

Charity No. SC000501
Company No. SC125456

YOUTH SCOTLAND
(A Company Limited by Guarantee)
REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2020



YOUTH SCOTLAND
(A Company Limited by Guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2020

Trustees

Ms Dona Milne* (Chair)
Mr David Ashford (resigned 24 October 2019)
Mr Ewan McCowen
Mrs Jayne Stuart*
Mr Douglas Ormston (Vice Chair)
Ms Emmie Main (resigned 24 October 2019)
Mrs Helen Kidd*
Mrs Judith Macdonald* (Treasurer)
Mr Ahmed Ali Mumin*
Mrs Sascha Macleod*
Mr William Miller
Mrs Linda McGlynn
Ms Melodie Crumlin (resigned 5 June 2019)
Mrs Elizabeth Gibson (appointed 24 October 2019)
Ms Clair Ferguson (appointed 24 October 2019)
Mrs June Ford (appointed 24 October 2019)
Mr Scott Findlay (appointed 24 October 2019)

Company Secretary and Chief Executive

Mr Ian McLaughlan

* denotes member of Finance and Resource Group

Registered Office

Balfour House
19 Bonnington Grove
Edinburgh
EH6 4BL

Scottish Charity Number SC000501

Company Number SC125456

Auditor

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Solicitors

Anderson Strathern LLP
1 Rutland Court
Edinburgh
EH3 8EY

Burness Paull LLP
50 Lothian Road
Edinburgh
EH3 9WJ

Bankers

Bank of Scotland
206 St John's Road
Edinburgh
EH12 8SH

Investment Managers

Brooks Macdonald Asset Management Limited
Hobart House
80 Hanover Street
Edinburgh
EH2 1EL

TRUSTEES' REPORT

For the year ended 31 March 2020

The Trustees are pleased to present their annual report together with the financial statements for the year ended 31 March 2020 which are prepared to meet the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

INTRODUCTION FROM THE CHAIR OF YOUTH SCOTLAND

We bring you this annual report at the end of a period of lockdown in Scotland as a result of the Covid-19 pandemic which sees some, but not all children and young people returning to what they were doing before March 2020.

Prior to March, Youth Scotland was successfully delivering and increasing our support for community based youth work in Scotland. We were approaching the end of a three year strategy and had recently published our new strategy for 2020-2023. This new strategy continues with a focus on supporting our members and that means supporting local youth work across Scotland. We want to see youth work grow in order to support our children and young people in their local communities where it matters most to them.

This report provides you with an overview of what we have achieved in the past year. It illustrates our work with youth workers and volunteers to support the delivery of good quality youth work. It provides examples of how we have enabled young people to develop as leaders in youth work and their local communities and it illustrates our work with youth workers to continue that leadership journey throughout their career.

Our new strategy is about Changing Lives through Community Based Youth Work. Our excellent board of trustees and staff team are committed to doing this and I would like to thank them for their commitment and enthusiasm as we embark on this next phase of our work. This year will be different. It may be more difficult to support the growth of community based youth work when many of our youth clubs and groups have closed as a result of the pandemic. But youth workers are a creative bunch and many have found new ways to maintain their relationships with young people during recent months. We have seen an emergence of digital youth work and more recently a resurgence of outdoor youth work demonstrating that youth workers will always find a way to support young people.

We face some interesting times ahead and there will be challenges that prevent us from returning to how we used to work. Our priority will be keeping our children and young people safe but also supporting their learning and development. We have young people's well-being at the core of our work, we have strong youth work leadership and a creative streak that comes to the fore when presented with a challenge. This is why I am confident that Youth Scotland will continue its work to support community based youth work in Scotland and I hope that you will continue your support to us. Our children and young people need it more than ever.

As the national voluntary sector campaign puts it #NeverMoreNeeded



Dona Milne
Chair of Youth Scotland

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

The charity is established for charitable objects and purposes only.

The charity's objects, which were amended on 5 March 2016, are to assist young people in Scotland to be confident, resilient and ready to reach their full potential; the charity will aim to achieve this by supporting a network of youth groups and delivering services which help young people to learn, succeed and make positive contributions to their communities.

In particular, the charity aims:

- i) To encourage young people in Scotland aged from 5 - 25 years of age to find new interests, to form positive relationships with other people, and to contribute to developments in their own and the wider community;
- ii) To encourage young people in Scotland to organise and conduct activities for themselves, thus learning to aspire and achieve, accept and handle responsibility;
- iii) To provide training and other support for volunteers and paid workers who support the development of young people;
- iv) To encourage the involvement of young people in Scotland in a range of projects (delivered in Scotland or elsewhere) which contribute to their development and their local communities; and
- v) To support a thriving network of diverse organisations that use a youth work approach.

CHANGING LIVES THROUGH YOUTH WORK

This annual Trustees report covers the final year 2019 – 2020 of the current strategy, '**Changing Lives Through Youth Work**' 2016 – 2019 before the introduction of a new strategy in April 2020. The organisation starts a new decade and a new strategy in April 2020 with confidence but a feeling of uncertainty due to the impact that the current world pandemic has had on society since March 2020 and on community based youth work in the critical months that followed.

Apart from the Coronavirus taking hold and impacting seriously on youth work services in and beyond March 2020, the remainder of this 2016 – 2019 strategy has seen the organisation grow and develop at an unprecedented level over a four-year period between 2016 and 2020. In the lifetime of this strategy:

- 43,000 young people have developed skills for life, learning and work through participating in Youth Scotland's national programmes, youth leadership training and our suite of SQA-accredited Youth Awards.
- 9,500 youth workers have increased their effectiveness in working with young people through training and workforce development opportunities.
- 580 new members joined the Youth Scotland Network.
- 12 new strategic partnerships developed.
- 20 quarterly Trustees' meetings (or strategic development days) were held with 16 quarterly Finance and Resource group meetings maintaining high standards of finance management, regulatory compliance and governance during this period.

This final yearly report in the 2016 - 2019 strategy concludes a period of growth and innovation in youth work practice, delivery and support services thanks to the leadership of our staff and Trustees and backing from our members and Area Associations, youth workers, funders, partners and especially young people engaged in community based youth work up and down the country.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

CHANGING LIVES THROUGH YOUTH WORK (continued)

During the past year, Youth Scotland consolidated its position as Scotland's leading charity supporting community-based youth work as well as one of the country's largest providers of accredited youth awards with a record breaking 9,645 Youth Awards achieved by young people; the launch of the Youth Scotland Leaders' Forum for members; endorsement of our successful work growing community-based youth work in disadvantaged communities in partnership with Guides, the Boys' Brigade and Scouts with confirmation of a new three year agreement to deliver the Scottish Government's CashBack for Communities programme, now in its 10th year; as well as many other innovations and developments captured by our national training and leadership programmes for young people and youth workers.

Details of all this activity and development in 2019 – 2020 can be found in the following pages:

Ambition 1:

More young people to reach their potential by becoming successful learners, confident individuals, effective contributors and responsible citizens in their youth groups and communities.

Outcomes:

Young people will:

- Develop skills for leadership, take initiatives, and take the lead among their peers and in the community
- Have increased access to opportunities which are enjoyed and valued
- Gain more recognition and accreditation for their achievements
- Have a stronger voice and increased involvement in decision-making
- Improve their health and well-being
- Develop their skills for learning, life, and work

Achievements and Impact

Throughout 2019 – 2020, Youth Scotland continued to contribute to the Scottish Attainment Challenge with a record breaking 9,654 accredited awards achieved by young people who gained recognition for their achievements at Scottish Credit and Qualifications Framework (SCQF) level 2 to 7 in Hi5, Dynamic Youth Awards and Youth Achievement Awards. 36% of young people achieving our awards live in communities considered amongst the 20% most deprived in Scotland (Scottish Index for Multiple Deprivation deciles 1 and 2) while 71% were achieved by young people living in the 50% most deprived (SIMD deciles 1 – 5). In the past year this is a massive 32% increase on 2018/19 and demonstrates the real growth in impact Youth Scotland is having on young people's achievement and Scotland's Attainment Challenge. Many of those young people have developed their skills for learning, life, and work while, at the same time, have improved their health and wellbeing by feeling better physically or feeling much better about themselves.

