

REGISTERED COMPANY NUMBER: 02039817 (England and Wales)
REGISTERED CHARITY NUMBER: 1048705

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017
FOR
LONDON YOUTH GAMES FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

Cox Costello & Horne
Chartered Accountants and Statutory Auditors
4th & 5th Floor
14-15 Lower Grosvenor Place
London
SW1W 0EX

LONDON YOUTH GAMES FOUNDATION

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 8
Report of the Independent Auditors	9 to 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Financial Statements	14 to 22

LONDON YOUTH GAMES FOUNDATION

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017**

TRUSTEES	Ms J Aitken (Director) Cllr E S W Benn (Director) (resigned 12.10.16) Mr S J Burnside (Director) Mr M K Campbell (Director) Mr S H Fitzgerald (Director) Mr W B Fraser (Director) Cllr C J L Hayes (Director) Cllr M Hope (Director) Ms K Rothery (Director) Cllr J E Ryan (Director) Cllr S Summers (Director) Cllr A R Till (Director) Mr M C Worsley (Director)
COMPANY SECRETARY	Kerry Secretarial Services Ltd
REGISTERED OFFICE	C/O Cox Costello & Horne 4th & 5th Floor 14-15 Lower Grosvenor Place London SW1W 0EX
REGISTERED COMPANY NUMBER	02039817 (England and Wales)
REGISTERED CHARITY NUMBER	1048705
AUDITORS	Cox Costello & Horne Chartered Accountants and Statutory Auditors 4th & 5th Floor 14-15 Lower Grosvenor Place London SW1W 0EX
BANKERS	Barclays Bank PLC 54 High Street Ruislip Middlesex HA4 7AT
SOLICITORS	Wilsons Solicitors LLP Steylings House Summerlock Approach Salisbury Wiltshire SP2 7RJ

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 1 April 2016 to 31 August 2017. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

As a charity, we have a clear strategic objective, developed in line with the Charity Commission's guidance on public benefit:

"To enable more young people in London to achieve their full potential through the power of competitive sport and personal challenge."

Rates of inactivity in London among young people in particular are far too high and growing. 42% of boys and 44% of girls in London do less than 30 minutes of physical activity per day. These rates are even higher in certain socio economic, disabled and ethnic minority groupings. We believe that a significant part of any young person achieving their full potential is being healthy and physically active.

However, regular participation in sport and physical activity can do far more to help a young person to develop into their best selves than just simply delivering health benefits. According to Public Health England, healthier pupils in school are likely to achieve better academically, and working to support and enable each other's participation through volunteering gives young people vital life skills and experience. Finally, just as its diversity is one of the things that makes London great, it can also bring challenges in terms of understanding and tolerance - sport can do an incredible amount to bring young people from different communities together. In a society which is seeing increasing challenges brought by fragmentation of different elements of communities, the power of sport to increase integration is vital.

We aim to use our programmes and our interaction with young people across the whole of London to encourage them to work with each other as part of a team, no matter what community or background they are from. We enable and empower young people to support each other as they develop themselves by challenging themselves constantly to do better, be better and feel better. We do this by:

- providing a varied and high quality competition programme across 33 different sports to enable more young people to take part and be more physically active;
- supporting a framework and team structure which enables young people from all communities and backgrounds to join together as part of their borough team, representing their local community and building bridges that can span across London;
- enabling young people from all London boroughs to learn new skills and gain valuable experience, while also supporting their peers to compete, through an engaging and rewarding volunteer programme;
- working with partners to improve the capacity and skills of the sport workforce in London; and
- developing innovative new programmes and formats which will reach and engage even more young people to participate in sport and physical activity, particularly those who are currently less active.

In determining our strategic approach as a charity, and in overseeing delivery of our activity in line with this strategic approach, the trustees have taken into account the Charity Commission's guidance on public benefit. All of our charitable activities focus on producing a clearly identifiable benefit for young people across London. We seek to ensure that our participants reflect the diversity of London's population, particularly in relation to gender, race and disability. All of our activities are free to access and many of our participants are from areas of high social deprivation in London.

