



ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST MARCH 2017

Youth Options is a company limited by guarantee
Registered in England and Wales No 3184237 Registered Charity No 1056463

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COMMITTEES AND MANAGEMENT

PRESIDENT: Nigel Atkinson, Lord Lieutenant of Hampshire

TRUSTEE BOARD:

Chairman: Vice Admiral Mike Gretton
Deputy Chairman : Mr James Fillingham
Hon Treasurer: Mr Richard Coleman
Mr Charles Blackmore
Mr Peter Davidson
Ms Caroline Horrill
Mrs Natalie Lumby
Ms Lucy Varcoe
Mr Mike Venables
Dr Martyn Diaper (from Jan 17)

Vice Presidents:

Mr Michael Campbell DL
Mr Julian Sheffield DL
Mr Mark Radcliffe DL OBE
The Lord Bishop of Winchester
The Lord Bishop of Portsmouth

COMPANY SECRETARY: Mr M Dixon

LEGAL ADVISOR: Mr Tim Forer – Blake Morgan

MANAGEMENT TEAM:

Chief Executive Mr M Dixon
Deputy Chief Executive Miss D Burns
Director of Services Miss B Pollard
Resources Manager Mrs N Crooks
Operations Manager Mrs M Playle (from May 16)
Operations Manager Mr C Allcock (to April 16)
Operations Manager (Trading Company) Mr L Marks (from Mar 17)
Office Manager Mrs M Kneller
Apprentice Office Assistant Miss A Coates (to May 16)
Apprentice Office Assistant Miss B Peerless (from Aug 16)
NCS Administrator Miss A Smith (from Jun 16)
Finance Officer Mrs A Alexander
Funding Officer Mrs B Heller
Manager of Business Development & Assessment (Apprenticeship Programme) Mrs J Lambert (to Dec 16)
Apprenticeship Assessor Mrs S Pettet (to Dec 16)
Apprenticeship Assistant Miss K Bradshaw (to Apr16)
The Hub, Eastleigh Mrs M Kimber
Scott Centre, Andover Miss L Conway
Miss C Wightman
Mrs M Bryant

DELIVERY SERVICES

Full Time Staff

Mr P Wyatt Mr G McClure (to Dec 16)
Miss R Hancock Mrs A Osmond (to Dec 16)
Mrs H Ryall Mr B Soames (to Dec 16)
Mr M Mulvey Miss N Baker (to Apr 16)
Miss L Patterson Mr B Paige (from Sept 16)
Mr J Sharps Mr S Edmonds (from Apr 16)
Mr M Grabarz Mr H Collins (from Mar 17)
Miss Hayley Pettitt-Miller Miss R Brent-Turner (from Jun 16)
(from Mar 17)

Part Time Staff

Mr N Daniels (to Dec 16) Mr J Kneller (to Dec 16)
Mr C Ridout-Hine Miss M Mutuleasa (to Dec 16)
(from Oct 16)
Mr T Young (to Dec 16) Miss C McIntyre (to Dec 16)
Mr P Edwards (to Dec 16) Miss J Baddams (to Dec 16)
Ms G Hamilton (to Dec 16) Mrs N Murchie (to Dec 16)
Miss A Price Mrs T Wilson
Mr L Renwick Miss S Ford
Miss N Terrell Mr S Cooper
Miss S Mall (from May16) Miss C Taylor (from Nov 16)
Mr N Kimber (from Nov 16) Mrs N Townsend (from Jun 16)

Registered Office: 2 Eastwood Court, Broadwater Rd, Romsey, SO51 8JJ Tel: 01794 525510
e-mail: admin@youthoptions.co.uk

Bankers : National Westminster Bank Plc, 105 High St, Winchester SO23 9AW

Registered Auditors: BD&M Limited, Skies, 20 St Martinsfield, Winterborne St Martin, Dorset DT2 9JU

**YOUTH OPTIONS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2017**

The Trustees who are also directors of the charity for the purposes of the Companies Act have pleasure in presenting their Report for the year ended 31st March 2017 which are also prepared to meet the requirements for a director's report and accounts for Companies Act purposes.

A separate annual review has been written by the Trustees that covers the work of the organisation and its performance over the last year and is available from the head office in Romsey or can be downloaded from our website

These financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015.

OBJECTS AND ACTIVITIES OF THE CHARITY

The core object of the charity is the improvement of life opportunities for children and young people, including the advancement of citizenship and development of community involvement. Youth Options believes passionately that every young person has the potential to realise their abilities and aspirations, and to make a valuable contribution to their communities. To this end, Youth Options deliver a range of vibrant, dynamic and ever-evolving opportunities that connect with and inspire young people. They are committed to developing young people's social and emotional capabilities in order to improve their chances in life.