Youth Scotland awards reached 36% of most disadvantaged young people (Scottish Index for Multiple Deprivation deciles 1 and 2) and 71% in SIMD deciles 1 - 5.

Young people are also at the heart of participation, social change, leadership and engagement within Youth Scotland's national programmes and in the wider Youth Scotland Network of youth groups. For example, in the Generation Cashback programme, 100% of young people participating in the programme felt that it contributed to their wellbeing; 99% report gaining confidence; 97% increased their skills; 93% reported a positive impact on their behaviour; 97% going on to a leadership or volunteering role in their communities and 75% feel that the activity will help them get a job.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

Ambition 1: (continued)

Over 4,800 young people across Scotland have a stronger voice in decision-making by participating and engaging in one or more of the national programmes aimed at supporting young people to build their capacity in the four learner capacities of being successful learners; confident individuals; responsible citizens; and effective contributors; This is broken down in our work with young people on the following programmes:

- 1,857 young people participated in Generation Cashback and 696 in ILead leadership programmes
- 40 young people participated in the Coca Cola Reach Up programme
- 678 young people participated in Stand Up to Sectarianism
- 26 young people participated in Young Placechangers greenspace programme
- 368 young people participated in the Breaking Barriers Polmont Prison programme
- 1,051 young people participated in the Spirit of 2012 Projects
- 8 young people participated as Young Advisors in our Inform100 programme with Audit Scotland
- 85 young people participated in the UPS Road Code young drivers' education programme

Ambition 2:

Increased effectiveness of those who work with young people to deliver quality youth work programmes.

Outcomes:

Youth workers will:

- Develop their competencies to deliver quality youth work programmes
- Be supported to have the skills to offer accredited recognition of young peoples' achievements
- Increase their knowledge and understanding of young people's issues and needs and how to respond appropriately
- Feel better supported and know where to access relevant information
- Be better able to demonstrate an understanding of policy issues.

Achievements and Impact

Almost 3,000 youth workers and volunteers have increased their knowledge, skills and confidence to deliver high quality, safe and effective youth work opportunities for young people through participating in Youth Scotland's training and capacity-building programmes. We provided 10 distinct training programmes including introductory, specialist skills training, awards, safeguarding and accredited training and practitioner learning.

The introduction of a new training pathways programme in 2018 is now paying dividends with increased participation in the following training opportunities:

- 784 participants completing Youth Awards training
- 537 youth workers completing Ready for Youth Work training
- 779 youth workers completing Trusted Adult training
- 133 youth workers participating in the Leaders Network programme
- 72 youth workers completing Stand Up to Sectarianism training
- 158 youth workers completing ILead Engage training
- 256 youth workers completing STEM training
- 25 youth workers completing other miscellaneous training

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

Ambition 2: (continued)

Accredited training saw the following youth workers gain certification in youth work training:

- 105 youth workers completed the Ready for Youth Work programme at SCQF level 3
- 45 youth workers completed the Professional Development Award in Youth Work, an SQA accredited programme at SCQF level 6
- 14 youth work managers and leaders completed Leading in Youth Work, an Institute of Leadership and Management (ILM) programme at SCQF level 9

Ambition 3:

Sustained, stronger and more resilient community based youth work to be achieved through our national network of member groups and Area Associations.

Outcomes:

Youth groups will:

- Increase their capacity to deliver high quality youth work
- Become more enterprising and innovative through accessing the benefits of Youth Scotland membership
- Have increased access to high quality, practical tools and resources helping to create and maintain a safe and effective youth work environment
- Continually improve their core quality standards
- Have a greater voice that represents their interests on local and national platforms
- Be attracted to join Youth Scotland while existing members will be retained.

Achievements and Impact

Membership and Reach

Youth Scotland's membership at 31 March 2020 was:

- 1,552 groups with 182 new groups joining since 1 April 2019
- 73,714 members in the 5 to 18+ age range an increase of 10% from last year
- 8,595 youth workers of whom 5,479 are volunteers

In addition, Youth Scotland supported young people to gain recognition for their achievements from 66 Operating Agencies (including area associations, local authorities, voluntary agencies, family learning, colleges and schools) and 208 Participating Units.

Youth Scotland member groups are distributed across all Local Authority areas in Scotland. 71% of members operate in urban communities while 29% are defined as rural groups. Edinburgh, Fife, Glasgow and Highland have the highest number of member groups. Orkney, Shetland Isles, Western Isles and Scottish Borders local authority areas stand out as having a much higher percentage share of Youth Scotland member groups than their share of the Scotland-wide population might suggest.

The majority of Youth Scotland member groups are operating in areas of high multiple deprivation. 65% of Youth Scotland member groups have meeting place postcodes in areas of high to medium deprivation according to the Scottish Index of Multiple Deprivation (SIMD 1-5).

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

Ambition 3: (continued)

Achievements and Impact (continued)

The Youth Scotland network continues to increase its capacity and quality through the support and services provided centrally to our membership and in support of our Area Association network of six local infrastructure bodies: OAYC, LHYCA, Youth Highland, Youth 1st, LAYC and Youth Borders that offer local services in Orkney Islands, Lewis & Harris, Highland, Fife, Edinburgh & the Lothians and Scottish Borders. As a network, Youth Scotland hosted quarterly meetings with Area Associations staff and a further meeting for Trustees in 2019 – 20 to discuss the youth work policy landscape, share knowledge, and offer training and development opportunities.

At the beginning of the Coronavirus outbreak in March 2020, weekly meetings of the Youth Scotland Network were initiated operating digitally by video conferencing to speedily address the pressing needs of youth groups and young people during a fast changing and evolving public health crisis.

Prior to Covid-19, several Youth Scotland staff members and Trustees supported the work of Area Associations through offering face to face training programmes, attending various governance or strategy meetings, facilitating meetings with young people or youth workers engaged in or co-producing Youth Scotland's national programmes. All of this engagement was the focus of a significant redeployment of all Youth Scotland staff working from home preparing alternative programmes and approaches at the outset of the pandemic taking hold across Scotland in mid-March.

Return on Investment

Our network of youth groups, Area Associations and Youth Scotland is able to provide the wide range of provision, projects and services due to the ongoing support of paid youth workers and 5,479 volunteers. Estimates suggest that each volunteer contributes an average of 150 hours of their time per annum to work with young people – a total of 821,850 hours which, if paid at the Living Wage Scotland's rate of £9.30 per hour, would equate to approximately £7,643,205 in monetary value to the Scottish economy.

Communications Strategy

2019-20 saw the culmination of a three-year communications strategy to modernise and update the internal and external communications to be better aligned organisation strategic aims and stakeholder needs. Building on the work of the first two years, including a complete rebrand and launch of brand new website, the third year focused on using the modern, efficient and fit-for-purpose communications function to engage our members and key stakeholders around the impact and value of community-based youth work.

The success of this can be demonstrated in the 786,270 engagements on social media, the 179,722 e-news and ebulletins sent and the 113,298 unique visits to our websites during 2019-20.

Grant making

We managed and delivered two small grant schemes in 2019 – 2020. The Rural Action Fund, funded by the Robertson Trust and the Gannochy Trust, distributed £40,909 grants to 57 youth groups; while we provided £12,306 to 18 youth groups for the Stand Up to Sectarianism programme, funded by the Scottish Government. We also supported a number of our member youth groups to access funding through our partnership with Greenspace Scotland and the Young Placechangers project.

Representation

At the year-end in March 2020, Youth Scotland began to play an important part in regards to youth work's response to the global pandemic that significantly changed the way people lived their lives. This included our representation on a number of national youth work / CLD recovery working groups including the Scottish Government's CLD Leadership Group and the sector's Youth Work Recovery Group.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

Ambition 3: (continued)

Achievements and Impact (continued)

Over the remainder of the past year, Youth Scotland has been a voice for our members and community based youth work on a number of other national groups and consultations at a time of change in Scottish Education.

