



The Young Foundation

Report and financial statements

31 December 2024

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

Charity Registration Number
274345 (England and Wales)

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Reference and administrative information

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

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

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

Reference and administrative information

Solicitors Bates Wells
10 Queen Street Place
London
EC4R 1BE

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

Reference and administrative information

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

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

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

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

OUR FUNDERS AND PARTNERS

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

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

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

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

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

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

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

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

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

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

Kersten England CBE
Chair of Trustees, The Young Foundation

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

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

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

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

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

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

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

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

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

Helen Goulden OBE
Chief Executive Officer

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

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 31 of the attached accounts and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2019 or later.

OBJECTIVES AND RELEVANT POLICIES

Objectives and activities for the public benefit

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

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

Year One of our Five Year Strategy

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

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

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

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

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

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

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

Shaping participation, not just policy

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

Rewriting governance: "Rewriting the rulebook"

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

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

Localised listening

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

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

Supporting grassroots research and innovation: Community Knowledge Fund

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

Planet

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

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

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

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

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

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

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

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

Place

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

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

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

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

Ottoline Leyser, Chief Executive, UKRI

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

We're Right Here: The campaign for community power

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

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

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

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

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

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

Places where everyone belongs

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

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

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

The Young Foundation, CEO

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

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

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

Prospects

Better prospects and brighter futures for young people

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

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

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

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

The Peer Action Collective

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

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

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

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

The Spark Awards

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

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

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

Big decisions for future generations

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

Culture shift – Equity, Diversity and Inclusion

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

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

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

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

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

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

Achievements and performance - conclusion

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

FINANCIAL REVIEW

Results for the year

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

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

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

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

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

Reserves policy and financial position

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

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

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

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

Going concern

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

Investment policy and performance

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

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

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

Key management personnel

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

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

Risk management

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

Key risks

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

Income Generation and sustainability

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

Staff engagement

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Young Foundation for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

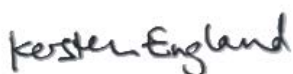
- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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

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

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



Kersten England CBE
Chair of the Board of Trustees

Opinion

We have audited the financial statements of The Young Foundation (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of Trustees (continued)

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

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

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

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

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

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

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

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

- ◆ Agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management as to actual and potential litigation and claims.

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

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

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

Use of our report

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



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

03 September 2025

Statement of financial activities Year ended 31 December 2024

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

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

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

Balance sheet 31 December 2024

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

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

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

Kersten England

Kersten England CBE, Chair of Trustees

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

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

Statement of cash flows 31 December 2024

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

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

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

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

B Analysis of cash and cash equivalents

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

C Analysis of changes in net funds

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

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

Basis of preparation

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

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

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

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

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

Critical accounting estimates and areas of judgement

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

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

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

Assessment of going concern

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

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

Company status

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

Fund accounting

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

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

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

Income recognition

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

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

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

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

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

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

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

Income recognition (continued)

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

Expenditure recognition

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

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

All expenditure is inclusive of irrecoverable VAT.

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

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

Allocation of support and governance costs

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

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

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

Tangible fixed assets and depreciation

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

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

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

Other financial instruments

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

Social investments

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

Listed Investments

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

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

Debtors

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

Cash at bank and in hand

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

Creditors and provisions

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

Leased assets

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

Pension contributions

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

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

Notes to the financial statements Year ended 31 December 2024

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

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Communities	627,208	285,348	912,556
Research	471,983	73,957	545,940
Social Investment and Innovation	899,256	1,602,519	2,501,775
2024 Total funds	1,998,447	1,961,824	3,960,271
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2023 Total funds £</i>
<i>Communities</i>	<i>387,198</i>	<i>192,212</i>	<i>579,410</i>
<i>Research</i>	<i>704,142</i>	<i>48,330</i>	<i>752,472</i>
<i>Social Investment and Innovation</i>	<i>577,167</i>	<i>254,849</i>	<i>832,016</i>
<i>2023 Total funds</i>	<i>1,668,507</i>	<i>495,391</i>	<i>2,163,898</i>

