallam University – National Civic Impact Accelerator</i>	-	155,902	(155,902)	-	-	-
<i>British Academy Place Sensitive Participatory Policy</i>	-	24,996	(21,450)	-	-	3,546
Total Communities	189,073	192,212	(279,134)	-	-	102,151

12 Movement in Funds (continued)
Restricted funds analysis (continued)

	Balance at 1 January 2023 £	Income £	Expenditure £	Net investment gain £	Transfers £	Balance at 31 December 2023 £
<i>Social Innovation and Investment</i>						
<i>The Young Academy Social Incubator Fund Grant</i>	96,851	-	-	(9,041)	(7,665)	80,145
<i>UKRI Community Grant Fund</i>	990,000	254,849	(742,426)	-	-	502,423
<i>Cabinet Office BOOST</i>	50,804	-	(1,480)	-	-	49,324
<i>YA Revenue Participation</i>	13,260	-	-	-	-	13,260
<i>BEIS COP26 Climate Challenge Cup</i>	15,087	-	-	-	-	15,087
<i>Total Social Innovation and Investment</i>	<u>1,166,002</u>	<u>254,849</u>	<u>(743,906)</u>	<u>(9,041)</u>	<u>(7,665)</u>	<u>660,239</u>
<i>Total Restricted Funds</i>	<u>1,728,046</u>	<u>495,391</u>	<u>(1,525,698)</u>	<u>(9,041)</u>	<u>5,215</u>	<u>693,913</u>

13 Analysis of net assets between funds

	Unrestricted			2024 Total £
	General £	Designated £	Restricted £	
Tangible fixed assets	13,507	-	-	13,507
Social Investments	75,630	-	-	75,630
Listed Investments	-	2,419,359	-	2,419,359
Net current assets	389,444	36,793	719,584	1,145,821
	<u>478,581</u>	<u>2,456,152</u>	<u>719,584</u>	<u>3,654,317</u>

	Unrestricted			2023 Total £
	General £	Designated £	Restricted £	
Tangible fixed assets	24,653	-	-	24,653
Social Investments	48,739	-	80,146	128,885
Listed Investments	366,584	2,456,152	-	2,822,736
Net current assets	121,455	-	613,767	735,222
	<u>561,431</u>	<u>2,456,152</u>	<u>693,913</u>	<u>3,711,496</u>

14 Related party transactions

During the year Local Trust awarded The Young Foundation a restricted grant of £25,000 for a project relating to community disaster preparedness. There were no amounts outstanding at 31 December 2024. Kate Hainsworth is a trustee of both Local Trust and The Young Foundation.

During the year ended 31 December 2023 a trustee donated £1,000 to The Young Foundation's event to celebrate 70 years since the foundation of The Institute of Community Studies. There were no donations from Trustees in 2024.

15 Commitments

The Young Foundation participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Young Foundation is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', The Young Foundation therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

The total cost charged to the statement of financial activities for USS Pension Contributions is £113,096 (2023 – £140,111). This includes £Nil (2023 – £nil) outstanding contributions at the balance sheet date. The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2023 (the valuation date), which was carried out using the projected unit method. Since The Young Foundation cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2023 valuation for USS was under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1bn and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4bn. An alternative way of expressing the position is that the Scheme's assets were sufficient to cover 111.3% of its liabilities – this percentage is known as the funding level of the Scheme.

The surplus has been determined taking into account a number of changes which took effect from 1 April 2022.

Previous benefits in the Scheme

- ◆ The valuation and report relate solely to the defined benefits section of the Scheme in respect of benefits accrued up to the valuation date. Contribution requirements relate to both the defined benefit and defined contribution sections of the Scheme.
- ◆ The benefits valued are as set out in the Trust Deed and Rules dated 19 November 2015, as subsequently amended. A summary of the Scheme benefits for current active members is available on the USS website. No allowance for has been made for discretionary pension increases.

15 Commitments (continued)

- ◆ The future service rates allow for the increase in Normal Pension Age to 66 from October 2020.
- ◆ Members' benefits are yet to be adjusted to remove inequalities caused by GMPs earned after 17 May 1990. Current benefits have been valued. The Scheme's rules neutralise the vast majority of any inequality arising from GMPs and therefore the impact of GMP equalisation is not expected to be material in the context of the Scheme.
- ◆ A number of members with deferred benefits retain a right to a transfer value on a higher short service benefit. The transfer value is potentially greater than the reserve held in the valuation for the deferred benefit. Further investigations are being undertaken and for the purposes of the valuation an approximate allowance for this potentially more valuable benefit in the technical provisions has been made.

Future benefit changes

In outline, the JNC recommendation is to maintain the existing hybrid defined benefit / defined contribution structure but modified in the following way for benefits accrued from 1 April 2022:

1. Reduction in salary threshold from c £60,000 pa to £40,000 pa.
2. Reduction in accrual rate from 1/75 to 1/85.
3. Pension increases and revaluation before retirement restricted to CPI up to a maximum of 2.5% pa.
4. Leavers with more than three months' but less than two years' service would receive the standard deferred benefit rather than the current entitlement to a lower benefit based solely on member contributions.

Defined benefit liability numbers for the scheme for accounting purposes have been produced using the following assumptions as at 31 March 2023 and 2024:

The projected funding levels three years after the valuation date are shown below.

These projections are made on the basis that:

- ◆ a deed effecting the recommendation of the JNC is entered into on or before 28 February 2022;
- ◆ the active membership remains broadly the same;
- ◆ experience from the valuation date is in line with the assumptions underlying the technical provisions, as set out in the Statement of Funding Principles, including additional returns on assets of 0.5% pa higher than the discount rates;
- ◆ contributions are paid as set out in the Schedule of Contributions; and
- ◆ there is no change in the insurers' buy-out pricing.

	2024	2023
Scheme assets	£74.8bn	£73.1bn
Total scheme liabilities	£65.6bn	£65.7bn
FRS 102 total scheme surplus/ (deficit)	£9.2bn	£7.4bn
FRS 102 total funding level	114%	111%

THE YOUNG FOUNDATION

England & Wales - Charity number 274345

Accounts



The Young Foundation

Report and financial statements

31 December 2023

Company Limited by Guarantee
Registration Number
01319183 (England and Wales)

Charity Registration Number
274345 (England and Wales)

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Reference and administrative information

The Young Foundation is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

It is a Research Councils UK recognised independent research organisation (IRO)

Trustees	Kersten England (Chair) Eddy Adams Oluwatosin Adegun (appointed 25 April 2024) Christopher Dobson Kate Hainsworth Rizwana Hamid Stephen Jacobs Henry Kippin Kavya Menon (appointed 25 April 2024) Michael Omoniyi Jonathan Sobczyk-Boddington (Chair of Resources, Risk and Assurance) Matthew Taylor (resigned 22 March 2024) Pamela Warhurst (appointed 25 April 2024)
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Chief Executive	Helen Goulden
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Company registration number	01319183
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Charity registration number	274345
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Registered office	Toynbee Hall 28 Commercial Street London E1 6LS
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Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
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Bankers	HSBC 465 Bethnal Green Road London E2 9QW
----------------	--

	CCLA One Angel Lane London EC4R 3AB
--	--

Reference and administrative information

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Investment Managers

Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Reference and administrative information

The Young Foundation's mission is to enable connected, more sustainable and stronger communities across the UK. We do this through amplifying people's stories and lived experiences and use this as a spur to drive locally-led and owned community action.

We use what we learn across different communities to spot national patterns of need and opportunity, working with partners to support innovations to deliver social impact at a national scale.

We seek to build a shared body of evidence, knowledge and insight about how best to strengthen and empower communities.

We were founded by the great social scientist and innovator Michael Young and originally called the Institute of Community Studies. We became the Young Foundation after Michael's death in 2002. Together we have created and supported over 80 organisations including: *Which?*, *The Open University*, *Language Line*, *Economic and Social Research Council*, *Social Innovation Exchange*, *School for Social Entrepreneurs*, *UpRising* and *Studio Schools Trust*.

OUR FUNDERS AND PARTNERS

Arts and Humanities Research Council	Royal Borough of Greenwich
Arup Group	Solent NHS Trust
Big Change Charitable Trust	Spirit of 2012
National Lottery Community Fund	Sustrans
Birmingham City Council	UK Research and Innovation
The British Academy	University College London
Church Urban Fund	University of Bedfordshire
Cornwall Council	University of Birmingham
The Crown Estate	University of Bristol
Department for Levelling Up, Housing and Communities	Verian Group UK Limited
European Commission	West Midlands Combined Authority
Greater London Authority	The Youth Endowment Fund
Imperial College London	
King's College London	
Koreo Limited	
Lloyds Bank plc	
London Borough of Hackney	
London Borough of Waltham Forest	
London School of Economics and Political Science	
Luton Borough Council	
Metro Dynamics Limited	
The National Lottery Heritage Fund	
Norfolk Community Foundation	
Nuffield Foundation	
Power to Change Trust	
The Professional Bodies Research Consortium	

2023 was an important year for The Young Foundation. In the year in which we celebrated 70 years since the foundation of The Institute for Community Studies by Michael Young our founder, we launched a new radical agenda for change, our 5 year strategy, 'The Power of Participation'. Embracing the spirit of Michael Young our strategy shares a vision of a redesigned social contract between people, communities, business and the state and of a fairer, greener future.

Our Board of Trustees worked hard with the Executive to develop this strategy but equally to ensure that our budget, setting out the resourcing of the work of The Young Foundation, was aligned to our strategic priorities. This has seen a growth in our social innovation practice team, the creation of a dedicated senior post leading on pathways to a 'just transition', and development of deeper relationships with larger private sector organisations who share our desire to pursue the 'Quest for the S in ESG'. We've also established a firm reputation for working with research funders around investment in the research capacity and capability of community organisations.

At the same time, and cognisant of a new Government, we have raised our profile across all political parties, presenting on panels, facilitating round tables and attending party conferences. A huge thank you is due to all staff at The Young Foundation for their energy and commitment over the last year. I'd also like to formally congratulate our Chief Executive Helen Goulden on being awarded an OBE in the 2023 New Years Honours.

I'd also like to pay tribute to the work of our Resources, Risk and Assurance Committee which has intensified its work over this year to support and guide colleagues in terms of the stewardship of our finances. As for many similar organisations in our sector we experience fluctuations in the winning and draw down of funds. It is vital that we cost our work effectively so that the full costs of our work can be recovered in our work as we continue to work towards being financially sustainable without drawing on our charitable reserves. In 2023 we have judiciously drawn from reserves to balance our finances, acknowledging that we are in a moment of growth and repositioning.

The membership of the Board of Trustees was substantially refreshed in the middle of 2022, and in 2023 we have really begun to realise the benefits of the wider experience and diverse backgrounds of our Trustees. As the organisation itself has grown we identified the need for an extended governance structure to enable us to engage appropriately with the Executive and employees of the Young Foundation on organisation and cultural development matters including equality, diversity and inclusion. We all recognise that the academic and professional backgrounds from which many staff are drawn have under representation particularly of men and people from global majority communities. We are keen to play our part in widening opportunities and pathways into fulfilling careers for people of all backgrounds which is reflected in our EDI strategy.

Through this year we remain acutely aware of the many challenges faced by people and communities right across the nations of the UK. We believe we have an important part to play in providing thinking and demonstrably effective models, which will help to tackle these challenges, and support the building of a fairer and greener future with communities at the centre.

Kersten England CBE
Chair of trustees, The Young Foundation

Chief Executive's Report Year to 31 December 2023

There are few organisations whose legacy, ambitions for social change match those of the Young Foundation. In 2023, we celebrated our seventy year legacy and launched our new five year strategy, with a vision that everyone in the UK might experience the power of participation to create a fairer future. This celebration was significant. In the context of so many economic, social and environmental challenges that face our country and the wider world in 2023, it is easy for research-based organisations to paint an ever more sophisticated picture of despair, or spend their time explaining to others what they must do to make transformative change. But The Young Foundation imbues the capacity and capability for making that transformative change in each and every one of its research efforts. It refuses to pass the mantle of responsibility of making that change to others. We recognise that each and every one of us are part of the system that make social change possible, and our job is not to make despair ever more convincing, but to make hope possible. Our commitment to research and innovation that is deeply rooted in people's lived experiences in the UK today is unwavering.

Writing in June 2024, I see many fruits of our labours in 2023, including the delivery of a £10m fund to support community research networks, a unique opportunity to build the sustained infrastructure for involving more people and communities in the act of understanding and innovating on issues of material concern to so many across the UK. The winning of two ESRC centre bids focused on community participation and accelerating a socially just transition to net zero are also the result of significant groundwork laid in 2023 and a testament to the credibility and robust nature of our research and team. Our continued work to support The Crown Estate as they embed our unique approach to social value creation across their portfolio should serve to recognise that the work we are undertaking is important and of huge salience at this point in time.

You will see from this annual report a continued commitment to opening up access to knowledge, learning and opportunity for increasing numbers of people and communities, a deepening commitment to tackling our climate crisis and a portfolio of work in 'places' across the UK that is fundamentally community-involving in nature: our contribution to rebuilding the trust between people and the public institutions that is so important right now.

The financial sustainability of The Young Foundation continues to prove challenging, despite high demand for our work and the demonstrable impact we are creating in capability building to enable social innovation and systemic forms of social change. In 2023, in the face of necessary pay increases and inflationary pressures on our delivery costs, we have posted a deficit which was larger than forecast. A number of changes were made over the Summer of 2023, which ameliorated the potential impact of this downturn income recognition. This increased commercial discipline is being consistently implemented across 2024, and fundamental to achieving break-even in future years. There is no doubt that this is a difficult operating environment in which to flourish as a surplus generating charity, however there are many reasons to continue to grow our work to support social innovation and change across the UK, and I wanted to express my deep gratitude to the team at The Young Foundation and its board of trustees who are as one when it comes to our vision, mission and charity through such turbulent times.

Helen Goulden OBE
Chief Executive Officer

TRUSTEES' ANNUAL REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with audited financial statements of The Young Foundation (the charitable company) for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 32 of the attached accounts and comply with the charity's Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2019 or later.

OBJECTIVES AND RELEVANT POLICIES

Objectives and activities for the public benefit

The objects of the Young Foundation as set out in its Memorandum of Association are:

- a) The relief of needs arising from financial hardship, mental or physical illness, disability, or old age;
- b) The promotion of equality and diversity for the benefit of the public through research and the design and delivery of services that address exclusion;
- c) The promotion of health;
- d) The promotion of research and education in the social sciences and the dissemination of the useful outcomes of such research; and
- e) The advancement of purposes charitable in England and Wales by the development of organisations and activities and the exchange of ideas.

The objects are considered by the trustees to be for the public benefit as defined in the Charity Commission's guidance on public benefit. In order to achieve these objectives, the Young Foundation undertakes research to identify and understand social needs and then develops practical initiatives and institutions to address those, combining ideas, analysis and practical action.

Our research work also permeates all our programmes. We are a Research Councils UK recognised independent research organisation (IRO).

The charity does not undertake any external fundraising and there have been no complaints made to the Fundraising Regulator during the current or prior year.

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE REVIEW

INTRODUCTION

Throughout its entire history, The Young Foundation has seized the opportunity of combining community, research, innovation and entrepreneurship to drive social change. 2023 continued that mission and journey, scaling our impact and reach into new sectors and challenges.

We know that when people and communities feel they have influence, agency and belonging, it will secure the greatest levels of well-being in our society and create transformative opportunities for societal change. Throughout 2023, The Young Foundation supported communities and institutions across the UK to **understand, involve and innovate** to make positive change together on the issues they care about, in ways that shift us towards a sustainable, more equitable society.

Across our work in 2023, our work continued to be rooted in three core assumptions:

- A fair society is rooted in people and communities feeling a tangible sense of agency and power to take action and increase their voice and influence over issues which profoundly affect their wellbeing.
- The critical nature of our social challenges requires concerted engagement across multiple actors, regardless of sector or discipline; it is not in the gift of any one political party, organisation, business or community to solve. Fundamentally, it must be a shared endeavour.
- Therefore, strong, trusted relationships and connections between people and communities, silos and sectors is a pre-requisite to navigating complex societal challenges successfully. It is also key to rebuilding trust in our public institutions and democracy.

These assumptions have framed our work across all areas in 2023 and we continued to expand our impact across multiple geographies and demographics, with a continued, strong focus on those most marginalised and vulnerable in our communities, who are most profoundly and adversely affected by this more turbulent economy and society.

Key priorities for 2023 included:

- **Consolidation and growth in key thematic areas** where we were already strong and where there is potential for larger scale impact over the medium to long term. This was most evident in our work with young people, where the expansion of our work with young people experiencing serious violence resulted in securing work in this area for a further five years.
- **Taking our work to new audiences and agents for change.** We know that the private sector has a fundamental role to play in creating a sustainable, fair and inclusive society. For example, our work with Lloyds Banking Group and The Crown Estate,

alongside sector spanning thought leadership, has taken our work and idea into new areas of driving change and impact.

- **Building capabilities social innovation, new institutions and infrastructures to emerge.** This has been most powerfully demonstrated through the work of The Young Foundation's Innovation and Practice Team, which has grown substantially over the course of 2023. Our place-based work to foster new mindsets, leadership and collaboration across sectors in towns such as Luton has continued to deepen. This has been complemented by our national and London-based work to build community leadership in communities, and in local authorities through the Community Leadership Academy and Civic Futures programmes.

KEY ACHIEVEMENTS

SCALE OF OUR WORK IN NUMBERS

38 FUNDERS	27 REPORTS & PUBLICATIONS	63 PROJECTS LIVE IN 2023	34 EVENTS
£742,425 DISTRIBUTED TO COMMUNITIES		383 MEDIA PLACEMENTS	

WORKING IN PLACE

The geographical inequalities across the UK and the large inequalities within the places we live are stark, persistent and entrenched. Community life, a functioning democracy, social infrastructure, high quality education, skills and training, safe and secure homes, access to healthcare, transport, good public services, secure, fairly paid jobs, green spaces: these are the uncontested foundations of a thriving society. And yet we see persistent failures to invest in these foundations. The widespread adoption of 'place' as an organising principle has been seized by a very large number of public institutions and charitable foundations. The Young Foundation believe that an effective place-based approach requires new kinds of partnership, collaboration and innovation. Investment is not enough to create the change we need to see.

This means re-thinking how institutions work with communities and the voluntary sector, the role and responsibilities of the private sector and what new ways of working and structuring ourselves might tackle our many persistent environmental, social and economic challenges.

The examples below highlight just some of the ways in which The Young Foundation have worked in places in 2023 to support this re-shaping of systems.

Luton Fairness Task Force

Since 2019, The Young Foundation have been working with people and organisations in Luton who are committed to radically different ways of organising for social change. The heart of Luton's 2040 strategy is to tackle inequality to ensure everyone in Luton has the opportunity to thrive and no-one has to live in poverty.

Formally launched in November 2023 after a significant period of co-creation, the Luton Fairness Task Force is a cross-sector and community-centred group to identify and overcome structural barriers on a range of social, economic and environmental challenges facing the town. The Task Force is radical in its scope, but grounded in the strong civil society across the town and has strategic backing from Council officer and member leadership.

The Young Foundation has worked alongside the Council, local people and university staff to shape the architecture and ambition for the Fairness Task Force, which has already mobilised partnerships to deliver access to warm spaces, loneliness and energy advice for 10,000 residents, new community hubs, youth-led research into fairness and justice in the criminal justice system and many other community-generated ideas and activities. The Task Force has been focused on building trust, confidence and capacity to shift the needle on near-term, acute challenges that are affecting people's lives today.

In the longer-term, and with £1.3m funding from the National Lottery Community Fund, it will forge new ways of working, new patterns of organising, across communities, state and business, where the idea of fairness (fairness of access to essentials, opportunity, rewards and treatment) is a core principle across Luton's society and economy.

Place & Co-creation: Waltham Forest & 15 Minute Neighbourhoods

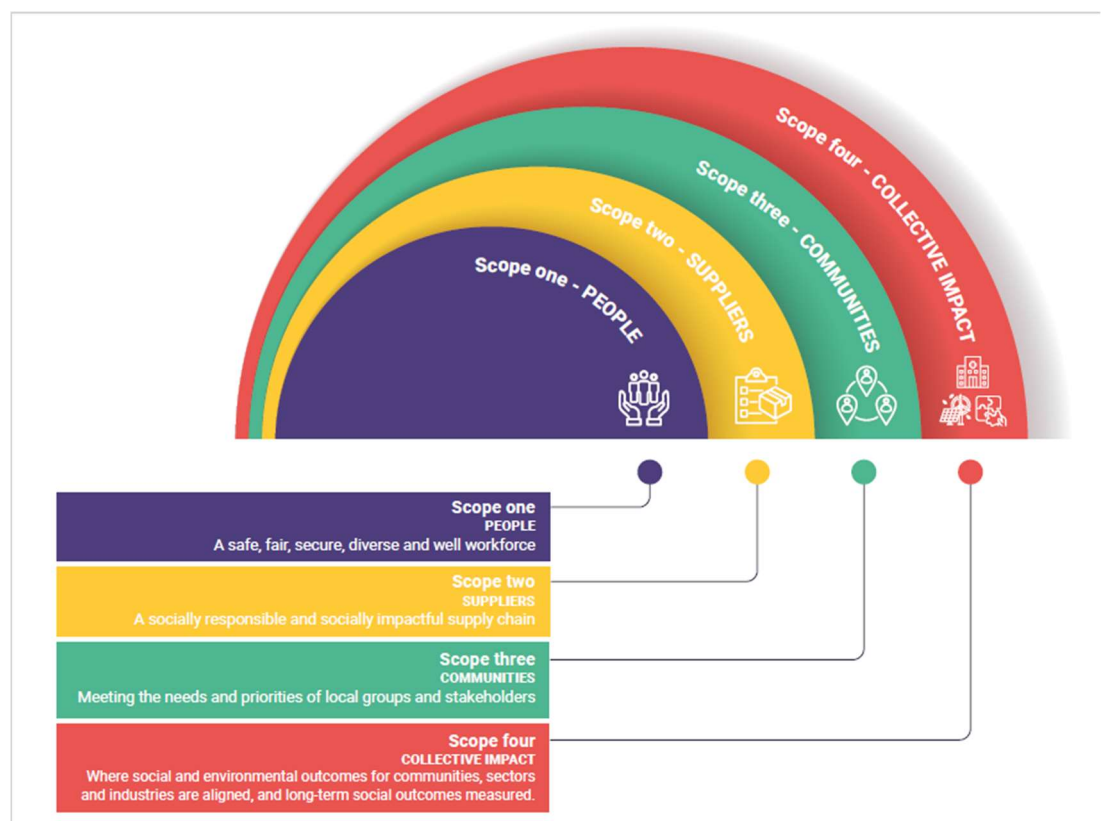
In 2023, we worked closely with the London Borough of Waltham Forest to devise their corporate strategy based on the concept of the 15 minute neighbourhood. This partnership with the Council has been a success, and over 400 people attended the launch of our report, and their strategy. This stood in stark contrast to what unfolded in Oxford at the same time, where Laurence Fox and others joined local protestors to the 15 minute concept as an attack on human freedom and evidence of the State's desire to lock people into their communities. This serves to underscore the *critical* need for community involvement and ownership of key strategies for placemaking and reducing carbon emissions. The Oxford protests showed how poor engagement, or loss of trust between local government and local communities can be swiftly co-opted by those with more extreme narratives and agendas.

WORKING WITH BUSINESS

2023 saw a significant shift in The Young Foundation's engagement with the private sector alongside the renewal of an ethics framework to determine our criteria for engagement with different kinds of businesses and organisations.

We launched our report analysing FTSE100 company commitments to social outcomes, in recognition that while many were clear on the focus of their environmental commitments, social

value remained a murky and arbitrary commitment, where no real standards or goals were clear. The Quest for the S of ESG report achieved substantial media coverage and set out a new framework for plotting a journey towards social value which mirrors the Scope 1-3 GHG Emissions Framework with which many businesses are now familiar. This is potentially a substantive systemic contribution to the debate on the social value debate and has been effective in challenging approaches which count inputs and outputs, towards something which builds accountability for **outcomes** of business contributions. This has led to The Young Foundation being appointed as a key knowledge partner to The Crown Estate where The Young Foundation's 'Four Scope Social Framework' has been adopted at an enterprise level, in £15bn organisation.



The Quest for the S of ESG was an unfunded piece of work, undertaken in the margins of our funded operations. It demonstrates the imagination and commitment of Young Foundation staff to pursue important work which has resonance across whole sectors. As we move into 2024, we have seen significant and sustained interest in its value in supporting social strategies for major landowner such as The Crown Estate.

PLANET

In 2022, The Young Foundations' Climate Challenge Cup and official participation in COP 26 in Glasgow provided a huge spur to our commitment to tackling the climate emergency in 2023. The imperative for decarbonisation and nature recovery is not new to The Young Foundation, however the concern that the poorest in our society would likely bear the brunt of both climate

change impacts and the transition to net zero, prompted us to set a new course for supporting a socially just transition.

Our extensive [programme](#), funded by the Nuffield Foundation, considers the evidence and assesses the capacity of every place and community to participate in net zero. We explored how policy around transition to net zero can avoid or exacerbate social, economic, and environmental injustice affecting the poorest people in UK society, and how this varies across every local area in the UK. The [government's own analysis](#) in 2021 stated that, if managed effectively by policy, there can be significant gains from net zero, and benefits in terms of population health and wellbeing. But we need to organise policy differently to accelerate and empower innovation towards net zero.

This catalytic piece of research to explore household vulnerability in the transition to net zero, which we took to various party conferences and published a well-received [policy paper](#) providing a new framework for how to design policy with and for households and communities that can support even the most vulnerable through the uncertain but necessary process of net zero transition.

The underpinning research identified many barriers to participation but also many opportunities for how participation in low-carbon living can be built across different areas of household and community life – and the potential positive benefits people see transition having for their lives at home, their local communities, and their experience of fairness in key areas of life. The work built from understanding, in the round, how areas of life will change for households in transition to net zero and the way the risks of exclusion, types of participation, and mediating effect of place and community conditions interact to make change harder or easier.

This work has led the development of the Net Zero Readiness Index, which enables every local authority across England visibility of their readiness to transition to a net zero economy and the likely impact on their most vulnerable communities. In recognition of the importance of this work, a new Director of Sustainability and Just Transition was created to rapidly accelerate policy and practice support for Governments and businesses seeking to realise the potential for a net zero transition to benefit poorer households and populations.

PROSPECTS

Whether people feel in control of their own lives and have access to opportunities to fulfil their ambitions and potential is fundamental to individual and community well-being. The Young Foundation has a decades long legacy of opening up access to knowledge, learning and opportunity for people across the UK and in 2023, we continued to build on that legacy. In 2023, we made our mission to expand our commitment to people from across the country to engage in research, social action and innovation to improve their own prospects, and those of others around them.

In March we published The Peer Action Collective's report into youth experiences of violence: '[Leading research, driving change](#)' which was also launched in Parliament. This work was based on insights from 4,608 children and young people aged 10 to 20 in England and Wales, funded by the Youth Endowment Fund, the #iwill Fund and the Co-op Group. It was led by 120 Peer Researchers, aged 16 to 25, who were trained and supported by The Young Foundation and

local Delivery Partners. The headline recommendations are [here](#). The Peer Action Collective is building a youth movement for tackling serious youth violence and The Young Foundation's role as national partner has been extended for a further five years, giving many more thousands of young people the opportunity to engage in research and social action on an issue which so profoundly affects them.



There's youth violence, but me, I just don't get involved in that. Just the other day, my friend got jumped by 20 guys... I did not put my hoodie on that day, I did not wear my tech. I wore the cheapest stuff I own that day.

(Isaac, 14, M, London).

120
PEER
RESEARCHERS

(aged 16-25) were responsible for designing, conducting, analysing and actioning research.

1,600
CHANGEMAKERS

(aged 10-20) were trained and supported to deliver meaningful research-informed social action and campaigning.

+4,600
RESEARCH PARTICIPANTS

(aged 10-20) were involved in PAC as respondents, sharing their views and experiences across the research projects.

Across the capital, 2023 saw the launch of two reports in partnership with the GLA associated with the experiences of workers and those seeking employment. [Rights and risks: Migrant labour exploitation in London](#) revealed disturbing insights into the experiences of migrant workers. In response to the report, the Mayor of London announced an additional £750,000 fund to tackle the exploitation of migrant workers. In July, we launched our [No Wrong Door](#) report. The Mayor's No Wrong Door programme was set up as part of London's recovery from the pandemic, to integrate skills and employment services and consider their relationship with other public and community services. Our work has shown how this approach is only partly working and must become more integrated. It also shows what already know to be true: we need relational, community-based working, where the role of smaller units of provision feature in policy-making and are accommodated in delivery models and measurement which drives outcomes, not outputs. The launch of the report at Toynbee Hall was led by Deputy Mayor of London Jules Pipe.

Community Leadership

In 2023, The Young Foundation published a provocation report setting out the value of a more community-centred policy agenda for Government. It articulated five key infrastructure priorities, which are required to build trust, participation, and more collective ownership of complex challenges: 1. Local, social infrastructure that brings people together, to new opportunities and safety 2. An education system that builds capabilities and expectations of civic participation 3. Public sector capabilities and structures that sustain civic engagement in democracy and change 4. An expanded research and innovation system, which legitimises

community participation 5. Incentives for private sector business and investors to direct their social and net zero strategies to transformational ends for vulnerable communities.