All of Youth Options services are built around the core capabilities identified by the Young Foundation:

- Communication
- Confidence and agency
- Planning and problem solving
- Relationships and leadership
- Creativity
- Resilience and determination
- Managing feelings

There is strong evidence showing the connection between social and emotional capabilities and positive life outcomes including educational attainment, health, employment status and behaviour, which is why Youth Options focus on supporting children and young people to develop these capabilities, especially those who are disadvantaged and/or vulnerable.

Around 20 per cent of Youth Options' services are open access for all young people, whilst 80 per cent are targeted projects delivered to young people with specific needs, including those in care, care leavers, those at risk of exclusion from school or society, those already excluded from mainstream education and young people who are Not in Education, Employment or Training (NEET) or likely to be NEET on leaving school.

ACHIEVEMENTS AND PERFORMANCE

Services delivered in 2016-2017 to support Youth Options' aims include:

Catalyst - supporting children and young people to re-engage with learning and to re-engage with their family or community through a six week programme including challenging outdoor activities, team work and communication skills, community engagement and social action.

Realising Ambition – delivery of the Skills for Adolescence personal and social development programme to young people aged 11-13.

Alternative Provision - Supporting children and young people in pupil referral units or education centres through programmes designed to develop social and emotional skills.

Next Steps - Supporting young people who are leaving care into independent living.

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Open Access - Centre based and detached youth work providing a safe environment where young people have access to informal learning opportunities and information and guidance.

Impact - after school and holiday activities for looked after children from Southampton, supporting them to come together in a safe environment where they can have fun, and feel positive about their situation, whilst developing their social and emotional capabilities.

Time Out - supporting Looked After Children in Southampton through a series of short residential experiences, where they can broaden their horizons beyond their immediate surroundings, and engage in challenging activities that develop their social and emotional capabilities.

National Citizen Service (NCS) - An initiative, supporting 16 and 17-year-olds from all backgrounds to work together building skills for work and life, while taking on by new challenges and meeting new friends.

Apprenticeships - Delivery of level two and three apprenticeships in Business and Administration and Customer Service.

Riverside Learning – providing alternative learning opportunities, including construction, horticulture and forest skills, for young people aged 11 to 25 years.

Young People in Care Council - giving young people who are in care or care leavers a chance to have a say about the things that really matter in their lives, promote their rights and influence the strategy for Looked After Children and young people in Southampton.

All of Youth Options' services for children and young people are designed to develop their social and emotional capabilities. Performance of each project is monitored and regular reports are provided to funders, commissioners and other significant stakeholders as well as being regularly monitored by trustees.

Outputs 2016-17

- Young People Supported – 2334
- Session delivered – 1488
- Residential delivered – 31
- Young people accredited/certificated – 322
- Accreditation/certifications achieved - 658

As well as reporting on outputs, outcomes for each project are also measured using a variety of tools. Participants, as well as their parents/carers, provide feedback on programmes and on their development of social and emotional capabilities through the "Your Views Matter" questionnaires, Life Effectiveness Questionnaires are completed pre and post intervention, where relevant, and staff observations of young people are recorded.

Summary of Outcomes 2016-17

Young people participating in Youth Options' programmes report:

Improved Confidence – 74%

Better at overcoming challenges – 77%

More Motivated – 76%

Better at working in a team – 77%

Improved communication skills – 77%

Better at making decisions – 75%

Better at handling at emotions – 71%

Impact of Services

Through the use of Your Views Matter questionnaires, Life Effectiveness Questionnaires and observations of young people, Youth Options can demonstrate the impact of their programmes on young people's social and emotional capabilities. There is strong evidence showing the connection between social and emotional capabilities and positive life outcomes including educational attainment, health, employment status and behaviour.

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Operation of Centres

The Mansel Park Pavilion (MP3)(Millbrook), The Scott Centre (Andover), King Alfred's Youth Activity Centre (Winchester) and The Hub (Eastleigh) are operated through the subsidiary company, Youth Options Centres Limited and have all continued to make a contribution towards the running costs of the charity and continue to provide an array of services to their communities.

Youth Options owned the freehold of King Alfred's Youth Activity Centre until it was sold in March 2017. It also acted as lessee for all the other facilities under long-term leases.

FUTURE PLANS

2018 will bring lots of challenges for Youth Options including the development of our work at Youth Options Outdoor Learning. The delivery of new work in partnership with Southampton City Council focused on child and adolescence mental health.

FINANCIAL REVIEW 2016/17

As detailed in the attached annual accounts, the net outgoing movement in funds for the year was £273,492 (2016 £53,371). Expenditure includes a difference of £217,396 between proceeds received from the sale of freehold property and the book cost inherited from the charity who donated the property. Our reserves stand at £1,164,957 in total, including £164,210 restricted funds. Total reserves include £203,734 of tangible fixed assets.

During the year some of our projects carried a financial deficit including Riverside learning, Apprenticeships and the Youth Development programme (YDP) and as we move in to the new year we decided not to continue to deliver Apprenticeships and YDP. We will, continue to move forward with Youth Options Outdoor Learning (formerly Riverside) with a business plan currently being developed

Principal funding sources

The principal funding sources are fees charged under service level agreements and grants received to deliver programmes as detailed above. Funds are also raised from events and through the generosity of supporters as detailed on page 19.