1b Income from charitable activities – other income

	Unrestricted funds £	Restricted funds £	2024 Total funds £
VAT recovery	15,504	-	15,504
Speaking fees, events and publications	1,192	-	1,192
2024 Total funds	16,696	-	16,696
	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>2023 Total funds £</i>
<i>VAT recovery</i>	<i>21,239</i>	<i>-</i>	<i>21,239</i>
<i>Speaking fees, events and publications</i>	<i>3,593</i>	<i>-</i>	<i>3,593</i>
<i>Other</i>	<i>875</i>	<i>-</i>	<i>875</i>
<i>2023 Total funds</i>	<i>25,707</i>	<i>-</i>	<i>25,707</i>

Notes to the financial statements Year ended 31 December 2024

2 Income from investments

	Unrestricted funds £	Restricted funds £	2024 Total funds £
Interest receivable on cash deposits	8,314	-	8,314
Interest receivable from social investments	18,828	10,138	28,966
Income receivable from investment fund	107,589	-	107,589
2024 Total funds	134,731	10,138	144,869
	Unrestricted funds £	Restricted funds £	2023 Total funds £
Interest receivable on cash deposits	33,999	-	33,999
Income receivable from investment fund	107,667	-	107,667
2023 Total funds	141,666	-	141,666

3 Expenditure on charitable activities

	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2024 Total funds £
Communities	501,850	213,506	200,555	119,378	1,035,289
Research	257,747	619,167	35,153	22,967	935,034
Social Investment and Innovation	369,970	448,362	1,428,650	59,362	2,306,344
2024 Total funds	1,129,567	1,281,035	1,664,358	201,707	4,276,667
	Unrestricted direct costs £	Unrestricted support costs £	Restricted direct costs £	Restricted support costs £	2023 Total funds £
Communities	315,293	239,874	458,192	84,949	1,098,308
Research	411,293	319,831	238,652	-	969,776
Social Investment and Innovation	344,788	539,715	743,905	-	1,628,408
2023 Total funds	1,071,374	1,099,420	1,440,749	84,949	3,696,492

Allocation of support costs

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

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

4 Staff costs and remuneration of key management personnel

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

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

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

	2024	2023
Charitable activities	30.5	25.7
Support	7.8	7.5
	38.3	33.2

The number of higher paid employees was:

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

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

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

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

Notes to the financial statements Year ended 31 December 2024

5 Net expenditure for the year

This is stated after charging:

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

6 Taxation

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

7 Tangible fixed assets

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

8 Investments

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

8 Investments (continued)

Social investments (continued)

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

At 31 December 2024 the split was as follows:

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

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

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

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

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

Notes to the financial statements Year ended 31 December 2024

8 Investments (continued)

Listed investments (continued)

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

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

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

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

9 Debtors and prepayments

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

10 Creditors: amounts falling due within one year

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

Included in creditors is deferred income as set out below:

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

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

11 Liability of members

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

12 Movement in funds

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

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

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

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

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

12. Movement in funds (continued)

Restricted fund analysis

The movement in restricted funds in 2024 was:

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

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

12. Movement in funds (continued)

Restricted fund analysis (continued)

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

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

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

The movement in restricted funds in 2023 was:

	Balance at 1 January 2023 £	Income £	Expenditure £	Net investment gain £	Transfers £	Balance at 31 December 2023 £
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

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

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

13 Analysis of net assets between funds

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

	Unrestricted		Restricted	2023 Total £
	General £	Designated £	£	
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

14 Related party transactions

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

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

15 Commitments

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

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

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

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

Previous benefits in the Scheme

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

15 Commitments (continued)

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

Future benefit changes

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

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

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

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

These projections are made on the basis that:

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

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