The organisation has also represented the interests of our members at several events and on several groups hosted by YouthLink Scotland, the national youth agency. These have included:

- the National Youth Work Strategy Implementation Group
- the National Voluntary Youth Work Organisations Scotland Chief Officers Group
- the National Youth Work Research Steering Group
- the National Youth Work Training Forum

At a time of significant political change and uncertainty impacting on young people across the UK and Ireland, young people from across the Youth Scotland network continued to engage in issues arising from the Brexit discussions with other young people from across the UK and Ireland at a residential event in February 2020 in Carlingford, a small town in the Republic of Ireland close to the Northern Ireland border.

Ambition 4:

Partnerships and services that are more innovative, dynamic, responsive and flexible.

Outcomes:

Youth Scotland will:

- Reach out to a broader range of partners to extend, where mutually beneficial, the range of resources and expertise available to increase and improve our youth work services
- Extend the volume of services available through mutually beneficial partnership working to enable more young people, workers and groups to benefit from our services.

Achievements and Impact

We have continued to develop strong partnerships in 2019 - 20 to support youth work delivery across Scotland.

- We developed five new strategic partnerships in 2019 – 20, one with the STV Children's Appeal to grow community-based youth in tackling the impacts of poverty on young people's lives; two with the Gannochy Trust in support of the Awards Network and in partnering with the Rural Action Fund; a new partnership with Education Scotland in the delivery of STEM training workshops; and a new partnership with Coca Cola and UK Youth to deliver an employability project in South Lanarkshire.
- A new funding relationship and partnership was secured at the end of 2019 – 20 with STV Children's Appeal. This ambitious programme of work will grow and develop community-based youth work across Scotland but with an in-depth focus on youth groups and young people across Forth Valley and Ayrshire. Over the coming years our aim is to demonstrate the impact of community-based youth work in helping young people overcome issues of poverty and the vital role which youth work has in a prevention agenda.
- In 2019 – 20, our decade long strategic partnership with The Boys' Brigade Scotland, Girlguiding Scotland and Scouts Scotland secured a further three-year agreement with the Scottish Government to deliver the latest phase of Generation CashBack programme during 2020 – 2023, with the consortium led by Youth Scotland. This 13-year investment will have totalled over £5M in building the capacity of youth groups across Scotland since 2010, providing leadership and personal development opportunities for thousands of young people, many of whom live in some of the most disadvantaged communities in the country.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

Ambition 4: (continued)

Achievements and Impact (continued)

- Our partnership with Audit Scotland to deliver the Inform100 Young Advisors project continued to demonstrate the value of working with young people and empowering them to influence and support the work of Audit Scotland in their role auditing Scotland's public sector services.
- The Rural Action Fund, already funded by the Robertson Trust, received a new funding partner with the Gannochy Trust supporting the programme in 2019 – 20 providing increased opportunities for young people and building the capacity of youth groups in rural communities across Scotland.

In addition, and in the delivery of youth awards for young people, we have worked with all 32 local authorities in Scotland in 2019 - 2020. We also worked with several Scottish Government agencies; other voluntary sector organisations and several other public and corporate sector agencies in the delivery of our programmes and outcomes for young people and youth workers.

Other established partnerships include our coordination role in the Awards Network; our joint work with the Social Enterprise Academy, UK Youth; and with the 5 Nations of national youth work organisations in the UK and Ireland.

Ambition 5:

To be a sustainable organisation that is well placed to deliver on its strategy for young people.

Outcomes:

Youth Scotland will have:

- An effective Board of Trustees that practices and promotes good governance and leadership
- A knowledgeable, committed and experienced Executive Team
- A diverse range of income streams
- A level of reserves compatible with the medium and long-term needs of the charity
- Improved ability to meet the needs of our members and stakeholders.

Achievements and Impact

The past year has been a positive one for the charity's governance, finance and risk management and fundraising. The Board of Trustees has overseen this activity at quarterly meetings in April, June, September and December.

- We have maintained a strong Board of Trustees close to a full complement with only one vacancy for a co-opted Trustee being considered in the new financial year. This has enabled the charity to ensure compliance of company and charity law; reflect and meet new challenges; and identify new opportunities in the environment in which we operate.
- All risk register controls were well managed with a review of the risk register completed and approved by the Board in September 2019.
- Youth Scotland continued to maintain a strong senior management function and with an additional tier of line management introduced in 2019 using the skills and experience of the organisation's Senior Development Workers.
- Our efforts to increase funding from more diverse sources continued to prove successful with more donations received and new funders confirmed for our national programmes.
- We have engaged with stakeholders, especially young people throughout the year at events, evaluations and on social media, so that their views and needs are valued and considered.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

Achievements Against Targets Set for Ambitions 1 - 5

The organisation has continued to be a vital support for the development of its members and in community based youth work in Scotland during 2019 – 20 and has met or exceeded all of its targets set out in Ambitions 1 to 5 above.

Success Criteria and Measures

Each of the projects undertaken has success criteria that are part of the funding conditions of the work that we carry out across our network.

FINANCIAL REVIEW

National and Local Funding and Recognition

Principal funding received, and how it is expended, is detailed later in this report and in the notes to the financial statements.

We would wish to record our sincere appreciation to all of our funders in 2019-20 including funding received for:

- A final year of core funding from the Children, Young People and Families Early Intervention Fund from Scottish Government and managed by the Corra Foundation.
- A continued year of funding from the Scottish Government to take a coordinating role in The Awards Network and for capacity building of youth workers through our PDA in Youth Work and Ready for Youth Work programmes.
- Generation CashBack, funded by Scottish Government Cashback for Communities and managed by Inspiring Scotland with Youth Scotland leading a consortium on behalf of The Boys' Brigade, Girlguiding Scotland and Scouts Scotland.
- Our core support to member groups through the Rural Action Fund, funded by The Robertson Trust and the Gannochy Trust.
- A national training programme, funded through the Scottish Government's National Voluntary Youth Work Organisations fund and managed by YouthLink Scotland.
- The UPS Road Safe project, funded by UPS and managed by UK Youth
- Generation Code, funded by Microsoft and managed by UK Youth
- The Breaking Barriers project in Polmont Young Offenders, funded by the Gannochy Trust
- Stand Up to Sectarianism, funded by Scottish Government
- Place Changers, a partnership with Greenspace Scotland funded by the Heritage Lottery Fund and the Scottish Government.
- Youth Work through Sport funded by The Changing Lives through Sport partnership of Spirit of 2012, The Robertson Trust, sportscotland and The Scottish Government
- The British Irish Youth Symposium, funded by Causeway and managed by Youth Work Ireland.
- Inform 100 funded by and delivered in partnership with Audit Scotland.
- A local employability project funded by Coca Cola and managed by UK Youth
- SCVO Community Jobs Scotland and Scottish Government for funding a trainee administrator
- STEM training for youth workers funded by Scottish Government and managed by Education Scotland

The Trustees would also wish to put on record our appreciation to the Meikle Foundation for their donation in support of our work.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

FINANCIAL REVIEW (continued)

Income and Expenditure

Details of the income and expenditure for the year, and assets and liabilities at 31 March 2020 are shown on the Statement of Financial Activities and Balance Sheet in the financial statements.

The charity recorded a deficit before investment losses in its unrestricted income amounting to £115,955 for the year compared to a deficit of £438 in 2018 - 19. The 2019 - 20 deficit was caused principally by £137,511 of expenditure in the year which represented planned spend of funds designated in previous years. General unrestricted funds recorded a surplus before investment losses of £21,556 (2019: surplus of £5,984).

Restricted funds recorded a surplus of £70,161, compared to a deficit of £58,212 in 2018/19, which reflects the timing of spending on reserves being carried forward.

The principal funding sources of income to the charity in 2019 - 20 were: grants amounting to £889,840; a core grant of £206,000; affiliation fees and insurance sales of £72,430; training fees amounting to £161,600; and sales amounting to £108,119.

The sources of the main funders that have offered grants are listed on page 10.

Reserves Policy

The bulk of the organisation's reserves are what is left from the sale in 2001 of a listed building that had been in the charity's possession since 1946, but which required considerable repairs. The sale has supported several core functions over many years, providing income to the organisation at a time of uncertain funding.