Reserves

The Trustees have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the charity should be between 3 and 6 months of the resources expended, which equates to between £400,000 and £800,000 in general funds. At this level, the Trustees feel that they would be able to continue the current activities of the charity in the event of a significant drop in funding. If this happens, it would obviously then be necessary to consider how the funding would be replaced or activities changed.

Our reserves at the year comprise:

	£
Restricted funds invested in leasehold property	78,000
Other restricted funds for projects	<u>86,210</u>
Total restricted funds	164,210
Other funds invested in fixed assets	125,734
Designated funds held for strategic activities	411,415
Free reserves	463,598
Total	£1,164,957

Planned strategic activities include the redevelopment of Youth Options Outdoor Learning Centre, an investment in Rebranding the charity, investment in training staff and expansion of facilities in some of the centres. Expenditure is expected to take place over a three year and will fall in line with our current strategy period.

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FOR THE YEAR ENDED 31ST MARCH 2017**

Investments

The Memorandum of Association authorises the directors to make and hold investments using the general funds of the charity. Investments are held for development of the organisation over time. The funds are invested with Charifund, Charibond and cash deposits to give a combination of growth and income. Cash resources for operations are held at a major high street bank. The Board and Finance Committee regularly review performance and utilisation of development funds is subject to scrutiny by them.

Youth Options Centres Limited

The charity owns the whole of the issued share capital of Youth Options Centres Limited which operated the sports and leisure facilities in Millbrook, Winchester and Eastleigh during the year, as well as Breakfast, After School and Holiday Clubs in Andover. The company had a successful year with an increase in income of 11%, mainly from an expansion of the clubs programme. The company made a profit in the year of £37,768 (2016 £51,364) after allowing for management charges of £98,580 (2016 £90,230), which was donated under gift aid to the charity.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company is a company limited by guarantee and was formed on 10th April 1996. It is governed by its Memorandum and Articles of Association.

All directors of the company are also Trustees of the charity and there are no other Trustees. The Trustees who served during the year are listed on Page 1. In accordance with the articles, the Chair and Vice Chair are elected by the Board of Trustees for a period of seven years and all other Trustees for a period of five years. Trustees are recruited for various skills they bring to the organisation. A balance between representatives from the commercial and service sectors is sought. New Trustees are issued with an induction pack and all are invited to visit a number of projects during the year, as well as attend some of our events to gain firsthand knowledge of the value of the service we provide.

The full Board of Trustees meets six times a year, with sub groups meeting as required during intervening periods, including a finance subcommittee and remuneration and appointments subcommittee. Day-to-day management is delegated to the management team, led by the Chief Executive Officer.

Pay policy for senior staff

The directors consider the board of directors, who are the Trust's trustees, and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Trust on a day to day basis. All directors give of their time freely and no director received remuneration in the year.

The pay of the senior staff is reviewed annually. In view of the nature of the charity, the directors benchmark against pay levels in other charities of a similar size and wherever possible aim to set remuneration levels at an average of the range paid for similar roles.

Risk Management

The Trustees have completed their strategic review and assessment of the major risks to which the charity is exposed. Procedures and systems are in place to mitigate these risks.

Principal Risks

1. Serious accident/incident involving young people taking part in Youth Options' services. A Resource Manager is in post, robust policies and procedures and Health & Safety management system are in place, and an independent H&S consultant is retained.
2. Serious safeguarding issue involving a young person and a member of staff. Robust HR processes in place, safeguarding policies and procedures regularly reviewed and training of all staff. There are at least three Level 3 trained Lead Safeguarding Officers within the organisation.
3. Inability to secure new contracts. Robust monitoring and reporting of outcomes for young people in place. Positive relationships with key staff in local authorities maintained, continued development of new relationships with partner organisations.

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4. Lack of sufficiently experienced, skilled staff particularly qualified minibus drivers. Developing a range of projects that do not require as much driving, implementation of learning and development policy and internal quality assurance.
5. Trading Company unable to meet its budgeted surplus. Budgets are monitored monthly by the Management Team, bi-monthly by the Finance Committee. A Trading Company Operations Manager has been employed in 2017.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are required by law to prepare financial statements for each financial year, which give a true and fair view of the financial activities of the charity and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the Companies Act 2006 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for ensuring that the company maintains an adequate system of internal control designed to provide reasonable assurance that assets are safeguarded against material loss or unauthorised use and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.


AUDITORS

The auditors, BD&M Limited, will be proposed for re-appointment in accordance with Section 487 of the Companies Act 2006.

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

AND FINALLY

Youth Options will always seek to do the right thing for young people. Heartfelt thanks are offered by the Trustees to all those involved in our work, whether they are employees, volunteers or other supporters.