This building of a more community and civil society involving approach to government is not possible without some support for those inside and outside government to exercise community leadership. In 2023, The Young Foundation continued its commitment to developing the leadership necessary to realise the potential of communities to take action on the issues they care about and the absorptive capacity and capability of local authorities and other institutions to work more effectively and productively with community groups. Launched in 2020, with funding from Local Trust, the Community Leadership Academy provides support and skills development for those involved in the Big Local programme, helping them to develop and share knowledge to benefit the whole community. This leadership work continued throughout 2023, with continued recognition of its benefits to individual community leaders, their communities and the local systems in which they are operating. Alongside this, the Greater London Authority funded programme of "Civic Futures" continued to provide project-based leadership building capabilities across London councils and civil society organisations.

LOOKING FORWARD

In November 2023, The Young Foundation launched its new five year strategy. In it, we set out our commitment to encourage and enable active participation, co-operation and mutual responsibility to tackle some of our most serious crises.

Across The Young Foundation, we will use our capabilities in innovation, research, investment, campaigning, and incubation of ground-breaking initiatives to deliver our mission. This means supporting participation in democracy and social justice, through a range of means and channels. All of which build on the foundations we continued to lay across 2023.

FINANCIAL REVIEW

Results for the year

The reported deficit in the year to December 2023 of £1,314k reflects a deficit of £1,039k on restricted funds (2022: £385k surplus) and a deficit of £275k on unrestricted funds (2022: £565k deficit). These figures are before transfers between funds.

Income in the year, of £2,335k (2022: £2,808k) is down, but is skewed by movements in restricted income recognised. Unrestricted income was £1,840k (2022: £1,306k)

Charitable expenditure of £3,696k (2022: £2,830k) is a 31% increase on 2022 expenditure.

Restricted income was £495k. In 2022, the charity secured a large grant (£990k) from UKRI for the Community Grant Fund, making up most of the restricted income in 2022 of £1,503k.

After transfers between funds, there is an unrestricted deficit of £280k (2022: £305k). As noted below the charity continues to operate within its reserves policy. The focus for 2023 was on medium term growth whilst retaining appropriate margins on projects to ensure that support costs are funded, as much as possible. Unrestricted income from grants and earned fees from charitable activities increased by 35% from £1,233k to £1,669k, although this was short of the growth target set.

Reserves policy and financial position

Total reserves at 31 December 2023 were £3,711k (2022: £5,026k) of which £694k (2022: £1,728k) were restricted for specific purposes. The designation for the Property Fund was adjusted from £2,900k to £2,400k in the year. Funds designated for YAIF management continue to be drawn down for that purpose. Excluding the designated funds and fixed assets, the free reserves of the charity at 31 December 2023 were £536k (2022: £306k) which corresponds to approximately 2.9 months of unrestricted expenditure (2022: 1.7 months).

The policy of the trustees is to hold sufficient reserves in a liquid form to meet short term obligations, and having considered the risks facing the charity and its level of activity, have decided that this is equivalent to six months staff costs and six months' other unrestricted expenditure. At 31 December 2023, the minimum reserve figure was £1,334k (2022: £1,025k). The total free reserves at 31 December 2023 were £3,018k (2021: £3,298k) which represents 16.7 months unrestricted expenditure.

Therefore, the trustees consider that they have sufficient funds to meet the reserves policy and are considering how best to invest these funds to balance preserving liquidity to maintain day to day activity whilst also generating income and/or long-term growth.

Going concern

The trustees continue to adopt the going concern basis in preparing the annual financial statements. In adopting this basis, they have reviewed all appropriate budgets and forecasts. The trustees are not aware of any material uncertainties that suggest that the Young Foundation cannot continue as a going concern.

Investment policy and performance

Under the Memorandum and Articles of Association the trustees have general powers of investment. The trustees held the charity's funds as cash with CCLA and HSBC and also invested in the Cazenove Charity Responsible Multi-Asset Fund in 2023. The Cazenove fund aims to provide 4% income and capital growth in line with inflation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Young Foundation's governing documents are its Memorandum and Articles of Association dated 15 June 1977 as amended on 16 March 2005 and 21 February 2021.

The Board of Trustees met five times in 2023. In addition to the Board of Trustees there is a Resources, Risk & Assurance Committee (RRAC) which held five full meetings in 2023. The Committee was chaired by the treasurer, Jonathan Sobczyk Boddington. The People & Culture and Governance Committees met during 2023.

The following trustees were in office at 31 December 2023 and served throughout the year except where shown.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees	Appointments/ resignations	Board meetings attended in 2023 (and number available)
Kersten England		5(5)
Eddy Adams		4(5)
Jonny Sobczyk Boddington		4(5)
Chris Dobson		5(5)
Pete Gladwell	Resigned 2 May 2023	2(2)
Kate Hainsworth		3(5)
Rizwana Hamid		4(5)
Stephen Jacobs		5(5)
Henry Kippin		1(3)
Mike Omoniyi		3(5)
Matthew Taylor		3(5)
Gareth Williams	Resigned 2 May 2023	0(2)

Details of all the trustees are posted on our website, youngfoundation.org

Candidate trustees meet with the Chair, the Chief Executive and the Nominations and Governance Committee following which their application is considered by the Nominations and Governance Committee. The induction of trustees is undertaken on an informal basis with the Chief Executive and senior management team and through attendance at Young Foundation and external events.

The day to day management and running of the charity has been delegated to the Chief Executive and the senior management team. The senior management team prepares an annual operational plan and budget which is approved by the trustees. The senior management team take responsibility for the execution of the operational plan and budget and report on progress to the trustees.

Key management personnel

The key management personnel of the Young Foundation are the Chair and Board of Trustees together with the Chief Executive and Directors who form the senior management team.

The remuneration of the Chief Executive is set and reviewed by the nominations committee. The remuneration of the other key management personnel is set by the CEO taking into consideration factors such as what the organisation can afford to pay, inflation and external benchmarking.

Risk management

The Board's Resources, Risk and Assurance Committee has reviewed the major operational risks and the Board has reviewed the strategic risks including the ways in which these are monitored, managed and mitigated by the senior management team.

Key risks

The key risks identified by the Board are summarised below together with management actions to mitigate these risks.

Income Generation and sustainability

The main risk to The Young Foundation is the inability to generate sufficient income to enable full cost recovery and be a financially sustainable organisation. It is essential that we maintain close relationships with funders and explore all funding opportunities. We have developed and continue to refine our processes for bidding for funding to ensure full cost recovery. Cost inflation has also become a key risk and we have put measures in place to mitigate this.

Staff engagement

The Young Foundation has a pattern of hybrid working, with staff able to mix home and office working. We have regular all staff team meetings and ensure that managers keep in close contact with their team. We have upgraded some of our IT systems and equipment and we provide appropriate office furniture for staff who need it. We continue to seek staff opinion and feedback through team meeting discussions and staff surveys.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Young Foundation for the purposes of company law) are responsible for preparing the Trustees' 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, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for the year. 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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.

Trustees' report Year ended 31 December 2023

In so far as the trustees are aware:

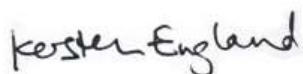
- ◆ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ◆ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

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

This report was approved by the trustees on 29th July 2024 and signed on their behalf by:

A handwritten signature in black ink that reads "Kersten England". The signature is written in a cursive, slightly slanted style.

Kersten England CBE

Chair of the Board of Trustees

Independent auditor's report to the members of The Young Foundation

Opinion

We have audited the financial statements of The Young Foundation (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 December 2023 and of 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.

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 report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report and financial statements. 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.

Other information (continued)

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.

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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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:

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; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

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

- ◆ performed analytical procedures to identify any unusual variances;
- ◆ tested journal entries to identify unusual transactions;
- ◆ tested the authorisation of expenditure and bank payments; and
- ◆ reviewed the implementation and design of controls and procedures in place around the grants payable system.

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; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

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

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.

 29 July 2024

Catherine Biscoe (Senior statutory auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Statement of financial activities Year ended 31 December 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	Unrestricted funds £	Restricted funds £	2022 Total funds £
Incorporating income and expenditure account							
Income from							
Donations		4,000	-	4,000	-	-	-
Investments	2	141,666	-	141,666	55,500	-	55,500
Charitable activities							
. Grants and other earned fees	1a	1,668,507	495,391	2,163,898	1,233,290	1,502,506	2,735,796
. Other	1b	25,707	-	25,707	17,117	-	17,117
Total income		1,839,880	495,391	2,335,271	1,305,907	1,502,506	2,808,413
Expenditure on							
Charitable activities	3	2,170,794	1,525,698	3,696,492	1,765,373	1,065,553	2,830,926
Net losses on social investments		16,791	9,041	25,832	59,036	51,501	110,537
Total expenditure		2,187,585	1,534,739	3,722,324	1,824,409	1,117,054	2,941,463
Net gains/(losses) on listed investments	8	72,974	-	72,974	(46,926)	-	(46,926)
Net (expenditure)/ income before transfers		(274,731)	(1,039,348)	(1,314,079)	(565,428)	385,452	(179,976)
Transfers between funds	12	(5,215)	5,215	-	260,228	(260,228)	-
Net (expenditure)/ income and net movement in funds for the year		(279,946)	(1,034,133)	(1,314,079)	(305,200)	125,224	(179,976)
Reconciliation of funds:							
Total funds brought forward		3,297,529	1,728,046	5,025,575	3,602,729	1,602,822	5,205,551
Total funds carried forward		3,017,583	693,913	3,711,496	3,297,529	1,728,046	5,025,575

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages to 33 to 45 form part of these financial statements.

Balance sheet 31 December 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	7	24,653		26,570	
Investments	8	<u>2,951,621</u>		<u>2,929,690</u>	
			2,976,274		2,956,260
Current assets					
Debtors	9	912,812		1,149,862	
Cash at bank and in hand		<u>460,212</u>		<u>1,401,650</u>	
		1,373,024		2,551,512	
Liabilities:					
Creditors: amounts falling due within one year	10	<u>(637,802)</u>		<u>(482,197)</u>	
Net current assets			735,222		2,069,315
Total assets less current liabilities			3,711,496		5,025,575
The funds of the charity:					
Unrestricted funds: 12					
. General funds			561,431		332,549
. Designed funds			2,456,152		2,964,980
Restricted funds	13		<u>693,913</u>		<u>1,728,046</u>
			3,711,496		5,025,575

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

The financial statements were approved by the Trustees on 29th July 2024 and signed on their behalf, by:

Kersten England

Kersten England CBE, Chair of Trustees

The Young Foundation
Company registration number 01319183 (England and Wales)

The notes on pages 33 to 45 form part of these financial statements.

Statement of cash flows 31 December 2023

	Notes	2023 £	2022 £
Cash outflow from operating activities:			
Net cash used in operating activities	A	(1,110,355)	(132,196)
Cash outflow from investing activities:			
Interest and dividends from investments		153,666	27,500
Purchase of tangible fixed assets		(9,960)	(4,307)
Purchase of investments		(374,208)	(2,298,323)
Repayments of investments		21,899	136,712
Net cash outflow from investing activities		(208,603)	(2,138,418)
Change in cash and cash equivalents in the year		(1,318,958)	(2,270,614)
Cash and cash equivalents at 1 January 2023	B	1,903,327	4,173,941
Cash and cash equivalents at 31 December 2023	B	584,369	1,903,327

Notes to the statement of cash flows for the year to 31 December 2023

A Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(1,314,079)	(179,976)
Adjustments for:		
Depreciation charge	14,923	13,872
Impairment of social investments	25,832	110,538
Unrealised (gains)/losses on listed investments	(72,974)	46,926
Interest and dividends from investments	(141,666)	(55,500)
Decrease/(Increase) in debtors	225,050	(221,225)
Increase in creditors	152,559	153,169
Net cash used in operating activities	(1,110,355)	(132,196)

B Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	377,913	669,351
Cash held by investment managers	124,157	501,677
Instant access cash accounts	82,299	732,299
Total cash and cash equivalents	584,369	1,903,327

C Analysis of changes in net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash	669,351	(291,438)	377,913
Cash held by investment managers	501,677	(377,520)	124,157
Cash equivalents	732,299	(650,000)	82,299
Total	1,903,327	(1,318,958)	584,369

Principal accounting policies 31 December 2023

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2023.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation rate;
- ◆ the valuation of social investments, which are held at cost less any provision for diminution in value or non-recoverability (see page 36 for additional detail);
- ◆ the allocation of support costs; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern basis.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements based on appropriate budgets and forecasts.

As a result of this review, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Company status

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds are set aside at the discretion of the trustees for specific projects or strategic priorities.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged against the specific fund.

Income recognition

Income is recognised in the statement of financial activities when the charitable company has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Where the Young Foundation is a member of a consortium, for example on certain EU funded programmes, only the income and expenditure which is specific to the Young Foundation is recognised in the financial statements.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income recognition (continued)

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included in expenditure. Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services of equivalent economic benefit on the open market.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

All expenditure is inclusive of irrecoverable VAT.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs of projects, including governance costs and where appropriate charitable grants.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued.

Allocation of support and governance costs

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out centrally.

Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Support costs are allocated across charitable expenditure on the basis of the number of staff employed in each activity.

Tangible fixed assets and depreciation

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

- ◆ IT equipment - 33% on a straight-line basis
- ◆ Office equipment - 25% on a straight-line basis

Other financial instruments

The charity has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other'. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

Social investments

Social investments are investments made directly in pursuit of the charity's charitable purposes. Unquoted equity investments are held at cost, less any provision for diminution in value or add any increase in value, while loans are recorded at cost less any provisions to reflect non-recoverability. All gains and losses on social investments are taken to the Statement of Financial Activities as they arise and are recognised within charitable activities.

Listed Investments

Listed investments that are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value as at the reporting date using the closing quoted market price.

All gains and losses on investments are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and transaction value. Unrealised gains and losses for the year are calculated as the difference between the fair value at the year end and the opening carrying value, or the transaction value if acquired in the financial year. Realised and unrealised gains and losses on investments are combined in the Statement of Financial Activities.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Pension contributions

The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. Therefore, as required by FRS 102, the charity accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. There is currently no deficit funding plan in place, other than increased employer contributions, and therefore no liability has been recognised.

In February 2015, a defined contribution scheme, (the Peoples Pension) was established for staff not working on research. Contributions in respect of the defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employee contributions.

Notes to the financial statements Year ended 31 December 2023

1a Income from charitable activities – grants and other fees earned

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Communities	387,198	192,212	579,410
Research	704,142	48,330	752,472
Social Investment and Innovation	577,167	254,849	832,016
2023 Total funds	1,668,507	495,391	2,163,898

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Communities	415,406	245,269	660,675
Research	536,045	257,237	793,282
Social Investment and Innovation	281,839	1,000,000	1,281,839
2022 Total funds	1,233,290	1,502,506	2,735,796

1b Income from charitable activities – other income

	Unrestricted funds £	Restricted funds £	2023 Total funds £
VAT recovery	21,239	-	21,239
Speaking fees, events and publications	3,593	-	3,593
Other	875	-	875
2023 Total funds	25,707	-	25,707

	Unrestricted funds £	Restricted funds £	2022 Total funds £
VAT recovery	12,774	-	12,774
Speaking fees, events and publications	3,770	-	3,770
Other	573	-	573
2022 Total funds	17,117	-	17,117

Notes to the financial statements Year ended 31 December 2023

2 Income from investments

	Unrestricted funds £	Restricted funds £	2023 Total funds £
Interest receivable on cash deposits	33,999	-	33,999
Income receivable from investment fund	107,667	-	107,667
2023 Total funds	141,666	-	141,666
	Unrestricted funds £	Restricted funds £	2022 Total funds £
<i>Interest receivable on cash deposits</i>	8,587	-	8,587
<i>Income receivable from investment fund</i>	46,913	-	46,913
2022 Total funds	55,500	-	55,500

3 Expenditure on charitable activities

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2023 Total funds £
Communities	315,293	239,874	458,192	84,949	1,098,308
Research	411,293	319,831	238,652	-	969,776
Social Investment and Innovation	344,788	539,715	743,905	-	1,628,408
2023 Total funds	1,071,374	1,099,420	1,440,749	84,949	3,696,492

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2022 Total funds £
<i>Communities</i>	271,592	198,550	367,409	-	837,551
<i>Research</i>	330,386	555,919	565,177	-	1,451,482
<i>Social Investment and Innovation</i>	210,358	198,568	132,967	-	541,893
2022 Total funds	812,336	953,037	1,065,553	-	2,830,926

Allocation of support costs

Support costs have been allocated across charitable expenditure on the basis of the number of staff employed in each activity. The net costs after allocation are shown below

	2023 £	2022 £
Development, Administration, Finance and Human Resources	1,057,316	912,959
Information technology	3,465	1,535
Governance costs		
. Auditor's remuneration	15,950	16,650
. Staff costs	22,689	21,893
	1,099,420	953,037

Notes to the financial statements Year ended 31 December 2023

4 Staff costs and remuneration of key management personnel

	2023	2022
	£	£
Wages and salaries	1,531,166	1,452,778
Social security costs	167,860	159,623
Other pension costs	184,252	179,990
	1,883,278	1,792,391

The average head count during 2023 was 36 (2022 – 35).

The average, full time equivalent number of staff analysed by function is:

	2023	2022
Charitable activities	25.7	24.1
Support	7.5	6.0
	33.2	30.1

The number of higher paid employees was:

	2023	2022
	No.	No.
£60,000 - £70,000	2	-
£80,001 - £90,000	2	4
£100,001 - £110,000	1	1
	5	5

These employees are accruing retirement benefits under either a defined benefits or defined contribution scheme. Employer contributions made in respect of these individuals totalled £55,488 (2022 – £50,295).

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis comprises the trustees, the Chief Executive and the senior management team. The total remuneration (including taxable benefits, employer's pension contributions and national insurance costs) of the key management personnel for the year was £556,422 (2022 – £549,042). The cost of key leadership personnel employed as contractors on an interim basis during the year was £nil (2022: £nil).

No remuneration was paid to any trustee during the year. Trustees' travel and accommodation expenses of £831 were reimbursed during the year to four trustees. (2022 – £288).

Notes to the financial statements Year ended 31 December 2023

5 Net expenditure for the year

This is stated after charging:

	2023	2022
	£	£
Auditor's remuneration (excluding VAT):		
. Audit – current year	15,950	14,500
. Audit – prior year	-	2,150
Depreciation	14,923	13,872

6 Taxation

The Young Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

7 Tangible fixed assets

	IT equipment £	Office equipment £	Total £
Cost			
At 1 January 2023	45,514	-	45,514
Additions	9,960	3,046	13,006
At 31 December 2023	<u>55,474</u>	<u>3,046</u>	<u>58,520</u>
Depreciation			
At 1 January 2023	18,944	-	18,944
Charge for the year	14,669	254	14,923
At 31 December 2023	<u>33,613</u>	<u>254</u>	<u>33,867</u>
NBV at 31 December 2023	<u>21,861</u>	<u>2,792</u>	<u>24,653</u>
NBV at 1 January 2023	<u>26,570</u>	<u>-</u>	<u>26,570</u>

8 Investments

	2023	2022
	£	£
a) Social investments	128,885	176,616
b) Listed investments	2,822,736	2,753,074
Total at 31 December	<u>2,951,621</u>	<u>2,929,690</u>

8. Investments (continued)

a) Social investments	YAIF Social Investment 2023 £	YAIF Social Investment 2022 £
Fair value at 1 January 2023	176,616	423,866
Impairment (charge)/reversal	(25,832)	(110,538)
Repayments	(21,899)	(136,712)
Fair value at 31 December 2023	128,885	176,616
Historic cost	744,000	806,918

The Young Foundation has made social investments through the Young Academy Investment Fund which has been established by the Young Foundation with funding from the Social Incubator Fund, which is administered by the Big Lottery Fund on behalf of the Cabinet Office and UBS. The initial investments were made by way of convertible loan notes. Many of these instruments have now been converted into loans with repayments linked to revenue.

At 31 December 2023, the split was as follows:

	2023 £	2022 £
Convertible loan notes/Equity	63,985	63,985
Revenue participation loans	64,900	112,631
	128,885	176,616

The social investments include convertible loan notes issued to Think for the Future, Potentially and CPDBee and revenue participation loans to Edukit, Proversity, Infused Learning, Structural Learning, Smart Schools Council, Talent-Ed Education, GT Scholars, Panjango, and East Learning CIC.

The Young Foundation holds shares in a community interest company Mydex Data Services. At this stage in Mydex's development, it has been decided to not to put a value on the shareholding in the Young Foundation's financial statements. The shareholding is treated as a social investment as it is made directly in pursuit of the Young Foundation's charitable purposes.

The Young Academy investments were reviewed internally for diminution in value. In 2023, there was a reduction in the impairment provision of £39,590, representing a reversal of previously impaired assets, however this was offset by a further impairment provision of £65,422. The valuation of social investments is based on the most up to date information available to trustees on future income and cash flows and following the year end, no further material diminution in value has been noted.

Notes to the financial statements Year ended 31 December 2023

8 Investments (continued)

Listed investments (continued)

b) Listed investments	Cazenove 2023 £	Cazenove 2022 £
Market value at 1 January 2023	2,753,074	-
Additions	374,208	2,298,323
Movement in cash	(377,520)	501,677
Unrealised Investment Gain/ (Loss)	72,974	(46,926)
Market value at 31 December 2023	2,822,736	2,753,074
Historic cost	2,800,000	2,800,000

100% of the listed investment portfolio is held within the Cazenove Charity Responsible Multi Asset Fund.

At 31 December 2023, the split of the fund's assets was as follows:

	2023 £	2022 £
Fixed interest	329,450	273,765
UK equities	80,170	84,549
Overseas equities	1,872,211	1,540,401
Property	137,588	149,912
Alternative investments	279,160	202,770
Cash	124,157	501,677
	2,822,736	2,753,074

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review section of the Trustees' Annual Report. The main risk to the Charity from financial instruments in the future lies in the combination of uncertain investment markets and volatility in yield, which is mitigated through the Charity's investment policy.

8 Debtors and prepayments

	2023 £	2022 £
Trade debtors	257,948	337,548
Prepayments and accrued income	654,864	812,314
	912,812	1,149,862

9 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	114,817	115,412
Other creditors	153,316	121,111
Accrued expenditure	137,125	73,229
Deferred income	232,544	172,445
	637,802	482,197

9 Creditors: amounts falling due within one year

Included in creditors is deferred income as set out below:

	2022 £	2022 £
Deferred income at 1 January 2022	172,445	99,598
Resources deferred in the year	232,544	172,445
Amounts released in the year	(172,445)	(99,598)
Deferred income at 31 December 2022	232,544	172,445

Deferred income comprises funds received in advance in relation to several contracts in progress at the year end.

10 Liability of members

The charity is a company limited by guarantee, each member being liable for a sum not exceeding £1 in the event of the company being wound up.

11 Movement in funds

	Balance at 1 January 2023 £	Net income/ (expenditure) £	Transfers £	Balance at 31 December 2023 £
Restricted funds	1,728,046	(1,039,348)	5,215	693,913
Unrestricted funds				
. General fund	332,549	(265,903)	494,785	561,431
Designated funds				
. YAIF Management Fund	64,980	(8,828)	-	56,152
. Property fund	2,900,000	-	(500,000)	2,400,000
	<u>3,297,529</u>	<u>(274,731)</u>	<u>(5,215)</u>	<u>3,017,583</u>
Total funds	<u>5,025,575</u>	<u>(1,314,079)</u>	<u>-</u>	<u>3,711,496</u>

The property fund represented the charity's investment in property which created a hub for social innovation and for nurturing new organisations as well as acting as a base from which the charity could carry out its operations. The property was sold in early 2021. However, £2.9 million was designated by the trustees for possible future use in the purchase of a property. During 2023, the trustees amended this designated sum to £2.4 million.

During 2022, UBS allowed its YAIF restricted funds to be reclassified as unrestricted. £100,000 of these funds were designated to fund the future management costs of the YAIF investments.

Restricted funds represent grant income for specific charitable projects as set out in note 13.

Notes to the financial statements Year ended 31 December 2023

11 Movement in funds (continued)

	<i>Balance at 1 January 2022 £</i>	<i>Net income £</i>	<i>Transfers £</i>	<i>Balance at 31 December 2022 £</i>
<i>Restricted funds</i>	1,602,822	385,452	(260,228)	1,728,046
<i>Unrestricted funds</i>				
<i>. General fund</i>	702,729	(530,408)	160,228	332,549
<i>Designated funds</i>				
<i>. YAIF Management Fund</i>	-	(35,020)	100,000	64,980
<i>. Property fund</i>	2,900,000	-	-	2,900,000
	<u>3,602,729</u>	<u>(565,428)</u>	<u>260,228</u>	<u>3,297,529</u>
<i>Total funds</i>	<u>5,205,551</u>	<u>(179,976)</u>	<u>-</u>	<u>5,025,575</u>

12 Restricted fund analysis

The movement in restricted funds in 2023 was:

	Balance at 1 January 2023	Income	Expenditure	Net investment loss	Transfers	Balance at 31 December 2023
	£	£	£	£	£	£
Research						
EU Horizon 20 20- Clever Cities	14,039	-	(107,891)	-	-	(93,852)
NCS Trust CIC Civic Journey	277,808	(30,738)	(259,950)	-	12,880	-
EU Horizon 20 20- UPLIFT	25,596	18,856	(44,452)	-	-	-
Kings' College London - Undisciplined Spaces	55,528	3,000	(35,677)	-	-	22,851
Spirit of 2012	-	39,535	(37,011)	-	-	2,524
University of Birmingham - Excite	-	17,677	(17,677)	-	-	-
Total Research	372,971	48,330	(502,658)	-	12,880	(68,477)
Communities						
Nuffield Foundation Net Zero	89,318	64	(74,184)	-	-	15,198
Power To Change Legacy Grant	34,107	-	(16,185)	-	-	17,922
Power to Change Strategic Grant	11,163	11,250	(11,250)	-	-	11,163
Power to Change Dashboard Grant	8,845	-	(133)	-	-	8,712
DCMS Volunteering Journeys	45,640	-	(30)	-	-	45,610
Research England-Sheffield Hallam University- National Civic Impact Accelerator	-	155,902	(155,902)	-	-	-
British Academy Place Sensitive Participatory Policy	-	24,996	(21,450)	-	-	3,546
Total Communities	189,073	192,212	(279,134)	-	-	102,151
Social Innovation and Practice						
The Young Academy Social Incubator Fund Grant	96,851	-	-	(9,041)	(7,665)	80,145
UKRI Community Grant Fund	990,000	254,849	(742,426)	-	-	502,423
Cabinet Office BOOST	50,804	-	(1,480)	-	-	49,324
YA Revenue Participation	13,260	-	-	-	-	13,260
BEIS COP26 Climate Challenge Cup	15,087	-	-	-	-	15,087
Total Social Innovation and Investment	1,166,002	254,849	(743,906)	(9,041)	(7,665)	660,239
Total Restricted Funds	1,728,046	495,391	(1,525,698)	(9,041)	5,215	693,913

The Young Academy is an impact first investment fund set up by The Young Foundation to provide finance to early stage social ventures whose work tackles education inequality in England. The Young Academy has received £1,391,016 from the Social Incubator Fund which is administered on behalf of the Cabinet Office by the Big Lottery Fund.

During the year a transfer of £12,880 was made from unrestricted funds to the NCS Trust CIC Civic Journey restricted fund to support the work of that fund. A transfer of £7,665 was made from The Young Academy Social Incubator restricted fund to unrestricted funds, following agreement from one of the original grantors of The Young Academy Incubator Fund that funds relating to its original grant may be used for the general purposes of The Young Foundation.

