

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

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016
FOR
LONDON YOUTH GAMES FOUNDATION**

Cox Costello & Horne Limited
Chartered Accountants and Statutory Auditors
Langwood House
63-81 High Street
Rickmansworth
Hertfordshire
WD3 1EQ

LONDON YOUTH GAMES FOUNDATION

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FOR THE YEAR ENDED 31 MARCH 2016**

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LONDON YOUTH GAMES FOUNDATION

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

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 year ended 31 March 2016. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02039817 (England and Wales)

Registered Charity number
1048705

Registered office
c/o Cox Costello & Horne
Langwood House
63-81 High Street
Rickmansworth
Hertfordshire
WD3 1EQ

Trustees

Ms J Aitken	Director	
Cllr E S W Benn	Director	
S J Burnside	Director	
M K Campbell	Director	
S H Fitzgerald	Director	
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	
Ms J Tottman	Director	- resigned 28.5.15
M C Worsley	Director	

Company Secretary

Kerry Secretarial Services Ltd

Auditors

Cox Costello & Horne Limited
Chartered Accountants and Statutory Auditors
Langwood House
63-81 High Street
Rickmansworth
Hertfordshire
WD3 1EQ

Bankers

Barclays Bank PLC
54 High Street
Ruislip
Middlesex
HA4 7AT

Solicitors

Wilsons Solicitors LLP
Steylings House
Summerlock Approach
Salisbury
Wiltshire
SP2 7RJ

LONDON YOUTH GAMES FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

AIMS AND OBJECTIVES

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.

LONDON YOUTH GAMES FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

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.

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 2015-16 were:

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

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 ongoing commercial sponsorship funding.

Improvements have been made on both fronts over the course of the year. For example, in direct response to the Foundation's biggest risk, the trustees have established a Sponsorship Sub-Group of the Board, which meets fortnightly to oversee progress against securing a new sponsor. Similarly, from an operational perspective, for the first time this year the event day risk assessments which are carried out by an independent contractor were augmented by a table top crisis management exercise for the staff team.

ACHIEVEMENT AND PERFORMANCE – REVIEW OF THE YEAR

Games delivery

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.

For the first time this year, we had more females than males participating in the Games. This is something we are very proud of due to its unfortunate rarity in other parts of the sport landscape. We have achieved this as a result of a conscious effort to grow female participation through innovative team rules (e.g. enforcing a gender balance in some mixed team sports) and through introducing new female only competitions and sports.

Our competition programme offered young people in boroughs a choice from a balanced and high quality programme of 33 different sports in which they could take part. The programme culminated in nearly a hundred different event days directly put on by the Foundation, as Finals or final qualifiers, giving the chance for London's young people to experience playing at some of London's iconic venues, including Lord's, the Copper Box and Crystal Palace. Our competition programme is designed to provide a structure within which all participants 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, 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. Over 4,100 people took part in the programme last year.

In order to encourage and support young people into a lifelong appreciation of the importance of volunteering, we also provide training courses so as to increase the confidence and skills of young volunteers. This enables 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 which over 250 young people from 15 different boroughs completed. This year also, we have been working in partnership with Create Development to develop 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. We piloted the course in 7 schools across London in the Summer and over 50 young leaders who had completed the course volunteered and led activity for the first time on site at our finals as part of FanFest. The full London launch will be in November of 2016. 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.

Another vital element of increasing participation in sport in London is ensuring that enough of the right people, with the right skills, choose to become coaches and work in their local communities. This is something we have been working in partnership with the Youth Sports Trust and the local School Games Leadership, Coaching and Volunteering leads in London to address. This year we ran the first Pan-London Young Coaches Academy, aiming to inspire young people to consider coaching as an option for them; to support them through training sessions and mentoring; and to support effective deployment into the community setting through engagement with London Youth Games Borough Teams and satellite and other community clubs through London Sport. Young people from 38 schools across 18 boroughs took part with a 50:50 gender split and we hope to grow this approach further next year.

Finally, part of the programme over the last year has been the nationally funded Inclusive Futures programme, for which we are the deliverers for London. This programme is specifically targeted at getting more young people with disabilities engaged in volunteering and greater integration by encouraging young people without disabilities to volunteer alongside. Over 291 young people took part, contributing over 1,800 volunteering hours at events and in their communities.

While the funding for Inclusive Futures has now come to an end, we have decided to mainstream the learning and successes from the programme as much as possible by continuing to fund the member of staff ourselves. We hope to build on these successes in order to improve the provision in our overall volunteering programme for those with disabilities.

LONDON YOUTH GAMES FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2016

FUTURE DEVELOPMENTS

2017 will be the 40th Anniversary of the London Youth Games and, in that time, over one and a quarter million young people have taken part. 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.