The Trustees have agreed that it is appropriate to hold free reserves of approximately six months of normal or planned operating expenditure with a minimum level of £400,000 set aside from reserves. The level of non-designated unrestricted reserves at 31 March 2020 amounted to £532,110 which equates to 9.5 months of operating costs in available reserves.

Movements on restricted, endowment, and designated funds are included in the notes to the financial statements. As at 31 March 2020, unrestricted designated funds were £289,423, and restricted funds £244,333.

The primary funds that can only be realised by disposing of tangible fixed assets are linked to the market value of Balfour House, the charity's headquarters. The total carrying value at 31 March 2020 of tangible fixed assets was £276,641. £188,641 of this amount has been designated to reflect that these do not represent free reserves of the charity, with the balance of £86,000 represented by restricted funds.

At the year end, the charity also had designated funds for the development of new information technology and the introduction of an Awards e-portfolio. This project is ongoing and the funds remaining amount to £10,444 at the end of year.

The charity maintained further designated funds for new Youth Work development projects with a balance of £55,899 at the year end. It also incurred expenditure of £112,496 from its iLead designated fund to offer opportunities to young people assisting with social development projects. This fund had a balance of £32,439 at the year end, after a transfer from the endowment funds of £17,879. These endowment funds were released during the year following the approval of an application by the Trustees to the Office of the Scottish Charity Regulator.

Investment Policy - Objectives

The management of the charity's investment portfolio was reviewed in 2015 and has been managed by Brooks Macdonald since June 2016 who are working within the Trustees' overall investment policy which is reviewed annually.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

FINANCIAL REVIEW (continued)

Investment Policy – Objectives (continued)

The objectives of the investments, which form the bulk of the organisation's reserves, are to generate income in the short-term, while maintaining an appropriate level of capital growth. The specific investment objective is one of a balanced fund.

Specific investment restrictions or limitations applied to the Youth Scotland investment portfolio are in those companies involved with tobacco, pornography or armaments.

Investment Policy - Performance

During the year, Youth Scotland generated £15,585 of income from their deposits and investment portfolio. As a consequence of movement in the investment markets the value of the share portfolio decreased by £70,175 over the year.

Principal Risks and Uncertainties

The Trustees have examined the major risks which might affect the organisation and confirm that systems have been reviewed and the necessary steps taken to lessen these risks.

The six key strategic risks identified, reviewed and approved by the Trustees in September 2019 and the key steps taken to mitigate against each risk, were:

Reputational Risk

The Trustees maintained a rigorous strategy and policy for Protecting Vulnerable Groups and Child Protection within the Youth Scotland network throughout 2019 - 2020. A review of the Youth Scotland child protection policy was completed in 2019. A training programme is also provided for all front-line Youth Scotland staff on child protection and residential work; along with regular support, supervision, annual appraisals and training of staff in regards to current legislation governing Youth Scotland's work.

Financial risk caused by a reduction in funding and income generation

The Board established a business development approach in January 2016 to consider ways in which to attract alternative unrestricted income, including a review of Youth Scotland's suite of Youth Awards, additional projects and donations. Steps were taken to mitigate this key risk with the development of a fundraising strategy in 2017 and by restructuring the senior management roles and resources to prioritise an increase in unrestricted income and improved management fees. A funding report is provided to the Board quarterly for monitoring and review.

Diminished geographical reach

The organisation has members in every local authority area across Scotland. We undertook regular consultation with members and stakeholders at events and training courses during the course of the year, along with regular stakeholder surveys which will indicate the impact of Youth Scotland's services in all areas of the country. The organisation continues to grow and has again significantly increased its membership in 2019 – 20 with 182 new youth groups joining in 2019 – 20 (compared with 55 new groups in 2018 – 19).

A reduction in value of investments

The investment approach is recorded in the Investment Policy Statement and was reviewed by Trustees on the Finance and Resource Group and the Board in 2017. The Board appointed an investment manager in 2016 who specialise in looking after charity investment money, to support good risk management, rather than the Trustees investing the money directly themselves.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

FINANCIAL REVIEW (continued)

Lack of Strategic Focus

The Trustees did not engage in activity areas that were not a priority within the strategy for 2016 - 2019 the third year of which was completed on 31 March 2019.

Governance Risks

The Trustees ensured that the charity was compliant with company and charity law requirements and data protection regulations in 2019 – 2020. Through effective policies and good practice procedures, these were reviewed regularly to ensure good governance. Annual reporting to Companies House and OSCR also confirmed compliance with legislation.

Covid-19 Risk Assessment

The Trustees of the charity met in May 2020 to approve a Covid-19 Risk Assessment of the current challenges presented by the global coronavirus. The organisation has subsequently taken significant steps to mitigate the risks associated with the pandemic, namely:

- To review and approve a revised budget arising from a potential drop in unrestricted income from sales of awards and from the interest gained from the investment portfolio.
- To suspend all outstanding recruitment vacancies while managing operations with reduced administration and awards staffing levels thereby making savings in unrestricted expenditure.
- To secure the support of all existing funders to maintain current levels of funding for 2020 – 21 as the organisation sought to relocate all of its services online.
- To consider new sources of income to support member groups and organisational priorities during these unprecedented times, including securing funding from the Scottish Government's emergency fund, the Wellbeing Fund. A Youth Action fund was also created thanks to the generosity of the STV Children's Appeal, the Scottish Government, The Gannochy Trust, the Robertson Trust, the Ponton House Trust and Cattnach. This fund supported community based youth work with micro grants of £500 awarded to enable youth groups to continue to meet the changed needs of young people during lockdown restrictions and a total of £80,000 was distributed between March and July 2020.

Going Concern

The above mitigating factors, along with other potential sources of additional income expected in 2020 - 21, will ensure the viability of the charity for the immediate future. With unrestricted reserves equating to seven months of normal operating costs, not including the value of the property owned by the charity, the organisation is well placed to secure its future during these turbulent times for the voluntary sector and in particular for the membership of Youth Scotland.

The Trustees of Youth Scotland therefore consider that the charity remains a going concern.

PLANS FOR FUTURE PERIODS

Youth Scotland has successfully completed a fourth and final year of its Strategic Plan for 2016 to 2019 reaching or surpassing all of our targets set for the year thereby making a significant impact on community based youth work and ultimately on young people's lives. The Board of Trustees monitor progress with the strategy quarterly and to review the priorities for growth and sustainability in 2019 - 20. This review has refocused Youth Scotland's primary role to support the development of community based youth work and in support of over 1,500 member youth groups.

In advance of the 2020 – 21 year ahead, the Youth Scotland staff team carried out a planning week to review the priorities for the year and in developing an Operational Plan for 2020 - 21. The Senior Management Team and staff colleagues analysed the pressure points in organisational capacity that can limit resources and impact on staff wellbeing.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

PLANS FOR FUTURE PERIODS (continued)

The year ahead has focused on the main priorities for young people; membership; sustainability; and infrastructure and governance. A review of our key programmes such as training pathways for youth worker learning and development was developed into an action plan to ensure that the Youth Scotland network's contribution to young people's development of life and leadership skills were articulated and understood by internal and external stakeholders.

Youth Scotland believes wholeheartedly in the wellbeing of its staff team in being well prepared to deliver the organisation's priorities. In 2019 – 20, the organisation established two groups to support staff health and wellbeing: a staff led wellbeing working group and a new line management group to monitor workload issues and stress factors in the workplace in a consistent and fair way. This latter initiative was supported by Napier University's HR Masters Course with a student placement conducting interviews and focus group discussions on managing health and wellbeing and stress which has been well received by colleagues and improved communications between staff and managers in identifying stress factors at an earlier stage.

A New Strategy for 2020 - 2023

As we completed the fourth and final year of the current strategy in 2019 - 2020, the Trustees of the charity, along with the whole staff team, met in January 2019 for a strategy planning day in preparation for a new strategy covering the period 2020 – 2023. This was followed with a strategy discussion at the March Board meeting and the forming of a strategy sub group of Trustees and staff.

The sub group met again in May 2019 to reinforce the priorities of the organisation in developing the new strategy before approval by the Board in June 2019. The strategy was presented at the Youth Scotland AGM in October 2019 before being launched on 1 April 2020.