Notes to the financial statements Year ended 31 December 2023

12 Restricted fund analysis (continued)

The movement in restricted funds in 2022 was:

	Balance at 1 January 2022 £	Income £	Expenditure £	Net investment gain £	Transfers £	Balance at 31 December 2022 £
<i>Research</i>						
EU Horizon 20 20- Clever Cities	31,191	-	(17,152)	-	-	14,309
NCS Trust CIC Civic Journey	461,421	160,000	(343,613)	-	-	277,808
YFF Kickstart	3,502	11,544	(15,046)	-	-	-
DWP Kickstart	7,161	43,173	(50,334)	-	-	-
EU Horizon 20 20- UPLIFT	172,912	(20,105)	(127,211)	-	-	25,596
Calouste Gulbenkian Foundation - Battersea Arts Centre	589	-	-	-	(589)	-
UPP Foundation - Civic University	4,316	-	(4,210)	-	(106)	-
Kings' College London - Undisciplined Spaces	-	60,000	(4,472)	-	-	55,528
Bexley NRPf Ethnography	-	(4,500)	-	-	4,500	-
Trust for London	-	7,127	(7,127)	-	-	-
Total Research	681,092	257,239	(569,165)	-	3,805	372,971
<i>Communities</i>						
Nuffield Foundation Net Zero	233,478	-	(144,160)	-	-	89,318
Power To Change Legacy Grant	26,900	50,000	(42,793)	-	-	34,107
Power to Change Strategic Grant	3,750	45,000	(37,587)	-	-	11,163
Power to Change Dashboard Grant	-	9,000	(155)	-	-	8,845
DCMS Volunteering Journeys	-	141,267	(135,007)	-	39,380	45,640
Total Communities	264,128	245,267	(359,702)	-	39,380	189,073
<i>Social Innovation and Investment</i>						
The Young Academy Social Incubator Fund Grant	423,866	-	-	(51,501)	(275,514)	96,851
UBS AG - Young Academy Fund Management	18,143	10,000	(244)	-	(27,899)	-
UKRI Community Grant Fund	-	990,000	-	-	-	990,000
Cabinet Office BOOST	171,345	-	(120,541)	-	-	50,804
YA Revenue Participation	13,260	-	-	-	-	13,260
BEIS COP26 Climate Challenge Cup	30,988	-	(15,901)	-	-	15,087
Total Social Innovation and Investment	657,602	1,000,000	(136,686)	(51,501)	(303,413)	1,166,002
Total Restricted Funds	1,602,822	1,502,506	(1,065,553)	(51,501)	(260,228)	1,728,046

13 Analysis of net assets between funds

	Unrestricted			2023 Total £
	General £	Designated £	Restricted £	
Tangible fixed assets	24,653	-	-	24,653
Social Investments	48,739	-	80,146	128,885
Listed Investments	366,584	2,456,152	-	2,822,736
Net current assets	121,455	-	613,767	735,222
	<u>561,431</u>	<u>2,456,152</u>	<u>693,913</u>	<u>3,711,496</u>

	Unrestricted			2022 Total £
	General £	Designated £	Restricted £	
Tangible fixed assets	26,570	-	-	26,570
Social Investments	79,764	-	96,852	176,616
Listed Investments	-	2,753,074	-	2,753,074
Net current assets	226,215	211,906	1,631,194	2,069,315
	<u>332,549</u>	<u>2,964,980</u>	<u>1,728,046</u>	<u>5,025,575</u>

14 Related party transactions

During the year a trustee donated £1,000 (2022 - £Nil) to The Young Foundation's event to celebrate 70 years since the foundation of The Institute of Community Studies.

15 Commitments

The Young Foundation participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Young Foundation is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", The Young Foundation therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

The total cost charged to the statement of financial activities for USS Pension Contributions is £140,111 (2022 - £143,143). This includes £Nil (2022 - £nil) outstanding contributions at the balance sheet date. The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2023 (the valuation date), which was carried out using the projected unit method. Since the Young Foundation cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

15 Commitments (continued)

The 2023 valuation for USS was under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion. An alternative way of expressing the position is that the Scheme's assets were sufficient to cover 111.3% of its liabilities – this percentage is known as the funding level of the Scheme.

The surplus has been determined taking into account a number of changes which took effect from 1st April 2022.

Previous benefits in the Scheme

- ◆ The valuation and report relate solely to the defined benefits section of the Scheme in respect of benefits accrued up to the valuation date. Contribution requirements relate to both the defined benefit and defined contribution sections of the Scheme.
- ◆ The benefits valued are as set out in the Trust Deed and Rules dated 19 November 2015, as subsequently amended. A summary of the Scheme benefits for current active members is available on the USS website. I have made no allowance for discretionary pension increases.
- ◆ The future service rates allow for the increase in Normal Pension Age to 66 from October 2020.
- ◆ Members' benefits are yet to be adjusted to remove inequalities caused by GMPs earned after 17 May 1990. Current benefits have been valued. The Scheme's rules neutralise the vast majority of any inequality arising from GMPs and therefore the impact of GMP equalisation is not expected to be material in the context of the Scheme.
- ◆ A number of members with deferred benefits retain a right to a transfer value on a higher short service benefit. The transfer value is potentially greater than the reserve held in the valuation for the deferred benefit. Further investigations are being undertaken and for the purposes of the valuation an approximate allowance for this potentially more valuable benefit in the technical provisions has been made.

15 Commitments (continued)

Future benefit changes

In outline, the JNC recommendation is to maintain the existing hybrid defined benefit / defined contribution structure but modified in the following way for benefits accrued from 1 April 2022:

1. Reduction in salary threshold from c £60,000 pa to £40,000 pa.
2. Reduction in accrual rate from 1/75 to 1/85.
3. Pension increases and revaluation before retirement restricted to CPI up to a maximum of 2.5% pa.
4. Leavers with more than three months' but less than two years' service would receive the standard deferred benefit rather than the current entitlement to a lower benefit based solely on member contributions.

Defined benefit liability numbers for the scheme for accounting purposes have been produced using the following assumptions as at 31 March 2022 and 2023:

The projected funding levels three years after the valuation date are shown below.

These projections are made on the basis that:

- ◆ a deed effecting the recommendation of the JNC is entered into on or before 28 February 2022;
- ◆ the active membership remains broadly the same;
- ◆ experience from the valuation date is in line with the assumptions underlying the technical provisions, as set out in the Statement of Funding Principles, including additional returns on assets of 0.5% pa higher than the discount rates;
- ◆ contributions are paid as set out in the Schedule of Contributions; and
- ◆ there is no change in the insurers' buy-out pricing.

	2023	2022
Scheme assets	£73.1bn	£88.9bn
Total scheme liabilities	£65.7bn	£91.0bn
FRS 102 total scheme surplus/ (deficit)	£7.4bn	(£2.1bn)
FRS 102 total funding level	111%	98%

THE YOUNG FOUNDATION

England & Wales - Charity number 274345

Accounts



The Young Foundation

Report and financial statements

31 December 2022

Company Limited by Guarantee
Registration Number
01319183 (England and Wales)

Charity Registration Number
274345 (England and Wales)

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Reference and administrative information

The Young Foundation is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

It is a Research Councils UK recognised independent research organisation (IRO)

Trustees	Dame Julie Mellor (resigned 13 July 2022, Chair) Vidhya Alakeson (resigned 11 February 2022, Chair of Nominations & Governance Committees) Kersten England Peter Gladwell (Chair of Property Committee) (resigned 2 May 2023) Stephen Jacobs Henry Kippin Abigail Rotheroe (resigned 27 January 2022) Jonathan Sobczyk-Boddington (Chair of Resources, Risk and Assurance Committee) Gareth Williams (Chair of Nominations and Governance Committee from 11 February 2022) (resigned 2 May 2023) Eddy Adams (appointed 27 October 2022) Mike Omoniyi (appointed 27 October 2022) Kate Hainsworth (appointed 27 October 2022) Rizwana Hamid (appointed 27 October 2022) Christopher Dobson (appointed 27 October 2022) Matthew Taylor (appointed 27 October 2022)
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Chief Executive	Helen Goulden
Company registration number	01319183
Charity registration number	274345

Reference and administrative information

Registered office	Toynbee Hall 28 Commercial Street London E1 6LS
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC 465 Bethnal Green Road London E2 9QW
	CCLA One Angel Lane London EC4R 3AB
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE
Investment Managers	Cazenove Capital 1 London Wall Place London EC2Y 5AU

Reference and administrative information

The Young Foundation's mission is to enable connected, more sustainable and stronger communities across the UK. We do this through amplifying people's stories and lived experiences and use this as a spur to drive locally-led and owned community action.

We use what we learn across different communities to spot national patterns of need and opportunity, working with partners to support innovations to deliver social impact at a national scale.

We seek to build a shared body of evidence, knowledge and insight about how best to strengthen and empower communities.

We were founded by the great social scientist and innovator Michael Young and originally called the Institute of Community Studies. We became the Young Foundation after Michael's death in 2002. Together we have created and supported over 80 organisations including: *Which?*, *The Open University*, *Language Line*, *Economic and Social Research Council*, *Social Innovation Exchange*, *School for Social Entrepreneurs*, *UpRising* and *Studio Schools Trust*.

OUR FUNDERS AND PARTNERS

Barking Riverside Ltd
Birmingham City Council
Bradford Teaching Hospitals NHS
Foundation Trust
The British Academy
Cardiff University
Chartered Management Institute
Church Urban Fund
Community Land Trust Network
Darlington Borough Council
Department for Business Energy
and Industrial Strategy
Department for Digital, Culture, Media
and Sport
Department for Work and Pensions
Greater London Authority
GuildHE
Hackney Council
HSE National Social Inclusion Office
Imperial College London
Improvement and Development Agency
For Local Government
Institute of Development Studies
King's College London
Local trust
London Borough of Bexley
London Borough of Waltham Forest
Luton Borough Council
Metropolitan Research Institute, Budapest
NASS

The National Lottery Community Fund
The National Lottery Heritage Fund
Nuffield Foundation
Power to Change Trust
Queen Mary University of London
Sheffield Hallam University
Social Research Association
Solent NHS Trust
Southampton City Council
Tower Hamlets Council
UBS AG
UK Research and Innovation
UK Year CIC
University of Bedfordshire
University of Bristol
University of East London
Wellcome Trust
West Midlands Combined Authority
The Youth Endowment Fund
Youth Futures Foundation Ltd

As I reach the end of my first year as chair of the Young Foundation I reflect on a year of endings and beginnings, of growth for the organisation, but against a backdrop of continued turbulence widely described as a 'poly crisis'. Deepening levels of poverty and destitution, an overwhelmed health and social care system, heightened geopolitical instability and the likelihood of global warming rising over the 1.5% target level within this decade are urgent challenges for the four nations of the UK.

Our mission - to shape a stronger, fairer society - persists against this backdrop, as does our belief that supporting the agency of individual and communities is central to achieving that mission and tackling the wider challenges we face.

The Young Foundation continues its sustained growth in impact and income, delivering high quality and sought after work such as our Chief Executive's recent report on the limited attention to the 'S' in corporates' commitment to environment, social and governance (ESG) agendas, and the work of the Institute for Community Studies work on achieving a fair transition for communities to net zero. We are working with an ever wider range of institutions, whether in the Civic Universities network, on the UKRI funded Community Knowledge Fund, the Luton Fairness Task Force or our work with West Midlands combined authority. We've committed resources to join campaigning for a Community Power Act to be placed in English legislation. In the last year we have developed a substantially new offer through the establishment of the innovation practice team, which supports practical social change and innovation work with communities, public systems and social enterprises. This is an important complement to our work on peer research, community leadership and the body of research within the institute for community studies.

This year has seen significant turnover within the board of Trustees. We said goodbye to Dame Julie Mellor our former chair and Abigail Rotheroe whose terms as trustees had expired, but also to Vidhya Alakeson and Will Tanner who left us due to new roles within the Labour Party and number 10 Downing Street respectively. I'm very grateful to Pete Gladwell and Gareth Williams who agreed to extend their terms as we recruited and supported 6 new Trustees into their roles on the Board. I'm delighted that we have welcomed Eddy Adams, Chris Dobson, Kate Hainsworth, Rizwana Hamid, Mike Omony and Matthew Taylor as Trustees.

This substantially new board has begun its work with gusto, committed to building on the strong foundations laid by its previous chair and to honouring the spirit and intentions of the Foundation's founder Michael Young in this the Foundations 70th year. Working with the organisation's Chief Executive and wider staff group the Board is developing the next five year strategy for the Young Foundation. In doing so, we build on a strong balance sheet as well as our organisational strength. As we turn into the period before the General Election, and in this moment of turbulence and challenge, there are important conversations to be had about the future of the UK. We want citizens and communities to be central in those conversations and will work at every level and across all sectors to make this so.

Kersten England CBE
Chair of trustees, The Young Foundation

As the Chair's letter rightly notes, the considerable turbulence in our economy, society and politics is only superseded in scale by some deeper ocean currents of change affecting trust in our democracy and institutions, a decline in our ability and willingness to participate in civil society and a climate crisis which we have still not yet adequately mobilised action toward. This makes the work of The Young Foundation ever more important. It means taking full advantage of our stability and revitalised platform for change to play a more meaningful role in tackling the many challenges affecting UK communities; specifically those communities already at a historical disadvantage through decades of disinvestment and deprivation.

Our performance in 2022, gives us strong conviction that we can achieve this. This has been another year of sustainable growth for The Young Foundation, increasing our income, organisational size – and most importantly, our impact – to support a fairer future for UK communities. We have worked hard to make sure that there is a sustained focus on employee well being, morale and motivation particularly as a hybrid pattern of working, with high levels of home working, has persisted post Covid. Action has also been taken to develop higher levels of equality, diversity and inclusion within the organisation.

The direction of our methods and approaches to key priority areas, such as a fair transition to net zero, has borne fruit, with important research undertaken in 2022 opening up clear, impactful opportunities for practical support and innovation on this existential issue.

While we necessarily operate a model which only enables us to undertake our work by the gifts of others, I have been increasingly inspired by the ways in which the team are seeking to influence the system: to stretch well beyond programmatic responses to our many social challenges, toward integrated, systemic interventions that build on each other in powerful ways. This annual report sets out just a few examples. Whether through our work on race inequality in the West Midlands, support for younger people involved in violence or working with councils seeking to eradicate poverty, our use of community research and social innovation is proving not just fashionable (at last) – but impactful.

2022 marked the end of a three year strategy period largely focused on consolidating the work we knew we did best, growing the Institute for Community Studies, demonstrating the value of our approach and ensuring we were a fit and financially sustainable charity. That strategy was successful. And as we move into a new five-year strategy development process, we take all the successes and learning into 2023, with an incredible platform for raising our ambition to match increasingly challenging contexts.

Helen Goulden OBE
Chief Executive Officer

TRUSTEES' ANNUAL REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with audited financial statements of The Young Foundation (the charitable company) for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 32 of the attached accounts and comply with the charity's Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2019 or later.

OBJECTIVES AND RELEVANT POLICIES

Objectives and activities for the public benefit

The objects of the Young Foundation as set out in its Memorandum of Association are:

- a) The relief of needs arising from financial hardship, mental or physical illness, disability, or old age;
- b) The promotion of equality and diversity for the benefit of the public through research and the design and delivery of services that address exclusion;
- c) The promotion of health;
- d) The promotion of research and education in the social sciences and the dissemination of the useful outcomes of such research; and
- e) The advancement of purposes charitable in England and Wales by the development of organisations and activities and the exchange of ideas.

The objects are considered by the trustees to be for the public benefit as defined in the Charity Commission's guidance on public benefit. In order to achieve these objectives, the Young Foundation undertakes research to identify and understand social needs and then develops practical initiatives and institutions to address those, combining ideas, analysis and practical action.

Our research work also permeates all our programmes. We are a Research Councils UK recognised independent research organisation (IRO).

The charity does not undertake any external fundraising and there have been no complaints made to the Fundraising Regulator during the current or prior year.

ACHIEVEMENTS AND PERFORMANCE

PERFORMANCE REVIEW

SUMMARY:

This has been another strong year for The Young Foundation, growing in size, income and impact over the course of 2022. The Young Foundation used the last twelve months to:

1. **Show** how our approach is essential for tackling entrenched challenges
2. Increase the scale of our work, **building the infrastructure** to sustain community-involving practice and participation
3. Through the Institute for Community Studies, we have continued to **build the economic, social and moral case for** community empowerment
4. Ensure we are **fit and financially sustainable** to execute on these ambitions.

This performance review offers a perspective on our progress in 2022 across our four core goals, and priority areas.

Show how our approach is essential for tackling entrenched challenges

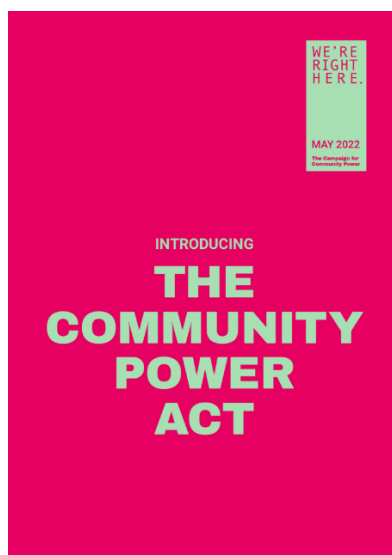
2022 saw a deepening commitment to growing our Innovation & Practice team, in recognition that it is the **practice** of change and transition that communities and organisations are most wrestling. The “how” of how to tackle complex challenges is living, breathing work for which there is no strict playbook. Investing in a team who can work with local governments, funders and investors, anchor institutions and in healthcare to centre and involve communities in deep change has been a key achievement in 2022.

This has been pivotal to demonstrating the value of The Young Foundation’s approach to understanding, involving and innovating with communities in different places and contexts. Over the year, the range of local and combined authorities with whom we work grew and includes continued strategic relationships with the West Midlands Combined Authority, Luton Council, the Greater London Authority and Cornwall County Council among others.

Campaigning for Community Power

Alongside demonstrating practical routes to creating fairer futures for UK communities, we need to create the right conditions for that work to flourish. We’ve

been pleased to bend our efforts towards supporting the “We’re Right Here” campaign in 2022, joining a range of local community leaders and community sector organisations who want to see enabling legislation to increase the power of communities – to take ownership of assets, and foster more equitable relationships with local authorities and other organisations who influence their well-being in material ways.



The [We're Right Here](#) campaign for community power is led by local leaders who have done extraordinary things in their neighbourhood, from regenerating a disused church for the whole community, to offering a place to meet in one of the country's most deprived neighbourhoods. These leaders and people in their neighbourhoods are frustrated by their lack of power, which they say makes it so much harder for them to make a positive difference and answer local needs.

Supported by community-focused organisations, including The Young Foundation, these local leaders are now calling for a Community Power Act. This proposal outlines new laws aim to give people the power they need to shape the places they live.

Levelling up Response

Responding to and building on the [Levelling Up White Paper](#), The Young Foundation launched an eight-point plan to turn policy into real change for 'left behind' areas. Following the government's blueprint to address inequality in UK communities, our report proposed action to work 'radically differently', involving local people and communities to drive meaningful change. The report maintains that 'Levelling up' is only possible when local people and communities have a profound sense of ownership over their own story for change. And that without working radically differently across sectors, disciplines and boundaries, 'levelling up' is simply not possible."

Redirecting investment towards community involving activities across the UK

Over the course of 2022, The Young Foundation has also grown our structure and capabilities to act as an intermediary funder for larger institutions seeking to reach people, groups and communities which have historically lay outside their reach. We expect this activity to grow in 2023, as we work towards shifting more resources and funding into community led, and community involving, activities across the UK.

Increasing the scale of our work, building the infrastructure to sustain community-involving practice

There is increasing acknowledgement and support for involving more people and more communities in the creation of new knowledge. In doing so, we build not only new insights, but new capacity for change in key areas of social and environmental policy. It is not enough to 'run programmes' which include community research and citizen science. If we believe that this is an important part of the research ecosystem, it needs infrastructure and investment to support and sustain it.

This is the principle that has underpinned the growth of our Peer Research network over the last three years, which continues to go from strength to strength. Our 2022 conference "Hive" brought together over two hundred peer research commissioners and practitioners, to drive higher standards, quality and shared learning in participatory research practice. This convening role, combined with our accredited peer researcher training offer, has been fundamental to our credibility in this field and a strong foundation to build on, in partnership with those who have deeper resources to create change.

This strategy to align with partners committed to a similar agenda has seen increased partnership working with UKRI. The Young Foundation now supports a portfolio of UKRI funded projects that collectively start to build a more porous research and innovation system where communities and community knowledge play a stronger role in the research and innovation system.

The UKRI portfolio for 2022 included: **The Community Research Networks** – a fund to build the collaboration infrastructure and network for stronger community involvement in a range of pilot sites; **Co-designing a national learning programme for Community Research partnerships** – ensuring learning support exists to the range of actors involved in effective research partnerships; **The Community Knowledge Fund** - an innovation grant directly supporting communities and community led organisations to develop community knowledge and practices which strengthen the involvement of communities in research. We hope to build substantially on this nascent infrastructure in 2023, supporting learning, leadership and investment towards an increased number of groups who recognise the long-term vision for community involving research and practice.



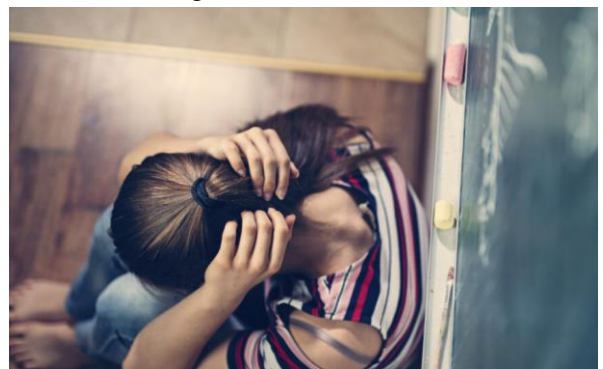
Waking the talk:

In 2022, we shared learning from The Young Foundation's participation in the Department for Work and Pensions' Kickstart Scheme. The programme ran between September 2020 and March 2022, providing funding to create new jobs for 16- to 24-year-olds at risk of long-term unemployment. We share reflections and recommendations for effective and enduring support to young people entering the workforce, and into research employment.

This mission to embed community and peer research as part of our national research infrastructure is also brought to life through the work of **Peer Action Collective** programme, funded by The Youth Endowment Fund, The Co-Op and the #iWill fund. The Peer Action Collective involved 120 young people trained as peer researchers and several hundred more involved as social action changemakers, addressing serious youth violence. Engaging over 5,000 young people's views on their experiences and perceptions of youth violence is changing the way funders and policy makers think about violence prevention. The success of this 20-month pilot has translated into a new five-year programme in 2023, set to engage over 10,000 young people in movement away from the current reality of violence as part of everyday life for so many young people.

A participant in the Peer Action Collective Rowan, from Devon, said: "You expect youth violence to be in dark alleyways and it's not. These are children being attacked in broad daylight in a city centre". Londoner Aidan commented: "I feel that [youth violence] is an experience that everyone has had, is having, or will have. And yeah, I really feel like it's inevitable."

Helping build a movement away from youth violence through the Peer Action Collective



Influencing whole systems

Commissioned by UKRI, this summary report shares discussions with community representatives about how to improve the ways in which knowledge is produced, used and communicated across the UK. These discussions focused on how the research and innovation (R&I) system can more equitably involve those community groups and organisations with less power or representation.



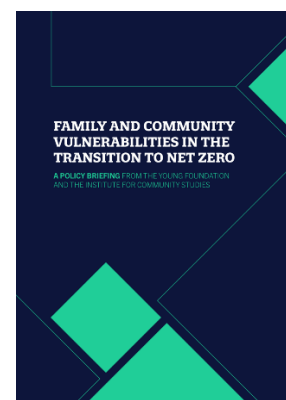
Creating rich and useful evidence through the Institute for Community Studies to continue to build the economic, social and moral case for community empowerment

2023 saw a sustained focus on the growth of the Institute for Community Studies, creating a dynamic observatory of evidence and data to support stronger communities. With its focus on holding ground as an evidence centre and participating in major projects in partnership with universities, the Institute has worked deeply on the experiences of vulnerable people in the transition to net zero, understanding how young people begin a life of active citizenship and has positioned itself to become a major connector of community insight, academic evidence and policy making at a regional and national level.

A fair transition to Net Zero?

The UK government has pledged to achieve 'net zero' carbon emissions by 2050. With support from The Nuffield Foundation, the Institute for Community Studies investigated how this transition might inform policymaking, a nationally representative survey of 2,100 adults was conducted by the Institute for Community Studies and Ipsos. The survey sought to understand the UK public's perceptions of these 'net zero' targets, asking participants for their views on awareness, readiness and perceptions of fairness of the transition.

The research unequivocally points to an urgent need for national and local policymakers - and those leading and delivering transition strategies - to consider more deeply the potential negative impacts on people who are already experiencing the greatest disadvantage – as well as the positive opportunities they may benefit from. This includes opportunities for the most deprived and poorest communities to participate in the UK's shift to net zero, ensuring transition isn't simply another macro policy change that leaves people behind.



This survey was part of a broader programme of work focused on the importance and power of participation in the transition to net zero. Our policy briefing engaged Ministers and key local politicians and officers in the Autumn of 2022. The critical importance of this research activity cannot be overstated. It has been the foundation of continued work in this area in 2023, where we are now strategically placed to support the UK's c400 local authorities to assess the readiness and strength of their transition strategies for net zero.

Policy influencing: a just transition to net zero

What and why

The Institute for Community Studies conducted research and worked to develop an actionable policy framework supporting every family, community and place across the UK to participate in the transition to net zero. The project is funded by the Nuffield Foundation.

How

We undertook an extensive literature review to understand and fill the gap between social policy insights on inequalities, and policy on net zero futures. We also carried out participatory research in seven places in north-east England. We developed a Framework for Participation to promote a person-centred approach in the transition to net zero.

Impact

We published two policy documents in 2022 - [UK public perceptions and readiness for a 'just transition'](#) and [Family and community vulnerabilities in the transition to net zero](#). This work informed our organisation's first ever party conference events, working with Power to Change, SMF and Reform on [community-led transition to net zero](#) debates. Both sessions were oversubscribed. With Labour, our Chief Executive, Helen Goulden OBE, shared a platform with Kerry McCarthy MP, former North of Tyne Mayor Jamie Driscoll, and London Assembly member Leonie Cooper. With the Conservatives, our Institute Director Richard Harries spoke with the climate minister Graham Stuart and a VIPs from local government and

community organisations. A supporting blog, ['Communities can power a fair transition'](#), was co-authored by Helen and Power to Change's CEO.

We are now developing relationships with Luton and Hartlepool Borough Councils and, following additional funding from the British Academy, working to engage other local authorities too. The final report will publish this summer, sharing policy recommendations affecting the poorest people in UK society. An academic paper has been submitted to a social policy journal. And we are holding a high-level policy event at the Liberal Democrat Party Conference with Wera Hobhouse MP and London Assembly member Hina Bokhari. Net zero is a key theme of our upcoming five-year strategy.

Ensuring we are fit and financially sustainable

To successfully execute against our strategic ambitions, we have ensured we are a financially sustainable and fit for purpose organisation. A goal on which we placed a heavy emphasis in 2022; chiefly to ensure that should we grow rapidly in the coming years, our infrastructure, systems and people were ready for it.

Financially, we exceeded our 2022 income targets by **£0.4m** and invested £2.8m of proceeds from the building sale into a multi-asset fund, which is now yielding us an annual dividend. There is still a challenge to grow our unrestricted income, however our overall operating surplus of £59k (before the Invest to Grow funding approved by the board) gives us confidence we can achieve this with the right balance in unrestricted and restricted income, which has been a primary financial focus as we move into 2023. Taking the 'Invest to Grow' expenditure into account the overall result for the year was a deficit of £180k.

In 2022, we have been keen to continue our efforts to support staff well-being, against a backdrop of a rising cost of living and busy work environment. We trialled a 4.5 day working week which has proven to be a success and highly popular with the team. Evaluation of the trial showed marked increase in mental health, work-life balance and overall job satisfaction. Staff also reported very positive impact on our attractiveness as an employer, increasing our net promoter score by 17%. The trial reported no difference in the ability to complete work on time or deliver projects; underscoring other shorter-working week trials which tend to show slight increases (or no impact) on productivity. Our approach in 2023 will be to continue a 4.5 day working week through our flexible working policy.

While making good progress in the first half of 2022 with 27% black and ethnic minority workforce, we ended the year better still at 29% racial diversity. (Gender and racial diversity has increased again as we move through 2023) We continue to feel the systemic effects of a social research market that skews heavily towards white women, and the entire organisation remains highly motivated to diversify our team – on all race, class and ability dimensions in 2023. Our EDI survey resulted in an effective action plan which is reviewed by staff and trustees on a quarterly basis, and on a monthly basis by the Senior Leadership Team.

Partner Satisfaction

Our 2022 annual partner survey delivered some great results, with just under 50% response rate (higher than usual) with 78% reporting high levels of satisfaction (22% Satisfied). Over 70% of respondents saying they have shifted either the policy or practice as a result of working with us, and 100% would recommend us to another organisation. Comments are unwaveringly appreciative, with quality and impact of our work, our friendly, approachable way of working and doing what we say we will do, ranking very highly. The survey mirrors the previous two years in identifying the 'timeliness of our responses' as the area in most need of improvement, which is recognisable to the team as a continued challenge, particularly for those staff working on multiple projects, where the number of stakeholders and partners with which to engage is that much higher.

FINANCIAL REVIEW

Results for the year

The reported deficit in the year to December 2022 of £180k reflects the Invest To Grow strategy pursued during the year, which saw some income growth in 2022 and is expected to yield greater income in the coming years. Looking at Unrestricted Funds, a deficit of £305k was made (2021: Surplus of £2,054k which included the one off income from the property sale of £1,989k), after allowing for a transfer in of funds of £264k.

Income in the year, of £2,808k (2021: £5,090k) is down, but is skewed by movements in restricted income and the one off income from the property sale of £1,989k in 2021. Unrestricted income was £1,306k (2021: £3,340k)

Charitable expenditure of £2,830 (2021: £2,559k) is an 11% increase on 2021 expenditure.

In 2022, the charity secured a large grant (£990k) from UKRI for the Community Grant Fund, making up most of the restricted income in 2022 of £1,503k (2021: £1,750k).

There is an unrestricted deficit of £305k (2021: surplus £2,054k). As noted below the charity continues to operate within its reserves policy. The focus for 2022 was to focus on medium term growth whilst retaining appropriate margins on projects to ensure that support costs are funded, as much as possible. Income targets for 2022 of £2,355k were exceeded and at time of writing income is expected to higher still for 2023. In 2021 the Young Foundation invested further in roles to help deliver this income growth including the appointment of an Associate Director, Institute for Community Studies and a Head of External Affairs & Communications. They were joined at the beginning of 2022 by a Director of Innovation and Practice.