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Vice Admiral Mike Gretton

On behalf of the Trustees

Date: 18th July 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF YOUTH OPTIONS

We have audited the financial statements of Youth Options for the year ended 31st March 2017 set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the trustees' Responsibilities Statement set out on page 6, 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31st March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

BD & M Limited
BD&M Limited

Chartered Certified Accountants and Statutory Auditors
Dorchester

Date: 18th July 2017

Youth Options
Statement of Financial Activities (Incorporating an Income and Expenditure Account)
for the Year Ended 31st March 2017

		Restricted funds £	Unrestricted funds £	2017 Total funds £	2016 Total funds £
	Notes				
INCOME					
Income and endowments from:					
Donations and legacies		-	58,579	58,579	35,610
Charitable activities:					
Training and educational activities	4	132,418	726,061	858,479	768,517
Other trading activities:					
Income from operating centres		-	596,280	596,280	527,094
Fund raising events		-	22,464	22,464	27,211
Investments (bank interest)		-	470	470	82
Total incoming resources		<u>132,418</u>	<u>1,403,854</u>	<u>1,536,272</u>	<u>1,358,514</u>
EXPENDITURE ON:					
Raising funds:					
Costs of operating centres		-	480,309	480,309	411,704
Other costs of raising funds	5	-	25,363	25,363	27,425
Charitable activities	6	153,349	936,189	1,089,538	961,557
Other expenditure					
Loss on sale of fixed assets		-	217,396	217,396	-
Total expenditure		<u>153,349</u>	<u>1,659,257</u>	<u>1,812,606</u>	<u>1,400,686</u>
Net income/(expenditure) before transfers		(20,931)	(255,403)	(276,334)	(42,172)
Transfers between funds		(6,000)	6,000	-	-
		<u>(26,931)</u>	<u>(249,403)</u>	<u>(276,334)</u>	<u>(42,172)</u>
Other recognised gains					
Realised investment gains		-	5,631	5,631	-
Unrealised investment gains	10	-	(2,789)	(2,789)	(11,199)
Net Movement in Funds for the year		<u>(26,931)</u>	<u>(246,561)</u>	<u>(273,492)</u>	<u>(53,371)</u>
Total Funds:					
Brought Forward		191,141	1,247,308	1,438,449	1,491,820
Carried Forward		<u>164,210</u>	<u>1,000,747</u>	<u>1,164,957</u>	<u>1,438,449</u>

All incoming resources and resources expended derive from continuing activities.

The notes on pages 11 to 18 form an integral part of these financial statements.

Youth Options
Balance Sheets at 31st March 2017


Company No. 3184237

	Note	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
Fixed assets					
Tangible assets	9	203,734	852,513	203,734	852,513
Investments	10	570,423	574,410	570,426	574,413
		<u>774,157</u>	<u>1,426,923</u>	<u>774,160</u>	<u>1,426,926</u>
Current assets					
Sundry debtors and prepayments	11	95,260	114,099	97,665	101,473
Cash at bank and in hand		451,528	91,019	433,858	76,963
		<u>546,788</u>	<u>205,118</u>	<u>531,523</u>	<u>178,436</u>
Creditors:					
Amounts falling due within one year	12	(155,988)	(193,592)	(140,771)	(166,958)
Net current assets		<u>390,800</u>	<u>11,526</u>	<u>390,752</u>	<u>11,478</u>
Net assets		<u>1,164,957</u>	<u>1,438,449</u>	<u>1,164,912</u>	<u>1,438,404</u>
Funds					
Restricted income funds	13	164,210	191,141	164,210	191,141
Unrestricted income funds					
Designated property funds	14	506,195	741,150	506,195	741,150
General fund	14	494,552	506,158	494,507	506,113
Total funds		<u>1,164,957</u>	<u>1,438,449</u>	<u>1,164,912</u>	<u>1,438,404</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006 and in accordance with FRS 102 SORP. The trustees have prepared group accounts in accordance with section 222A of the Companies Act and the Charities Act 2011. The trustees acknowledge their responsibilities for complying with the requirements of these Acts in respect of accounting records and preparation of accounts.

Whilst the company is exempt from audit under Section 477 of the Companies Act 2006 and the members have not required an audit under section 476 of the Companies Act 2006, the company is subject to audit under the Charities Act 2011.

The financial statements were approved by the Board of Trustees on 18th July 2017 and signed on its behalf by:



M Gretton - Chairman

The notes on pages 11 to 18 form an integral part of these financial statements.