The new strategy, "Changing Lives Through Community Based Youth Work – a Strategy for 2020 - 23", builds on our established and ongoing successes to grow and develop community-based youth work which is built on four supporting pillars: Supporting Our Member Youth Groups; Training Volunteers and Youth Workers; Youth Leadership and National Programmes; and promoting Accredited Youth Awards.

At the heart of the new strategy is the Youth Scotland network's core capacity building role in working with our member youth groups – providing information and support, innovative programmes and activities and high quality training and resources – all of which strengthens communities; enhances the skills of people; and enables community based youth work to deliver the best possible outcomes for young people in the future.

The new strategy emphasises the need that those who work with young people in community based youth work provision grow in confidence and competencies. That is why the new strategy offers a growing range of learning and development services which increase the competencies of everyone working with young people, particularly part-time and voluntary youth workers.

The new strategy will also see the Youth Scotland network of youth groups, projects and Area Associations well positioned to offer a suite of approaches and resources that are young person centred and capable of delivering measurable outcomes around a range of life and leadership skills. Our work with young people in action research, also evidences that strong and resilient community based youth work improves the life chances of young people.

These include working on projects aimed to make a difference in cultural, environmental, health & wellbeing, employment, relationships, citizenship, volunteering, personal development and leadership opportunities for young people.

The final pillar of the new strategy will see the organisation grow its reach in delivering its suite of accredited Youth Awards (Hi 5, Dynamic Youth Awards and Youth Achievement Awards at Bronze, Silver, Gold and Platinum levels). Our primary focus will be to help youth groups engage with the Awards at all levels while, at the same time, will embark on an expansion of the Awards being delivered using a youth work approach by other community, learning and development organisations; formal education; and family learning all aimed at giving each young person in Scotland the opportunity to gain SCQF accreditation through Youth Scotland's Youth Awards.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

PLANS FOR FUTURE PERIODS (continued)

Youth Scotland will aspire to deliver this new ambitious strategy with the help from others. We have lead or participated in over 25 strategic partnerships in the lifetime of the previous strategy in order to address new challenges or to generate innovative responses to particular issues. During this first year of our new strategy, we will continue to build on our reputation for high quality, effective and efficient services and will continue to seek out new partnerships to generate innovative responses to new and evolving challenges. Some of these challenges will come from the uncertainties facing young people and communities in the months and years ahead beyond the current Covid-19 crisis. Youth Scotland is well placed to rise to these challenges on behalf of - and in support of - over 70,000 young people starting in 2020 - 21.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Youth Scotland is a company limited by guarantee and a registered charity governed by its Articles of Association. The Board of Trustees reviewed the Articles of Association and a proposal to modernise the Objects and Articles was approved for adoption at an EGM held on 5 March 2016.

The charity was founded in 1934 and the company was incorporated on 24 May 1990.

The Legal and Administrative Information, set out on Page 1, forms part of this report. The financial statements comply with current statutory requirements, the Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP) (FRS102) (second edition – October 2019).

Appointment and Training of Trustees

The Youth Scotland Board consists of up to 15 directors, known as the charity's Trustees. Nine Trustees are elected by the membership and six are co-opted Trustees appointed by the Board in line with the Articles of Association to broaden the range of expertise available to the Board. To ensure continuity and stability, each Trustee (member or co-opted) holds office for an initial three-year term and is eligible to be appointed for a further three-year term.

Overall financial accountability and responsibility for policy and its implementation is invested in the Board of Trustees. The Trustees meet quarterly, plus a Board and senior staff development day, with additional sub groups of the Board meeting in between. The organisation aims to have a balanced and diverse Board and reached its 2020 target of 50/50 for gender equality back in 2016. The Board is made up of skilled and experienced people from a wide variety of backgrounds and interests.

In advance of each Annual General Meeting, the Company Secretary invites member clubs and Area Associations to nominate individuals for election to the Board by the members. Trustees are appointed to hold the offices of Chairperson and Vice Chairperson at a meeting of Trustees which is held as soon as reasonably practicable after each Annual General Meeting. The appointment of the Treasurer is confirmed by the Board every three years. The Trustees bring a range of skills and experience which is of benefit to the organisation. A Board induction training day is held for existing and new members as soon as possible after the Annual General Meeting or after their appointment. This training covers a detailed introduction to the organisation; what is expected of Board members; their legal and financial responsibilities; and the attributes of a good Board Member. All Board Members receive a pack of information which includes: a Code of Conduct; the Charities and Trustee Investment (Scotland) Act 2005; Trustee's Roles and Responsibilities; and the Policy for Claiming Expenses. A training needs audit is held regularly to identify training needs. Informal training sessions on emerging topics, including the Good Governance Toolkit hosted by SCVO, take place during Board meetings.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Decision Making

There is one sub group of the Board, with the main responsibility for Business Development, Finance Management, Risk Management, HR and Property. The Finance and Resources Group plans for future financial growth and financial sustainability; reviews policy and procedures in respect of management accounts, internal financial controls; carries out an annual assessment of risk for Youth Scotland and proposes strategies for minimising the risk; reviews policy in relation to Youth Scotland's investments and liaises with the Investment Manager appointed by the Board.

It recommends to the Board, budgets, financial forecasts and project work plans in accordance with approved budgetary procedures; and monitors the financial and general performance of the charity comparing the performance to the budgets and work plans which have been adopted.

The Finance and Resource Group also reviews the management and general structure of the charity in the light of i) the budgets, work and project plans approved by the Board, ii) the actual performance of the charity and/or iii) the adequacy of financial resources and make recommendations to the Board.

The day to day running of the charity is devolved to the Company Secretary who is also the Chief Executive.

Key Management Personnel and Remuneration

The Trustees consider that the Board of Trustees and the Senior Management Team comprise the key leadership and management personnel of the charity.

This joint leadership team is in charge of directing and controlling the charity and running and operating Youth Scotland on a day to day basis. All of the Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses are disclosed in Note 8 of the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with nationally agreed cost of living increases. Any increments are awarded on the successful completion of an annual performance review. Pay scales are benchmarked against pay levels of other voluntary sector organisations of a similar structure and size.

Reference and administrative details

These details, including Trustees who served in the year, are set out on page 1.

TRUSTEES' REPORT (continued)

For the year ended 31 March 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees' Responsibilities

The Trustees (who are also Directors of Youth Scotland 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 the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102) (second edition – October 2019);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Dona Milne
Trustee and Chair of the Board

16 September 2020

Opinion

We have audited the financial statements of Youth Scotland for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2020 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; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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; and
- 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.

Respective responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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



Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chiene + Tait LLP

Malcolm Beveridge CA (Senior statutory auditor)

For and on behalf of

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

23 September 2020

Chiene + Tait is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

YOUTH SCOTLAND
(A Company Limited by Guarantee)

STATEMENT of FINANCIAL ACTIVITIES

For the year ended 31 March 2020

| | Note | Endowment Fund £ | Un- Restricted Funds £ | Restricted Funds £ | Total 2020 £ | Total 2019 £ |
|---|-------|------------------------|---------------------------------|--------------------------|--------------------|--------------------|
| Income from: | | | | | | |
| <i>Donations</i> | | | | | | |
| - Donations | | - | 2,742 | - | 2,742 | 8,836 |
| - Grants | | - | 236,500 | - | 236,500 | 238,710 |
| <i>Charitable activities</i> | 3 | - | 286,975 | 956,194 | 1,243,169 | 1,237,861 |
| <i>Investments</i> | | - | 15,585 | - | 15,585 | 14,073 |
| Total income | | - | 541,802 | 956,194 | 1,497,996 | 1,499,480 |
| Expenditure on: | | | | | | |
| <i>Raising funds</i> | | | | | | |
| - Fundraising for grants and donations | | - | 18,575 | - | 18,575 | 18,212 |
| - Investment management fees | | - | 7,785 | - | 7,785 | 7,416 |
| <i>Charitable activities</i> | 6 | - | 631,397 | 886,033 | 1,517,430 | 1,532,502 |
| Total expenditure | | - | 657,757 | 886,033 | 1,543,790 | 1,558,130 |
| Net (expenditure)/surplus before net (losses)/gains on investments | | - | (115,955) | 70,161 | (45,794) | (58,650) |
| Net (losses)/gains on investments | 12 | - | (60,959) | - | (60,959) | 45,197 |
| Net (expenditure)/income | | - | (176,914) | 70,161 | (106,753) | (13,453) |
| Transfers | 17 | (17,879) | 17,879 | - | - | - |
| Net movement in funds | | (17,879) | (159,035) | 70,161 | (106,753) | (13,453) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 16,17 | 17,879 | 980,568 | 174,172 | 1,172,619 | 1,186,072 |
| Total funds carried forward | 16,17 | - | 821,533 | 244,333 | 1,065,866 | 1,172,619 |

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 24 to 40 form part of these financial statements.