Reserves policy and financial position

Total reserves at 31 December 2022 were £5,026k (2021: £5,206k) of which £1,728k (2021: £1,603k) were restricted for specific purposes. In addition, £100k of unrestricted funds were designated in the year to cover the future costs of managing the YAIF investment fund. This followed the designation of £2,900k for the Property Fund in 2021, after the sale of 18 Victoria Park Square.

FINANCIAL REVIEW (continued)

The policy of the trustees is to hold sufficient reserves in a liquid form to meet short term obligations, and having considered the risks facing the charity and its level of activity, have decided that this is equivalent to six months staff costs. At 31 December 2022, the minimum reserve figure was £1,025k (2021: £818k). The total free reserves at 31 December 2022 were £3,298k (2021: £3,603k) which represents 19.3 months unrestricted expenditure.

Therefore, the trustees consider that they have sufficient funds to meet the reserves policy and are considering how best to invest these funds to balance preserving liquidity to maintain day to day activity whilst also generating income and/or long-term growth.

Going concern

The trustees continue to adopt the going concern basis in preparing the annual financial statements. In adopting this basis, they have reviewed all appropriate budgets and forecasts. The trustees are not aware of any material uncertainties that suggest that the Young Foundation cannot continue as a going concern.

Investment policy and performance

Under the Memorandum and Articles of Association the trustees have general powers of investment. The trustees held the charity's funds as cash with CCLA and HSBC and also invested in the Cazenove Charity Responsible Multi-Asset Fund in 2022.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Young Foundation's governing documents are its Memorandum and Articles of Association dated 15 June 1977 as amended on 16 March 2005 and 21 February 2021.

The Board of Trustees met four times in 2022. In addition to the Board of Trustees there is a Resources, Risk & Assurance Committee (RRAC) which met four times in 2022. The Committee was chaired by the treasurer, Jonathan Sobczyk Boddington. The Nominations and Governance Committees met during 2022.

Due to a number of scheduled retirements, the Board was refreshed in 2022, with six new trustees.

The following trustees were in office at 31 December 2022 and served throughout the year except where shown.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees	Appointments/ resignations	Board meetings attended in 2022 (and number available)
Kersten England		3(4)
Dame Julie Mellor	Resigned 13 th July 2023	3(3)
Vidhya Alakeson	Resigned 11 th February 2022	1(1)
Abigail Rotheroe	Resigned 27 th January 2022	1(1)
Eddy Adams	Appointed 27 th October 2023	0(1)
Jonny Sobczyk Boddington		4(4)
Chris Dobson	Appointed 27 th October 2023	0(1)
Pete Gladwell	Resigned 2 nd May 2023	4(4)
Kate Hainsworth	Appointed 27 th October 2023	1(1)
Rizwana Hamid	Appointed 27 th October 2023	1(1)
Stephen Jacobs		4(4)
Henry Kippin		3(4)
Mike Omoniyi	Appointed 27 th October 2023	1(1)
Matthew Taylor	Appointed 27 th October 2023	1(1)
Gareth Williams	Resigned 2 nd May 2023	4(4)

Details of all the trustees are posted on our website, youngfoundation.org

Candidate trustees meet with the Chair, the Chief Executive and the Nominations and Governance Committee following which their application is considered by the Nominations and Governance Committee. The induction of trustees is undertaken on an informal basis with the Chief Executive and senior management team and through attendance at Young Foundation and external events.

The day to day management and running of the charity has been delegated to the Chief Executive and the senior management team. The senior management team prepares an annual operational plan and budget which is approved by the trustees. The senior management team take responsibility for the execution of the operational plan and budget and report on progress to the trustees.

Key management personnel

The key management personnel of the Young Foundation are the Chair and Board of Trustees together with the Chief Executive and Directors who form the senior management team.

The remuneration of the Chief Executive is set and reviewed by the nominations committee. The remuneration of the other key management personnel is set by the CEO taking into consideration factors such as what the organisation can afford to pay, inflation and external benchmarking.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The Board's Resources, Risk and Assurance Committee has reviewed the major operational risks and the Board has reviewed the strategic risks including the ways in which these are monitored, managed and mitigated by the senior management team.

Key risks

Our risk registers reflect the risks presented by Covid-19, although these risks have dissipated in 2022. The key risks identified by the Board and summarised below together with management actions to mitigate these risks.

Income Generation and sustainability

The main risk to The Young Foundation is the inability to generate sufficient income to enable full cost recovery and be a financially sustainable organisation. As noted above, the long-term impact of Covid-19 or indeed war in Ukraine and other events on the wider economy may mean that business development becomes more difficult. It is essential that we maintain close relationships with funders and explore all funding opportunities. We have developed and continue to refine our processes for bidding for funding to ensure full cost recovery. Cost inflation has also become a key risk and we have put measures in place to mitigate this

Staff engagement

The Young Foundation has settled into a pattern of hybrid working, with staff able to mix home and office working. We have regular all staff team meetings and ensure that managers keep in close contact with their team. We have upgraded some of our IT systems and equipment and we provide appropriate office furniture for staff who need it. We continue to seek staff opinion and feedback through team meeting discussions and staff surveys.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Young Foundation for the purposes of company law) are responsible for preparing the Trustees' 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, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for the year. 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

This report was approved by the trustees on 27 July 2023 and signed on their behalf by:



Kersten England CBE

Chair of the Board of Trustees

Independent auditor's report to the members of The Young Foundation

Opinion

We have audited the financial statements of The Young Foundation (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 December 2022 and of 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.

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 trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

Other information (continued)

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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees, who are also directors 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.

Responsibilities of trustees (continued)

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:

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; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the Companies Act 2006) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

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; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates for the valuation of social investments and the bad debt provision were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

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.



Catherine Biscoe (Senior statutory auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 7 August 2023

Statement of financial activities Year ended 31 December 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	Unrestricted funds £	Restricted funds £	2021 Total funds £
Incorporating income and expenditure account							
Income from							
Donations		-	-	-	-	-	-
Investments	2	55,500	-	55,500	356	-	356
Charitable activities							
. Grants and other earned fees	1a	1,233,290	1,502,506	2,735,796	1,271,451	1,750,382	3,021,833
. Other	1b	17,117		17,117	2,067,935	-	2,067,935
Total income		1,305,907	1,502,506	2,808,413	3,339,742	1,750,382	5,090,124
Expenditure on							
Charitable activities	3	1,765,373	1,065,553	2,830,926	1,504,555	1,054,930	2,559,485
Net losses/(gains) on social investments		59,036	51,501	110,537	-	(62,087)	(62,087)
Total expenditure		1,824,409	1,117,054	2,941,463	1,504,555	992,843	2,497,389
Net losses on listed investments	8	46,926	-	46,926	-	-	-
Net (expenditure)/ income before transfers		(565,428)	385,452	(179,976)	1,835,187	757,539	2,592,726
Transfers between funds	12	260,228	(260,228)	-	218,724	(218,724)	-
Net (expenditure)/ income and net movement in funds for the year		(305,200)	125,224	(179,976)	2,053,911	538,815	2,592,726
Reconciliation of funds:							
Total funds brought forward		3,602,729	1,602,822	5,205,551	1,548,818	1,064,007	2,612,825
Total funds carried forward		3,297,529	1,728,046	5,025,575	3,602,729	1,602,822	5,205,551

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages to 33 to 44 form part of these financial statements.

Balance sheet 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	7	26,570		36,135	
Investments	8	2,929,690		423,866	
			2,956,260		460,001
Current assets					
Debtors	9	1,149,862		900,637	
Cash at bank and in hand		1,401,650		4,173,941	
		2,551,512		5,074,578	
Liabilities:					
Creditors: amounts falling due within one year	10	(482,197)		(329,028)	
Net current assets			2,069,315		4,745,550
Total assets less current liabilities			5,025,575		5,205,551
The funds of the charity:					
Unrestricted funds:	12				
. General funds			332,549		702,729
. Designed funds			2,964,980		2,900,000
Restricted funds	13		1,728,046		1,602,822
			5,025,575		5,205,551

The financial statements were approved by the Trustees on 27 July 2023 and signed on their behalf, by:

Kirsten England

Kirsten England CBE, Chair of Trustees

The Young Foundation
Company registration number 01319183 (England and Wales)

The notes on pages 33 to 44 form part of these financial statements.

Statement of cash flows 31 December 2022

	Notes	2022 £	2021 £
Cash outflow from operating activities:			
Net cash used in operating activities	A	(132,196)	(32,898)
Cash (outflow)/inflow from investing activities:			
Interest and dividends from investments		27,500	356
Purchase of tangible fixed assets		(4,307)	(39,700)
Purchase of investments		(2,298,323)	-
Sale of asset held for sale		-	2,898,200
Repayments of investments		136,712	233,468
Net cash (outflow)/inflow from investing activities		(2,138,418)	3,092,324
Change in cash and cash equivalents in the year		(2,270,614)	3,059,426
Cash and cash equivalents at 1 January 2022	B	4,173,941	1,114,515
Cash and cash equivalents at 31 December 2022	B	1,903,327	4,173,941

Notes to the statement of cash flows for the year to 31 December 2022

A Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(179,976)	2,592,726
Adjustments for:		
Depreciation charge	13,872	4,068
Impairment of /(gain on) social investments	110,538	(62,087)
Unrealised losses on listed investments	46,926	-
Interest and dividends from investments	(55,500)	(356)
Surplus on disposal of asset held for sale	-	(1,988,947)
Loss of disposal of fixed assets	-	4,792
Increase in debtors	(221,225)	(460,952)
Increase/(decrease) in creditors	153,169	(122,142)
Net cash used in operating activities	(132,196)	(32,898)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	669,351	3,441,642
Cash held by investment managers	501,677	-
Instant access cash accounts	732,299	732,299
Total cash and cash equivalents	1,903,327	4,173,941

C Analysis of changes in net funds

	At 1 January 2022 £	Cash flows 2022 £	At 31 December 2022 £
Cash	3,441,642	(2,772,291)	669,351
Cash held by investment managers	-	501,677	501,677
Cash equivalents	732,299	-	732,299
Total	4,173,941	(2,270,614)	1,903,327

Principal accounting policies 31 December 2022

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2022.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation rate;
- ◆ the valuation of social investments;
- ◆ the allocation of support costs; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern basis.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements based on appropriate budgets and forecasts.

As a result of this review, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Company status

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds are set aside at the discretion of the trustees for specific projects or strategic priorities.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged against the specific fund.

Income recognition

Income is recognised in the statement of financial activities when the charitable company has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Where the Young Foundation is a member of a consortium, for example on certain EU funded programmes, only the income and expenditure which is specific to the Young Foundation is recognised in the financial statements.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income recognition (continued)

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included in expenditure. Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services of equivalent economic benefit on the open market.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

All expenditure is inclusive of irrecoverable VAT.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs of projects, including governance costs and where appropriate charitable grants.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued.

Allocation of support and governance costs

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out centrally.

Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Support costs are allocated across charitable expenditure on the basis of the number of staff employed in each activity.

Tangible fixed assets and depreciation

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

- ◆ Office equipment - 25% on a straight line basis
- ◆ IT equipment - 33% on a straight line basis

Other financial instruments

The charity has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other'. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

Social investments

Social investments are investments made directly in pursuit of the charity's charitable purposes. Unquoted equity investments are held at cost, less any provision for diminution in value or add any increase in value, while loans are recorded at cost less any provisions to reflect non-recoverability. All gains and losses on social investments are taken to the Statement of Financial Activities as they arise and are recognised within charitable activities.

Listed Investments

Listed investments that are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value as at the reporting date using the closing quoted market price.

All gains and losses on investments are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and transaction value. Unrealised gains and losses for the year are calculated as the difference between the fair value at the year end and the opening carrying value, or the transaction value if acquired in the financial year. Realised and unrealised gains and losses on investments are combined in the Statement of Financial Activities.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Pension contributions

The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. Therefore, as required by FRS 102, the charity accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. There is currently no deficit funding plan in place, other than increased employer contributions, and therefore no liability has been recognised.

In February 2015, a defined contribution scheme, (the Peoples Pension) was established for staff not working on research. Contributions in respect of the defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employee contributions.

1a Income from charitable activities – grants and other fees earned

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Communities	415,406	245,269	660,675
Research	536,045	257,237	793,282
Social Investment and Innovation	281,839	1,000,000	1,281,839
2022 Total funds	1,233,290	1,502,506	2,735,796
	Unrestricted funds £	Restricted funds £	2021 Total funds £
Communities	652,375	334,270	986,645
Research	619,076	676,782	1,295,858
Social Investment and Innovation	–	739,330	739,330
2021 Total funds	1,271,451	1,750,382	3,021,833

1b Income from charitable activities – other income

	Unrestricted funds £	Restricted funds £	2022 Total funds £
VAT recovery	12,774	-	12,774
Speaking fees, events and publications	3,770	-	3,770
Other	573	-	573
2022 Total funds	17,117	-	17,117
	Unrestricted funds £	Restricted funds £	2021 Total funds £
Hub for social innovation – rent and room hire	(748)	–	(748)
VAT recovery	33,481	–	33,481
Tenant recharges	184	–	184
Speaking fees, events and publications	575	–	575
Gain on sale of building	1,988,947	–	1,988,947
Gain on conversion of YAIF Project	47,343	–	47,343
Other	(1,847)	–	(1,847)
2021 Total funds	2,067,935	–	2,067,935

Notes to the financial statements Year ended 31 December 2022

2 Income from investments

	Unrestricted funds £	Restricted funds £	2022 Total funds £
Interest receivable on cash deposits	8,587	-	8,587
Income receivable from investment fund	46,913	-	46,913
2022 Total funds	55,500	-	55,500

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Interest receivable on cash deposits	356	-	356
2021 Total funds	356	-	356

3 Expenditure on charitable activities

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2022 Total funds £
Communities	271,592	198,550	367,409	-	837,551
Research	330,386	555,919	565,177	-	1,451,482
Social Investment and Innovation	210,358	198,568	132,967	-	541,893
2022 Total funds	812,336	953,037	1,065,553	-	2,830,926

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2021 Total funds £
Communities	560,753	140,211	70,142	-	771,106
Research	427,222	280,422	299,934	99,061	1,106,639
Social Investment and Innovation	2,473	93,474	459,463	126,330	681,740
2021 Total funds	990,448	514,107	829,539	225,391	2,559,485

Allocation of support costs

Support costs have been allocated across charitable expenditure on the basis of the number of staff employed in each activity. The net costs after allocation are shown below

	2022 £	2021 £
Development, Administration, Finance and Human Resources	912,959	644,427
Information technology	1,535	52,615
Governance costs		
. Auditor's remuneration	16,650	17,958
. Staff costs	21,893	24,497

Notes to the financial statements Year ended 31 December 2022

	953,037	739,498
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4 Staff costs and remuneration of key management personnel

	2022	2021
	£	£
Wages and salaries	1,452,778	1,198,404
Social security costs	159,623	115,354
Other pension costs	179,990	140,476
	1,792,391	1,454,234

During the year, the Young Foundation made total termination payments of £nil (2021 – £58,856). These are included within wages and salaries.

The average head count during 2022 was 35 (2021 – 30).

The average, full time equivalent number of staff analysed by function is:

	2022	2021
Charitable activities	24.1	22.5
Support	6.0	4.3
	30.1	26.8

The number of higher paid employees was:

	2022	2021
	No.	No.
£60,000 - £70,000	-	2
£80,001 - £90,000	4	-
£100,001 - £110,000	1	1
	5	3

These employees are accruing retirement benefits under either a defined benefits or defined contribution scheme. Employer contributions made in respect of these individuals totalled £50,295 (2021 – £32,538).

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis comprises the trustees, the Chief Executive and the senior management team. The total remuneration (including taxable benefits, employer's pension contributions and national insurance costs) of the key management personnel for the year was £549,042 (2021 – £320,491). The cost of key leadership personnel employed as contractors on an interim basis during the year was £ nil (2021: £99,330).

No remuneration was paid to any trustee during the year. Trustees' travel and accommodation expenses of £288 were reimbursed during the year to one trustee. (2021 – £nil).

5 Net expenditure for the year

This is stated after charging:

	2022 £	2021 £
Auditor's remuneration (excluding VAT):		
. Audit – current year	14,500	10,750
. Audit – prior year	2,150	5,700
Depreciation	13,872	4,068

6 Taxation

The Young Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

7 Tangible fixed assets

	IT equipment £	Total £
Cost		
At 1 January 2022	41,207	41,207
Additions	4,307	4,307
At 31 December 2022	45,514	45,514
Depreciation		
At 1 January 2022	5,072	5,072
Charge for the year	13,872	13,872
At 31 December 2022	18,944	18,944
NBV at 31 December 2022	26,570	26,570
NBV at 1 January 2022	36,135	36,135

8 Investments

	2022 £	2021 £
a) Social investments	176,616	423,866
b) Listed investments	2,753,074	-
Total at 31 December	2,929,690	423,866

8 Investments (continued)

a) Social investments	YAIF Social Investment 2022 £	YAIF Social Investment 2021 £
Fair value at 1 January 2022	423,866	595,247
Impairment (charge)/reversal	(110,538)	62,087
Repayments	(136,712)	(233,468)
Fair value at 31 December 2022	176,616	423,866
Historic cost	851,472	851,472

The Young Foundation has made social investments through the Young Academy Investment Fund which has been established by the Young Foundation with funding from the Social Incubator Fund, which is administered by the Big Lottery Fund on behalf of the Cabinet Office and UBS. The initial investments were made by way of convertible loan notes. Many of these instruments have now been converted into loans with repayments linked to revenue.

At 31 December 2022, the split was as follows:

	2022 £	2021 £
Convertible loan notes/Equity	63,985	153,188
Revenue participation loans	112,631	270,678
	176,616	423,866

The social investments include convertible loan notes issued to Think for the Future, Potentially and CPDBee and revenue participation loans to Edukit, Proversity, Infused Learning, Structural Learning, Smart Schools Council, Talent-Ed Education, GT Scholars, Panjango, and East Learning CIC.

The Young Foundation holds shares in a community interest company Mydex Data Services. At this stage in Mydex's development, it has been decided to not to put a value on the shareholding in the Young Foundation's financial statements. The shareholding is treated as a social investment as it is made directly in pursuit of the Young Foundation's charitable purposes.

The Young Academy investments were reviewed internally for diminution in value. In 2022, there was a reduction in the impairment provision of £3,460, representing a repayment of previously impaired assets, however this was offset by a further impairment provision of £113,998. The valuation of social investments is based on the most up to date information available to trustees on future income and cash flows and following the year end, no further material diminution in value has been noted.

b) Listed investments	Cazenove 2022 £	Cazenove 2021 £
Market value at 1 January 2022	-	-
Additions	2,298,323	-
Movement in cash	501,677	-
Unrealised Investment Loss	(46,926)	-
Market value at 31 December 2022	2,753,074	-
Historic cost	2,800,000	-

8 Investments (continued)

Listed investments (continued)

100% of the listed investment portfolio is held within the Cazenove Charity Responsible Multi Asset Fund.

At 31 December 2022, the split of the fund's assets was as follows:

	2022 £	2021 £
Fixed interest	273,765	-
UK equities	84,549	-
Overseas equities	1,540,401	-
Property	149,912	-
Alternative investments	202,770	-
Cash	501,677	-
	2,753,074	-

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review section of the Trustees' Annual Report. The main risk to the Charity from financial instruments in the future lies in the combination of uncertain investment markets and volatility in yield, which is mitigated through the Charity's investment policy.

9 Debtors and prepayments

	2022 £	2021 £
Trade debtors	337,548	460,028
Prepayments and accrued income	812,314	440,609
	1,149,862	900,637

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	115,412	53,670
Other creditors	121,111	91,824
YAIF loan	-	36,500
Accrued expenditure	73,229	47,436
Deferred income	172,445	99,598
	482,197	329,028

Included in creditors is deferred income as set out below:

	2022 £	2021 £
Deferred income at 1 January 2022	99,598	258,057
Resources deferred in the year	172,445	99,598
Amounts released in the year	(99,598)	(258,057)
Deferred income at 31 December 2022	172,445	99,598

Deferred income comprises funds received in advance in relation to several contracts in progress at the year end.

Notes to the financial statements Year ended 31 December 2022

11 Liability of members

The charity is a company limited by guarantee, each member being liable for a sum not exceeding £1 in the event of the company being wound up.

12 Movement in funds

	Balance at 1 January 2022 £	Net income/ (expenditure) £	Transfers £	Balance at 31 December 2022 £
Restricted funds	1,602,822	385,452	(260,228)	1,728,046
Unrestricted funds				
. General fund	702,729	(530,408)	160,228	332,549
Designated funds				
. YAIF Management Fund	-	(35,020)	100,000	64,980
. Property fund	2,900,000	-	-	2,900,000
	<u>3,602,729</u>	<u>(565,428)</u>	<u>260,228</u>	<u>3,297,529</u>
Total funds	<u>5,205,551</u>	<u>(179,976)</u>	<u>-</u>	<u>5,025,575</u>

The property fund represented the charity's investment in property which created a hub for social innovation and for nurturing new organisations as well as acting as a base from which the charity could carry out its operations. The property was sold in early 2021. However, £2.9 million has been designated by the trustees for possible future use in the purchase of a property.

During 2022, UBS allowed its YAIF restricted funds to be reclassified as unrestricted. £100,000 of these funds were designated to fund the future management costs of the YAIF investments.

Restricted funds represent grant income for specific charitable projects as set out in note 13.

	Balance at 1 January 2021 £	Net income £	Transfers £	Balance at 31 December 2021 £
Restricted funds	1,064,007	757,539	(218,724)	1,602,822
Unrestricted funds				
. General fund	1,548,818	1,835,187	(2,681,276)	702,729
. Property fund	-	-	2,900,000	2,900,000
	<u>1,548,818</u>	<u>1,835,187</u>	<u>218,824</u>	<u>3,602,729</u>
Total funds	<u>2,612,825</u>	<u>2,592,726</u>	<u>-</u>	<u>5,205,551</u>

Notes to the financial statements Year ended 31 December 2022

13 Restricted fund analysis

The movement in restricted funds in 2022 was:

	Balance at 1 January 2022	Income	Expenditure	Net investment loss	Transfers	Balance at 31 December 2022
	£	£	£	£	£	£
Research						
EU Horizon 20 20- Clever Cities	31,191	-	(17,152)	-	-	14,039
NCS Trust CIC Civic Journey	461,421	160,000	(343,613)	-	-	277,808
YFF Kickstart	3,502	11,544	(15,046)	-	-	-
DWP Kickstart	7,161	43,173	(50,334)	-	-	-
EU Horizon 20 20- UPLIFT	172,912	(20,105)	(127,211)	-	-	25,596
Calouste Gulbenkian Foundation - Battersea Arts Centre	589	-	-	-	(589)	-
UPP Foundation - Civic University	4,316	-	(4,210)	-	(106)	-
Kings' College London - Undisciplined Spaces	-	60,000	(4,472)	-	-	55,528
Bexley NRPf Ethnography	-	(4,500)	-	-	4,500	-
Trust for London	-	7,127	(7,127)	-	-	-
Total Research	681,092	257,239	(569,165)		3,805	372,971
Communities						
Nuffield Foundation Net Zero	233,478	-	(144,160)	-	-	89,318
Power To Change Legacy Grant	26,900	50,000	(42,793)	-	-	34,107
Power to Change Strategic Grant	3,750	45,000	(37,587)	-	-	11,163
Power to Change Dashboard Grant	-	9,000	(155)	-	-	8,845
DCMS Volunteering Journeys	-	141,267	(135,007)	-	39,380	45,640
Total Communities	264,128	245,267	(359,702)		39,380	189,073
Social Innovation and Practice						
The Young Academy Social Incubator Fund Grant	423,866	-	-	(51,501)	(275,514)	96,852
UBS AG - Young Academy Fund Management	18,143	10,000	(244)	-	(27,899)	-
UKRI Community Grant Fund	-	990,000	-	-	-	990,000
Cabinet Office BOOST	171,345	-	(120,541)	-	-	50,804
YA Revenue Participation	13,260	-	-	-	-	13,260
BEIS COP26 Climate Challenge Cup	30,988	-	(15,901)	-	-	15,087
Total Social Innovation and Investment	657,602	1,000,000	(136,686)	(51,501)	(303,413)	1,166,002
Total Restricted Funds	1,602,822	1,502,506	(1,065,553)	(51,501)	(260,228)	1,728,046

The Young Academy is an impact first investment fund set up by The Young Foundation to provide finance to early stage social ventures whose work tackles education inequality in England. The Young Academy has received £1,391,016 from the Social Incubator Fund which is administered on behalf of the Cabinet Office by the Big Lottery Fund.

During the year, net transfers of £260,228 were made from restricted funds to the unrestricted fund. The significant part of these transfers was in relation to repayments to and the revaluation of the Young Academy Investment Fund.

Notes to the financial statements Year ended 31 December 2022

13 Restricted fund analysis (continued)

The movement in restricted funds in 2021 was:

	Balance at 1 January 2021 £	Income £	Expenditure £	Net investment gain £	Transfers £	Balance at 31 December 2021 £
<i>Research</i>						
EU Horizon 20 20- Clever Cities	19,337	28,015	(16,161)	–	–	31,191
NCS Trust CIC Civic Journey	–	497,999	(36,578)	–	–	461,421
YFF Kickstart	–	37,478	(33,976)	–	–	3,502
DWP Kickstart	–	107,630	(100,469)	–	–	7,161
EU Horizon 20 20- UPLIFT	229,111	–	(56,199)	–	–	172,912
Paul Hamlyn Foundation - Peer Research	36,274	–	(36,274)	–	–	–
Calouste Gulbenkian Foundation - Battersea Arts Centre	11,375	–	(10,786)	–	–	589
UPP Foundation - Civic University	16,401	–	(12,085)	–	–	4,316
The Wellcome Trust- COVID-19	45,265	–	(45,265)	–	–	–
Kings' College London - Undisciplined Spaces	14,337	5,660	(19,997)	–	–	–
National Lottery Community Fund - Emerging Futures	31,205	–	(31,205)	–	–	–
Total Research	403,305	676,782	(398,995)	–	–	681,092
<i>Communities</i>						
Nuffield Foundation Net Zero	–	250,520	(17,042)	–	–	233,478
Power To Change Legacy Grant	–	50,000	(23,100)	–	–	26,900
Power to Change Strategic Grant	–	33,750	(30,000)	–	–	3,750
Total Communities	–	334,270	(70,142)	–	–	264,128
<i>Social Innovation and Investment</i>						
The Young Academy Social Incubator Fund Grant	595,247	–	(14,744)	62,087	(218,724)	423,866
UBS AG - Young Academy Fund Management	44,695	25,000	(51,552)	–	–	18,143
Young Academy Accelerator 2019	2,500	–	(2,500)	–	–	–
DCMS Boost 2021	–	196,330	(196,330)	–	–	–
NASS Incubator	5,000	3,000	(8,000)	–	–	–
Cabinet Office BOOST	–	390,000	(218,655)	–	–	171,345
YA Revenue Participation	13,260	–	–	–	–	13,260
BEIS COP26 Climate Challenge Cup	–	125,000	(94,012)	–	–	30,988
Total Social Innovation and Investment	660,702	739,330	(585,793)	62,087	(218,724)	657,602
Total Restricted Funds	1,064,007	1,750,382	(1,054,930)	62,087	(218,724)	1,602,822

14 Analysis of net assets between funds

	Unrestricted			2022 Total £
	General £	Designated £	Restricted £	
Tangible fixed assets	26,570	-	-	26,570
Social Investments	79,764	-	96,852	176,616
Listed Investments	-	2,753,074	-	2,753,074
Net current assets	226,215	211,906	1,631,194	2,069,315
	332,549	2,964,980	1,728,046	5,025,575

	Unrestricted			2021 Total £
	General £	Designated £	Restricted £	
Tangible fixed assets	36,135	-	-	36,135
Social Investments	-	-	423,866	423,866
Net current assets	666,594	2,900,000	1,178,956	4,745,550
	702,729	2,900,000	1,602,822	5,205,551

15 Related party transactions

During the year Power to Change made two grants to The Young Foundation, totalling £50,000 (2021: £137,750). The trustee has resigned from positions with both organisations early in 2022. In addition, one of The Young Foundation management team is a former member of the Power to Change management team and continues to be an unremunerated senior associate. This staff member has resigned during 2023.

16 Commitments

The Young Foundation participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Young Foundation is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", The Young Foundation therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

The total cost charged to the statement of financial activities for USS Pension Contributions is £143,143 (2021 – £114,190). This includes £Nil (2021 – £nil) outstanding contributions at the balance sheet date.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 (the valuation date), which was carried out using the projected unit method. Since the Young Foundation cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

16 Commitments (continued)

The 2020 valuation for USS was under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion. An alternative way of expressing the position is that the Scheme's assets were sufficient to cover 82.5% of its liabilities – this percentage is known as the funding level of the Scheme.

The deficit has been determined assuming taking into account a number of changes which took effect from 1st April 2022 are made from 1 April 2022.