Youth Options
Statement of Cash Flows as at 31st March 2017

	Notes	2017		2016	
		£	£	£	£
Net cash flow from operating activities	18		(57,320)		(15,874)
Cash flow from investing activities					
Payments to acquire tangible fixed assets		(14,130)		-	
Receipts from sales of tangible fixed assets		425,600		-	
Payments to acquire investments		(140,000)		-	
Receipts from sales of investments		561,544		-	
Interest received		<u>(470)</u>		<u>(82)</u>	
Net cash flow from investing activities			832,544		(82)
Net increase / (decrease) in cash and cash equivalents			<u>775,224</u>		<u>(15,956)</u>
Cash and cash equivalents at 1st April 2016			99,667		115,623
Cash and cash equivalents at 31st March 2017			<u>874,891</u>		<u>99,667</u>
Cash and cash equivalents consists of:					
Cash at bank and in hand			451,528		91,019
Short term deposits			423,363		8,648
Cash and cash equivalents at 31st March 2017			<u>874,891</u>		<u>99,667</u>

The notes on pages 11 to 18 form an integral part of these financial statements.

Youth Options

Notes to the Financial Statements For The Year Ended 31st March 2017

1 Accounting policies

General information

The company is a charitable company limited by guarantee incorporated in England and Wales.

The address of its registered office is:

2 Eastwood Court

Broadwater Road

Romsey

Hampshire

SO51 8JJ

These financial statements were authorised for issue by the directors on 18th July 2017.

Statement of compliance and basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and includes the results of the charity's operations which are described in the Trustees' Report and all of which are continuing. The financial statements are prepared under the historical cost convention and in accordance with the Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements consolidate the results of Youth Options Centres Limited, which is a wholly owned subsidiary undertaking of the Charity, on a line by line basis. The accounting year ends are co-terminus. The company has used the exemption under section 408 of the Companies Act 2006 not to include an individual income and expenditure account for the parent company.

Income

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income from grants is accounted for on an accruals basis. All voluntary income and donations are accounted for on receipt by the charity. The income from fund raising events is shown gross, with the associated costs included in fundraising costs. Donated assets and services are included at open market value.

Classification of expenditure

Expenditure is included when a liability is incurred. All expenditure has been classified as costs of raising funds, charitable activities (which includes operational programmes, support costs and governance costs) and other costs.

Operational Programme Expenditure relates directly to carrying out the objects of the charity. Support costs are expenditure incurred directly in supporting charitable activities and projects.

Cost of raising funds include the costs of all fund raising events. Governance costs are those relating to the charity's compliance with constitutional and statutory requirements.

An apportionment of staff costs and overheads has been carried out on the basis of time spent by staff on the various activities.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation, except for land and buildings, which are stated at valuation less depreciation. Assets costing less than £500 are written off in the year of purchase. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold land and buildings	- 1% per annum
Leashold land and buildings	- over period of lease
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Youth Options

Notes to the Financial Statements For The Year Ended 31st March 2017

1 Accounting policies (continued)

Investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities. Investment income plus associated tax recoverable is credited to income on an accruals basis, using dates of payment for dividends, and daily accrual for interest.

Funds

All the funds have been analysed between restricted and unrestricted funds. Restricted funds are those where the donor has imposed restrictions on how the fund may be used, but which do not prevent the fund being spent. Unrestricted funds are those which are not subject to any special restrictions and they can be used as the trustees decide. Designated funds are part of unrestricted funds and are amounts represented by tangible fixed assets.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

Transition to FRS102

There was no need to restate the opening fund balances at the date of transition to FRS 102. The transition date was 1st April 2016.

2 Financial performance of charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary Youth Options Centres Ltd. The summary performance of the charity alone is:

	2017	2016
	£	£
Income	722,592	831,419
Management charges made to subsidiary company	98,580	90,230
Donation under gift-aid from subsidiary company	37,768	51,364
	<u>858,940</u>	<u>973,013</u>
Expenditure	<u>(1,135,274)</u>	<u>(1,015,185)</u>
Net incoming / (outgoing) resources	<u>(276,334)</u>	<u>(42,172)</u>

3 Incoming resources from activities for generating funds

The wholly owned subsidiary Youth Options Centres Limited is incorporated in England and Wales and pays all of its profit to the charity by gift aid. The subsidiary operates the recreational and leisure centres owned by the charity. The company owns the whole of the £3 issued share capital. A summary of the trading results is shown below.

The summary financial performance of the subsidiary alone is:

	2017	2016
	£	£
Turnover	618,022	554,563
Cost of sales and administration costs	<u>(481,674)</u>	<u>(412,969)</u>
Net profit	136,348	141,594
Management charges and Amount gift-aided to the charity	<u>(136,348)</u>	<u>(141,594)</u>
Retained in the subsidiary	<u>-</u>	<u>-</u>
The assets of the subsidiary were:		
Current assets	28,459	28,400
Current liabilities	<u>(28,411)</u>	<u>(28,352)</u>
Net assets	<u>48</u>	<u>48</u>
Aggregate share capital and reserves	<u>48</u>	<u>48</u>

Youth Options

Notes to the Financial Statements For The Year Ended 31st March 2017

4 Income

Training and educational activities

	Restricted £	Unrestricted £	2017 £	2016 £
Targeted Support	127,810	98,294	226,104	205,479
Youth development	4,608	115,303	119,911	103,877
National Citizen Service	-	422,300	422,300	355,117
Apprenticeships	-	42,478	42,478	49,080
Other	-	47,686	47,686	54,964
	<u>132,418</u>	<u>726,061</u>	<u>858,479</u>	<u>768,517</u>