Grantmaking

The charity is not primarily a grant making charity, although limited grants are made to organisations which inspire young people to compete and volunteer in sport. Grants are approved at the discretion of the trustees.

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017**

ACHIEVEMENT AND PERFORMANCE

Review of the year

The Foundation's activities are predominantly delivered against an annual cycle in line with the school year, rather than calendar or financial, and so it makes sense to report outcomes and performance against that cycle here.

We aim to give as many young people in London the opportunity to achieve their full potential as possible and, to this end, the 2016 Games Year saw a new record being set for the number of participants taking part in the Games across the year - 139,786. This was only possible through the continued hard work and dedication of our volunteers - of which there were 4,173 who took part during the year - and the borough networks with which we work so closely.

After a hat-trick of titles in our overall borough competition across all sports, the Jubilee Trophy, Wandsworth were pipped to the post this year by Bromley. The competition between boroughs was so close that, after nine months of competition, the Trophy was decided by the last medal, in the last event on the Sunday of Finals week.

The Foundation's activities are predominantly split between three inter-linked areas of work: delivery of the London Youth Games programme; the recruitment, support and training of the GamesForce volunteers who help to deliver the Games; and the development of new and innovative programmes to diversify and increase the Foundation's reach and impact across London. Across all of these elements, we had 137,381 participants during the year.

The Games themselves are still the most significant element of what we do and, given that our Games Year runs in line with the school year, rather than the tax/financial or calendar years, it makes sense to report against achievements across the 2017 Games Year. Reflecting this, this year we have also extended the period covered by the attached accounts (they cover from April 2016 to August 2017) to bring our financial year in line with our operational cycle.

Games delivery

The 2017 Games Year was another successful one with all 32 boroughs and the City of London taking part. We ran a competition programme of a hundred different competitions across over thirty sports, ranging from aquathlon to weightlifting. Young people from all of London's communities had the opportunity to take part in some of London's most iconic and high quality venues, including Lord's, the Olympic Park, the National Tennis Centre and the Crystal Palace National Sports Centre.

We continue to reflect in our participants the diversity which makes London such a great city:

- " 47% of our participants are female;
- " 41% were from a black or minority ethnic background;
- " 25% of participants were from the top 20% most deprived wards in London; and
- " 10% reported that they had a disability.

All of this was only possible through the continued hard work and dedication of our volunteers - of which there were 4,177 who took part during the year - and the borough networks with which we work so closely.

In another very exciting climax to the year, on the last day of our Summer Finals weekend, Bromley just pipped Wandsworth to the title in the Jubilee Trophy, for the second year on the trot. Our trophy winners were:

- " Jubilee Trophy - Bromley
- " Inner London Trophy - Wandsworth
- " Para-Games Trophy - Hackney
- " Regatta Trophy - Richmond
- " Most Improved Borough - Tower Hamlets
- " Schools Shield - Haringey

Our competition programme is designed to provide a structure within which participants from all across the capital can challenge themselves and others, within a fun and safe environment, to reach further towards ever more aspirational goals. While there are always ultimately winners - which we celebrate - we care equally about trying to ensure that everyone has the same high quality and developmental experience from taking part in the Games.

Volunteering and workforce

Our volunteering programme both supports the delivery of the Games and provides an opportunity for young people from across London to develop team working and leadership skills in particular. It brings people together to work in support of their local communities and also often provides those who have taken part in the Games, but who are now too old to compete, with an opportunity to give something back and still enjoy the atmosphere and the friendships that the Games create. We were immensely proud to receive the "Bigger and Better Workforce" Award for our GamesForce programme at the 2017 London Sport Awards. This award was a recognition of all that our amazing volunteers achieve every year, both at our events and in their own communities.