YOUTH SCOTLAND
(A Company Limited by Guarantee)

BALANCE SHEET

As at 31 March 2020

| | Notes | £ | 2020 £ | 2019 £ |
|--|--------------|-----------|------------------|------------------|
| Fixed assets | | | | |
| Tangible assets | 11 | | 276,641 | 287,678 |
| Investments | 12 | | 725,052 | 791,700 |
| | | | ----- | ----- |
| | | | 1,001,693 | 1,079,378 |
| Current assets | | | | |
| Stock | 13 | 9,251 | | 5,322 |
| Debtors | 14 | 271,591 | | 274,307 |
| Cash at bank and in hand | | 155,922 | | 192,072 |
| | | | ----- | ----- |
| | | 436,764 | | 471,701 |
| Creditors: amounts due within one year | 15 | (372,591) | | (378,460) |
| | | | ----- | ----- |
| Net current assets | | | 64,173 | 93,241 |
| | | | ----- | ----- |
| Net assets | | | 1,065,866 | 1,172,619 |
| | | | ===== | ===== |
| Reserves | | | | |
| Unrestricted general funds | | | 532,110 | 573,884 |
| Unrestricted designated funds - other | 18 | | 267,473 | 383,889 |
| Unrestricted designated funds - property revaluation | 18 | | 21,950 | 22,795 |
| Endowment funds | 16 | | - | 17,879 |
| Restricted funds | 17 | | 244,333 | 174,172 |
| | | | ----- | ----- |
| | | | 1,065,866 | 1,172,619 |
| | | | ===== | ===== |

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

The financial statements were approved by the Trustees on 16 September 2020 and are signed on their behalf by:



.....

Dona Milne
Chair

Company No. SC125456

The notes on pages 24 to 40 form part of these financial statements.

YOUTH SCOTLAND
(A Company Limited by Guarantee)

STATEMENT OF CASHFLOWS

For the year ended 31 March 2020

| | Notes | 2020 | 2019 |
|--|--------------|-------------|-------------|
| | | £ | £ |
| Cash (used in)/provided by operating activities | 20 | (55,053) | 92,292 |
| | | ----- | ----- |
| Cash flows from investing activities | | | |
| Investment income | | 15,585 | 14,353 |
| Purchase of fixed assets | | (2,371) | (14,330) |
| Proceeds from sale of investments | | 123,575 | 113,590 |
| Purchase of investments | | (177,846) | (65,293) |
| Movement in cash held as part of investment portfolio | | 59,960 | (42,375) |
| | | ----- | ----- |
| Cash provided by investing activities | | 18,903 | 5,945 |
| | | ----- | ----- |
| (Decrease)/increase in cash and cash equivalents in the year | | (36,150) | 98,237 |
| Cash and cash equivalents at the beginning of the year | | 192,072 | 93,835 |
| | | ----- | ----- |
| Cash and cash equivalents at the end of the year | | 155,922 | 192,072 |
| | | ===== | ===== |
| Analysis of cash and cash equivalents | | | |
| Cash at bank – current account | | 155,922 | 192,072 |
| | | ===== | ===== |

| Analysis of Changes in Net Debt | 2019 | Non-cash changes | | | 2020 |
|--|-------------|-------------------------|-----------------------|----------------------|-------------|
| | | Cash flows | Finance Leases | Other Changes | |
| | £ | £ | £ | £ | £ |
| Cash and cash equivalents | 192,072 | (36,150) | - | - | 155,922 |
| | ----- | ----- | ----- | ----- | ----- |
| Total net debt | 192,072 | (36,150) | - | - | 155,922 |
| | ===== | ===== | ===== | ===== | ===== |

The notes on pages 24 to 40 form part of these financial statements.

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Company information

Youth Scotland is a company limited by guarantee incorporated and domiciled in Scotland with registered company number SC125456. The registered office and principal place of business is Balfour House, 19 Bonnington Grove, Edinburgh, EH6 4BL. The financial statements have been presented in Pounds Sterling as this is the functional and presentational currency of the charitable company.

2. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, in accordance with the Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition – October 2019) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and with the Memorandum and Articles of Association.

Youth Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

The financial statements have been prepared on a going concern basis. The Trustees have assessed the Charity's ability to continue as a going concern, in particular the impact of Covid-19, and have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements and are satisfied that no material uncertainties exist in respect of going concern.

Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for carrying amounts of tangible assets.

Donations, legacies and similar income

Donations, legacies and similar income is included in the year in which it is receivable, which is when the charity becomes entitled to the income, it is probable that it will be received and the amount can be measured reliably.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

2. Accounting policies (Contd.)

Grants receivable

Grants received, including capital grants, are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Where donors specify that grants are for particular purposes, this income is included in incoming resources within restricted funds when receivable. Where grants are specifically made for the performance of charitable activities in a period subsequent to the year-end they are deferred and excluded from the Statement of Financial Activities. Grants received for capital expenditure are recognised in the Statement of Financial Activities and transferred to a restricted reserve and subsequently released annually over the expected life of the relevant asset by equal instalments.

Affiliation fees and insurance

Income from affiliation fees and insurance is recognised over the period to which they relate. Amounts relating to periods falling after the year end are deferred into the next accounting period.

Training fees

Income from courses and events represents fees received in respect of courses or training events undertaken in the financial year. Any fees received in respect of courses taking place after the year end are deferred into the next accounting period.

Sale of publications

Income from the sale of publications is recognised on the date of supply of the relevant publication.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

- Costs of raising funds are those associated with generating grants, donations, and investment income, and charitable activities costs are those expended on meeting the charity's objectives.
- Charitable activities include expenditure associated with meeting the charity's primary objectives and include both the direct costs and the support costs relating to these activities.
- Included within support costs are Governance costs which are those of a constitutional, strategic, or statutory nature with respect to the general running of the charity, rather than day to day management.

Costs directly attributable to each activity are allocated to the appropriate activity. Restricted support costs are allocated to activities on the basis of estimated usage of the relevant expense, and unrestricted support costs are allocated pro-rata with the direct unrestricted charitable costs.

Grants payable

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the charity. 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 will receive a grant and any condition attaching to the grant is outside of the control of the charity.

Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expenditure for which it was incurred. The charitable company de-registered for VAT in the course of the year.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

2. Accounting policies (Contd.)

Tangible fixed assets

All fixed assets over £500 are initially capitalised at cost, plus any incidental costs of acquisition. Further detail of the accounting policy relating to heritable property is set out in note 11.

Depreciation

Depreciation is provided on fixed assets at rates calculated to write off the cost or valuation over their expected useful lives as follows:

| | | |
|---------------------------------|---|-------------------|
| Heritable property | - | 2% straight line |
| Computer software and equipment | - | 33% straight line |

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the property revaluation reserve to undesignated unrestricted funds.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair values at the year end and their carrying value. Restricted and unrestricted investment gains are combined in the Statement of Financial Activities.

Stock

Stocks consist of awards materials and are stated at the lower of cost and net realisable value.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments other than investments are initially recognised at transaction value and subsequently measured at their settlement value.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

2. Accounting policies (Contd.)

Funds

Unrestricted general funds are the funds which can be used in accordance with the charitable objects at the discretion of the Trustees. Endowment funds are the funds held permanently by the charity. Income generated from these funds is transferred to general funds when receivable. Restricted funds are the funds that 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. Designated funds are the funds set aside by the Trustees out of the unrestricted general funds for specific future purposes and projects.