5 Other costs of raising funds

	2017 £	2016 £
Fundraising event costs	7,631	8,686
Staff costs (funding and fundraising)	16,098	17,151
Property costs	613	625
Office and other overhead costs	1,021	963
	<u>25,363</u>	<u>27,425</u>

6 Charitable activities costs

	Operational Programmes £	Support Activities £	Governance Costs £	Total 2017 £	Total 2016 £
Targeted support	224,054	49,501	6,146	279,701	267,972
Youth development	143,330	26,252	3,932	173,514	132,822
National Citizen Service	432,748	92,454	11,872	537,074	429,478
Apprenticeships	53,919	9,300	1,479	64,698	93,817
Other	23,467	10,440	644	34,551	37,468
	<u>877,518</u>	<u>187,947</u>	<u>24,073</u>	<u>1,089,538</u>	<u>961,557</u>

	Operational		Support		Total	
	2017 £	2016 £	2017 £	2016 £	2017 £	2016 £
Activity costs	194,402	144,908	-	-	194,402	144,908
Motor and travelling expenses	24,307	21,396	4,446	4,361	28,753	25,757
Salaries and staff expenses	588,189	498,940	158,531	173,504	746,720	672,444
Office costs	22,775	21,037	13,665	12,622	36,440	33,659
Property costs	28,234	37,556	11,033	11,245	39,267	48,801
Depreciation	19,611	19,090	272	362	19,883	19,452
<u>Governance costs</u>						
Staff costs	-	-	6,447	7,113	6,447	7,113
Meeting costs	-	-	43	861	43	861
Auditor's remuneration	-	-	7,351	6,961	7,351	6,961
Legal & professional fees	-	-	8,598	13	8,598	13
Property and overheads	-	-	1,634	1,588	1,634	1,588
	<u>877,518</u>	<u>742,927</u>	<u>212,020</u>	<u>218,630</u>	<u>1,089,538</u>	<u>961,557</u>

Youth Options

Notes to the Financial Statements For The Year Ended 31st March 2017

7 Staff costs

No remuneration or expenses were paid to trustees during the Year. The costs of the remaining staff were:

	2017	2016
	£	£
Wages and salaries	971,525	861,200
Social security costs	64,848	58,143
Pension costs	21,590	22,117
	1,057,963	941,460

One employee had earnings in the band £70,000 to £80,000 during the year. Contributions of £7,132 were made to the defined contribution pension scheme for this staff member in the year. Staff costs are shown under the following items of expenditure:

	2017	2016
	£	£
Fundraising and publicity	16,098	17,151
Operational programmes	552,926	477,935
Operation of centres and training services	323,961	265,757
Support costs	158,531	173,504
Governance	6,447	7,113
	1,057,963	941,460

The average monthly number of staff employed by the charity during the year was as follows:

	2017	2016
	No.	No.
Direct charitable work	41.1	38.2
Fundraising and publicity	0.6	0.6
Support	3.6	3.6
Governance	1.5	0.2
	46.8	42.6

The average number of staff employed (Headcount) 79.3 68.1

8 Net income/ (expenditure) for the year

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	19,913	19,492
(Profit) Loss on sale of fixed assets	217,396	-
Auditor's remuneration	7,351	6,961
Operating leases	7,661	7,661
-Equipment		
-Property	19,820	19,820
	19,820	19,820

Youth Options

Notes to the Financial Statements For The Year Ended 31st March 2017

9 Tangible fixed assets (Group and Charity)

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Mini buses £	Total £
Cost or valuation					
As at 1 April 2016	650,000	239,500	42,592	89,945	1,022,037
Additions	-	-	-	14,130	14,130
Disposals	(650,000)	-	-	(4,200)	(654,200)
As at 31 March 2017	<u>-</u>	<u>239,500</u>	<u>42,592</u>	<u>99,875</u>	<u>381,967</u>
Depreciation					
As at 1 April 2016	6,000	58,350	39,579	65,595	169,524
Eliminated on disposals	(8,000)	-	-	(3,204)	(11,204)
Charge for the year	2,000	8,370	755	8,788	19,913
As at 31 March 2017	<u>-</u>	<u>66,720</u>	<u>40,334</u>	<u>71,179</u>	<u>178,233</u>
Net book value					
As at 31 March 2017	<u>-</u>	<u>172,780</u>	<u>2,258</u>	<u>28,696</u>	<u>203,734</u>
As at 31 March 2016	<u>644,000</u>	<u>181,150</u>	<u>3,013</u>	<u>24,350</u>	<u>852,513</u>

The trustees have taken the option on the adoption of FRS 102 to treat the revalued amount of leasehold land and buildings as deemed cost.