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017**

ACHIEVEMENT AND PERFORMANCE

Review of the year

In order to encourage and support young people into a lifelong appreciation of the importance of volunteering, we have also worked with our partners, Create Development, to develop training courses so as to increase the confidence and skills of young volunteers. They enable volunteers to feel more comfortable and better equipped to volunteer, removing a large part of the fear factor coming with any new experience. We have the Games Force Events Award, aimed at 11-16 year olds, which we have been delivering for several years, and our new course, GamesForce Go!. This is a development course aimed at primary school students to encourage and equip them to get involved in enabling and supporting their fellow pupils to participate and get more active. The quality of these training courses has been recognised as schools and County Sports Partnerships from several other areas of the country have already enquired about purchasing the materials and being trained in delivering the course. Our expertise in delivering a unique experience for volunteers across London has also given us opportunities to work with large scale events such as the London Marathon and the Athletics World Championships, as well as with some corporates looking to grow greater engagement between their staff teams and local communities. For example, in 2017 we worked with five of the Nike stores in London to provide high quality volunteering opportunities at our events for 77 of their staff.

Expanding our impact

We have put a great deal of effort into developing our partnership with parkrun over the last eighteen months, because we believe the resulting product, SchoolsRun, provides a real opportunity to get more young people more active. As a result of working with parkrun and using their technology, it also provides a great opportunity for us, the wider sport sector and the schools involved to understand and clearly demonstrate the impact of regular exercise in the school setting. We are able to provide engaging data for young people taking part on how they have developed and improved their fitness. This can be over-layed with open source data for schools taking part, in areas such as behaviour, academic achievement, attendance, etc., and we are very excited at the potential this has for taking the debate forward.

In 2017, we piloted the SchoolsRun programme with 30 schools across London, with over 4,000 young people taking part in the programme. We used this pilot phase to test and develop a SchoolsRun portal for schools to make participation as frictionless as possible for teachers and schools, as we know this is a key factor in the adoption of any programme into school life. We have also been working with Disney, as potential partners for the programme, to test the power of their characters and collateral on the engagement of young people with the programme. At the time of drafting this report, we have begun gradually to roll out the programme more widely to other London schools.

FINANCIAL REVIEW

Investment policy and objectives

Under the Articles of Association, the Foundation has the power to invest monies which are not immediately required for its purposes, in or upon such investments or property as may be thought fit. At the present time the trustees' policy is to maintain all such monies in liquid cash form, on deposits earning a market rate of interest. The trustees consider that this is the most appropriate form of investment in the current climate, given the operational context and considering the amount.

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017**

FINANCIAL REVIEW

Financial review

The charity's results and financial position for the year are reflected in the attached financial statements.

The accounts as set out cover the period April 2016 to August 2017. This extended period is in order to change the Foundation's financial year from the standard UK tax year of April - March, to a financial year which reflects our operational reality, i.e. September - August. This will allow us both to budget and report more clearly against our cycle of delivery. It also reflects the funding cycle of our primary funder, Sport England, much better.

Financial controls

The trustees consider the charity's financial controls are appropriate and in keeping with other, similar sized charities. The Board fully considers the management accounts of the Foundation at every meeting and ensures that there are appropriate internal controls around budget setting and expenditure against it.

Income streams

The majority of the charity's funding currently derives from two main sources: membership fees from individual London boroughs; and the National Lottery, through its distributor Sport England.

Reserves policy

Given the cyclical nature of our delivery, reserves are needed in order primarily to ensure that at no point would we start to deliver on a Games year programme and then not be able to complete that year's competition for some reason. They are also necessary potentially to cover gaps in between securing particular income streams.

We continually look at our reserves policy in the context of the risk profile of our major funding streams. In this light, our aim has been to get to the point where we retain sufficient unrestricted reserves to ensure that we can meet our delivery needs, as well as our fiduciary obligations, for a full Games Year of operation if significant levels of funding were withdrawn.

In recent years, we have been making larger than normal additions to our reserves precisely because we knew we had our commercial partnership with Balfour Beatty coming to an end. Alongside this, we have been seeking various alternative funding streams to replace the money that Balfour Beatty contributed. We are still in ongoing discussion with several potential funders for the 2018 Games Year and beyond. In the context of the constrained financial circumstances, in this accounting period we made a small draw down on our reserves £23,524 - largely necessary as a result of the extended financial year and also the impact of additional unbudgeted costs, such as additional security measures in light of the heightened terrorist threat level.