Pensions

The company pays premiums into personal pension schemes on behalf of employees. The pension costs for the year are included within outgoing resources in the year in which they are incurred.

| 3. Charitable activities | Unrestricted Funds | Restricted Funds | Total 2020 | Total 2019 |
|---------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Grants | - | 889,840 | 889,840 | 924,718 |
| Affiliation fees and insurance | 72,430 | - | 72,430 | 68,254 |
| Training fees | 95,246 | 66,354 | 161,600 | 133,460 |
| Sale of publications | 108,119 | - | 108,119 | 98,336 |
| Other activities | 11,180 | - | 11,180 | 13,093 |
| | ----- | ----- | ----- | ----- |
| | 286,975 | 956,194 | 1,243,169 | 1,237,861 |
| | ===== | ===== | ===== | ===== |

In 2019, of the total income of £1,237,861, £258,572 was unrestricted and £1,106,344 was restricted.

Details of government grants received are shown in note 17.

4. Donations and investment income

Donations, core grant income and investment income were entirely unrestricted in both 2020 and 2019.

5. Net expenditure

| | 2020 | 2019 |
|--|-------------|-------------|
| | £ | £ |
| This is stated after charging: | | |
| Auditor's remuneration - audit services (net of VAT) | 4,380 | 4,175 |
| Depreciation | 13,408 | 21,876 |
| | ===== | ===== |

YOUTH SCOTLAND
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

| 6. Charitable activities | Direct Costs | Support Costs | Total 2020 | Total 2019 | |
|--|-------------------------|--------------------------|--------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ | |
| Unrestricted – general and designated | | | | | |
| Membership services | 355,104 | 79,969 | 435,073 | 436,128 | |
| Insurance and subscriptions | 57,273 | 12,948 | 70,221 | 58,873 | |
| Website redevelopment | 13,607 | - | 13,607 | - | |
| iLead social development for young people | 97,496 | 15,000 | 112,496 | - | |
| | ----- | ----- | ----- | ----- | |
| | 523,480 | 107,917 | 631,397 | 495,001 | |
| | ===== | ===== | ===== | ===== | |
| | Direct Costs | Grant Funded | Support Costs | Total 2020 | Total 2019 |
| | £ | £ | £ | £ | £ |
| Restricted | | | | | |
| Sports and Fitness Projects | 12,462 | - | - | 12,462 | 16,310 |
| Youth Work Projects | 343,627 | 425,967 | 50,646 | 820,240 | 966,029 |
| Network Development | 340 | - | - | 340 | 1,521 |
| Training and Communications | 48,491 | - | 2,500 | 50,991 | 51,641 |
| Building redevelopment | 2,000 | - | - | 2,000 | 2,000 |
| | ----- | ----- | ----- | ----- | ----- |
| | 406,920 | 425,967 | 53,146 | 886,033 | 1,037,501 |
| | ===== | ===== | ===== | ===== | ===== |

The above charitable activities are partly performed by grant funding under the following projects (to the following institutions):

| | 2020 | 2019 |
|----------------------------|-------------|-------------|
| | £ | £ |
| Generation Cashback | | |
| Youth Scotland | 60,405 | 70,872 |
| Scouts Scotland | 102,264 | 101,957 |
| Girlguiding Scotland | 100,142 | 92,814 |
| The Boys Brigade Scotland | 92,263 | 88,518 |
| Stand Up to Sectarianism | 8,416 | 5,590 |
| Generation Code | 500 | - |
| Big Music | - | 1,735 |
| Money for Life | - | 20,190 |
| Rural Action | 40,159 | 26,537 |
| Spirit 2012 | 8,000 | 4,500 |
| Youth Scotland Action Fund | 13,818 | - |
| | ----- | ----- |
| | 425,967 | 412,713 |
| | ===== | ===== |

Further information on Youth Scotland's grant programmes is available from the charity's website at <https://www.youthscotland.org.uk/programmes/>.

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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

| 7. Support costs | iLead Social | Insurance & Sub'ns | Member- ship Services | Total 2020 | Total 2019 |
|--|---|-----------------------------------|--------------------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted | | | | | |
| Staff Youth Work Salaries | 5,700 | - | - | 5,700 | - |
| Administration, personnel and book-keeping | 5,100 | - | - | 5,100 | - |
| Rates, heat, and light | 150 | 347 | 2,141 | 2,638 | 2,937 |
| Staff travel and subsistence | - | 1,621 | 10,010 | 11,631 | 7,401 |
| Postage, phone, and stationery | 2,100 | 1,259 | 7,778 | 11,137 | 9,526 |
| General running costs | 600 | 3,478 | 21,481 | 25,559 | 19,692 |
| Subscriptions | - | 344 | 2,128 | 2,472 | 2,349 |
| IT costs | - | 3,672 | 22,676 | 27,698 | 26,018 |
| Governance costs (see note 8) | - | 2,227 | 13,755 | 15,982 | 17,382 |
| | ----- | ----- | ----- | ----- | ----- |
| | 15,000 | 12,948 | 79,969 | 107,917 | 85,305 |
| | ===== | ===== | ===== | ===== | ===== |
| | | | | | |
| | Training and Commun- ication | Sport & Fitness | Youth Work | Total 2020 | Total 2019 |
| | £ | £ | £ | £ | £ |
| Restricted | | | | | |
| Staff Youth Work Salaries | 950 | - | 19,246 | 20,196 | 28,917 |
| Administration, personnel and book-keeping | 850 | - | 17,219 | 18,069 | 25,819 |
| Rates, heat, and light | 25 | - | 506 | 531 | 626 |
| Postage, phone, and stationery | 350 | - | 7,091 | 7,441 | 10,654 |
| General running costs | 100 | - | 2,026 | 2,126 | 3,230 |
| IT costs | 225 | - | 4,558 | 4,783 | 6,849 |
| | ----- | ----- | ----- | ----- | ----- |
| | 2,500 | - | 50,646 | 53,146 | 76,095 |
| | ===== | ===== | ===== | ===== | ===== |
| Unrestricted and restricted | | | | 161,063 | 161,400 |
| | | | | ===== | ===== |

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

| 8. Governance costs | 2020 | 2019 |
|---|-------------|-------------|
| | £ | £ |
| Auditors' remuneration | 5,145 | 5,000 |
| Printing and publishing costs – annual report | 2,715 | 2,715 |
| Staff costs | 5,629 | 5,520 |
| Trustee out of pocket expenses – travel and accommodation | 719 | 1,220 |
| Venue hire and other out of pocket expenses | 1,774 | 2,927 |
| | ----- | ----- |
| | 15,982 | 17,382 |
| | ===== | ===== |

| 9. Analysis of staff costs and key management personnel remuneration | 2020 | 2019 |
|---|-------------|-------------|
| | £ | £ |
| Wages and salaries | 611,846 | 607,052 |
| Social security costs | 55,223 | 52,723 |
| Other pension costs | 30,550 | 30,485 |
| | ----- | ----- |
| | 697,619 | 690,260 |
| | ===== | ===== |

The average number of employees during the year was 22 (2019: 23).

The average full time equivalent number of employees during the year was 20 (2019: 20).

One employee earned between £60,000 and £70,000 during the year (2019: One employee earned more than £60,000). None of the Trustees were remunerated for their duties as Trustees during the year. Out of pocket expenses detailed in note 8 above were reimbursed during the year in respect of 6 (2019: 3) Trustees.

The key management personnel of the charitable company comprise the Trustees and Senior Management Team which include the Chief Executive, the Head of Partnerships and Sustainability, the Head of Youth Work Programmes, and the Operations Manager. The total employee benefits of the key management personnel of the charitable company during the year, including employers' national insurance, were £205,328 (2019: £196,012).