10 Investments

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Held to provide investment return:				
50.00 (2872.094) Charifund Accumulation units	11,388	565,762	11,388	565,762
3380.581 Charibond Accumulation units	135,672	-	135,672	-
Investment in Subsidiary undertaking	-	-	3	3
Short term cash deposits	423,363	8,648	423,363	8,648
	<u>570,423</u>	<u>574,410</u>	<u>570,426</u>	<u>574,413</u>

The historical cost of the investments on 31st March 2017 was £569,992 (2016 £389,261).

Market Value at 1st April 2016	574,413	615,210
Additions	140,000	-
Sales	(561,544)	-
Realised gain	5,631	-
Unrealised gain	(2,789)	(11,199)
Movement in cash deposits	414,715	(29,598)
Market Value at 31st March 2017	<u>570,426</u>	<u>574,413</u>

Youth Options

Notes to the Financial Statements For The Year Ended 31st March 2017

11 Debtors

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Operational debtors	37,153	30,829	30,860	24,341
Other debtors and prepayments	58,107	83,270	53,611	75,414
Youth Options Centres Limited	-	-	13,194	1,718
	<u>95,260</u>	<u>114,099</u>	<u>97,665</u>	<u>101,473</u>

12 Creditors: Amounts falling due within one year

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Operational creditors	32,413	77,583	21,343	61,108
Social security and other taxes	17,621	15,005	17,621	15,005
Income received in advance	69,824	64,612	67,654	63,089
Other creditors and accruals	36,130	36,392	34,153	27,756
	<u>155,988</u>	<u>193,592</u>	<u>140,771</u>	<u>166,958</u>

Creditors amounts falling due within one year includes deferred income:

	2017	2016	2017	2016
	£	£	£	£
As at 1 April 2016	64,612	66,083	63,089	65,943
Amount deferred in the year	5,212	(1,471)	4,565	(2,854)
As at 31 March 2017	<u>69,824</u>	<u>64,612</u>	<u>67,654</u>	<u>63,089</u>

13 Restricted funds

	01.04.16	Incoming resources	Resources expended	Net Movement	Transfers	31.03.17
	£	£	£	£	£	£
Restricted funds						
EBC	159,409	-	(24,159)	(24,159)	(6,000)	129,250
Power	589		(589)	(589)	-	-
Big Lottery Fund: Next Steps	2,254	54,012	(56,266)	(2,254)	-	-
Children In Need	-	23,164	(21,923)	1,241	-	1,241
Blgrave Trust: Inclusion	28,889	29,000	(28,778)	222	-	29,111
KAYAC	-	4,608		4,608	-	4,608
Police Crime Commission	-	21,634	(21,634)	-	-	-
	<u>191,141</u>	<u>132,418</u>	<u>(153,349)</u>	<u>(20,931)</u>	<u>(6,000)</u>	<u>164,210</u>

Eastleigh Borough Council (EBC)

The funds transferred from the charity The Capital (Eastleigh) are restricted for use on youth activities in the borough of Eastleigh. It includes the net book value of £78,000 of leasehold property.

Power

A grant was received from the J Paul Getty Jnr Charitable Trust to fund a programme supporting young people over an 18 month period from September 2014 in two secondary schools in Southampton who are likely to be NEET (Not in Education, Employment or Training) on leaving school.

Youth Options

Notes to the Financial Statements For The Year Ended 31st March 2017

13 Restricted funds (continued)

Big Lottery Fund: Next Steps

The Next Steps Project is for those young people who are leaving Local Authority (Southampton) foster or residential care or who have left care in an unplanned way, and that need extra support to achieve their potential and move forward in their life.

Children In Need

Impact enables looked after children to come together in a safe environment, where staff understand their issues and concerns, where staff care about the individual and where young people can have fun, and feel positive about their situation, whilst developing their social and emotional capabilities.

Blagrove Trust: Inclusion

Inclusion is a dedicated programme supporting young people attending Inclusion Hampshire Alternative Provision. The programme aims to improve self-confidence and emotional control, social competence and communication skills and to improve retention in positive destinations post 16.

KAYAC

Winchester City Council provided grants for the provision of Youth Club sessions for young people in the Winnall area of Winchester. The Council also provided small grants for the purchase of equipment and board games for the youth club.

Police Crime Commission

The Police and Crime Commission awarded a Community Safety Fund Grant. The aim of the programme is to reduce crime and anti-social behaviour and reduce re-offending by delivering detached youth work on the streets of Southampton; to engage with young people and provide positive activities.