The trustees keep the financial situation under constant review, balancing the likelihood of additional funding, the Foundation's ability to control its cost base over the current delivery year and from one year to the next, and the overall reserves position of the Foundation. Given, in particular, the committed nature of the Foundation's funding from Sport England and the Boroughs, and its ability to make decisions to fit the scope of the programme to the level of its income at the start of each Games Year, the trustees judge that maintaining the level of delivery through a small draw down on reserves in a single games year is reasonable.

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017**

FUTURE DEVELOPMENTS

2017 was the 40th Anniversary of the London Youth Games and, in the 2018 Games Year, we expect the one and a half millionth participant to take part in the Games. The Games have also been the starting blocks for large numbers of Olympians, Paralympians and major event winners, like Mo Farah, Bradley Wiggins, Christine Ohuruogu, Rio Ferdinand, David Weir and Sophie Bray. We want to protect the Games for future generations but we also realise that we need to use our position as the only pan-London sports delivery organisation for young people to do more to combat the growing tendency towards inactivity and, in particular, the health problems that leads to.

Our aim is to enable as many young Londoners as possible to get the benefit of taking part in high quality and inspiring programmes of competition and personal challenge. With this in mind, we have worked with our networks to do a full review of the Games programme to make sure it is still relevant and appropriate. On the back of this, for 2018, we are looking at how we can use various methods (e.g. standard capping and greater use of splitting draws into 'trophy' and 'plate' style structures) to try and ensure that those we know have access to high quality competition week in, week out, are not the ones taking part in our most mainstream/high numbers sports. Where the Games play a particular role in a sport's performance landscape in London, e.g. weightlifting or fencing, then we will continue to cater for that, but we will also look at introducing a lower level of competition in that sport, to encourage participation at all levels.

We will continue to look to develop the approach we have adopted with SchoolsRun in other areas of sport or physical activity. We want to use the networks we have, and our position at the centre of youth sport in London to work with National Governing Bodies of Sport and other deliverers, to find innovative ways of encouraging young people to challenge themselves to achieve more. This is about young people defining their own success and being encouraged to reach for it, rather than being defined by what others think.

On volunteering, on the back of the recognition at the London Sport Awards of the quality of our volunteering programme, we are working with England Athletics to see how our training model can help them nationally. We are also looking forward to supporting the London Marathon as they launch The Big Half in 2018, providing another high profile opportunity for our young volunteers from across London to gain valuable experience at a large scale, professionally run event.

We are also investing in our capability to improve our offering to young people in London and our capacity to understand them as customers better. We are working with London Sport and British Universities and Colleges Sport to develop a new competition management and customer relationship management IT platform. This will not only enable us to improve the participant experience for both those taking part in the Games and volunteers, but it will also enable us gradually to be able to provide longitudinal participation data for young people in London, across the school/community fence. This will be invaluable for understanding how young people consume sport and physical activity opportunities in the capital and beyond.

We do not want to stand still as a charity. We will continue to improve and deliver the Games programme but we will also look to build innovative and exciting new partnerships with organisations with similar values and objectives, in order to get more young people in London to achieve their full potential.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Company structure

The London Youth Games Foundation is a charitable company limited by guarantee and not having a share capital, as defined by the Companies Act 2006, established under a Memorandum and Articles of Association and incorporated on 22 July 1986. The Memorandum and Articles of Association have been amended by special resolution on 4 July 1995 and, most recently, 19 October 2005.

The Foundation registered as a charity on 16 August 1995.

Membership of the company

Provisions governing membership of the Foundation are set out in the Articles of Association. The members are London boroughs and the City of London, and the independent trustees.

Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

Financial statements

The audited financial statements comply with the Charities Statement of Recommended Practice - Accounting and Reporting by Charities FRS 102 effective January 2015, the Charities Act 2011, the Companies Act (2006) and the Charities (Accounts and Reports) Regulations 2008. The trustees' report and financial statements are submitted to the Charity Commission following approval by the membership at the AGM.