We have begun a new push this year to broaden our reach and appeal even further. We intend any growth and development in our activity in the short-medium term to be specifically targeted at getting those young people who are less active to be more physically active, more regularly. To this end, we have partnered with parkrun to create SchoolsRun, a regular running programme for schools. This programme provides a fun and engaging structure for schools to use to get their pupils running. It uses the innovative parkrun measurement approach to provide schools, parents and boroughs with data which can be used to measure demonstrable improvements in both personal fitness for pupils but also for the form, year or school as a whole. Above all else this is about, encouraging young people to challenge themselves to do just a little better each time, no matter what it is they are doing or what level they are doing it at.

This is hopefully just the start for us 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.

FINANCIAL REVIEW

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

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 derives from three main sources: membership fees from individual London boroughs; the National Lottery, through its distributor Sport England; and our commercial partners.

Reserves policy

Given the cyclical nature of our delivery currently, 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 if there were significant levels of funding withdrawn for some reason. They are also necessary potentially to cover gaps in between securing commercial sponsorship income in particular. The reason why there was a larger than normal contribution towards the reserves in this specific financial year was precisely because we knew we had our commercial partnership with Balfour Beatty coming to an end.

We continually look at our reserves policy in the context of the risk profile of our major funding streams. In this light we have concluded that our aim should be 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 six months of operation if significant levels of funding were withdrawn. The board of trustees regularly reviews this policy and performance against it.

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.

Grant making

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.

LONDON YOUTH GAMES FOUNDATION

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

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 Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the 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.

AUDITORS

The auditors, Cox Costello & Horne Limited, 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 12/10/2016 and signed on its behalf by:



.....
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 year ended 31 March 2016 on pages eight to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 set out on page six, 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 Trustees' 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 charitable company's affairs as at 31 March 2016 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 requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.



Michael F Cox FCA (Senior Statutory Auditor)
for and on behalf of Cox Costello & Horne Limited
Chartered Accountants and Statutory Auditors
Langwood House
63-81 High Street
Rickmansworth
Hertfordshire
WD3 1EQ

Date: 12 October 2016

LONDON YOUTH GAMES FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted funds £	Restricted funds £	31.3.16 Total funds £	31.3.15 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Activities for generating funds	2	-	818,964	818,964	691,590
Investment income	3	422	-	422	363
Incoming resources from charitable activities					
London Youth Games	4	-	295,480	295,480	329,675
Total incoming resources		422	1,114,444	1,114,866	1,021,628
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	5	-	-	-	130
Charitable activities					
London Youth Games	6	-	931,695	931,695	964,026
Governance costs	9	-	19,459	19,459	20,299
Total resources expended		-	951,154	951,154	984,455
NET INCOMING RESOURCES		422	163,290	163,712	37,173
RECONCILIATION OF FUNDS					
Total funds brought forward		70,251	159,825	230,076	192,903
TOTAL FUNDS CARRIED FORWARD		70,673	323,115	393,788	230,076

The notes form part of these financial statements

LONDON YOUTH GAMES FOUNDATION (REGISTERED NUMBER: 02039817)

**BALANCE SHEET
AT 31 MARCH 2016**

	Notes	31.3.16 £	31.3.15 £
FIXED ASSETS			
Tangible assets	13	3,139	3,239
Investments	14	1	1
		3,140	3,240
CURRENT ASSETS			
Debtors	15	404,791	308,303
Cash at bank		521,997	789,461
		926,788	1,097,764
CREDITORS			
Amounts falling due within one year	16	(536,140)	(870,928)
NET CURRENT ASSETS		390,648	226,836
TOTAL ASSETS LESS CURRENT LIABILITIES		393,788	230,076
NET ASSETS		393,788	230,076
FUNDS	19		
Unrestricted funds		70,673	70,251
Restricted funds		323,115	159,825
TOTAL FUNDS		393,788	230,076

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 and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Trustees on 12/10/2016 and were signed on its behalf by:



.....
M K Campbell -Trustee

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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.

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

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.

Incoming resources

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 and are shown in the financial statements as gross income (net of VAT where applicable). Incoming resources derive wholly within the United Kingdom.

Incoming resources from generated funds are predominately local authority member contributions and commercial sponsorship for specific events and are recognised in the year in which the event falls.

Incoming resources from charitable activities are grants receivable in support for the London Youth Games and are recognised in the year in which the event falls.

Capital based grants are credited to a deferred income account and transferred to the Statement of Financial Activities in equal annual instalments over the estimated lives of the assets concerned. Revenue grants are credited to the Statement of Financial Activities as received.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charitable company. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they receive a grant and any condition attaching to the grant is outside of the control of the charity.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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.

Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to audit together with an apportionment of overhead and support costs.

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.

LONDON YOUTH GAMES FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES - continued

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.

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.