Previous benefits in the Scheme

- ◆ The valuation and report relate solely to the defined benefits section of the Scheme in respect of benefits accrued up to the valuation date. Contribution requirements relate to both the defined benefit and defined contribution sections of the Scheme.
- ◆ The benefits valued are as set out in the Trust Deed and Rules dated 19 November 2015, as subsequently amended. A summary of the Scheme benefits for current active members is available on the USS website. I have made no allowance for discretionary pension increases.
- ◆ The future service rates allow for the increase in Normal Pension Age to 66 from October 2020.
- ◆ Members' benefits are yet to be adjusted to remove inequalities caused by GMPs earned after 17 May 1990. Current benefits have been valued. The Scheme's rules neutralise the vast majority of any inequality arising from GMPs and therefore the impact of GMP equalisation is not expected to be material in the context of the Scheme.
- ◆ A number of members with deferred benefits retain a right to a transfer value on a higher short service benefit. The transfer value is potentially greater than the reserve held in the valuation for the deferred benefit. Further investigations are being undertaken and for the purposes of the valuation an approximate allowance for this potentially more valuable benefit in the technical provisions has been made.

16 Commitments (continued)

Future benefit changes

In outline, the JNC recommendation is to maintain the existing hybrid defined benefit / defined contribution structure but modified in the following way for benefits accrued from 1 April 2022:

1. Reduction in salary threshold from c £60,000 pa to £40,000 pa.
2. Reduction in accrual rate from 1/75 to 1/85.
3. Pension increases and revaluation before retirement restricted to CPI up to a maximum of 2.5% pa.
4. Leavers with more than three months' but less than two years' service would receive the standard deferred benefit rather than the current entitlement to a lower benefit based solely on member contributions.

Defined benefit liability numbers for the scheme for accounting purposes have been produced using the following assumptions as at 31 March 2021 and 2022:

The projected funding levels three years after the valuation date are shown below.

These projections are made on the basis that:

- ◆ a deed effecting the recommendation of the JNC is entered into on or before 28 February 2022;
- ◆ the active membership remains broadly the same;
- ◆ experience from the valuation date is in line with the assumptions underlying the technical provisions, as set out in the Statement of Funding Principles, including additional returns on assets of 0.5% pa higher than the discount rates;
- ◆ contributions are paid as set out in the Schedule of Contributions; and
- ◆ there is no change in the insurers' buy-out pricing.

	2022	2021
Scheme assets	88.9bn	£80.6bn
Total scheme liabilities	91.0bn	£86.2bn
FRS 102 total scheme deficit	2.1bn	£5.6bn
FRS 102 total funding level	98%	94%

THE YOUNG FOUNDATION

England & Wales - Charity number 274345

Accounts



The Young Foundation

Report and financial statements

31 December 2021

Company Limited by Guarantee
Registration Number
01319183 (England and Wales)

Charity Registration Number
274345 (England and Wales)

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Reference and administrative information

The Young Foundation is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

It is a Research Councils UK recognised independent research organisation (IRO)

Trustees Dame Julie Mellor (resigned 13 July 2022, Chair)
Vidhya Alakeson (resigned 11 February 2022, Chair of Nominations & Governance Committees)
Kersten England
Peter Gladwell (Chair of Property Committee)
Stephen Jacobs
Henry Kippin
Abigail Rotheroe (resigned 27 January 2022)
Jonathan Sobczyk-Boddington (Chair of Resources, Risk and Assurance Committee)
William Tanner (resigned 24 August 2021)
Gareth Williams (Chair of Nominations and Governance Committee from 11 February 2022)

Chief Executive Helen Goulden

Company registration number 01319183

Charity registration number 274345

Registered office Toynbee Hall
28 Commercial Street
London
E1 6LS

Independent auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers HSBC
465 Bethnal Green Road
London
E2 9QW

Reference and administrative information

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Reference and administrative information

The Young Foundation's mission is to enable connected, more sustainable and stronger communities across the UK. We do this through amplifying people's stories and lived experiences and use this as a spur to drive locally-led and owned community action.

We use what we learn across different communities to spot national patterns of need and opportunity, working with partners to support innovations to deliver social impact at a national scale.

We seek to build a shared body of evidence, knowledge and insight about how best to strengthen and empower communities.

We were founded by the great social scientist and innovator Michael Young and originally called the Institute of Community Studies. We became the Young Foundation after Michael's death in 2002. Together we have created and supported over 80 organisations including: *Which?*, *The Open University*, *Language Line*, *Economic and Social Research Council*, *Social Innovation Exchange*, *School for Social Entrepreneurs*, *UpRising* and *Studio Schools Trust*.

OUR FUNDERS AND PARTNERS

The British Academy	Local Trust
The Cabinet Office	London Borough of Bexley
Community Land Trusts Network	London Borough of Hackney
Darlington Borough Council	London Borough of Tower Hamlets
Department for Business, Energy and Industrial Strategy	National Association of Independent Schools and Non-Maintained Special Schools (NASS)
Department for Culture Media and Sport	National Citizen Service
Department for Work and Pensions	National Lottery
European Union	National Lottery Community Fund
Friends Provident	Nuffield Foundation
Greater London Authority	Paul Hamlyn Foundation
Guild HE	Power To Change
Health & Safety Executive	Queen Mary's University London
Heritage Lottery Fund	Shine Trust
Kings College London	Social Research Association
Koreo	SPEAR London
Local Government Association	UBS

Reference and administrative information

UK Research and Innovation

UPP Foundation

Wales Centre for Public Policy

Wellcome Trust

West Midlands Combined Authority

Youth Endowment Fund

Youth Futures Foundation

CHAIR'S REPORT

I write this as the newly appointed Chair of The Young Foundation and want to start by paying tribute to the work of our outgoing Chair, Dame Julie Mellor. This report sets out some of the key achievements over the course of 2021, however this is just one chapter in a much longer story, where Julie has led The Young Foundation on a remarkable journey which has turned an organisation that was facing significant challenges into a sustainable, focused organisation with a distinctive contribution to make.

I believe our work has never been more important. Families, neighbourhoods and communities are working through the long tail of the pandemic - lost education for children, bereavement and ill health for many - and facing into a time of continuing upheaval and difficulty marked by the cost of living crisis, conflict in Europe and the war in Ukraine and a deepening climate emergency.

This is a moment in which the agency, the power, of communities working as full partners with the public and private sectors and our democratic representatives will be fundamental to our nations resilience and well-being. The work of the Young Foundation in this space - in research, thought leadership, innovative methodologies, tools and frameworks for capacity building are in support of that equal partnership and wider community well-being.

The Young Foundation has demonstrated some significant successes in 2021 which build directly on that vision and sense of purpose. Through our Institute for Community Studies, we have directly supported higher education institutions and funders of research and innovation to leverage their considerable power and potential to build agency, confidence and capacity for more people to become involved in research for social change. Our national peer research network has gone from strength to strength, bringing local government and other institutions far closer to the experiences of those they serve. At the same time, we have been building community leadership capabilities, and building innovative models for centring the community in local place-making strategies. Working across all sectors, in many different parts of the UK, we are bringing people and power together.

As we move through 2022 and beyond, many things await us. Some may be predictable, some not. In strengthening the bond between and across communities, we build resilience and opportunities for collaboration and much needed innovation. The Young Foundation is increasingly well-placed to leverage its considerable legacy and capabilities work in the service of that agenda and I look forward to leading that mission as its new Chair.

Kersten England
Chair

CHIEF EXECUTIVE'S REPORT

It is with a strong sense of pride in the team at The Young Foundation that we present our 2021 annual report setting out our performance and achievements. Despite the continued stresses and strains of the pandemic, now being usurped by a very different set of social, economic and geo-political crises, the impact of The Young Foundation grew in 2021, underpinned by a vision and mission to understand, involve and innovate with local communities to drive social change.

Alongside increasing our income and posting an operating surplus for this year, we have delivered a strong and cohesive set of projects, as well as growing the infrastructure necessary to operate a far larger scale in years to come.

It is clear that through our use of the Kickstart Scheme, the growth of our national peer research network, and our work with funders across the private, public, higher education and philanthropic sectors, we are proving that there are sustained ways of bringing more people into civic, research and innovation activities from which they would otherwise be excluded. What this means in more vibrant terms is that we're building curiosity, empathy, confidence, agency for more people to explore the world around them and how they can use those insights to take action, whatever the context, whatever their starting point. That feels like an important agenda, of increasing importance.

We continue to be active on socially relevant agendas, including the ongoing and long-term impact of the pandemic on communities, the climate crisis and critical need for adaptation and a just transition to Net Zero and supporting young people to navigate the very challenging world they are inheriting, to name a few. It is clear that the approaches, techniques and models we use are relevant to many different contexts and many different people and communities. And there is strong evidence that this work will continue to grow in 2022, as the investment into our innovation and external affairs capacity begins to bear fruit.

I want to thank the team, the dedication of our trustees, particularly our outgoing chair Dame Julie Mellor and the continued trust and funding from our partners, who have made all that work possible.

Helen Goulden

Chief Executive

TRUSTEES' ANNUAL REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with audited financial statements of The Young Foundation (the charitable company) for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 31 of the attached accounts and comply with the charity's Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

OBJECTIVES AND RELEVANT POLICIES

Objectives and activities for the public benefit

The objects of the Young Foundation as set out in its Memorandum of Association are:

- a) The relief of needs arising from financial hardship, mental or physical illness, disability, or old age;
- b) The promotion of equality and diversity for the benefit of the public through research and the design and delivery of services that address exclusion;
- c) The promotion of health;
- d) The promotion of research and education in the social sciences and the dissemination of the useful outcomes of such research; and
- e) The advancement of purposes charitable in England and Wales by the development of organisations and activities and the exchange of ideas.

The objects are considered by the trustees to be for the public benefit as defined in the Charity Commission's guidance on public benefit. In order to achieve these objectives, the Young Foundation undertakes research to identify and understand social needs and then develops practical initiatives and institutions to address those, combining ideas, analysis and practical action.

Our research work also permeates all our programmes. We are a Research Councils UK recognised independent research organisation (IRO).

ACHIEVEMENTS AND PERFORMANCE

2021 was a successful year for The Young Foundation on many levels. This is partly evidenced by exceeding our financial income targets which must be regarded as a major achievement, given the posting of substantial deficits for over a decade. However, financial sustainability is not the end goal, and The Young Foundation is proud of the range and scale of the impact we achieved in 2021, laying even stronger foundations for growth in 2022. The summary of our performance and achievements is set out in alignment with our four strategic goals, which state that if we are to work towards a fairer future we need to:

- ◆ Demonstrate the value of working differently with people and communities
- ◆ Scale effective and sustained ways of involving people and communities in social innovation & change
- ◆ Become a national centre of excellence for understanding what works in supporting stronger communities
- ◆ Ensure we are fit for purpose: a financially sustainable and vibrant organisation, ready to tackle serious social challenges

DEMONSTRATING THE VALUE OF WORKING DIFFERENTLY WITH PEOPLE & COMMUNITIES

We know that business, government, philanthropy and the social sector are increasingly motivated to work differently, in ways that recognise the need for more participatory, community-involving strategies and practice. We know organisations are capable of articulating the change they want to see, in terms of outcomes. The challenge is one of implementation and understanding how to begin, undertake *and* sustain different ways of working which challenge traditional power dynamics and organisational boundaries, are more inclusive and relational in nature. Part of that is about having the tools, models and approaches to experiment and learn from. Part of it is about demonstrating the art of the possible; developing projects which inspire and influence others.

Throughout 2021, we incubated and delivered a range of projects which sought to do just that, many of which continue into 2022 and beyond. Two examples are highlighted in this report: The Climate Challenge Cup and our utilisation of the Government's Kickstart Scheme.

The Climate Challenge Cup

Supported by BEIS, UKRI Science & Innovation Network, Foreign and Commonwealth Development Office, The Earth Institute, Glasgow Council, Glasgow University and the Metrolab network, The Young Foundation designed and delivered a major international competition to show the best examples of collaborations across universities, civic institutions and communities adapting to climate change and transitioning to net zero. The twelve shortlisted collaborations showed that local action, local political commitment, far-sighted vision and pioneering scientific innovation are capable of transforming local regions and transforming whole industries.

ACHIEVEMENTS AND PERFORMANCE (continued)

DEMONSTRATING THE VALUE OF WORKING DIFFERENTLY WITH PEOPLE & COMMUNITIES (continued)

The Climate Challenge Cup (continued)

Winners included a project in South Chicago, where a community-led, multi-disciplinary team have designed a nine acre Renewable Energy and Urban Farm Campus and across the Appalachian region, we showcased 'The Marshall Plan for Middle America', piloting a whole-system approach to transitioning to a net zero economy.

In November 2021, as part of the official COP26 programme, The Young Foundation hosted a range of US and UK changemakers demonstrating the value and impact of involving communities in climate innovation. You can watch the [video here](#).

Kickstart your research career

In 2021, The Young Foundation was accepted as a direct employer through the Kickstart Scheme, enabling us to employ three cohorts of people on Universal Credit and train them as community/peer researchers. With support from Mohn Westlake Foundation and Youth Futures Foundation, the young people developed their skills and competencies in a range of areas which will prepare them for further work. This included highly transferable work-place skills and research practice, as well as valuable competencies such as creativity, communication and collaborative problem solving.

The skills our Kickstart employees learned are relevant to a very wide range of jobs, but we hope that some may choose research as their path forward. Indeed, we were able to offer ongoing permanent employment to two of the cohort after their six month placement. As UKRI embarks on a mission to ensure that research and innovation is diverse, inclusive and an integral part of UK society, our use of the Kickstart Scheme demonstrated an entirely new pathway for young people to get involved in research and innovation practice. You can hear directly from our Kickstart researchers [here](#) & [here](#). In 2022, we will continue to innovate and act creatively to 'widen the gate' into socially-impactful research activities.

This supports our report into diversity and inclusion in social research: [Far to Go](#), which showed the extent of the challenge we have to collectively build a social research sector. The report is discomfiting and important reading. It sets out the findings from the first comprehensive survey of nearly 1,000 views and experiences of UK social researchers. The report makes five overarching recommendations, calling on all organisations and individuals working in the social research sector to actively engage and respond in order to drive change.

SCALING WHAT WORKS

As well as developing new and innovative projects across 2021, there has been considerable attention to ensuring our proven methods and approaches can be scaled across as many places and communities as possible. To this end, The Young Foundation research team has been focused on scaling our peer and community research offer. Peer research is empowering. It is directed and conducted by people with lived experience of the issues being studied. This means people can affect positive change that matters to them.

ACHIEVEMENTS AND PERFORMANCE (continued)

SCALING WHAT WORKS (continued)

Peer researchers have a deep and personal understanding of the social or geographical community being studied. We believe that if more local people are skilled in asking questions about the places and issues they care about, more capacity, agency and confidence will be built for taking social action and making social change.

Alongside a continued growth in peer research commissions from partners from private, philanthropic and public sectors, we have focused on building the supporting infrastructure which enables this work to operate at a national scale. In 2021, this has included:

- ◆ Accreditation: The Young Foundation now delivers an NCFE-accredited Peer Research Level 2 qualification. Our accreditation is open to approved organisations that provide a good standard of training and support to peer researchers. The level 2 qualification is designed to be accessible. Students complete the course while working on a live peer research project (or retrospectively), evidencing how their peer research skills have been put into action, and submitting work that's closely connected to their peer research role.
- ◆ Codifying our Peer Research Offer - We support organisations to develop their staff's peer research skills, and we co-ordinate local teams of peer researchers. Our comprehensive interactive training curriculum for adults and young people can be delivered both virtually and in-person.
- ◆ Developing a 'Train the Trainer' model for young people with support from the Youth Endowment Fund and our work to support young people at risk of becoming involved in violence.
- ◆ Continuing to grow our Peer Research Network, a place where those interested or active in the field can access people, resources, knowledge, training and tools which are of a high quality.

Through driving standards, quality and consistency across peer research, we have been successful in taking our work to a much larger audience, feeding a demand which seems to be growing.

Supporting the growth of Community Leadership

As part of our support for growing capacity and confidence in communities, throughout 2021 we continued to co-deliver the Community Leadership Academy funded by The Local Trust, and [make the case for deeper investment](#) into community leadership as part of our civic infrastructure. This has been complimented by ongoing delivery of Civic Futures, a London-wide initiative supported by the GLA to ensure that London's civic leaders receive the necessary support in terms of their own development, access to networks and a voice in ongoing conversations about London.

Building on our continued work to map creative community strength, we launched London's **Civic Strength Index** at Toynbee Hall with London's Deputy Mayor for Communities & Social Justice Deborah Weekes-Bernard. The Civic Strength Index offers a unique, data driven view of civic strength across London's boroughs. You can view the report and data visualisation from [here](#).

ACHIEVEMENTS AND PERFORMANCE (continued)

SHARING THE EVIDENCE OF WHAT'S WORKING TO SUPPORT STRONGER COMMUNITIES

This strategic goal is realised through our Institute for Community Studies. The Institute engages with communities and experts across the United Kingdom to identify and prioritise the top questions that research needs to answer based on what matters to local people, amplifying community perspectives and directing policymakers and other researchers toward the most urgent and salient questions.

The Institute encourages more equal relationships between institutions and communities. It challenges the dominant commissioning model that is too often detached and extractive, answering questions set from above with little or no insight into what really matters to communities themselves.

As a platform for sharing knowledge, the Institute worked with partners across the public, private and third sectors and academia to engage 'multiple publics in multiple ways' that avoid replicating and deepening the power imbalances that run through society. Work undertaken in 2021 includes:

- ◆ the **Nuffield Foundation**, to better understand the issues that families in deprived communities face as they navigate the transition to Net Zero;
- ◆ the **National Citizen Service CIC**, to re-imagine the 'civic journey' that young people experience from adolescence to adulthood;
- ◆ **UKRI**, to explore new ways to bring the research and innovation system closer to communities, and particularly those most at risk of marginalisation;
- ◆ **Sheffield Hallam University** and the **National Coordinating Centre for Public Engagement**, to support the Civic University Network and re-shape relationships between universities and the communities they serve;
- ◆ Working in partnership with **Kings College London**, we trialled Undisciplined Spaces, providing a pioneering opportunity for undergraduate students to design and deliver creative activist research projects addressing issues of marginalisation or exclusion in the local communities in which they live; and
- ◆ Grown our bank of knowledge through the migration of data and evidence from the Power to Change Research Institute.

There have been some standout reports emerging from the Institute in 2021, with the publication of *The Covid Decade* in partnership with the British Academy and *'Why Don't They Ask Us?'* which analysed fifteen years of central government investment into levelling up activities, revealing robust evidence that current approaches to regeneration and economic transformation are not working for the majority of local communities and their economies.

ACHIEVEMENTS AND PERFORMANCE (continued)

SHARING THE EVIDENCE OF WHAT'S WORKING TO SUPPORT STRONGER COMMUNITIES (continued)

Why don't they ask us? formed part of a series of working papers examining how to fix local economies so that they work better for communities. The purpose of these reports was to demonstrate a new approach to mapping and co-designing stronger local economies for communities that is also community-led. The first report, Discomfort, Dissatisfaction & Disconnect: Exploring local economic perceptions through peer research, explored local economies from the perspectives of local communities through over fifty in-depth interviews undertaken using peer research, giving a platform to these all-too-often forgotten voices.

ENSURING WE ARE A FINANCIALLY SUSTAINABLE AND FIT FOR PURPOSE ORGANISATION
2021 was another year characterised by lockdowns and the pandemic, which has meant an ongoing challenge of ensuring we support well-being and productivity across our remote team, as well as continuing to drive our financial performance and social impact.

Our Place of Work

In February 2020, The Young Foundation completed its sale of its long-standing home in Bethnal Green's Victoria Park Square. The income from this sale is being invested in the short-medium term to yield an annual return to the charity. In subsequent years, this capital may be used to reinvest in a better suited building to house the organisation. While a difficult decision, given historical connections to Michael Young, trustees were in full agreement that the general dilapidation of the property and the need for significant investment to ensure it was fit for purpose as a place of work, made the sale in the best interests of the charity. In July 2021 we made our new home at Toynbee Hall, an organisation physically open to the local community, and with whom we have a shared ethos and similarly deep roots in the East End of London. The fundamental changes in our patterns and place of working as a result of the pandemic have afforded The Young Foundation staff a high degree of flexibility, with a significant reduction of cost to the charity as a result of the sale.

Financial Sustainability

As evidenced in the Financial Overview of this report, the Young Foundation continues to grow its income. Our consolidated accounts for 2021 show an operating surplus. While there is still some work to ensure our unrestricted funds are breaking even, the sustained trajectory of growth and sustainability is clear to see. At time of writing (May 2022), we are further increasing our forecast income, on track to exceed our target – undertaking strategically relevant and impactful work.

Equity, Diversity & Inclusion

Over the course of 2020, The Young Foundation has improved the diversity of our workforce, and our eagerness to recruit remotely, has enabled those who have different education backgrounds and different abilities to join the team, as well as reaching talent that would otherwise be excluded from working in a London based charity. Our work now is focused on growing that diversity further and continuing the work to ensure that The Young Foundation is an inclusive and supportive place to work.

FINANCIAL REVIEW

Results for the year

The reported surplus in the year to December 2021 of £2,593k is a significant improvement on the £157k deficit in 2020. However, this surplus includes a £1,989k profit from the sale of the building 18 Victoria Park Square. Excluding this profit the surplus for the year was £604k. Looking at Unrestricted Funds and excluding the sale of the property, a surplus of £65k was made. This comes after a number of years of unrestricted deficits (2020: £294k).

Income in the year, excluding the sale of the property, of £3,101k (2020: £1,896k) represents a substantial 64% increase on the prior year.

Charitable expenditure of £2,497k (2020: £2,054k) is a 22% increase on 2020 expenditure. There has been a focus on support costs and these were largely flat year on year at £677k in 2021 compared with £670k in 2020.

In 2021, the charity secured several large grants restricted to delivery of specific programmes (including grants from the NCS Trust for the Civic Journeys programme and central government for the BOOST programme) meaning that restricted income in 2021 of £1,750k (2020: £1,221k) represents 58% of grants and other earned income.

There is an unrestricted surplus of £2,054k (2020: deficit £294k). As noted below the charity continues to operate within its reserves policy. With support costs well managed, and the sale of the charity's property removing the risk of unexpected maintenance expenses, the focus for 2021 was to increase income whilst retaining appropriate margins on projects to ensure that support costs are fully funded. Income targets for 2021 of £2,000k were exceeded and at the time of writing income is expected to be ahead of plan for 2022. In 2021 the Young Foundation invested further in roles to help deliver this income growth including the appointment of an Associate Director, Institute for Community Studies and a Head of External Affairs & Communications. They were joined at the beginning of 2022 by a Director of Innovation and Practice.

Reserves policy and financial position

Total reserves at 31 December 2021 were £5,206k (2020: £2,613k) of which £1,603k (2020: £1,064k) were restricted for specific purposes. In addition, following the sale of 18 Victoria Park Square, a total of £2,900k was designated during the year to the property fund, for further details see note 12.

The policy of the trustees is to hold sufficient reserves in a liquid form to meet short term obligations, and having considered the risks facing the charity and its level of activity, have decided that this is equivalent to six months unrestricted expenditure. At 31 December 2021, six months unrestricted expenditure was £752k (2020: £509k). The total free reserves at 31 December 2021 were £703k (2020: £1,549k) which represents 5.6 months unrestricted expenditure.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

Therefore, the trustees consider that they have sufficient funds to meet the reserves policy and are considering how best to invest these funds to balance preserving liquidity to maintain day to day activity whilst also generating income and/or long-term growth.

Going concern

The trustees continue to adopt the going concern basis in preparing the annual financial statements. In adopting this basis, they have reviewed all appropriate budgets and forecasts. These forecasts include the impact of Covid-19, which is explained in detail under "Risk Management" (page 17 below). The trustees are not aware of any material uncertainties that suggest that the Young Foundation cannot continue as a going concern.

Investment policy and performance

Under the Memorandum and Articles of Association the trustees have general powers of investment. The trustees held the charity's funds as cash with CCLA and HSBC in 2021. In 2022, they have decided to invest in the Cazenove Charity Responsible Multi-Asset Fund, in addition.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Young Foundation's governing documents are its Memorandum and Articles of Association dated 15 June 1977 as amended on 16 March 2005 and 21 February 2021.

The Board of Trustees met five times in 2021. In addition to the Board of Trustees there is a Resources, Risk & Assurance Committee (RRAC) which met four times in 2021. The Committee was chaired by the treasurer, Jonathan Sobczyk Boddington from February 2021. The Nominations and Governance Committees met during 2021.

Due to a number of scheduled retirements, the Board is to be refreshed in 2022, with up to six new trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The following trustees were in office at 31 December 2021 and served throughout the year except where shown.

Trustees	Appointments/ resignations	Board meetings attended in 2021 (and number available)
Dame Julie Mellor	Resigned 13 th July 2022	5 (5)
Vidhya Alakeson	Resigned 11 th February 2022	5 (5)
Kersten England		4 (5)
Peter Gladwell		5 (5)
Stephen Jacobs		5 (5)
Henry Kippin		5 (5)
Abigail Rotheroe	Resigned 27 th January 2022	4 (5)
Jonathan Sobczyk-Boddington		5 (5)
William Tanner	Resigned 24 th August 2021	3 (3)
Gareth Williams		5 (5)

Details of all the trustees are posted on our website, youngfoundation.org

Candidate trustees meet with the Chair, the Chief Executive and the Nominations and Governance Committee following which their application is considered by the Nominations and Governance Committee. The induction of trustees is undertaken on an informal basis with the Chief Executive and senior management team and through attendance at Young Foundation and external events.

The day to day management and running of the charity has been delegated to the Chief Executive and the senior management team. The senior management team prepares an annual operational plan and budget which is approved by the trustees. The senior management team take responsibility for the execution of the operational plan and budget and report on progress to the trustees.

Key management personnel

The key management personnel of the Young Foundation are the Chair and Board of Trustees together with the Chief Executive and Directors who form the senior management team.

The remuneration of the Chief Executive is set and reviewed by the nominations committee. The remuneration of the other key management personnel is set by the CEO taking into consideration factors such as what the organisation can afford to pay, inflation and external benchmarking.

Risk management

The Board's Resources, Risk and Assurance Committee has reviewed the major operational risks and the Board has reviewed the strategic risks including the ways in which these are monitored, managed and mitigated by the senior management team. These reviews have included the on-going impact of Covid-19.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

Impact of Covid-19 (Coronavirus)

Covid-19 (Coronavirus) restrictions continued during much of 2021, with lockdowns across the country, restricting travel to a few exceptional circumstances, and forcing the temporary suspension of some traditional business practices.

In February 2021, the Young Foundation sold its office building. It had been subject to closure due to lockdown conditions and all staff had been working from home. The Young Foundation has operated since then in a hybrid fashion, from office space rented at Toynbee hall, with many staff continuing to work from home, most of the time, but attending the office to collaborate.

Despite initial concerns that business development activities during lockdown would be more difficult we were able to exceed our income targets for 2021 and performance against 2022 targets also looks strong at the time of writing. Proceeds from the sale of the building have also bolstered the charity's reserves.

The businesses in which we have made social investment have mainly been able to maintain their trade during 2021 and at this point there has been no impact on the valuation of our investments. But we continue to monitor our investments closely as the longer-term impact on their trade becomes clearer.

Key risks

Our risk registers reflect the above increased risks presented by Covid-19. The key risks identified by the Board and summarised below together with management actions to mitigate these risks.

Income Generation and sustainability

The main risk to The Young Foundation is the inability to generate sufficient income to enable full cost recovery and be a financially sustainable organisation. As noted above, the long-term impact of Covid-19 or indeed war in Ukraine and other events on the wider economy may mean that business development becomes more difficult. It is essential that we maintain close relationships with funders and explore all funding opportunities. We have developed and continue to refine our processes for bidding for funding to ensure full cost recovery. We will be developing some "off-the-shelf" products as a way of introducing our products and services to new clients. The sale of our property has helped us reduce overheads further as we no longer risk large unexpected maintenance costs.

Staff engagement

The Young Foundation has settled into a pattern of hybrid working, with staff able to mix home and office working. We have regular all staff team meetings and ensure that managers keep in close contact with their team. We have upgraded some of our IT systems and equipment and we provide appropriate office furniture for staff who need it. We continue to seek staff opinion and feedback through team meeting discussions and staff surveys.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Young Foundation for the purposes of company law) are responsible for preparing the Trustees' 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, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for the year. 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

This report was approved by the trustees on 13 July 2022 and signed on their behalf by:



Kersten England, Chair of the Board of Trustees

Independent auditor's report to the members of The Young Foundation

Opinion

We have audited the financial statements of The Young Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 December 2021 and of 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.

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 trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

Other information (continued)

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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees, who are also directors 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.

Responsibilities of trustees (continued)

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:

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; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the Companies Act 2006) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

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; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates for the valuation of programme related investments and the bad debt provision were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

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.