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees and board

Trustees for the Foundation for the purposes of the Charities Act 2011, who are also the Directors of the company for the purposes of the Companies Act 2006, are appointed at the annual general meeting of the members and fall into two categories: half the board is made up of independent trustees and half of member representatives. Member representative trustees are appointed by a majority decision of the London Borough Authorities present at any general meeting at which the appointment of London Borough trustees is considered, whether due to retirement, expiry of term of office or disqualification. Independent trustees are appointed by resolution of the board of trustees.

All trustees serve for a term of two years, upon expiry of which they are eligible for reappointment. New trustees are briefed by the chairman and the chief executive as part of an informal induction process.

The board of the Foundation is led by the chair, Mark Campbell, and is responsible for setting the strategic direction of the Foundation and for oversight of delivery against it. It is also responsible for ensuring there is an effective governance regime in place for the organisation as a whole.

The trustees who held office during the financial year 2016-17 were:

Mark Campbell	Joyce Ryan
Marc Hope	Joanna Aitken
Karen Rothery	Alan Till
Martyn Worsley	William Fraser
Stuart Burnside	Chris Hayes
Stephen Fitzgerald	Steve Summers

Risk management

The Foundation has a strong process for the identification and management of major threats and opportunities to the organisation's ongoing success and financial health, overseen by the Board. Currently, the key risks to the organisation are either ongoing operational/delivery risks, for example around safeguarding of young people or ensuring the appropriate quality of events; or financial, for example around securing the necessary ongoing funding to enable the Games to continue.

The Foundation's greatest risk is around its ongoing financial sustainability and hence the trustees have put in place increased oversight through it being rigorously analysed and discussed at every board meeting, and through a specially constituted sub-committee of the board, meeting every two weeks. The management of operational delivery risks, around ensuring a safe environment for young people who take part at all LYG events, has also been improved through rigorous risk assessment of every event and venue. This led to, for example, significantly increased security arrangements in place at Summer Finals as a response to the terrorist attacks in London which had taken place in the preceding months. The Foundation continues to work with professional consultants, venue management and the emergency services as appropriate to make sure that our events are as safe as possible for the young people taking part.

**REPORT OF THE TRUSTEES
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of London Youth Games Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with 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".

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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable 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 charitable company and to 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 auditors are 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 auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

AUDITORS

The auditors, Cox Costello & Horne, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 6th December 2017 and signed on its behalf by:


.....
Mr M K Campbell - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LONDON YOUTH GAMES FOUNDATION

We have audited the financial statements of London Youth Games Foundation for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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 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 auditors' 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities, 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.

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 Report of the Trustees 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 charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LONDON YOUTH GAMES FOUNDATION**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



Michael F Cox FCA (Senior Statutory Auditor)
for and on behalf of Cox Costello & Home
Chartered Accountants and Statutory Auditors
4th & 5th Floor
14-15 Lower Grosvenor Place
London
SW1W 0EX

Date: 6th December 2017

Note:

The maintenance and integrity of the London Youth Games Foundation website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

LONDON YOUTH GAMES FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017

	Not es	Unrestricted funds £	Restricted funds £	Period 1.4.16 to 31.8.17 Total funds £	Year Ended 31.3.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
London Youth Games	4	-	459,970	459,970	295,480
Other trading activities	2	772	880,723	881,495	818,964
Investment income	3	159	-	159	422
Total		931	1,340,693	1,341,624	1,114,866
EXPENDITURE ON					
Charitable activities					
London Youth Games	5	-	1,365,148	1,365,148	951,154
NET INCOME/(EXPENDITURE)		931	(24,455)	(23,524)	163,712
RECONCILIATION OF FUNDS					
Total funds brought forward		70,673	323,115	393,788	230,076
TOTAL FUNDS CARRIED FORWARD		71,604	298,660	370,264	393,788