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. ACTIVITIES FOR GENERATING FUNDS

	31.3.16	31.3.15
	£	£
Sponsorships	473,289	410,499
Local Authority contributions	230,400	230,400
Other donations	2,333	50
Other income	<u>112,942</u>	<u>50,641</u>
	<u>818,964</u>	<u>691,590</u>

3. INVESTMENT INCOME

	31.3.16	31.3.15
	£	£
Deposit account interest	<u>422</u>	<u>363</u>

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

		31.3.16	31.3.15
	Activity	£	£
Grants	London Youth Games	<u>295,480</u>	<u>329,675</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

		31.3.16	31.3.15
		£	£
Support costs		<u>-</u>	<u>130</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Grant funding of activities (See note 7)	Support costs (See note 8)	Totals
	£	£	£	£
London Youth Games	<u>522,677</u>	<u>25,000</u>	<u>384,018</u>	<u>931,695</u>

7. GRANTS PAYABLE

		31.3.16	31.3.15
		£	£
London Youth Games		<u>25,000</u>	<u>25,000</u>

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

		31.3.16	31.3.15
		£	£
London Boroughs and City of London		<u>25,000</u>	<u>25,000</u>

8. SUPPORT COSTS

	Management	Finance	Other support costs	Totals
	£	£	£	£
London Youth Games	<u>314,260</u>	<u>27,381</u>	<u>42,377</u>	<u>384,018</u>

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

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

9. GOVERNANCE COSTS

		31.3.16	31.3.15
		£	£
Trustees' remuneration etc		-	1,500
Auditors' remuneration		4,250	4,250
Auditors' remuneration for non-audit work		<u>15,209</u>	<u>14,549</u>
		<u>19,459</u>	<u>20,299</u>

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

10. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	31.3.16	31.3.15
	£	£
Auditors' remuneration	4,250	4,250
Depreciation - owned assets	1,569	1,252
Other operating leases	<u>16,327</u>	<u>15,744</u>

11. 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 £821 (2015: £795).

12. STAFF COSTS

	31.3.16	31.3.15
	£	£
Wages and salaries	286,034	267,155
Social security costs	28,598	24,597
Other pension costs	<u>11,536</u>	<u>11,452</u>
	<u>326,168</u>	<u>303,204</u>

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

	31.3.16	31.3.15
Charitable activities	6	6
Management and administrative support	<u>1</u>	<u>1</u>
	<u>7</u>	<u>7</u>

The number of employees whose emoluments fell within the following bands was:

	31.3.16	31.3.15
£70,001 - £80,000	<u>1</u>	<u>-</u>

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

13. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 April 2015	12,057
Additions	1,469
Reclassification	<u>2,781</u>
At 31 March 2016	<u>16,307</u>
 DEPRECIATION	
At 1 April 2015	8,818
Charge for year	1,569
Reclassification/transfer	<u>2,781</u>
At 31 March 2016	<u>13,168</u>
 NET BOOK VALUE	
At 31 March 2016	<u>3,139</u>
At 31 March 2015	<u>3,239</u>

14. FIXED ASSET INVESTMENTS

	Unlisted investments £
MARKET VALUE	
At 1 April 2015 and 31 March 2016	<u>1</u>
 NET BOOK VALUE	
At 31 March 2016	<u>1</u>
At 31 March 2015	<u>1</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

	31.3.16	31.3.15
	£	£
Aggregate capital and reserves	<u>1</u>	<u>1</u>

The subsidiary company has been dormant throughout the 2016 and 2015 financial years.

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16 £	31.3.15 £
Trade debtors	388,033	299,170
Other debtors	<u>16,758</u>	<u>9,133</u>
	<u>404,791</u>	<u>308,303</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.16 £	31.3.15 £
Trade creditors	19,448	44,235
Taxation and social security	22,771	41,395
Other creditors	<u>493,921</u>	<u>785,298</u>
	<u>536,140</u>	<u>870,928</u>

Included within other creditors is deferred income of £378,881 (2015: £630,965).

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: £175,000 (2015: £216,000) London Boroughs, Thames Water £31,500 (2015: £63,000), Balfour Beatty £150,000 (2015: £300,000) and Rodney FitzGerald £25,000 (2015: £25,000).

17. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31.3.16 £	31.3.15 £
Expiring: Between one and five years	<u>16,380</u>	<u>15,744</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	31.3.16 Total funds £	31.3.15 Total funds £
Fixed assets	3,139	-	3,139	3,239
Investments	1	-	1	1
Current assets	67,534	859,254	926,788	1,097,764
Current liabilities	<u>(1)</u>	<u>(536,139)</u>	<u>(536,140)</u>	<u>(870,928)</u>
	<u>70,673</u>	<u>323,115</u>	<u>393,788</u>	<u>230,076</u>

LONDON YOUTH GAMES FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2016

19. MOVEMENT IN FUNDS

	At 1.4.15 £	Net movement in funds £	At 31.3.16 £
Unrestricted funds			
General fund	70,251	422	70,673
Restricted funds			
London Youth Games	159,825	163,290	323,115
TOTAL FUNDS	<u>230,076</u>	<u>163,712</u>	<u>393,788</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	422	-	422
Restricted funds			
London Youth Games	1,114,444	(951,154)	163,290
TOTAL FUNDS	<u>1,114,866</u>	<u>(951,154)</u>	<u>163,712</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 £230,400 (2015: £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 £175,000 (2015: £216,000).

At the reporting date, included in trade debtors is contributions receivable totalling £67,920 (2015: £120,960).

During the year, grants in the amount of £25,000 (2015: £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.