Buzzacott LLP

Catherine Biscoe (Senior statutory auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 8 September 2022

Statement of financial activities Year ended 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Restricted funds £	2020 Total funds £
Incorporating income and expenditure account							
Income from							
Donations		–	–	–	1,139	–	1,139
Investments	2	356	–	356	2,418	–	2,418
Charitable activities							
. Grants and other earned fees	1a	1,271,451	1,750,382	3,021,833	484,774	1,220,799	1,705,573
. Other	1b	2,067,935	–	2,067,935	187,253	–	187,253
Total income		3,339,742	1,750,382	5,090,124	675,584	1,220,799	1,896,383
Expenditure on							
Charitable activities	3	1,504,555	992,843	2,497,398	1,017,462	1,036,254	2,053,716
Total expenditure		1,504,555	992,843	2,497,398	1,017,462	1,036,254	2,053,716
Net income (expenditure) before transfers		1,835,187	757,539	2,592,726	(341,878)	184,545	(157,333)
Transfers between funds	12	218,724	(218,724)	–	48,205	(48,205)	–
Net income (expenditure) and net movement in funds for the year		2,053,911	538,815	2,592,726	(293,673)	136,340	(157,333)
Reconciliation of funds:							
Total funds brought forward		1,548,818	1,064,007	2,612,825	1,842,491	927,667	2,770,158
Total funds carried forward		3,602,729	1,602,822	5,205,551	1,548,818	1,064,007	2,612,825

Other charitable income includes discontinued activities (the Hub Social Investment Rent and Room Hire (£748) (2020 - £128,324) and tenant recharges £184 (2020 - £4,531). These activities ceased with the sale of the building.

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages to 32 to 44 form part of these financial statements.

Balance sheet 31 December 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	7	36,135		5,295	
Investments	8	423,866		595,247	
			460,001		600,542
Current assets					
Assets held for resale		—		909,250	
Debtors	9	900,637		439,685	
Cash at bank and in hand		4,173,941		1,114,515	
		5,074,578		2,463,450	
Liabilities:					
Creditors: amounts falling due within one year	10	(329,028)		(451,167)	
Net current assets			4,745,550		2,012,283
Total assets less current liabilities			5,205,551		2,612,825
The funds of the charity:					
Unrestricted funds:					
. General funds	12		702,729		1,548,818
. Designed funds			2,900,000		—
Restricted funds	13		1,602,822		1,064,007
			5,205,551		2,612,825

The financial statements were approved by the Trustees on 13 July 2022 and signed on their behalf, by:



Kersten England, Chair

The Young Foundation
Company registration number 01319183 (England and Wales)

The notes on pages 32 to 44 form part of these financial statements.

Statement of cash flows 31 December 2021

	Notes	2021 £	2020 £
Cash outflow from operating activities:			
Net cash used in operating activities	A	(32,898)	(57,700)
Cash inflow from investing activities:			
Interest and dividends from investments		356	2,418
Purchase of tangible fixed assets		(39,700)	–
Sale of asset held for sale		2,898,200	–
Repayments of investments		233,468	55,800
Net cash provided by investing activities		3,092,324	58,218
Change in cash and cash equivalents in the year		3,059,426	518
Cash and cash equivalents at 1 January 2021	B	1,114,515	1,113,997
Cash and cash equivalents at 31 December 2021	B	4,173,941	1,114,515

Notes to the statement of cash flows for the year to 31 December 2021

A Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	2,592,726	(157,333)
Adjustments for:		
Depreciation charge	4,068	34,053
Impairment of investments	(62,087)	(74,431)
Interest and dividends from investments	(356)	(2,418)
Surplus on disposal of asset held for sale	(1,988,947)	–
Loss of disposal of fixed assets	4,792	–
Increase in debtors	(460,952)	(89,386)
Increase/(decrease) in creditors	(122,142)	229,815
Net cash used in operating activities	(32,898)	(57,700)

B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	3,441,642	382,216
Instant access cash accounts	732,299	732,299
Total cash and cash equivalents	4,173,941	1,114,515

C Analysis of changes in net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash	382,216	3,059,426	3,441,642
Cash equivalents	732,299	–	732,299
Total	1,114,515	3,059,426	4,173,941

Principal accounting policies 31 December 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2021.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation rate;
- ◆ the valuation of social investments;
- ◆ the allocation of support costs; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern basis (see below).

The trustees considered the impact of Covid-19 when making these judgements and estimates. With the exception of the valuation of social investments, they do not consider that the impact of Covid-19 results in any further uncertainty. The valuation of social investments is based on the most up to date information available to trustees on future income and cash flows. The trustees determined that these forecasts adequately reflect the impact of Covid-19.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements based on appropriate budgets and forecasts.

When preparing these forecasts, the trustees considered:

- ◆ the impact of “lockdown” on staff, delivery against contracts and rental income and concluded that these risks are reducing;
- ◆ the wider impact on the wider UK economy. Whilst there remain uncertainties for the longer term, the charity is confident of operating at increased income levels and are investing in staff and resource to generate further increased income in 2022 and beyond.

As a result of this review, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Additional detail about the impact of Covid-19 on the charity is described in the Trustees’ Annual Report (page 18).

Company status

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged against the specific fund.

Income recognition

Income is recognised in the statement of financial activities when the charitable company has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income recognition (continued)

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Where the Young Foundation is a member of a consortium, for example on certain EU funded programmes, only the income and expenditure which is specific to the Young Foundation is recognised in the financial statements.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included in expenditure. Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services of equivalent economic benefit on the open market.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

All expenditure is inclusive of irrecoverable VAT.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs of projects, including governance costs and where appropriate charitable grants.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued.

Allocation of support and governance costs

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out centrally.

Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Support costs are allocated across charitable expenditure on the basis of the number of staff employed in each activity.

Tangible fixed assets and depreciation

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

- ◆ Office equipment - 25% on a straight line basis
- ◆ IT equipment - 33% on a straight line basis

Other financial instruments

The charity has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other'. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

Social investments

Social investments are investments made directly in pursuit of the charity's charitable purposes. Unquoted equity investments are held at cost, less any provision for diminution in value or add any increase in value, while loans are recorded at cost less any provisions to reflect non-recoverability.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Pension contributions

The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. Therefore, as required by FRS 102, the charity accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. There is currently no deficit funding plan in place, other than increased employer contributions, and therefore no liability has been recognised.

In February 2015, a defined contribution scheme, (the Peoples Pension) was established for staff not working on research. Contributions in respect of the defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employee contributions.

1a Income from charitable activities – grants and other fees earned

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Communities	652,375	334,270	986,645
Research	619,076	676,782	1,295,858
Social Investment and Innovation	–	739,330	739,330
2021 Total funds	1,271,451	1,750,382	3,021,833

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Communities	287,114	17,545	304,659
Research	197,660	692,731	890,391
Social Investment and Innovation	–	510,523	510,523
2020 Total funds	484,774	1,220,799	1,705,573

1b Income from charitable activities – other income

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Hub for social innovation – rent and room hire	(748)	–	(748)
VAT recovery	33,481	–	33,481
Tenant recharges	184	–	184
Speaking fees, events and publications	575	–	575
Gain on sale of building	1,988,947	–	1,988,947
Gain on conversion of YAIF Project	47,343	–	47,343
Other	(1,847)	–	(1,847)
2021 Total funds	2,067,935	–	2,067,935

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Hub for social innovation – rent and room hire	128,324	–	128,324
VAT recovery	16,681	–	16,681
Tenant recharges	4,531	–	4,531
Speaking fees, events and publications	691	–	691
Government grant	27,028	–	27,028
Other	9,998	–	9,998
2020 Total funds	187,253	–	187,253

2 Income from investments

	Unrestricted funds £	Restricted funds £	2021 Total funds £
Interest receivable on cash deposits	356	—	356
2021 Total funds	356	—	356

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Interest receivable on cash deposits	2,418	—	2,418
2020 Total funds	2,418	—	2,418

3 Expenditure on charitable activities

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2021 Total funds £
Communities	560,753	140,211	70,142	—	771,106
Research	427,222	280,422	299,934	99,061	1,106,639
Social Investment and Innovation	2,473	93,474	459,463	64,243	619,653
2021 Total funds	990,448	514,107	829,539	163,304	2,497,398

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2020 Total funds £
Communities	278,811	104,910	54,702	24,114	462,537
Research	143,328	231,278	448,613	43,530	866,749
Social Investment and Innovation	463	66,761	305,934	159,361	532,519
Hub for social innovation	151,378	40,533	—	—	191,911
2020 Total funds	573,980	443,482	809,249	227,005	2,053,716

Allocation of support costs

Support costs have been allocated across charitable expenditure on the basis of the number of staff employed in each activity. The net costs after allocation are shown below

	2021 £	2020 £
Development, Administration, Finance and Human Resources	590,323	576,280
Information technology	48,198	56,561
Governance costs		
. Auditor's remuneration	16,450	16,263
. Staff costs	22,440	21,384
	677,411	670,487

4 Staff costs and remuneration of key management personnel

	2021 £	2020 £
Wages and salaries	1,198,404	976,894
Social security costs	115,354	99,560
Other pension costs	140,476	97,455
	1,454,234	1,173,909

During the year, the Young Foundation made total termination payments of £58,856 (2020 – £11,401). These are included within wages and salaries.

The average head count during 2021 was 30 (2020 – 29).

The average, full time equivalent number of staff analysed by function is:

	2021	2020
Charitable activities	22.5	18.6
Support	4.3	5.7
	26.8	24.3

The number of higher paid employees was:

	2021 no.	2020 no.
£60,000 - £70,000	2	1
£100,001 - £110,000	1	1
	3	2

These employees are accruing retirement benefits under either a defined benefits or defined contribution scheme. Employer contributions made in respect of these individuals totalled £32,538 (2020 – £18,665).

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis comprises the trustees, the Chief Executive and the senior management team. The total remuneration (including taxable benefits, employer's pension contributions and national insurance costs) of the key management personnel for the year was £320,491 (2020 – £285,596). The cost of key leadership personnel employed as contractors on an interim basis during the year was £99,330 (2020: £63,690).

No remuneration was paid to any trustee during the year. No trustees' travel and accommodation expenses were reimbursed during the year (2020 – £932).

5 Net expenditure for the year

This is stated after charging:

	2021 £	2020 £
Auditor's remuneration (excluding VAT):		
. Audit – current year	10,750	10,500
. Audit – prior year	5,700	5,763
Depreciation	4,068	34,053
Operating lease rentals	–	301

6 Taxation

The Young Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

7 Tangible fixed assets

	Office equipment £	IT equipment £	Total £
Cost			
At 1 January 2021	108,704	151,879	260,583
Additions	–	39,700	39,700
Disposals	(108,704)	(150,372)	(259,076)
At 31 December 2021	–	41,207	41,207
Depreciation			
At 1 January 2021	104,772	150,516	255,288
Charge for the year		4,068	4,068
Disposals	(104,772)	(149,512)	(254,284)
At 31 December 2021	–	5,072	5,072
NBV at 31 December 2021	–	36,135	36,135
NBV at 1 January 2021	3,932	1,363	5,295

8 Investments

	Total funds 2021 £	Total funds 2020 £
Social investments:		
. Young Academy		
Market value at 1 January 2021	595,247	578,616
Impairment reversal/(charge)	62,087	72,431
Repayments	(233,468)	(55,800)
Market value at 31 December 2021	423,866	595,247
Historic cost	851,472	1,084,939

8 Investments (continued)

Social investments

The Young Foundation has made social investments through the Young Academy Investment Fund which has been established by the Young Foundation with funding from the Social Incubator Fund, which is administered by the Big Lottery Fund on behalf of the Cabinet Office and UBS. The initial investments were made by way of convertible loan notes. Many of these instruments have now been converted into loans with repayments linked to revenue.

At 31 December 2021, the split was as follows:

	2021 £	2020 £
Convertible loan notes	153,188	247,000
Revenue participation loans	270,678	348,247
	423,866	595,247

The social investments include convertible loan notes issued to Think for the Future, Potentially and CPDBee and revenue participation loans to Edukit, Proversity, Infused Learning, Structural Learning, Smart Schools Council, Talent-Ed Education, GT Scholars, Panjango, and East Learning CIC.

The Young Foundation holds shares in a community interest company Mydex Data Services. At this stage in Mydex's development, it has been decided to not to put a value on the shareholding in the Young Foundation's financial statements. The shareholding is treated as a social investment as it is made directly in pursuit of the Young Foundation's charitable purposes.

The Young Academy investments were reviewed internally for diminution in value. In 2021 no increase in impairment provision was made, however the provision was reduced by £62,087 representing actual repayments against investments previously fully impaired of £844 and a reversal of impairments made in earlier years that are no longer considered necessary of £61,243 (2020 – a reversal of £45,310 was made.) The valuation of social investments is based on the most up to date information available to trustees on future income and cash flows and following the year end, no further material diminution in value has been noted.

9 Debtors and prepayments

	2021 £	2020 £
Trade debtors	460,028	99,498
Prepayments and accrued income	440,609	340,187
	900,637	439,685

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	53,670	40,021
Other creditors	91,824	85,745
YAIF loan	36,500	–
Accrued expenditure	47,433	67,344
Deferred income	99,598	258,057
	329,028	451,167

The YAIF loan is an interest free facility with a repayment date of 31 March 2026. The charity intends to make the repayment within the next financial year.

Included in creditors is deferred income as set out below:

	2021 £	2020 £
Deferred income at 1 January 2021	258,057	48,197
Resources deferred in the year	99,598	258,057
Amounts released in the year	(258,057)	(48,197)
Deferred income at 31 December 2021	99,598	258,057

Deferred income comprises funds received in advance in relation to several contracts in progress at the year end.

11 Liability of members

The charity is a company limited by guarantee, each member being liable for a sum not exceeding £1 in the event of the company being wound up.

12 Movement in funds

	Balance at 1 January 2021 £	Net income £	Transfers £	Balance at 31 December 2021 £
Restricted funds	1,064,007	757,539	(218,724)	1,602,822
Unrestricted funds				
· General fund	1,548,818	1,835,187	(2,681,276)	702,729
· Property fund	–	–	2,900,000	2,900,000
	1,548,818	1,835,187	218,824	3,602,729
Total funds	2,612,825	2,592,726	–	5,205,551

The property fund represented the charity's investment in property which created a hub for social innovation and for nurturing new organisations as well as acting as a base from which the charity could carry out its operations. The property was sold in early 2021. However, £2.9 million has been designated by the trustees for possible future use in the purchase of a property.

Restricted funds represent grant income for specific charitable projects as set out in note 13.

12 Movement in funds (continued)

	<i>Balance at 1 January 2020 £</i>	<i>Net expenditure £</i>	<i>Transfers £</i>	<i>Balance at 31 December 2020 £</i>
<i>Restricted funds</i>	927,667	184,525	(48,205)	1,064,007
<i>Unrestricted funds</i>				
<i>. General fund</i>	904,214	(318,902)	963,506	1,548,818
<i>. Property fund</i>	938,277	(22,976)	(915,301)	–
	<u>1,842,491</u>	<u>(341,878)</u>	<u>48,205</u>	<u>1,548,818</u>
<i>Total funds</i>	<u>2,770,158</u>	<u>(157,333)</u>	<u>–</u>	<u>2,612,825</u>

13 Restricted fund analysis

The movement in restricted funds in 2021 was:

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
Research					
EU Horizon 20 20- Clever Cities	19,337	28,015	(16,161)	–	31,191
NCS Trust CIC Civic Journey	–	497,999	(36,578)	–	461,421
YFF Kickstart	–	37,478	(33,976)	–	3,502
DWP Kickstart	–	107,630	(100,469)	–	7,161
EU Horizon 20 20- UPLIFT	229,111	–	(56,199)	–	172,912
Paul Hamlyn Foundation - Peer Research	36,274	–	(36,274)	–	–
Calouste Gulbenkian Foundation - Battersea Arts Centre	11,375	–	(10,786)	–	589
UPP Foundation - Civic University	16,401	–	(12,085)	–	4,316
The Wellcome Trust- COVID-19	45,265	–	(45,265)	–	–
Kings' College London - Undisciplined Spaces	14,337	5,660	(19,997)	–	–
National Lottery Community Fund - Emerging Futures	31,205	–	(31,205)	–	–
Total Research	403,305	676,782	(398,995)	–	681,091
Communities					
Nuffield Foundation Net Zero	–	250,520	(17,042)	–	233,478
Power To Change Legacy Grant	–	50,000	(23,100)	–	26,900
Power to Change Strategic Grant	–	33,750	(30,000)	–	3,750
Total Communities	–	334,270	(70,142)	–	264,128
Social Innovation and Investment					
The Young Academy Social Incubator Fund Grant	595,247	–	47,343	(218,724)	423,866
UBS AG - Young Academy Fund Management	44,695	25,000	(51,552)	–	18,143
Young Academy Accelerator 2019	2,500	–	(2,500)	–	–
DCMS Boost 2021	–	196,330	(196,330)	–	–
NASS Incubator	5,000	3,000	(8,000)	–	–
Cabinet Office BOOST	–	390,000	(218,655)	–	171,345
YA Revenue Participation	13,260	–	–	–	13,260
BEIS COP26 Climate Challenge Cup	–	125,000	(94,012)	–	30,988
Total Social Innovation and Investment	660,702	739,330	(523,706)	(218,724)	657,602
Total Restricted Funds	1,064,007	1,750,382	992,843	(218,724)	1,602,822

13 Restricted fund analysis (continued)

The Young Academy is an impact first investment fund set up by The Young Foundation to provide finance to early stage social ventures whose work tackles education inequality in England. The Young Academy has received £1,391,016 from the Social Incubator Fund which is administered on behalf of the Cabinet Office by the Big Lottery Fund.

During the year, transfers of £218,724 were made from restricted funds to the unrestricted fund. This transfer was in relation to repayments to the Young Academy Investment Fund.

The movement in restricted funds in 2020 was:

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Research					
EU Horizon 20 20- Clever Cities	41,363	—	(22,026)	—	19,337
SHINE Mad Children	3,478	—	(3,478)	—	—
Power To Change – Institute for Community Studies	82,876	—	(82,876)	—	—
Friends Provident - Institute for Community Studies	75,000	50,000	(125,000)	—	—
LB of Bexley- NRPF Ethnography	—	2,930	(2,930)	—	—
EU Horizon 20 20- UPLIFT	—	265,672	(36,561)	—	229,111
Paul Hamlyn Foundation - Peer Research	—	60,000	(23,726)	—	36,274
Calouste Gulbenkian Foundation - Battersea Arts Centre	—	16,130	(4,755)	—	11,375
UPP Foundation - Civic University	—	25,000	(8,599)	—	16,401
The Wellcome Trust- COVID-19	—	207,999	(162,734)	—	45,265
Kings' College London - Undisciplined Spaces	—	15,000	(663)	—	14,337
National Lottery Community Fund - Emerging Futures	—	50,000	(18,795)	—	31,205
Total Research	202,717	692,731	(492,143)	—	403,305
Communities					
Big Lottery Fund - Amplify Youth NI	54,284	—	(54,284)	—	—
Credit Suisse - Amplify Youth	4,108	—	(4,108)	—	—
Communities Can	247	—	(247)	—	—
Belfast City Council	2,877	10,000	(12,877)	—	—
Department for Communities Northern Ireland - Arts For Social Change	—	7,545	(7,545)	—	—
Total Communities	61,516	17,545	(79,061)	—	—

13 Restricted fund analysis (continued)

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Social Innovation and Investment					
The Young Academy Social Incubator Fund Grant	578,616	–	72,431	(55,800)	595,247
UBS AG - Young Academy Fund Management	–	94,069	(77,274)	27,900	44,695
Young Academy Accelerator 2019	15,385	–	(12,885)	–	2,500
Oxfam GB- Rootslab	6,086	–	(6,086)	–	–
Nationwide – Reimagining Rent	21,383	–	(21,383)	–	–
NASS Incubator	15,943	–	(10,943)	–	5,000
SHINE	–	22,454	(9,165)	(13,289)	–
Southwark Research	1,265	–	(1,265)	–	–
Barrow Cadbury Trust - Nothing about us without us	4,480	4,000	(8,480)	–	–
YA Revenue Participation	13,260	–	–	–	13,260
Cabinet Office - Inclusive Economic Partnership	–	390,000	(390,000)	–	–
Other	7,016	–	–	(7,016)	–
Total Social Innovation and Investment	663,434	510,523	(465,050)	(48,205)	660,702
Total Restricted Funds	927,667	1,220,799	(1,036,254)	(48,205)	1,064,007

During 2020, transfers of £48,205 were made from restricted funds to the unrestricted fund. These transfers were permitted under grant agreements where projects have completed and in relation to repayments to the Young Academy Investment Fund.

14 Analysis of net assets between funds

	Unrestricted		Restricted £	2021 Total £
	General £	Designated £		
Tangible fixed assets	36,135	–	–	36,135
Investments	–	–	423,866	423,866
Net current assets	666,594	2,900,000	1,178,956	4,745,550
	702,729	2,900,000	1,602,822	5,205,551

	Unrestricted		Restricted £	2020 Total £
	General £	Designated £		
Tangible fixed assets	5,295	–	–	5,295
Investments	–	–	595,247	595,247
Net current assets	1,515,623	–	496,660	2,012,283
	1,520,918	–	1,064,007	2,612,825

15 Related party transactions

During the year Power to Change made two grants to The Young Foundation, totalling £137,750. In the prior year Power to Change commissioned and paid £33,160 for a report. One of The Young Foundation's trustees is an employee of Power to Change. The trustee has resigned from both positions following the year end. In addition, one of The Young Foundation management team is a former member of the Power to Change management team and continues to be an unremunerated senior associate.

During the year, a donation of £nil (2020 – £1,000) was received from Legal and General Investment Management. One of The Young Foundation's trustees is an employee of Legal and General Investment Management.

One of the trustees who served during 2020 was an employee of the London School of Economics (LSE), £10,000 was received from LSE in 2020.

16 Commitments

The Young Foundation participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Young Foundation is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", The Young Foundation therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

The total cost charged to the statement of financial activities for USS Pension Contributions is £114,190 (2020 – £73,600). This includes £nil (2020 – £nil) outstanding contributions at the balance sheet date.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 (the valuation date), which was carried out using the projected unit method. Since the Young Foundation cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2020 valuation for USS was under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion. An alternative way of expressing the position is that the Scheme's assets were sufficient to cover 82.5% of its liabilities – this percentage is known as the funding level of the Scheme.

The deficit has been determined assuming a number of changes to the benefits of the scheme, which have been approved, are made from 1 April 2022.

16 Commitments (continued)

Previous benefits in the Scheme

- ◆ The valuation and report relate solely to the defined benefits section of the Scheme in respect of benefits accrued up to the valuation date. Contribution requirements relate to both the defined benefit and defined contribution sections of the Scheme.
- ◆ The benefits valued are as set out in the Trust Deed and Rules dated 19 November 2015, as subsequently amended. A summary of the Scheme benefits for current active members is available on the USS website. I have made no allowance for discretionary pension increases.
- ◆ The future service rates allow for the increase in Normal Pension Age to 66 from October 2020.
- ◆ Members' benefits are yet to be adjusted to remove inequalities caused by GMPs earned after 17 May 1990. Current benefits have been valued. The Scheme's rules neutralise the vast majority of any inequality arising from GMPs and therefore the impact of GMP equalisation is not expected to be material in the context of the Scheme.
- ◆ A number of members with deferred benefits retain a right to a transfer value on a higher short service benefit. The transfer value is potentially greater than the reserve held in the valuation for the deferred benefit. Further investigations are being undertaken and for the purposes of the valuation an approximate allowance for this potentially more valuable benefit in the technical provisions has been made.

Future benefit changes

In outline, the JNC recommendation is to maintain the existing hybrid defined benefit / defined contribution structure but modified in the following way for benefits accrued from 1 April 2022:

1. Reduction in salary threshold from c £60,000 pa to £40,000 pa.
2. Reduction in accrual rate from 1/75 to 1/85.
3. Pension increases and revaluation before retirement restricted to CPI up to a maximum of 2.5% pa.
4. Leavers with more than three months' but less than two years' service would receive the standard deferred benefit rather than the current entitlement to a lower benefit based solely on member contributions.

16 Commitments (continued)

Future benefit changes (continued)

Defined benefit liability numbers for the scheme for accounting purposes have been produced using the following assumptions as at 31 March 2021 and 2020:

The projected funding levels three years after the valuation date are shown below.

These projections are made on the basis that:

- ◆ a deed effecting the recommendation of the JNC is entered into on or before 28 February 2022;
- ◆ the active membership remains broadly the same;
- ◆ experience from the valuation date is in line with the assumptions underlying the technical provisions, as set out in the Statement of Funding Principles, including additional returns on assets of 0.5% pa higher than the discount rates;
- ◆ contributions are paid as set out in the Schedule of Contributions; and
- ◆ there is no change in the insurers' buy-out pricing.

	2021	2020
Scheme assets	£66.5bn	£63.7bn
Total scheme liabilities	£80.6bn	£67.3bn
FRS 102 total scheme deficit	£14.1bn	£3.6bn
FRS 102 total funding level	83%	95%

THE YOUNG FOUNDATION

England & Wales - Charity number 274345

Accounts



The Young Foundation

Report and financial statements

31 December 2020

Company Limited by Guarantee
Registration Number
01319183 (England and Wales)

Charity Registration Number
274345 (England and Wales)

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Reference and administrative information

The Young Foundation is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

It is a Research Councils UK recognised independent research organisation (IRO)

Trustees	Dame Julie Mellor (Chair) Vidhya Alakeson (Chair of Nominations & Governance Committees) Kersten England Peter Gladwell (Chair of Property Committee) Stephen Jacobs Henry Kippin (appointed 29 October 2020) Abigail Rotheroe (Chair of Resources, Risk and Assurance Committee until 24 February 2021) Michael Savage (resigned 31 July 2020) Jonathan Sobczyk-Boddington (Chair of Resources, Risk and Assurance Committee from 24 February 2021) William Tanner Gareth Williams
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Chief Executive	Helen Goulden
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Company registration number	01319183
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Charity registration number	274345
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Registered office	Toynbee Hall 28 Commercial Street London E1 6LS
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Reference and administrative information

Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC 465 Bethnal Green Road London E2 9QW
	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE

Reference and administrative information

The Young Foundation's mission is to enable connected, more sustainable and stronger communities across the UK. We do this through amplifying people's stories and lived experiences and use this as a spur to drive locally-led and owned community action.

We use what we learn across different communities to spot national patterns of need and opportunity, working with partners to support innovations to deliver social impact at a national scale.

We seek to build a shared body of evidence, knowledge and insight about how best to strengthen and empower communities.

We were founded by the great social scientist and innovator Michael Young and originally called the Institute of Community Studies. We became the Young Foundation after Michael's death in 2002. Together we have created and supported over 80 organisations including: *Which?*, *The Open University*, *Language Line*, *Economic and Social Research Council*, *Social Innovation Exchange*, *School for Social Entrepreneurs*, *UpRising* and *Studio Schools Trust*.

OUR FUNDERS AND PARTNERS

Ajuntament de Barcelona	London Borough of Hackney
Bank of America	London Borough of Barking and Dagenham
Barrow Cadbury Trust	London Borough of Southwark
BD Collective	London Borough of Tower Hamlets
Belfast City Council	National Association of Special Schools
Big Lottery Northern Ireland	The National Lottery Community Fund
Big Society Capital	The Nationwide Foundation
The Cabinet Office	NHS England
Credit Suisse	OVO Foundation
Department of Communities Northern Ireland	Oxfam GB
Economic and Social Research Council	Paul Hamlyn Foundation
Ending Youth Homelessness	Peabody Trust
Erasmus Gates	Postcode Lottery
European Commission	Power to Change
Friends Provident Foundation	She Decides
Greater London Authority	SHINE Trust
Calouste Gulbenkian Foundation	SPEAR
The Indigo Trust	Sport England
Kings College London	The Co-operative Group Ltd
Local Trust	UBS
London Borough of Bexley	UPP Foundation
	The Wellcome Trust

CHAIR'S REPORT

The work of The Young Foundation has never been more salient. At a time of huge disruption, change and growing inequalities, our mission to help local institutions understand, involve and innovate with communities remains core to our strategy. We believe that strong communities - where people feel they have influence, agency and belonging - will secure the greatest levels of well-being in our society.

The re-launching of the Institute for Community Studies has been a key part of this; seeking to bring rigorous, expansive evidence to support development of policy and practice to 'Level Up' and tackle long-entrenched (and now exacerbated) geographical inequalities across the country. There is huge need to ensure we give legitimacy and value to the evidence and insights surfaced from people and communities themselves; and the success of The Young Foundation's National Peer Research Network is a testament to the growing desire to engage more people in social research and innovation.

We continue our boundary and sector spanning work to support innovation across a range of key societal issues, working with an increasing number of organisations wishing to support system change in places, and on topics that concern us all.

Long-standing friends of The Young Foundation will have been saddened to see the sale of 18 Victoria Park Square, which required significant capital investment to maintain the property and was losing money as a commercial rental endeavour.

Following exploration of a number of different options and engagement with the market, the building was sold, and trustees were satisfied that the proposed disposition to the purchaser was on the best terms that could reasonably be obtained by the Charity. The revenues from the sale are being invested to support the long-term future of the charity, and in growing our impact across the UK. We are delighted to be joining our friends at Toynbee Hall as their tenants; an organisation with similarly deep and strong roots in the East End of London.

The board have retained a focus on the financial sustainability of the charity, and on eliminating our structural deficit, which is reducing year on year. Our focus on long-term income generation has been successful and it is hugely satisfying to see income grow beyond our targets in 2021. In light of current trends and predictions within the economy and banking sector, the board are also focused on the financial investment strategy for the Young Foundation to ensure the most effective and secure use of capital realised from the building sale.

Thank you to our inspirational CEO who saw what contribution we could make before she joined us three years ago and who is enabling YF to contribute so much that is needed at this critical time for the UK. Thank you to staff who have persevered during pandemic, switching to digital delivery overnight last March and worked so hard over the year to support communities and institutions who have the desire to be strong, vibrant places.