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

**BALANCE SHEET
AT 31 AUGUST 2017**

	Not es	31.8.17 £	31.3.16 £
FIXED ASSETS			
Tangible assets	12	335	3,139
Investments	13	<u>1</u>	<u>1</u>
		336	3,140
CURRENT ASSETS			
Stocks	14	27,848	-
Debtors	15	74,865	404,789
Cash at bank		<u>421,465</u>	<u>521,997</u>
		524,178	926,786
CREDITORS			
Amounts falling due within one year	16	<u>(154,250)</u>	<u>(536,138)</u>
NET CURRENT ASSETS		<u>369,928</u>	<u>390,648</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>370,264</u>	<u>393,788</u>
NET ASSETS		<u>370,264</u>	<u>393,788</u>
FUNDS			
Unrestricted funds	19	71,604	70,673
Restricted funds		<u>298,660</u>	<u>323,115</u>
TOTAL FUNDS		<u>370,264</u>	<u>393,788</u>

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

The financial statements were approved by the Board of Trustees on 6th December 2017 and were signed on its behalf by:



.....
Mr M K Campbell -Trustee

LONDON YOUTH GAMES FOUNDATION

CASH FLOW STATEMENT
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017

	Notes	Period 1.4.16 to 31.8.17 £	Year Ended 31.3.16 £
Cash flows from operating activities:			
Cash generated from operations	23	<u>(101,233)</u>	<u>523,046</u>
Net cash provided by (used in) operating activities		<u>(101,233)</u>	<u>523,046</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		-	(1,471)
Sale of tangible fixed assets		542	-
Interest received		<u>159</u>	<u>422</u>
Net cash provided by (used in) investing activities		<u>701</u>	<u>(1,049)</u>
Change in cash and cash equivalents in the reporting period		<u>(100,532)</u>	<u>521,997</u>
Cash and cash equivalents at the beginning of the reporting period		<u>521,997</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>421,465</u></u>	<u><u>521,997</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The trustees have prepared the financial statements on the going concern basis. The trustees have a reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future, and at least one year from the date of approval of the financial statements. Accordingly, the trustees continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities included within the Trustees Report.

Preparation of consolidated financial statements

The financial statements contain information about London Youth Games Foundation as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Charitable activities

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs associated of an indirect nature necessary to support them.

Allocation and apportionment of costs

Costs are allocated in the following ways: direct, shared and support. Direct costs attributable to a single activity must be allocated direct to that activity. Shared costs which contribute directly to more than one activity must be apportioned between those activities. Support costs which are not attributable to a single activity must also be apportioned between the activities being supported.

The methods adopted for cost apportionment are usage of a resource or activity in terms of time taken.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 33% on cost
Furniture	- 33% on cost
Computer equipment	- 33% on cost

All assets are initially recognised at cost and subsequently carried at cost less accumulated depreciation. The cost of an asset initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Items of equipment are capitalised where the purchase price exceeds £300. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Taxation

The charity is exempt from corporation tax on its charitable activities.

The charity is registered for VAT but has sources of income which are considered to be exempt from VAT. For this reason it is unable to recover all input VAT it suffers on purchased goods and services and the cost is included as an individual item of expense.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Transfers between unrestricted to restricted funds can be made to cover any overspends on restricted projects during the year where cost will not be met by the funder. Transfers between restricted funds and from restricted to unrestricted funds are made with the permission of the funder.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Pension costs

The charity contributes towards personal pension schemes of staff. The contributions payable by the charity and staff are deposited in the respective pension funds within 30 days following the deduction. Once the contributions have been paid, the charity as employer, has no further payment obligations. The charity's contributions are charged to the Statement of Financial Activities in the period to which they relate.

2. OTHER TRADING ACTIVITIES

	Period 1.4.16 to 31.8.17 £	Year Ended 31.3.16 £
Sponsorships	363,001	473,289
Local Authority contributions	459,162	230,400
Other donations	11,583	2,333
Other income	<u>47,749</u>	<u>112,942</u>
	<u>881,495</u>	<u>818,964</u>

3. INVESTMENT INCOME

	Period 1.4.16 to 31.8.17 £	Year Ended 31.3.16 £
Deposit account interest	<u>159</u>	<u>422</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Period 1.4.16 to 31.8.17 £	Year Ended 31.3.16 £
Grants	<u>459,970</u>	<u>295,480</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 6)	Support costs (See note 7)	Totals
	£	£	£	£
London Youth Games	<u>1,022,564</u>	<u>25,730</u>	<u>316,854</u>	<u>1,365,148</u>

