



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) |
| 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 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

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

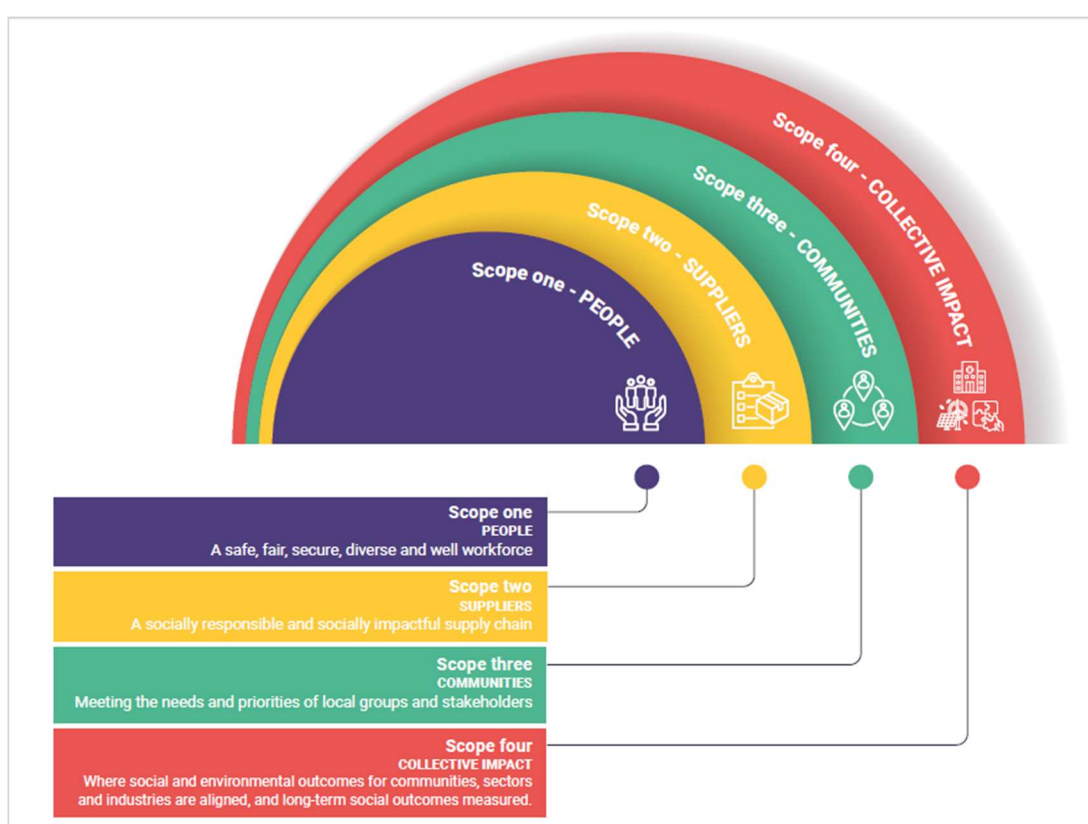
In 2023, we worked closely with the London Borough of Waltham Forest to devise their corporate strategy based on the concept of the 15 minute neighbourhood. This partnership with the Council has been a success, and over 400 people attended the launch of our report, and their strategy. This stood in stark 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).



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](https://www.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:

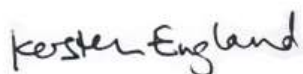
- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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 informal 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 |

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

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 £ |
| <i>VAT recovery</i> | <i>12,774</i> | <i>—</i> | <i>12,774</i> |
| <i>Speaking fees, events and publications</i> | <i>3,770</i> | <i>—</i> | <i>3,770</i> |
| <i>Other</i> | <i>573</i> | <i>—</i> | <i>573</i> |
| <i>2022 Total funds</i> | <i>17,117</i> | <i>—</i> | <i>17,117</i> |

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 |
| | <i>Unrestricted funds £</i> | <i>Restricted funds £</i> | <i>2022 Total funds £</i> |
| 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 |

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 |
| | <i>Unrestricted direct costs £</i> | <i>Unrestricted support costs £</i> | <i>Restricted direct costs £</i> | <i>Restricted support costs £</i> | <i>2022 Total funds £</i> |
| 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 |

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 |

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 No. | 2022 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 | 55,474 | 3,046 | 58,520 |
| Depreciation | | | |
| At 1 January 2023 | 18,944 | - | 18,944 |
| Charge for the year | 14,669 | 254 | 14,923 |
| At 31 December 2023 | 33,613 | 254 | 33,867 |
| NBV at 31 December 2023 | 21,861 | 2,792 | 24,653 |
| NBV at 1 January 2023 | 26,570 | - | 26,570 |

8 Investments

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

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 |
| | 3,297,529 | (274,731) | (5,215) | 3,017,583 |
| Total funds | 5,025,575 | (1,314,079) | - | 3,711,496 |

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)

| | Balance at 1 January 2022 £ | Net income £ | Transfers £ | Balance at 31 December 2022 £ |
|-------------------------------|--------------------------------------|--------------------|----------------|--|
| <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 £ |
|---|--------------------------------------|------------------|--------------------|-----------------------------|------------------|--|
| Research | | | | | | |
| 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 |
| 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 Investment | | | | | | |
| 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 |
|-----------------------|----------------|------------------|-----------------|------------------|
| | General £ | Designated £ | Restricted £ | Total £ |
| 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 |
| | 561,431 | 2,456,152 | 693,913 | 3,711,496 |

| | Unrestricted | | | 2022 |
|-----------------------|----------------|------------------|------------------|------------------|
| | General £ | Designated £ | Restricted £ | Total £ |
| 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 |

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% |