Dame Julie Mellor

Chair of the Board of Trustees

CHIEF EXECUTIVE'S REPORT

It is impossible to write this Annual Report without situating it within the context of the global health crisis and its effects on our families, communities, our health care professionals, our society and our economy. 2020 has been profoundly defined by the Covid-19 pandemic and the human, societal and cost to livelihoods that has flowed from it. It has been defined by the gigantic surge in activism to call out and dismantle structural racism in our society and the exacerbating effects of the pandemic on inequality of all kinds. Those challenges are still with us in 2021 and reflecting on the achievements and performance of the Young Foundation in 2020 is necessarily set against this turbulent backdrop.

And yet it has also been a year where the critical importance and value of community, mutual aid and the state of relations between institutions and the communities they serve, has been widely recognised. As a result of this, the methods, research and innovation support offered by The Young Foundation have been in increasing demand.

In particular, it was possible to be highly responsive in our approach to gathering data, stories and multiple forms of evidence of how Covid-19 was impacting and changing our communities. This work has deepened through support by working in partnership with the British Academy, Wellcome Trust, Power to Change and many others. This has contributed significantly to a useful evidence base on which to shift policy and practice, at local and national levels.

Through considerable shifts in our training and delivery channels, we have been successful in growing our national network of community researchers, an infrastructure to enable stronger relationships between communities and the local institutions who influence their well-being. As we move through 2021, the network is growing substantially, with an increasing focus on younger people finding civic agency and building new skills through community-based research.

The Institute for Community Studies published its research agenda, which was co-created with 3,000 community representatives from across the UK and the ICS has been highly successful in generating evidence and prototype interventions which bring more diverse actors into the research and innovation ecosystem.

Through the Inclusive Economy Partnership and through our accelerator programmes, we have been able to support many more mission-led businesses and social ventures to grow their impact in tackling education inequality and prototype a new approach to supporting non-commercial innovations to scale.

As the relevance of our multi-disciplinary, community involving approaches have grown in demand, the financial risk associated with delivering our charitable activities during a national crisis has been largely mitigated. We were able to meet our financial income targets, retaining a broadly steady state on 2019 income levels. Given the wider operating environment, this has been a satisfying performance, in which strong foundations were laid to support further growth of our income and social impact in 2021.

Internally, we were able to make changes across the organisation by opening up spaces for staff to talk, reflect and learn from how the pandemic, Black Lives Matter and Extinction Rebellion were creating waves of change in our lives and work. All of these issues will command more of our attention in 2021.

Chief Executive's Report Year to 31 December 2020

One very significant change for the Young Foundation has been our move from our long-standing home in Bethnal Green and into Toynbee Hall in early 2021. This is part of a larger set of organisational changes that have put us in a far stronger position to deliver against our mission. We are already now seeing the benefit of being able to fully direct all our attention to our research and innovation activities to drive social change.

As we begin to emerge out of the more severe national lockdowns which dominated most of 2020, we collectively enter our own 'Long Covid' – repairing and recovering from loss of lives, jobs, education and opportunity. This will change our research and innovation activities once more, and yet it remains the case that The Young Foundation found it's footing in a tumultuous year and I continue to be proud to work alongside such a dedicated and talented team of staff and trustees.

Helen Goulden

Chief Executive

TRUSTEES' ANNUAL REPORT

The trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with audited financial statements of The Young Foundation (the charitable company) for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 37 of the attached accounts and comply with the charity's Memorandum and Articles of Association, 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

OBJECTIVES AND RELEVANT POLICIES

Objectives and activities for the public benefit

The objects of the Young Foundation as set out in its Memorandum of Association are:

- a) The relief of needs arising from financial hardship, mental or physical illness, disability, or old age;
- b) The promotion of equality and diversity for the benefit of the public through research and the design and delivery of services that address exclusion;
- c) The promotion of health;
- d) The promotion of research and education in the social sciences and the dissemination of the useful outcomes of such research; and
- e) The advancement of purposes charitable in England and Wales by the development of organisations and activities and the exchange of ideas.

The objects are considered by the trustees to be for the public benefit as defined in the Charity Commission's guidance on public benefit. In order to achieve these objectives, the Young Foundation undertakes research to identify and understand social needs and then develops practical initiatives and institutions to address those, combining ideas, analysis and practical action.

Our research work also permeates all our programmes. We are a Research Councils UK recognised independent research organisation (IRO).

ACHIEVEMENTS AND PERFORMANCE

We believe that strong communities - where people feel they have influence, agency and belonging - will secure the greatest levels of well-being in our society. Governments and institutions which hold power (whether local, national or global) do not often effectively listen to - or work with - the communities they serve, or have influence over. This prompts distrust and disengagement, feelings of powerlessness and a lack of agency and influence over issues that affect people, particularly those who are often marginalised or ignored. It crowds out and ignores stories, wisdom and capacity to create change. We do not see community power as a remedial safety net in the face of crisis or a withdrawal of state support, but as a necessary, regenerative power to shape a more inclusive, equitable and sustainable future.

Working in the 2020s, we believe our most effective role is to support places, people, and institutions to understand, involve and innovate, and to drive positive change on the issues communities care about. We want to demonstrate the value of understanding, involving and innovating with communities and our work is deliberately inter-disciplinary, cross sector and boundary spanning. We view success as being when evidence, inspiration, expertise and infrastructure are used to shift policies and practices that model a more inclusive, sustainable and healthier society.

A key pillar of our work therefore, is to support places, people and institutions; deploying a range of innovative approaches and methods, adapted to suit different localities and needs. At the same time, we work with and alongside communities to take action themselves; supporting a broader, growing movement of community-led change and innovation.

In 2020, our goals to provide services to organisations to better understand, involve and work with communities across the UK manifested in a number of ways and we have highlighted examples of particularly strong work in this Trustees Report. Through this work we have developed evidence, infrastructure, expertise and inspiration to support stronger communities.

The Implications of the Coronavirus Pandemic

It is first necessary to highlight the implications of Covid-19 on our work. The Covid-19 pandemic impacted the type and scale of our work in substantive ways. As an organisation predominantly to be found delivering work in partnership with others, often with extended community and entrepreneur involvement, lockdown presented what seemed initially like insurmountable challenges to ongoing delivery. However, not only were the team able to pivot to 100% digital delivery, we quickly experimented with new platforms, formats and design, fully enabling our work to continue. In many cases, this allowed us to increase our geographical reach and the diversity of the people we work with. While we accept there are consequential losses to online working, it will remain a significant part of our way of working well into the future.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Implications of the Coronavirus Pandemic (continued) As a UKRI accredited Independent Research Organisation with a bias towards participatory, qualitative social research, the pandemic itself has presented us with many important research questions to explore – in terms of providing real-time insights into our collective and unequal experiences of the pandemic, contributing to the evidence base as the pandemic unfolded, and as a historical record. This work commenced swiftly after the first lockdown in March 2020 as we worked with the Open University to gather stories and responses to how lockdown was impacting community life. [Covid and You](#) charts the first 12 weeks of lockdown through the eyes of 600 UK citizens, situating their stories against Government announcements, Covid-19 statistics and other key moments and milestones.

This swift, self-financed piece helped build further work over the course of 2020. The Wellcome Trust¹, [Power to Change](#), [National Lottery Community Fund](#), and latterly the [British Academy](#) and the [Department for Culture, Media & Sport](#) all supported our work to gather and analyse the impact of Covid on community life, community owned businesses, local government relationships with the voluntary sector and changing models of community organising.

Knowledge & Evidence Creation

In late 2019, we re-launched the Institute for Community Studies (ICS), the original vehicle for much of Michael Young's work. By July 2020, we had worked with over 3,000 representatives from communities across the UK to develop a 'people powered research agenda' for the Institute. Entitled 'Safety In Numbers?' the report both set out the key issues that mattered most to communities across the UK (with safety ranked in the top 5 in all areas of the country) and demonstrated an entirely new approach to creating 'demand-led' research.

The Institute for Community Studies successfully partnered with Sheffield Hallam University and the National Co-ordinating Centre for Public Engagement to design and deliver the inaugural year of the Civic University Network; designed to support universities re-shape their role and responsibility to their communities to realise their potential as drivers of a new civic agenda.

The ICS took principal responsibility for member engagement, understanding the needs of and ensuring the participation of universities across the UK and working via geographical and thematic clusters of civic themes to support them to embed the civic mission within their university strategies.

¹ [Snapshot-1-Divided-we-stand_.pdf \(youngfoundation.org\)](#); [Covid-19 & Community Life: Why are Cases Rising? - The Young Foundation](#); [Snapshot-3-The-Peoples-Strategy-2.pdf \(youngfoundation.org\)](#)

ACHIEVEMENTS AND PERFORMANCE (continued)

Knowledge & Evidence Creation (continued)

In the first year, membership has grown from 52 to 115 Higher Education Institutions, representing 70% of the Higher Education sector. A thriving programme designed and led by the ICS working closely with the National Coordinating Centre for Public Engagement, including capacity building workshops, bespoke toolkits, best practice sharing and thought leadership across twenty five events in the first year, has been a backbone of developing a community of practice in Higher Education committed to strengthening the Civic role of universities in their communities. The strategic partner role has been integral to building an active partnership base for the ICS with universities as a key stakeholder of its mission, and the ICS will remain as a Strategic Partner of the Network to shape and drive the community of practice and thought leadership over 2021 – 2022.

Integral to the ICS model is developing bridging infrastructure to connect communities closer to the structures, methods and cultures that produce the policies and evidence that shapes their lives. During 2020, the ICS built a portfolio of five pilot projects aimed at testing different partnership approaches for how evidence developed with and from communities could be valuable to different actors working on policy, research, strategies and civil society.

This included a Civic Scholars programme of eight scholars from diverse disciplines appointed to work closely within the ICS on a multi-level enquiry into social inclusion within communities and 'Undisciplined Spaces', a programme which puts student researchers in partnership with peer researchers to conduct community-led enquiries to solve issues in their local area. Undisciplined Spaces has been running in partnership with Kings College London and due to the early success of the programme, the focus in 2021 is how this pilot can be productised and rolled out more widely, to respond to the strong interest in the programme model by other HEIs and knowledge-based organisations.

By late 2020, the value of the ICS in bringing together multiple perspectives and research in relation to the impact of Covid on communities was demonstrated by a commission from the British Academy for the 'Covid Decade' report, and our full contribution can be read in full [here](#).

The focus in the ICS's evidence review on place, community resilience and how the mechanisms and structures of community power were shifting and coming to the fore during Covid-19, led to the increased importance of local communities being the top finding in the British Academy's flagship [report](#). The report highlighted the need for stronger community involvement in multi-level governance structures, a focus on the strengthening of community and social infrastructure, and better models for empowerment of community alongside civil society and business actors among its seven key policy recommendations.

The key stakeholder priorities for the ICS in 2020 have been consolidating our relationship with, and value to, partners and funders within the civil society and foundations sector; building a growing relationship with UKRI which has culminated in a three year grant to be the collaboration partner for the forward development of their citizen science and public engagement work; and establishing a profile and pipeline focused on the credibility, value-add and innovative potential of community involvement in research and policymaking with learned societies such as the British Academy, the British Science Association and institutions in the higher and further education sectors.

ACHIEVEMENTS AND PERFORMANCE (continued)

Knowledge & Evidence Creation (continued)

This has led to recurrent funding from two partners and an ambitious forward pipeline of larger scale programmes with university, innovation, government, combined authority and indeed, transatlantic partners that seek to further test and consolidate the ICS as a 'centre of excellence, authenticity and distinctiveness' in what matters to, and works for, communities.

Building Infrastructure for mobilising community knowledge, insights & leadership

A key piece of infrastructure to support our delivery is our national peer research network. Throughout 2020 we continued to scale the network. Despite pivoting our delivery online, we continued to recruit, train and work with peer researchers, bringing new insights and lived experiences to our key research priorities. With support from Paul Hamlyn Foundation we were able to prototype and adapt our training and practice to better suit young people from very diverse backgrounds, working with three different cohorts; each with a different ethnic minority or migrant focus.

As well as supporting these organisations to use peer research to advance their mission, it has enabled us to more effectively support young researchers in new initiatives which include:

- ◆ Employing 30 16–25 year olds to train as Peer Researchers through the Government's Kickstart Scheme. Through complementary funding from Youth Futures Foundation and Mohn Westlake Foundation, they will co-produce research inquiries with their team of young commissioners and research issues that they collectively care about. Also providing valuable insight into the skills and networks created through peer research which may provide pathways into social purpose employment and social action.
- ◆ Working as a national delivery partner for the Youth Endowment Fund, we will recruit young people at risk of becoming involved in violence and train them as peer researchers.

We also worked to advance the awareness and impact of [Peer Research in the UK](#) – which provided a comprehensive introduction to the methodology and advocated its value as a legitimate and insightful research approach. This was accompanied by an [assessment of the policy impact of peer research](#). Using urban and youth policy case studies, this report focuses on how peer research and co-production through citizen engagement has positively influenced policy outcomes.

ACHIEVEMENTS AND PERFORMANCE (continued)

Building Infrastructure for mobilising community knowledge, insights & leadership (continued)

What impact can Peer Research Have in a Place?

Case Study: Thames Futures, Barking.

Barking Riverside is one of the largest new housing developments in the UK and one of the largest brownfield developments in Europe.

With over 10,000 new homes being built alongside existing neighbourhoods, the developer (Barking Riverside Ltd) wanted to understand the hopes and aspirations of both old and new residents and reflect these in a community-led vision for the future of the area.

To do this The Young Foundation hired and trained a team of local residents to become peer researchers and speak openly to residents about plans for the area. This led to the creation of a detailed and ambitious vision that sets out the community's hopes for the future of the ward. The vision reflected the feelings and ideas expressed by a diverse group of local people, spanning 9 priority areas. Each priority contained written statements about what people want for the future of their area and associated commitments from BRL setting out exactly how they will work with the community to achieve this.

For example, the community prioritised the importance of having local people's voices heard and acted upon throughout the development process and in the future running of their area. This was met with a commitment from BRL to work with residents to set up a Community Interest Company (CIC) responsible for estate management. The CIC is now run by local residents, who receive appropriate training provided by BRL, ensuring that the community's voice is central to decision-making around the estate in future.

Alongside the vision, a Social Impact Measurement Framework has been put in place, which sets out all commitments made to the community and how progress against each will be measured. BRL will work with peer researchers to track and report their progress on these to the community on an annual basis. This gives local residents a robust mechanism through which to hold the developers to account against the aims and commitments of the vision.

Supporting Social Innovation

Our work to support social innovation and entrepreneurship increased in 2020. Here we set out our achievements in relation to just two of our major programmes:

- ◆ The Young Academy Accelerator and Investment Fund – tackling education inequality.
- ◆ The Inclusive Economy Partnership – supporting cross-sector collaboration to improve mental health, tackle financial exclusion and supporting young people to transition into work.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Young Academy

2020 was a busy year for the Young Academy Investment Fund. Seven of our investments converted to Revenue Participation Loans and began making repayments in addition to the two investments which had converted in previous years. Only three investments are left to convert, and we expect these to convert to equity stakes or loans during 2021. Impact performance and measurement have improved across the fund too, with the introduction of a disadvantage measure to ensure that interventions were reaching the right cohort of students to address the attainment gap.

Covid-19 has had a big impact on education organisations and our entrepreneurs have had to navigate school closures, busy and stressed teachers, and new forms of delivery. The fund was quick to react with support; immediately announcing a repayment holiday during periods of school closures. We introduced monthly calls with education ventures across our network so that the entrepreneurs could share support and ideas. The Young Foundation also supported Unlimited on their Social Enterprise Support fund. Three of our organisations received funding through closely working with our fund management team to develop applications to this or other funders in our network.

We've been impressed with the way in which our entrepreneurs have reacted to the obstacles Covid-19 put in their path and have continued to innovate to better support their students. *Smart School Councils*, which provides a debate tool for teachers to use in the classroom, launched Home Debate Club so families could facilitate their own debates. *Edukit* developed an app in two short months, so that its surveys could be completed by students at home and allow teachers to better understand how students were reacting to the additional stresses and isolation being experienced by young people. *Potentially* partnered with a number of corporates to launch a whole new initiative – it's *Class of 2020* scheme. Recognising that young people leaving university would struggle to enter the workplace in a constricting economy, it wanted to provide corporate graduate training for free so that students could still upskill outside of employment.

In a mission to drive change towards more inclusion and diversity within the social investment sector, we published [Nothing about us without Us](#), an analysis and **framework** for bringing lived experience into every phase of the social investment fund cycle, generously funded by Barrow Cadbury Trust and Big Society Capital.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Young Academy (continued)

Our work to tackle education inequality continued through our partnership with the National Association of Special Schools. Last year we finished the delivery of our innovation support programme in partnership with the National Association of Independent Schools and Non-maintained Special Schools (NASS). We supported 9 projects developed by teachers working with SEND students. These projects ranged from teacher training courses on teaching sex education to profoundly physically disabled young people (Chailey Heritage Foundation), to a curriculum based on student devised quality of life measures for autistic students (Swalcliffe Park School). The full set of innovations can be found here: <https://www.youngfoundation.org/projects/nass-send-incubator/>

The Inclusive Economy Partnership

Bringing together business, civil society and government to tackle social and economic problems, the Inclusive Economy Partnership is a government funded initiative to mobilise cross-sector action on key societal challenges.

In 2020, we were commissioned by the Cabinet Office to deliver a national programme of support to mission-led social businesses; brokering relationships with larger businesses, institutions and investors to grow their social impact. Working across 3 core themes (mental health, transitioning young people to work and financial inclusion) we successfully:

- ◆ Leveraged over £4.5m of funding and investment into proven social ventures;
- ◆ Brokered over **130 partnerships** between social businesses and corporates, funders, investors and government;
- ◆ Provided a tailored package of support for scaling organisations with **93% approval rating**;
- ◆ **44% increase the number of lives impacted**, supporting over 70,000 more people from the baseline of 163,000.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Inclusive Economy Partnership (continued)

Bringing the Inclusive Economy Partnership to life

Case Studies: Flash Academy & Income Max

Flash Academy is a digital service for education, training providers and employers to support English as a second language learners and employees. With support from BOOST, Flash Academy grew from supporting 25,000 in 2019 to 60,000 beneficiaries in 2020. We successfully supported Flash Academy to secure commercial partnerships within LA and construction sectors, as well as investment (e.g. West Midlands Combined Authority, Landsec, Buckingham Virtual School, Skanska).

“Brilliant programme. Unique opportunity to gain high level insights into scaling a social impact business, providing rapid connections to both industry and Government.”

Income Max maximises income through a service that guides access to unclaimed benefits and helps with reducing debt and household bills. Through BOOST Income Max grew its reach from supporting 10,000 to 16,000 people over the course of 2020. We brokered connections to unlock Income Max's strategic digital offer with The Alan Turing Institute, Government Digital Service and SHIFT digital.

“We felt valued, connected, promoted and supported. With the support to date we are already in a strong position to win new work and support more people.”

Relocating to a new office

In late 2018 the Board of Trustees agreed to investigate options to overcome the growing challenges posed by our long-standing home in Bethnal Green. On 13th November 2020, The Young Foundation announced that it would be moving from its long-standing home in 18 Victoria Park Square and was in the process of selling the property. This was the end of a very significant era for The Young Foundation, but the start of a more ambitious strategy to support communities on the road to recovery from the impact of Covid-19.

18 Victoria Park Square had been the home of the Young Foundation and the Institute for Community Studies for many decades; and was held in much affection by many people. Therefore, it is important to set out why The Young Foundation Trustees made this decision. A decision which was made before the Covid-19 crisis, but has been reinforced by it.

The building has been in need of repair and renovation for many years and a structural review undertaken in 2017 identified a large number of significant issues requiring urgent attention and large-scale investment. Prior to lockdown, the building had been consuming substantial resources to keep it safe, open and usable by tenants and staff, however, it continued to be inaccessible to any employee with physical disabilities. At the same time, The Young Foundation has been embarking on a long-term strategy that connects ever more closely with communities within Tower Hamlets and across a widening range of different localities across the country. Maintaining a twin focus on being a good and effective landlord in a highly challenging building, and an organisation seeking to grow its social impact, had been a sustained challenge.

Prior to making the decision to sell the property, trustees and the executive team explored a range of options for the future of the building. However, none proved feasible due to the complex configuration of the building, its listed status, financial reserves and limited appetite to divert our scarce people resources away from charitable activities and into a capital works project.

Since the Covid-19 pandemic, it became clear that, like countless other organisations, The Young Foundation had changed the way it works in profound ways, which change our office needs considerably. All these factors combined to enable trustees to be confident in the decision made.

The choice of where to relocate became very clear following initial conversations with Toynbee Hall. As an organisation with similarly deep roots in the East End of London, a strongly shared ethos and values, in a newly renovated building very open and accessible to local people, we have been delighted to be able to call Toynbee Hall our new home.

It is important to note that the proceeds for the sale of 18 Victoria Park Square are to be reinvested to ensure the very long-term perpetuation of The Young Foundation and its work.

FINANCIAL REVIEW

Results for the year

The reported deficit in the year to December 2020 of £157k is a significant improvement on the £589k deficit in 2019. However, expenditure in 2019 includes a £383k impairment charge against the value of Social Investments and this provision was partially reversed by £72k. Excluding these movements in impairment provisions, the overall results for the two years are broadly similar.

Income in the year of £1,896k (2019: £1,815) represents a modest 4% increase. We are pleased that we were able to maintain income in a year where Covid-19 presented challenges to both programme delivery and business development.

Charitable expenditure of £2,054k (2019: £2,404k) is slightly above 2019 expenditure after adjusting for the 2019 £383k impairment charge. There has been a focus on reducing support costs and these have reduced from £471k in 2019 to £443k largely due to staff cost savings.

The split of income between unrestricted and restricted funds was roughly equal in 2019, but in 2020 the charity secured several large grants restricted to delivery of specific programmes (including grants from the Wellcome Trust for COVID 19 research and Cabinet office for the Inclusive Economic Partnership) meaning that restricted income in 2020 of £1,221k (2019: £923k) represents 64% of income.

In 2019 unrestricted expenditure included delivery on projects funded in earlier accounting periods. In 2020 several projects funded in the year have delivery continuing into 2021. As a result, there is a £119k net surplus on restricted funds compared to a £255k deficit in 2019. Details of the specific restricted funds and projects are shown in note 14.

There is an unrestricted deficit of £294k (2019: £335k). As noted below the charity continues to operate within its reserves policy. With support costs well managed, and the sale of the charity's property removing the risk of unexpected maintenance expenses, the focus for 2021 is to increase income whilst retaining appropriate margins on projects to ensure that support costs are fully funded. Income targets for 2021 are £2,000k and at the time of writing we have secured over £1,850k of this income. In 2021 we will invest further in roles to help deliver this income growth including the appointment of an Associate Director, Institute for Community Studies and a Head of External Affairs & Communications.

Reserves policy and financial position

Total reserves at 31 December 2020 were £2,613k (2019: £2,770k) of which £1,064k (2019: £928k) were restricted for specific purposes.

The policy of the trustees is to hold sufficient reserves in a liquid form to meet short term obligations, and having considered the risks facing the charity and its level of activity, have decided that this is equivalent to six months unrestricted expenditure. At 31 December 2020, six months unrestricted expenditure was £509k (2019: £588k). The total unrestricted funds at 31 December 2020 were £1,549k (2019: £1,842k) which represents 18 months unrestricted expenditure.

FINANCIAL REVIEW (continued)

Reserves policy and financial position (continued)

In February 2021 The Young Foundation sold its property at 18 Victoria Park Square for £2,900k. As discussed in more detail on page 17, the building's running costs were high and we were unable to invest in its upkeep. After direct costs this will generate an unrestricted surplus of approximately £1,900k which will increase unrestricted funds to in excess of £3,400k. The Board will reinvest these proceeds to ensure the long-term future of The Young Foundation and its work.

Therefore, the trustees consider that they have sufficient funds to meet the reserves policy and are considering how best to invest these funds to balance preserving liquidity to maintain day to day activity whilst also generating income and/or long-term growth.

Going concern

The trustees continue to adopt the going concern basis in preparing the annual financial statements. In adopting this basis, they have reviewed all appropriate budgets and forecasts. These forecasts include the impact of Covid-19, which is explained in detail under "Risk Management" (page 21 below). The trustees are not aware of any material uncertainties that suggest that the Young Foundation cannot continue as a going concern.

Investment policy and performance

Under the Memorandum and Articles of Association the trustees have general powers of investment. The trustees have decided to continue to hold the charity's funds in the CCLA Deposit Account (cash).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Young Foundation's governing documents are its Memorandum and Articles of Association dated 15 June 1977 as amended on 16 March 2005 and 21 February 2021.

The Board of Trustees met six times in 2020. In addition to the Board of Trustees there is a Resources, Risk & Assurance Committee (RRAC) which met four times in 2020. The Committee was chaired by the treasurer, Abigail Rotheroe during 2020. In February 2021, Jonathan Sobczyk Boddington was appointed treasurer and is the new chair of the Committee. The Nominations and Governance Committee met during 2020 to make recommendations to the Board on the appointment of new trustees.

Following a review and workshop in 2017, the Board adopted a governance action plan which included developing and implementing a detailed Governance Manual detailing corporate policies, levels of delegation and responsibility and the annual cycle of Board business. The Board also completes an annual Effectiveness Review which identified strong progress against the governance action plan whilst also identifying areas for improvement particularly around ensuring the relevance and impact of projects, being ambassadors for fundraising and deepening their relationship with the executive team and other staff.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The following trustees were in office at 31 December 2020 and served throughout the year except where shown.

Trustees	Appointments/ resignations	Board meetings attended in 2019 (and number available)
Dame Julie Mellor		6 (6)
Vidhya Alakeson		5 (6)
Kersten England		6 (6)
Peter Gladwell		5 (6)
Stephen Jacobs		4 (4)
Henry Kippin	Appointed 29 October 2020	2 (2)
Abigail Rotheroe		3 (6)
Michael Savage	Resigned 31 July 2020	2 (4)
Jonathan Sobczyk- Boddington		6 (6)
William Tanner		4 (6)
Gareth Williams		6 (6)

Details of all the trustees are posted on our website, youngfoundation.org

One new trustee was appointed in 2020. Candidate trustees meet with the Chair, the Chief Executive and the Nominations and Governance Committee following which their application is considered by the Nominations and Governance Committee. The induction of trustees is undertaken on an informal basis with the Chief Executive and senior management team and through attendance at Young Foundation and external events.

The day to day management and running of the charity has been delegated to the Chief Executive and the senior management team. The senior management team prepares an annual operational plan and budget which is approved by the trustees. The senior management team take responsibility for the execution of the operational plan and budget and report on progress to the trustees.

Key management personnel

The key management personnel of the Young Foundation are the Chair and Board of Trustees together with the Chief Executive and Directors who form the senior management team.

The remuneration of the Chief Executive is set and reviewed by the nominations committee. The remuneration of the other key management personnel is set by the CEO taking into consideration factors such as what the organisation can afford to pay, inflation and external benchmarking.

Risk management

The Board's Resources, Risk and Assurance Committee has reviewed the major operational risks and the Board has reviewed the strategic risks including the ways in which these are monitored, managed and mitigated by the senior management team. These reviews have included the on-going impact of Covid-19.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Impact of Covid-19 (Coronavirus)

During 2020 Covid-19 (Coronavirus) forced the Government to impose a lockdown across the country, restricting travel to a few exceptional circumstances, and forcing the temporary suspension of some traditional business practices.

In April 2020 The Young Foundation temporarily closed its office and staff worked from home. Despite some initial IT related issues, this caused little disruption and most staff adapted well to new ways of working. In August 2020 the office was partially reopened, but staff were encouraged to follow government advice and remain working from home. However, a limited number of staff could book desk space in the office each day to allow team meetings, use of IT resources (printers, scanners etc.) and gain access to documents and other items in the office. Social distancing protocols were put in place in line with government guidance. No significant expenditure was necessary to reopen the office.

Closing the office meant we had to furlough three staff for four months. We gave rent rebates to our tenants representing a share of the savings we were able to achieve while the office was closed, so there was minimal impact on our net income.

Following the sale of the office in February 2021 all staff have been working from home. All physical copies of accounting and business accounting records have been placed in storage. We will be renting desks and meeting rooms at Toynbee Hall from early July 2021 so that staff can start returning to an office environment and collaborating in person.

Throughout last year, most staff remained engaged with work and the wider Young Foundation team and continued to deliver projects in line with our business plans. Whilst delivery remains strong in early 2021, like many organisations we are aware that many staff are finding working from home on a permanent basis increasingly stressful. We hope that our use of facilities at Toynbee Hall will mean that we can come together as a team over the summer. We will continue to listen to the opinions and concerns of our staff as we evolve and develop our working practices whilst continuing to follow best practice.

Despite initial concerns that business development activities during lockdown would be more difficult we were able to meet our income targets for 2020 and we had committed income of over £1.8m as we started 2021. However, we remain concerned that the impact of Covid-19 will have a long-term impact on the wider economy and this could mean that there is reduced opportunity for future funding and contract income.

The businesses in which we have made Social Investment have mainly been able to maintain their trade during 2020 and at this point there has been no impact on the valuation of our investments. But we continue to monitor our investments closely as the longer-term impact on their trade becomes clearer.