6. GRANTS PAYABLE

	Period 1.4.16 to 31.8.17	Year Ended 31.3.16
	£	£
London Youth Games	<u>25,730</u>	<u>25,000</u>

The total grants paid to institutions during the period was as follows:

	Period 1.4.16 to 31.8.17	Year Ended 31.3.16
	£	£
London Boroughs and City of London Sporting Pathways (BB)	-	25,000
Sports Develop Grant	<u>25,000</u>	-
	<u>25,730</u>	<u>25,000</u>

7. SUPPORT COSTS

	Management	Finance	Information technology	Totals
	£	£	£	£
London Youth Games	<u>175,467</u>	<u>35,758</u>	<u>105,629</u>	<u>316,854</u>

All individual costs are based on actual apart from the following:

	Basis of allocation
Wages	Staff time
Social security	Staff time
Pensions	Staff time
Depreciation	Estimated useful life
Irrecoverable VAT	% of non-allowable income

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	Period 1.4.16 to 31.8.17	Year Ended 31.3.16
	£	£
Depreciation - owned assets	<u>2,262</u>	1,569
Other operating leases	<u>18,264</u>	<u>16,327</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

The Memorandum of Association of the charity makes provision for trustees to receive reimbursement for any services rendered to the charity.

Trustees' expenses

During the year, insurance was purchased to indemnify the charitable company from loss arising from neglect or defaults of its trustees, employees or agents. The cost of the indemnity insurance amounted to £1,351 (2016: £821).

10. STAFF COSTS

	Period 1.4.16 to 31.8.17 £	Year Ended 31.3.16 £
Wages and salaries	452,074	286,034
Social security costs	42,891	28,598
Other pension costs	<u>18,557</u>	<u>11,536</u>
	<u>513,522</u>	<u>326,168</u>

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

	Period 1.4.16 to 31.8.17	Year Ended 31.3.16
Charitable activities	8	6
Management and administrative support	<u>2</u>	<u>1</u>
	<u>10</u>	<u>7</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Period 1.4.16 to 31.8.17	Year Ended 31.3.16
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

Key Management Remuneration

The key management personnel of the charity, comprise the board of trustees, the Chief Executive. The total employee benefits, excluding pension contributions, of the key management personnel of the charity were £116,825 (2016: £79,256).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
London Youth Games	-	295,480	295,480
Other trading activities	-	818,964	818,964
Investment income	422	-	422
Total	422	1,114,444	1,114,866
EXPENDITURE ON			
Charitable activities			
London Youth Games	-	951,154	951,154
Total	-	951,154	951,154
NET INCOME/(EXPENDITURE)	422	163,290	163,712
RECONCILIATION OF FUNDS			
Total funds brought forward	70,251	159,825	230,076
TOTAL FUNDS CARRIED FORWARD	70,673	323,115	393,788

12. TANGIBLE FIXED ASSETS

	Office equipment £	Furniture £	Computer equipment £	Totals £
COST				
At 1 April 2016	2,074	3,724	10,509	16,307
Disposals	-	-	(542)	(542)
At 31 August 2017	<u>2,074</u>	<u>3,724</u>	<u>9,967</u>	<u>15,765</u>
DEPRECIATION				
At 1 April 2016	1,069	3,724	8,375	13,168
Charge for year	670	-	1,592	2,262
At 31 August 2017	<u>1,739</u>	<u>3,724</u>	<u>9,967</u>	<u>15,430</u>
NET BOOK VALUE				
At 31 August 2017	<u>335</u>	<u>-</u>	<u>-</u>	<u>335</u>
At 31 March 2016	<u>1,005</u>	<u>-</u>	<u>2,134</u>	<u>3,139</u>

13. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 April 2016 and 31 August 2017	<u>1</u>
NET BOOK VALUE	
At 31 August 2017	<u><u>1</u></u>
At 31 March 2016	<u><u>1</u></u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

LYG (Trading) Limited
Nature of business: Dormant

Class of share:	%		
Ordinary	holding		
	100		
		31.8.17	31.3.16
		£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>

The subsidiary company has been dormant throughout the 2017 and 2016 financial years.