14 Unrestricted funds

	Youth Options Centres Ltd £	Scott Centre £	KAYAC / Strategic Activities £	General Fund £	Total £
Incoming resources	596,280	-	-	807,574	1,403,854
Outgoing resources	(481,674)	-	(232,585)	(944,998)	(1,659,257)
Net incoming resources	114,606	-	(232,585)	(137,424)	(255,403)
Transfers	(114,606)	(2,370)		122,976	6,000
Realised investment gains	-	-	-	5,631	5,631
Unrealised investment gains	-	-	-	(2,789)	(2,789)
Net movement in funds	-	(2,370)	(232,585)	(11,606)	(246,561)
Balance 1 April 2016	45	97,150	644,000	506,113	1,247,308
Balance 31 March 2017	45	94,780	411,415	494,507	1,000,747

The Scott Centre is a designated fund to distinguish the capital value of the property, which is not readily available for funding on-going activities. The properties are held by the charity to fulfil its objects as detailed in the Trustees' report. If the Scott Centre is sold, the proceeds will initially be held centrally by The National Association of Clubs For Young People in trust for the work carried out by Youth Options, subject to negotiation with the charity's Trustees at that time.

The KAYAC property fund was held to distinguish the capital value of the property not readily available for funding on-going activities. KAYAC was sold during the year but the net sale proceeds are being held by the trustees to fund strategic activities as detailed in the trustees' report.

Youth Options

Notes to the Financial Statements For The Year Ended 31st March 2017

15 Analysis of fund balances between net assets

	Total				Total £
	Designated funds	General funds	Unrestricted funds	Restricted funds	
	£	£	£	£	
Tangible fixed assets	94,780	30,954	125,734	78,000	203,734
Investments	411,415	159,008	570,423	-	570,423
Current assets	-	460,578	460,578	86,210	546,788
Current liabilities	-	(155,988)	(155,988)	-	(155,988)
Total funds	506,195	494,552	1,000,747	164,210	1,164,957

16 Pension commitments

The charity operates a defined contribution scheme for certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the charity. The charge for the year is shown in note 7.

17 Gross obligations under operating leasing agreements

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

			2017 £	2016 £
	Land and buildings	Other	Total	Total
Expiring between one and five years	19,200	7,661	26,861	26,861
Expiring after five years	620	-	620	620
	19,820	7,661	27,481	27,481

18 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net expenditure for year	(273,492)	(53,371)
Interest receivable	470	82
Depreciation and impairment of tangible fixed assets	19,913	19,492
(Gains) / losses on investments	2,789	11,199
(Profit) / loss on disposal of tangible fixed assets	217,396	-
(Profit) / loss on disposal of fixed asset investments	(5,631)	-
(Increase) / decrease in debtors	18,839	(30,293)
Increase / (decrease) in creditors	(37,604)	37,017
Net cash flow from operating activities	(57,320)	(15,874)

MAJOR DONORS AND ANNUAL SUBSCRIBERS 2016/17

Trusts/Grant Givers		Corporate Supporters
A R Taylor Charitable Trust		Airlynx Express Ltd
Ambition		Burlison Photography
Anton Jurgen Charitable Trust		Danebury Vineyards
BBC Children in Need		Gandhi Restaurant
Big Lottery Fund		Hattingley Valley Wines
Doris Campbell Memorial Fund		Hayling Island Golf Club
Eric & Dorothy Leach Charitable Trust		Hendy Mazda
Football Community League Ltd		Hilton Hotels
Ford Southampton Community Award		Intech Telecom
Hampshire & Isle of Wight Community Foundation		Little Kitchen Company
Hampshire County Council		Maxx Media
Legge Family Fund		North Hants Golf Club
Robert Hall Foundation		Partridge BMW
Sir Jeremiah Coleman Gift Trust		PricewaterhouseCoopers
Skills Funding Agency		Renaissance Retirement
Solent ESF		River Cottage Canteen
Southampton City Council		Royal Winchester Golf Club
Southampton Round Table		Southampton Round Table
The Big Give		Stone, Vine & Sun
The Blagrove Trust		Theatre Royal
The Emilienne Charitable Trust		
The Scott Eredine Trust		Other
Thornhill Community Health Group		Eastleigh Lions
Winchester City Council		Eastleigh Operatic & Musical Society
WTR Community Fund		Easton Sixes
		Romsey Town YFC
Individual Supporters		
John & Ann Bennett	Jonathan Lewis	Rex Jupe
Brian Chumley	Lady Rivett-Carnac	Richard & Verity Coleman
Charles & Tina Blackmore	Lucy Varcoe	Rupert C Neville
Christina Downie	Mark Chamberlain	Ryan & Sarah Lewington
Christine Frere-Cook	Michael Morris	Sally Fuller
David Lawson	Michelle Waktare	Sarah Parker
David White	Mike Gretton	Sebastian Snow
Deborah Hickman	Mike Scallan	Shaun Morgan
Elaine Baker	Mike Venables	Steve Brookwell
Elaine Stubbs	Mr Collis	Susan & James Summersby
George Ritchie	Mr Pope	Susan Pragnell
J I C Richardson	Natalie Lumby	Tanya Norris
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James Fillingham	Patricia Kerley	Trevor Jones
Janet Gray	Peter Davidson	Zillah Jordan
Janice Moll	Peter Dixon	Zoe Williams
Jo White		