We also expect that the value of investments within the Universities Superannuation Scheme defined benefit scheme will have been impacted and early indications are that it is likely that our contributions to this scheme will increase significantly and we have factored this into our revised forecasts.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Key risks

Our risk registers reflect the above increased risks presented by Covid-19. The key risks identified by the Board and summarised below together with management actions to mitigate these risks.

Income Generation and sustainability

The main risk to The Young Foundation is the inability to generate sufficient income to enable full cost recovery and be a financially sustainable organisation. As noted above, the long-term impact of Covid-19 on the wider economy may mean that business development becomes more difficult. It is essential that we maintain close relationships with funders and explore all funding opportunities. We have developed and continue to refine our processes for bidding for funding to ensure full cost recovery. We will be developing some "off-the-shelf" products as a way of introducing our products and services to new clients. The sale of our property has helped us reduce overheads further as we no longer risk large unexpected maintenance costs.

Staff engagement

Like most organisations The Young Foundation team initially responded well to working from home, but over time many of the team have expressed frustration or shown signs of stress at continuing to work remotely. Typical concerns include blurred boundaries between work and home life, lack of workspace and missing close interaction with work colleagues. Many new starters in 2020 have not met any work colleagues face to face. We have regular all staff team meetings and ensure that managers keep in close contact with their team. We are hopeful that the expected relaxation in Covid-19 restrictions this summer and the use of new office space at Toynbee will allow us to integrate as a team once again; we have a summer event planned. We are in the process of upgrading our IT systems and equipment and we provide appropriate office furniture for staff who need it. We continue to seek staff opinion and feedback through team meeting discussions and staff surveys.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Young Foundation for the purposes of company law) are responsible for preparing the Trustees' 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, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for the year. 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

This report was approved by the trustees on 14 July 2021 and signed on their behalf by:

Dame Julie Mellor, Chair of the Board of Trustees

Independent auditor's report to the members of The Young Foundation

Opinion

We have audited the financial statements of The Young Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 December 2020 and of 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.

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 trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

Other information (continued)

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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of trustees (continued)

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:

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; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the Companies Act 2006) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Auditor's responsibilities for the audit of the financial statements (continued)

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; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates for the valuation of programme related investments and the bad debt provision were indicative of potential bias.

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

- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

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

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.

Catherine Biscoe (Senior statutory auditor)
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

28 July 2021

Statement of financial activities Year ended 31 December 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	Unrestricted funds £	Restricted funds £	2019 Total funds £
Incorporating income and expenditure account							
Income from							
Donations		1,139	—	1,139	125,000	—	125,000
Investments	2	2,418	—	2,418	6,983	—	6,983
Charitable activities							
. Grants and other earned fees	1a	484,774	1,220,799	1,705,573	545,649	922,295	1,467,944
. Other	1b	187,253	—	187,253	214,775	216	214,991
Total income		675,584	1,220,799	1,896,383	892,407	922,511	1,814,918
Expenditure on							
Charitable activities	3	1,017,462	1,036,254	2,053,716	1,176,064	1,228,091	2,404,155
Total expenditure		1,017,462	1,036,254	2,053,716	1,176,064	1,228,091	2,404,155
Net (expenditure) income before transfers		(341,878)	184,545	(157,333)	(283,657)	(305,580)	(589,237)
Transfers between funds	13	48,205	(48,205)	—	(50,910)	50,910	—
Net (expenditure) income and net movement in funds for the year		(293,673)	136,340	(157,333)	(334,567)	(254,670)	(589,237)
Reconciliation of funds:							
Total funds brought forward		1,842,491	927,667	2,770,158	2,177,058	1,182,337	3,359,395
Total funds carried forward		1,548,818	1,064,007	2,612,825	1,842,491	927,667	2,770,158

All of the above results are derived from continuing activities.

All recognised gains and losses are included in the above statement of financial activities.

The notes on pages to 38 to 49 form part of these financial statements.

Balance sheet 31 December 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	7	5,295		948,598	
Investments	8	<u>595,247</u>		<u>578,616</u>	
			600,542		1,527,214
Current assets					
Assets held for resale	7	909,250		—	
Debtors	9	439,685		350,299	
Cash at bank and in hand		<u>1,114,515</u>		<u>1,113,997</u>	
		2,463,450		1,464,296	
Liabilities:					
Creditors: amounts falling due within one year	10	<u>(451,167)</u>		<u>(221,352)</u>	
Net current assets			<u>2,012,283</u>		<u>1,242,944</u>
Total assets less current liabilities			<u>2,612,825</u>		<u>2,770,158</u>
The funds of the charity:					
Unrestricted funds			1,548,818		1,842,491
Restricted funds	14		<u>1,064,007</u>		<u>927,667</u>
			<u>2,612,825</u>		<u>2,770,158</u>

The financial statements were approved by the Trustees on 14 July 2021 and signed on their behalf, by:

Dame Julie Mellor
Chair

The Young Foundation
Company registration number 01319183 (England and Wales)

The notes on pages 38 to 49 form part of these financial statements.

Statement of cash flows 31 December 2020

	Notes	2020 £	2019 £
Cash outflow from operating activities:			
Net cash used in operating activities	A	(57,700)	(250,367)
Cash inflow from investing activities:			
Interest and dividends from investments		2,418	6,983
Purchase of tangible fixed assets		—	(6,414)
Repayments of investments		55,800	13,260
Net cash provided by investing activities		58,218	13,829
Change in cash and cash equivalents in the year		518	(236,538)
Cash and cash equivalents at 1 January 2020	B	1,113,997	1,350,535
Cash and cash equivalents at 31 December 2020	B	1,114,515	1,113,997

Notes to the statement of cash flows for the year to 31 December 2020

A Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	(157,333)	(589,237)
Adjustments for:		
Depreciation charge	34,053	33,957
Impairment of investments	(74,431)	382,624
Interest and dividends from investments	(2,418)	(6,983)
Increase in debtors	(89,386)	(9,297)
Increase/(decrease) in creditors	229,815	(61,431)
Net cash used in operating activities	(57,700)	(250,367)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	382,216	381,698
Instant access cash accounts	732,299	732,299
Total cash and cash equivalents	1,114,515	1,113,997

C Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash	381,698	518	382,216
Cash equivalents	732,299	—	732,299
Total	1,113,997	518	1,114,515

Principal accounting policies 31 December 2020

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 December 2020.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets for the purposes of determining the depreciation rate;
- ◆ the valuation of social investments;
- ◆ the provision for bad debts;
- ◆ the allocation of support costs; and
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern basis (see below).

The trustees considered the impact of Covid-19 when making these judgements and estimates. With the exception of the valuation of social investments, they do not consider that the impact of Covid-19 results in any further uncertainty. The valuation of social investments is based on the most up to date information available to trustees on future income and cash flows. The trustees determined that these forecasts adequately reflect the impact of Covid-19.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements based on appropriate budgets and forecasts.

When preparing these forecasts, the trustees considered:

- ◆ the impact of “lockdown” on staff, delivery against contracts and rental income and concluded that these risks are reducing;
- ◆ the wider impact on the wider UK economy. Whilst there remain uncertainties for the longer term, the charity is confident of increasing income in 2021 compared to 2020 income and are investing in staff and resource to generate further increased income in 2022 and beyond.

As a result of this review, the trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Additional detail about the impact of Covid-19 on the charity are described in the Trustees' Annual Report (page 22).

Company status

The charitable company is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged against the specific fund.

Income recognition

Income is recognised in the statement of financial activities when the charitable company has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Income recognition (continued)

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given in response to an appeal or with greater freedom of use, for example monies for core funding.

Where the Young Foundation is a member of a consortium, for example on certain EU funded programmes, only the income and expenditure which is specific to the Young Foundation is recognised in the financial statements.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future period.

Rents receivable are invoiced as accrued and are recognised on an accruals basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Donated services provided to the charity are recognised in the period when it is probable that the economic benefits will flow to the charity, provided they can be measured reliably. This is normally when the service is provided. An equivalent amount is included in expenditure. Donated services are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain the services of equivalent economic benefit on the open market.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

All expenditure is inclusive of irrecoverable VAT.

Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs of projects, including governance costs and where appropriate charitable grants.

Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the grant and has satisfied all performance conditions. Grants approved but not paid at the end of the financial year are accrued.

Allocation of support and governance costs

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out centrally.

Governance costs are those incurred in connection with the administration of the company and compliance with constitutional and statutory requirements.

Support costs are allocated across charitable expenditure on the basis of the number of staff employed in each activity.

Tangible fixed assets and depreciation

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

- ◆ Office equipment - 25% on a straight line basis
- ◆ IT equipment - 33% on a straight line basis
- ◆ Plant and Equipment - 18% on a straight line basis
- ◆ Freehold property - 2% on cost
- ◆ Listed Freehold Property - Nil% (see note below)

Historically it has been the policy of the trustees to maintain the listed freehold property, which is held for charitable use, in such condition that the useful economic life is considered to be in excess of fifty years from the balance sheet date. Consequently any depreciation charge on the buildings element of the listed property is deemed to be immaterial and no depreciation is charged on the listed property. In 2020 the charity exchanged contracts on the sale of the listed property and therefore the listed property, including the plant and equipment integral to the property, have been reclassified as current assets held for sale in these financial statements.

Other financial instruments

The charity has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other'. The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors, are initially recognised at transaction value and subsequently measured at their settlement value.

Social investments

Social investments are investments made directly in pursuit of the charity's charitable purposes. Unquoted equity investments are held at cost, less any provision for diminution in value or add any increase in value, while loans are recorded at cost less any provisions to reflect non-recoverability.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the term of the lease.

Pension contributions

The charity participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. Therefore, as required by FRS 102, the charity accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. There is currently no deficit funding plan in place, other than increased employer contributions, and therefore no liability has been recognised.

Pension contributions (continued)

In February 2015, a defined contribution scheme, (the Peoples Pension) was established for staff not working on research. Contributions in respect of the defined contribution scheme are charged to the statement of financial activities when they are payable to the scheme. The charity has no liability beyond making its contributions and paying across the deductions for the employee contributions.

1a Income from charitable activities – grants and other fees earned

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Communities	287,114	17,545	304,659
Research	197,660	692,731	890,391
Social Investment and Innovation	—	510,523	510,523
2020 Total funds	484,774	1,220,799	1,705,573

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Communities	240,002	196,323	436,325
Research	288,356	426,903	715,259
Social Investment and Innovation	17,291	299,069	316,360
2019 Total funds	545,649	922,295	1,467,944

1b Income from charitable activities – other income

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Hub for social innovation – rent and room hire	128,324	—	128,324
VAT recovery	16,681	—	16,681
Tenant recharges	4,531	—	4,531
Speaking fees, events and publications	691	—	691
Government grant	27,028	—	27,028
Other	9,998	—	9,998
2020 Total funds	187,253	—	187,253

	Unrestricted funds £	Restricted funds £	2019 Total funds £
Hub for social innovation – rent and room hire	169,661	—	169,661
VAT recovery	14,562	—	14,562
Tenant recharges	6,305	—	6,305
Speaking fees, events and publications	69	216	285
Other	24,178	—	24,178
2019 Total funds	214,775	216	214,991

2 Income from investments

	Unrestricted funds £	Restricted funds £	2020 Total funds £
Interest receivable on cash deposits	2,418	—	2,418
2020 Total funds	2,418	—	2,418

2 Income from investments (continued)

	<i>Unrestricted funds</i> £	<i>Restricted funds</i> £	<i>2019 Total funds</i> £
<i>Interest receivable on cash deposits</i>	6,983	—	6,983
2019 Total funds	6,983	—	6,983

3 Expenditure on charitable activities

	<i>Unrestricted direct costs</i> £	<i>Unrestricted support costs</i> £	<i>Restricted direct costs</i> £	2020 Total funds £
Communities	278,811	104,910	78,816	462,537
Research	143,328	231,278	492,143	866,749
Social Investment and Innovation	463	66,761	465,295	532,519
Hub for social innovation	151,378	40,533	—	191,911
2020 Total funds	573,980	443,482	1,036,254	2,053,716

	<i>Unrestricted direct costs</i> £	<i>Unrestricted support costs</i> £	<i>Restricted direct costs</i> £	<i>2019 Total funds</i> £
<i>Communities</i>	247,586	134,656	172,651	554,893
<i>Research</i>	276,351	201,984	392,513	870,848
<i>Social Investment and Innovation</i>	13,491	89,772	662,927	766,190
<i>Hub for social innovation</i>	167,339	44,885	—	212,224
2019 Total funds	704,767	471,297	1,228,091	2,404,155

Allocation of support costs

Support costs have been allocated across charitable expenditure on the basis of the number of staff employed in each activity. The net costs after allocation are shown below:

	2020 £	2019 £
Finance, human resources and premises management	371,840	414,979
Information technology	33,995	31,946
Governance costs		
. Auditor's remuneration	16,263	11,277
. Staff costs	21,384	13,095
	443,482	471,297

4 Staff costs and remuneration of key management personnel

	2020 £	2019 £
Wages and salaries	976,894	1,111,635
Social security costs	99,560	111,950
Other pension costs	97,455	89,365
	1,173,909	1,312,950

4 Staff costs and remuneration of key management personnel (continued)

During the year, the Young Foundation made total termination payments of £11,401 (2019 – £6,933). These are included within wages and salaries.

The average head count during 2020 was 29 (2019 – 33).

The average, full time equivalent number of staff analysed by function is:

	2020	2019
Charitable activities	18.6	19.1
Support	5.7	8.0
	24.3	27.1

The number of higher paid employees was:

	2020 no.	2019 no.
£60,000 - £70,000	1	3
£90,001 - £100,000	1	1
	2	4

These employees are accruing retirement benefits under either a defined benefits or defined contribution scheme. Employer contributions made in respect of these individuals totalled £18,665 (2019 – £30,810).

The key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day to day basis comprise the trustees, the Chief Executive and the senior management team. The total remuneration (including taxable benefits, employer's pension contributions and national insurance costs) of the key management personnel for the year was £285,596 (2019 – £383,464). The cost of key leadership personnel employed as contractors on an interim basis during the year was £63,690 (2019: £nil).

No remuneration was paid to any trustee during the year. One trustees' travel and accommodation expenses of £932 were reimbursed during the year (2019 – nil).

5 Net expenditure for the year

This is stated after charging:

	2020 £	2019 £
Auditor's remuneration (including VAT):		
. Audit – current year	10,500	11,277
. Audit – prior year	5,763	—
Depreciation	34,053	33,957
Operating lease rentals	301	845

6 Taxation

The Young Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities as it falls within the various exemptions available to registered charities.

7 Tangible fixed assets

	Land and buildings £	Plant and Equipment £	Office equipment £	IT equipment £	Total £
Cost					
At 1 January 2020	1,093,701	74,019	108,704	151,879	1,428,303
Reclassified as asset for sale	(1,093,701)	(74,019)	—	—	(1,167,720)
At 31 December 2020	—	—	108,704	151,879	260,583
Depreciation					
At 1 January 2020	213,611	15,832	100,336	149,926	479,705
Charge for the year	15,344	13,683	4,436	590	34,053
Reclassified as asset for sale	(228,955)	(29,515)	—	—	(258,470)
At 31 December 2020	—	—	104,772	150,516	255,288
NBV at 31 December 2020	—	—	3,932	1,363	5,295
NBV at 1 January 2020	880,090	58,187	8,368	1,953	948,598

During 2020 The Young Foundation exchanged contracts on the sale of its property at 18 Victoria Park Square. The sale was completed in February 2021 generating a surplus of £1.90 million.

Therefore the land and buildings and the plant and equipment integral to the property have been reclassified as current assets held for sale in these financial statements.

8 Investments

	Total funds 2020 £	Total funds 2019 £
Social investments: · Young Academy		
Market value at 1 January 2020	578,616	974,500
Impairment reversal/(charge)	72,431	(382,624)
Repayments	(55,800)	(13,260)
Market value at 31 December 2020	595,247	578,616
Historic cost	1,084,939	1,140,740

Social investments

The Young Foundation has made social investments through the Young Academy Investment Fund which has been established by the Young Foundation with funding from the Social Incubator Fund, which is administered by the Big Lottery Fund on behalf of the Cabinet Office and UBS. The initial investments were made by way of convertible loan notes. Many of these instruments have now been converted into loans with repayments linked to revenue.

At 31 December 2020, the split was as follows:

	2020 £	2019 £
Convertible loan notes	247,000	478,690
Revenue participation loans	348,247	99,926
	595,247	578,616

8 Investments (continued)

The social investments include convertible loan notes issued to Think for the Future, Potentially and CPDBee and revenue participation loans to Edukit, Proversity, Infused Learning, Structural Learning, Smart Schools Council, Talent-Ed Education, GT Scholars, Panjango, and East Learning CIC.

The Young Foundation holds shares in a community interest company Mydex Data Services. At this stage in Mydex's development, it has been decided to not to put a value on the shareholding in the Young Foundation's financial statements. The shareholding is treated as a social investment as it is made directly in pursuit of the Young Foundation's charitable purposes.

The Young Academy investments were reviewed internally for diminution in value. In 2020 no increase in impairment provision was made, however the provision was reduced by £72,431 representing actual repayments against investments previously fully impaired of £27,121 and a reversal of impairments made in earlier years that are no longer considered necessary of £45,310. (2019 – a provision of £382,624 was made.) The valuation of social investments is based on the most up to date information available to trustees on future income and cash flows and following the year end, no further material diminution in value has been noted.

9 Debtors and prepayments

	2020 £	2019 £
Trade debtors	99,498	166,737
Prepayments and accrued income	340,187	183,562
	439,685	350,299

10 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	40,021	40,501
Other creditors	85,745	77,499
Accrued expenditure	67,344	55,155
Deferred income	258,057	48,197
	451,167	221,352

Included in creditors is deferred income as set out below:

	2020 £	2019 £
Deferred income at 1 January 2020	48,197	127,055
Resources deferred in the year	258,057	36,307
Amounts released in the year	(48,197)	(115,165)
Deferred income at 31 December 2020	258,057	48,197

Deferred income comprises funds received in advance from the Department of Work and Pensions, the Cabinet Office and Koreo.

11 Operating lease commitments

At 31 December 2020, the charity had future minimum operating lease commitments on plant and machinery as follows:

	2020 £	2019 £
Payments which fall due:		
. Within one year	—	422
. Within two and five years	—	—
	<u>—</u>	<u>422</u>

12 Liability of members

The charity is a company limited by guarantee, each member being liable for a sum not exceeding £1 in the event of the company being wound up.

13 Movement in funds

	Balance at 1 January 2020 £	Net expenditure £	Transfers £	Balance at 31 December 2020 £
Restricted funds	927,667	184,525	(48,205)	1,064,007
Unrestricted funds				
. General fund	904,214	(318,902)	963,506	1,548,818
. Property fund	938,277	(22,976)	(915,301)	—
	<u>1,842,491</u>	<u>(341,878)</u>	<u>48,205</u>	<u>1,548,818</u>
Total funds	<u>2,770,158</u>	<u>(157,333)</u>	<u>—</u>	<u>2,612,825</u>

The property fund represented the charity's investment in property which created a hub for social innovation and for nurturing new organisations as well as acting as a base from which the charity could carry out its operations. The property was sold in early 2021, therefore the Trustees no longer consider it appropriate to maintain a separate fund. The proceeds from the sale of the property will be reinvested to ensure the long-term future of The Young Foundation and its work.

Restricted funds represent grant income for specific charitable projects as set out in note 14.

	Balance at 1 January 2019 £	Net expenditure £	Transfers £	Balance at 31 December 2019 £
Restricted funds	1,182,337	(305,580)	50,910	927,667
Unrestricted funds				
. General fund	1,209,848	(254,724)	(50,910)	904,214
. Property fund	967,210	(28,933)	—	938,277
	<u>2,177,058</u>	<u>(283,657)</u>	<u>(50,910)</u>	<u>1,842,491</u>
Total funds	<u>3,359,395</u>	<u>(589,237)</u>	<u>—</u>	<u>2,770,158</u>

14 Restricted fund analysis

The movement in restricted funds in 2020 was:

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Research					
EU Horizon 20 20- Clever Cities	41,363	—	(22,026)	—	19,337
SHINE Mad Children	3,478	—	(3,478)	—	—
Power To Change – Institute for Community Studies	82,876	—	(82,876)	—	—
Friends Provident - Institute for Community Studies	75,000	50,000	(125,000)	—	—
LB of Bexley- NRPF Ethnography	—	2,930	(2,930)	—	—
EU Horizon 20 20- UPLIFT	—	265,672	(36,561)	—	229,111
Paul Hamlyn Foundation - Peer Research	—	60,000	(23,726)	—	36,274
Calouste Gulbenkian Foundation - Battersea Arts Centre	—	16,130	(4,755)	—	11,375
UPP Foundation - Civic University	—	25,000	(8,599)	—	16,401
The Wellcome Trust- COVID-19	—	207,999	(162,734)	—	45,265
Kings' College London - Undisciplined Spaces	—	15,000	(663)	—	14,337
National Lottery Community Fund - Emerging Futures	—	50,000	(18,795)	—	31,205
Total Research	202,717	692,731	(492,143)	—	403,305
Communities					
Big Lottery Fund - Amplify Youth NI	54,284	—	(54,284)	—	—
Credit Suisse - Amplify Youth	4,108	—	(4,108)	—	—
Communities Can	247	—	(247)	—	—
Belfast City Council	2,877	10,000	(12,877)	—	—
Department for Communities Northern Ireland - Arts For Social Change	—	7,545	(7,545)	—	—
Total Communities	61,516	17,545	(79,061)	—	—

14 Restricted fund analysis (continued)

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2020 £
Social Innovation and Investment					
The Young Academy Social Incubator Fund Grant	578,616	—	72,431	(55,800)	595,247
UBS AG - Young Academy Fund Management	—	94,069	(77,274)	27,900	44,965
Young Academy Accelerator 2019	15,385	—	(12,885)	—	2,500
Oxfam GB- Rootslab	6,086	—	(6,086)	—	—
Nationwide – Reimagining Rent	21,383	—	(21,383)	—	—
NASS Incubator	15,943	—	(10,943)	—	5,000
SHINE	—	22,454	(9,165)	(13,289)	—
Southwark Research	1,265	—	(1,265)	—	—
Barrow Cadbury Trust - Nothing about us without us	4,480	4,000	(8,480)	—	—
YA Revenue Participation	13,260	—	—	—	13,260
Cabinet Office - Inclusive Economic Partnership	—	390,000	(390,000)	—	—
Other	7,016	—	—	(7,016)	—
Total Social Innovation and Investment	663,434	510,523	(465,050)	(48,205)	660,702
Total Restricted Funds	927,667	1,220,799	(1,036,254)	(48,205)	1,064,007

The Young Academy is an impact first investment fund set up by The Young Foundation to provide finance to early stage social ventures whose work tackles education inequality in England. The Young Academy has received £1,391,016 from the Social Incubator Fund which is administered on behalf of the Cabinet Office by the Big Lottery Fund.

During the year, transfers of £48,205 were made from restricted funds to the unrestricted fund. These transfers were permitted under grant agreements where projects have completed and in relation to repayments to the Young Academy Investment Fund.

14 Restricted fund analysis (continued)

The movement in restricted funds in 2019 was:

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2019 £
Research					
<i>UIA – Barcelona</i>	—	31,432	(31,432)	—	—
<i>ESRC – Bright Futures</i>	—	56,490	(56,490)	—	—
<i>EU Horizon 20 20- Clever Cities</i>	59,237	—	(17,874)	—	41,363
<i>SHINE Mad Children</i>	8,850	3,000	(8,372)	—	3,478
<i>Patchwork Philanthropy 2</i>	9,720	—	(20,159)	10,439	—
<i>Participatory Video</i>	—	20,000	(22,642)	2,642	—
<i>Power To Change – Institute for Community Studies</i>	—	260,000	(177,124)	—	82,876
<i>Friends Provident - Institute for Community Studies</i>	—	75,000	—	—	75,000
<i>Participatory Video (LBBD)</i>	—	3,000	(3,000)	—	—
<i>LB Bexley NRPf Ethnography</i>	—	5,570	(5,570)	—	—
<i>UPLIFT (EU Horizon 20 20)</i>	—	105	(105)	—	—
Total Research	77,807	454,597	(342,768)	13,081	202,717
Communities					
<i>Big Lottery Fund - Amplify Youth NI</i>	29,547	150,336	(125,599)	—	54,284
<i>Credit Suisse – Amplify Youth Communities Can</i>	92,137	—	(88,029)	—	4,108
<i>Belfast City Council</i>	247	—	—	—	247
<i>Share to Know (Erasmus)</i>	8,099	—	(5,222)	—	2,877
<i>Arts For Social Change</i>	—	25,613	(25,613)	—	—
<i>Sports England Grant</i>	—	4,240	(4,240)	—	—
Total Communities	130,030	185,879	(254,393)	—	61,516
Social Innovation and Investment					
<i>The Young Academy Social Incubator Fund Grant</i>	974,500	—	(395,884)	—	578,616
<i>UBS AG - The Young Academy Fund Management</i>	—	91,895	(91,895)	—	—
<i>The Young Academy Accelerator 2019</i>	—	60,551	(45,166)	—	15,385
<i>Oxfam GB - Rootslab</i>	—	6,342	(256)	—	6,086
<i>Social Innovation Community OpenMaker</i>	—	(27,478)	(10,351)	37,829	—
<i>Nationwide – Reimagining Rent</i>	—	4,444	(4,444)	—	—
<i>NASS Incubator</i>	—	92,356	(70,973)	—	21,383
<i>Southwark Research</i>	—	24,665	(8,722)	—	15,943
<i>Barrow Cadbury Trust - Nothing about us without us</i>	—	10,000	(8,735)	—	1,265
<i>YA Revenue Participation</i>	—	6,000	(1,520)	—	4,480
<i>Other</i>	—	13,260	—	—	13,260
	—	7,016	7,016	—	7,016
	974,500	282,035	(630,930)	37,829	663,434
Total Restricted Funds	1,182,337	922,511	(1,228,091)	50,910	927,667

During 2019 transfers of £50,910 were made from the unrestricted fund to the restricted fund to reduce the balance of funds on completed projects with expenditure over-runs to £nil.

15 Analysis of net assets between funds

	Unrestricted £	Restricted £	2020 Total £
Tangible fixed assets	5,295	—	5,295
Investments	—	595,247	595,247
Net current assets	1,515,623	496,660	2,012,283
	<u>1,520,918</u>	<u>1,064,007</u>	<u>2,612,825</u>

	Unrestricted £	Restricted £	2019 Total £
<i>Tangible fixed assets</i>	<i>948,598</i>	<i>—</i>	<i>948,598</i>
<i>Investments</i>	<i>—</i>	<i>578,616</i>	<i>578,616</i>
<i>Net current assets</i>	<i>893,893</i>	<i>349,051</i>	<i>1,242,944</i>
	<u><i>1,842,491</i></u>	<u><i>927,667</i></u>	<u><i>2,770,158</i></u>

16 Related party transactions

During the year Power to Change commissioned and paid £33,160 for a report and in 2019 The Young Foundation received a £250,000 donation from Power to Change to support the Institute for Community Studies. One of The Young Foundation's trustees is an employee of Power to Change. In addition, one of The Young Foundation management team is a former member of the Power to Change management team.

During the year, a donation of £1,000 (2019 – £nil) was received from Legal and General Investment Management. One of The Young Foundation's trustees is an employee of Legal and General Investment Management.

One of the trustees who served during 2019 was an employee of the London School of Economics (LSE). During 2019 The Young Foundation received £10,000 from LSE. (No income was received from LSE in 2020.)

17 Commitments

The Young Foundation participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Young Foundation is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", The Young Foundation therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

17 Commitments (continued)

The total cost charged to the statement of financial activities for USS Pension Contributions is £73,600 (2019 – £61,709). This includes £nil (2019 – £18,211) outstanding contributions at the balance sheet date.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. Since the Young Foundation cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2018 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme’s technical provisions was £67.3 billion indicating a shortfall of £3.6 billion. An alternative way of expressing the position is that the Scheme’s assets were sufficient to cover 95% of its liabilities – this percentage is known as the funding level of the Scheme.

Defined benefit liability numbers for the scheme for accounting purposes have been produced using the following assumptions as at 31 March 2020 and 2019:

	31 March 2020	31 March 2019
Discount rate	CPI + 0.14% to 1.55%	CPI + 0.14% to 1.55%
Pensionable salary growth	CPI	CPI
Pension increases	CPI	CPI

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2019 accounting position, based on updated analysis of the Scheme’s experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020	2019
Mortality base table	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. <u>Post retirement</u> 96.7% of SAPS SINMA “light” for males and 102.7% of RFV00 for females	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. <u>Post retirement</u> 96.7% of SAPS SINMA “light” for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p/a. for females	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p/a. for females

17 Commitments (continued)

The current life expectancies on retirement at age 65 are:

	2020	2019
Males currently aged 65 (years)	24.4	24.4
Females currently aged 65 (years)	26.3	26.3
Males currently aged 45 (years)	25.9	25.9
Females currently aged 45 (years)	27.7	27.7
	2020	2019
Scheme assets	£63.7bn	£63.7bn
Total scheme liabilities	£67.3bn	£67.3bn
FRS 102 total scheme deficit	£3.6bn	£3.6bn
FRS 102 total funding level	95%	95%

18 Post balance sheet events

In February 2021 the charity's property was sold for proceeds of £2.9 million.

At 31 December 2020 the property was included on the balance sheet as an asset held for sale.