14. STOCKS

	31.8.17	31.3.16
	£	£
Work-in-progress	<u>27,848</u>	<u>-</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.3.16
	£	£
Trade debtors	34,422	388,033
Other debtors	3,536	10,029
VAT	2,611	-
Prepayments and accrued income	<u>34,296</u>	<u>6,727</u>
	<u><u>74,865</u></u>	<u><u>404,789</u></u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.17	31.3.16
	£	£
Trade creditors	10,876	19,448
Social security and other taxes	7,611	9,202
VAT	-	13,569
Other creditors	1,649	-
Accruals and deferred income	<u>134,114</u>	<u>493,919</u>
	<u>154,250</u>	<u>536,138</u>

Included within other creditors is deferred income of £ 7,533 (2016: £378,881).

Deferred income is funds received in advance for charitable activities to be undertaken in the 2016/2017 financial year. The larger funders are as follows: £Nil (2016: £175,000) London Boroughs, Thames Water £Nil (2016: £31,500), Balfour Beatty £Nil (2016: £150,000) and Rodney FitzGerald £7,533 (2016: £25,000).

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.17	31.3.16
	£	£
Between one and five years	<u>27,846</u>	<u>-</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Fixed assets	-	335	335	3,139
Investments	1	-	1	1
Current assets	71,603	452,575	524,178	926,786
Current liabilities	<u>-</u>	<u>(154,250)</u>	<u>(154,250)</u>	<u>(536,138)</u>
	<u>71,604</u>	<u>298,660</u>	<u>370,264</u>	<u>393,788</u>

19. MOVEMENT IN FUNDS

	At 1.4.16	Net movement in funds	At 31.8.17
	£	£	£
Unrestricted funds			
General fund	70,673	931	71,604
Restricted funds			
London Youth Games	323,115	(24,455)	298,660
TOTAL FUNDS	<u>393,788</u>	<u>(23,524)</u>	<u>370,264</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	931	-	931
Restricted funds			
London Youth Games	1,340,693	(1,365,148)	(24,455)
TOTAL FUNDS	<u>1,341,624</u>	<u>(1,365,148)</u>	<u>(23,524)</u>

Purposes of unrestricted funds

The funds have arisen due to past income received without specific restrictions. These funds are to be utilised as and when required to cover charity governance and operating costs.

Purposes of restricted funds

The funds have arisen due to income received in advance of the 2016/2017 London Youth Games (Event). Funds are restricted to cover direct Event costs and associated charity support costs, as and when required.

20. RELATED PARTY DISCLOSURES

The London boroughs and City of London are members of the charity and therefore considered to be related parties for disclosure purposes. The contributions referenced below relate to the London boroughs and City of London.

During the year, deferred contributions amounting to £448,000 (2016: £230,400) were released to the Statement of Financial Activities.

At the reporting date, included in other creditors are contributions received in advance amounting to £7,532 (2016: £175,000).

At the reporting date, included in trade debtors is contributions receivable totalling £48,236 (2016: £67,920).

During the year, grants in the amount of £25,730 (2016: £25,000) were payable to the London boroughs and City of London.

21. ULTIMATE CONTROLLING PARTY

The charitable company is limited by guarantee and has no share capital. The charitable company is controlled by its members as a group and consequently there is no ultimate controlling party.

22. COMPANY LIMITED BY GUARANTEE

The charitable company is limited by guarantee and has no share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up, for payments of the debts and liabilities of the company, such amount as may be required, not exceeding £1.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 1 APRIL 2016 TO 31 AUGUST 2017

23. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Period 1.4.16 to 31.8.17 £	Year Ended 31.3.16 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(23,524)	163,712
Adjustments for:		
Depreciation charges	2,263	1,569
Interest received	(159)	(422)
Increase in stocks	(27,848)	-
Decrease/(increase) in debtors	128,859	(404,789)
(Decrease)/increase in creditors	<u>(180,824)</u>	<u>762,976</u>
Net cash provided by (used in) operating activities	<u>(101,233)</u>	<u>523,046</u>