10. Taxation

Youth Scotland's charitable activities fall within the exemptions afforded by the Corporation Tax Act 2010. Accordingly, there is no Corporation Tax charge in these financial statements.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

| 11. Tangible assets | Land & Buildings | Computer Software & Equipment | Total |
|-------------------------------|-----------------------------|--|--------------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 31 March 2019 | 336,189 | 48,429 | 384,618 |
| Additions | - | 2,371 | 2,371 |
| Disposals | - | - | - |
| | ----- | ----- | ----- |
| At 31 March 2020 | 336,189 | 50,800 | 386,989 |
| | ----- | ----- | ----- |
| Aggregate depreciation | | | |
| At 31 March 2019 | 62,929 | 34,011 | 96,940 |
| Charge for year | 6,724 | 6,684 | 13,408 |
| Disposals | - | - | - |
| | ----- | ----- | ----- |
| At 31 March 2020 | 69,653 | 40,695 | 110,348 |
| | ----- | ----- | ----- |
| Net book value | | | |
| At 31 March 2020 | 266,536 | 10,105 | 276,641 |
| | ===== | ===== | ===== |
| At 31 March 2019 | 273,260 | 14,418 | 287,678 |
| | ===== | ===== | ===== |

The heritable property comprises Balfour House. It was revalued on 11 March 1997 by Ryden, Property Consultants and Chartered Surveyors, on an open market basis, and was incorporated in the financial statements in that year. The valuation report was made in accordance with the RICS Appraisal and Valuation Manual. The historic cost of Balfour House at that time was £49,902. The Trustees have taken advantage of the transitional provisions of FRS15 Tangible Fixed Assets, FRS102, and the Charity SORP FRS102, and accordingly valuations have not been recognised in the financial statements since that date. The revalued heritable property is now being depreciated over 50 years since, in the opinion of the Trustees, this period best reflects the useful economic life of the building.

During 2013 and 2014 Balfour House was extensively refurbished and redeveloped. Costs amounting to £271,191 have been capitalised by the Trustees on the basis that they represent improvements to the property. In the opinion of the Trustees, the carrying value of the property at 31 March 2020 does not exceed its market value.

The carrying value of the heritable property as at 31 March 2020 had it been accounted for at depreciated historic cost would be £240,720 (2019: £247,142).

YOUTH SCOTLAND
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

| 12. Investments | 2020 | 2019 |
|--|-------------|-------------|
| | £ | £ |
| UK listed investments: | | |
| Valuation at 31 March 2019 | 721,560 | 724,660 |
| Additions | 177,846 | 65,293 |
| Disposals | (123,575) | (113,590) |
| | ----- | ----- |
| | 775,831 | 676,363 |
| | ----- | ----- |
| Realised gain on sale of investments | 9,216 | 4,973 |
| Unrealised gain on revaluation of investments | (70,175) | 40,224 |
| | ----- | ----- |
| Net (losses)/gains on investments | (60,959) | 45,197 |
| | ----- | ----- |
| Valuation of listed investments at 31 March 2020 | 714,872 | 721,560 |
| Cash held as part of investment portfolio | 10,180 | 70,140 |
| | ----- | ----- |
| Total investments at 31 March 2020 | 725,052 | 791,700 |
| | ===== | ===== |
| Cost at 31 March 2020 | 707,732 | 628,737 |
| | ===== | ===== |

Investments which exceeded 5% of the total portfolio valuation at the year end are as follows:

| | £ |
|---|--------|
| Edgewood L Select US Select Growth | 40,277 |
| Polen Capital Investment Fund PLC Focus US Growth | 37,720 |
| FIL Investment Services (UK) Limited | 55,702 |
| | ===== |

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial stability of the charity is considered in the financial review and investment policy sections of the Trustees' Report.

The main risk to the charity from financial instruments lies in the combination of uncertain markets caused by the extraordinary monetary policy of negative interest rates in many parts of the world, as central banks attempt to reinvigorate their economies.

The charity's investments are mainly traded in markets with good liquidity and high trading volumes. The charity has no material investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges.

| 13. Stock | 2020 | 2019 |
|------------------|-------------|-------------|
| | £ | £ |
| Goods for resale | 9,251 | 5,322 |
| | ===== | ===== |

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

| 14. Debtors | 2020 | 2019 |
|--------------------|-------------|-------------|
| | £ | £ |
| Trade debtors | 56,394 | 99,262 |
| Other debtors | 180,798 | 133,383 |
| Prepayments | 34,399 | 41,662 |
| | ----- | ----- |
| | 271,591 | 274,307 |
| | ===== | ===== |

| 15. Creditors: amounts falling due within one year | 2020 | 2019 |
|---|-------------|-------------|
| | £ | £ |
| Trade creditors | 265,106 | 249,775 |
| Other creditors and accruals | 10,290 | 20,389 |
| Deferred income | 97,195 | 108,296 |
| | ----- | ----- |
| | 372,591 | 378,460 |
| | ===== | ===== |

Deferred income consists of the following balances, all of which relate specifically to periods subsequent to 31 March 2020:

| | Brought Forward | Funds Received | Released to income | Carried Forward |
|--|------------------------|-----------------------|---------------------------|------------------------|
| | £ | £ | £ | £ |
| Public liability insurance and membership receipts from affiliated clubs | 40,979 | 70,261 | (69,809) | 41,431 |
| Youth Achievement Award | 31,837 | 70,235 | (68,808) | 33,264 |
| Other projects | 35,480 | 30,000 | (42,980) | 22,500 |
| | ----- | ----- | ----- | ----- |
| | 108,296 | 170,496 | (181,597) | 97,195 |
| | ===== | ===== | ===== | ===== |

16. Endowment funds

| | Brought Forward | Transfers | Carried Forward |
|----------------|------------------------|------------------|------------------------|
| | 2019 | £ | 2020 |
| | £ | £ | £ |
| Eckford Trust | 12,000 | (12,000) | - |
| Boyack Bequest | 5,089 | (5,089) | - |
| Lady Marr Fund | 790 | (790) | - |
| | ----- | ----- | ----- |
| | 17,879 | (17,879) | - |
| | ===== | ===== | ===== |

Following a review of the endowment funds by the Trustees during the year, an application was made to the Office of the Scottish Charity Regulator (“OSCR”) for their reorganisation and application to the charity’s iLead designated fund project work. This was approved by OSCR and ratified by the Trustees, before being transferred to the appropriate designated fund.

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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

| 17. Restricted funds | Brought Forward 2019 £ | Project Income £ | Project Costs £ | Transfer £ | Carried Forward 2020 £ |
|--|---|---------------------------------|--------------------------------|-----------------------|---|
| Breaking Barriers | 12,383 | - | (12,383) | - | - |
| Youth Active | 6,696 | - | (79) | - | 6,617 |
| Cycling Scotland | 846 | - | - | - | 846 |
| Awards Website / e-Portfolio | 6,112 | - | (6,112) | - | - |
| Youth Participation General | 3,459 | - | - | - | 3,459 |
| UPS Road Code | - | 8,600 | (5,244) | - | 3,356 |
| SCVO Community Jobs | - | 3,950 | (3,950) | - | - |
| Generation Cashback | - | 497,107 | (497,107) | - | - |
| Generation Code | - | 6,027 | (4,692) | - | 1,335 |
| Youth Scotland Rural Action Fund | 854 | 47,910 | (47,159) | - | 1,605 |
| Greenspace | - | 7,123 | (7,005) | - | 119 |
| Scottish Government Stem | - | 18,533 | (18,533) | - | - |
| Spirit 2012 | 19,590 | 27,814 | (37,455) | - | 9,949 |
| Big Idea's | - | 26,144 | (16,649) | - | 9,495 |
| Stand Up | - | 60,000 | (60,000) | - | - |
| Scot Gov Gannochy 19/20 | - | 69,500 | (62,954) | - | 6,546 |
| Coca Cola | - | 13,460 | (13,460) | - | - |
| Inch Park | - | 16,097 | (18,041) | - | (1,944) |
| STV Appeal | - | 49,986 | (2,218) | - | 47,768 |
| Coach Foundation Dream Project | - | 15,750 | (4,765) | - | 10,985 |
| Google Be Internet Citizens Project | - | 5,250 | (98) | - | 5,152 |
| Youth Scotland Action Fund | - | 22,090 | (13,818) | - | 8,272 |
| Orkney | - | 2,000 | - | - | 2,000 |
| Network Falkirk | 7,950 | 1,124 | (340) | - | 8,734 |
| Network Shetland | 2,404 | - | (980) | - | 1,424 |
| Volunteer Action Plan (Scottish Government) | 9,599 | - | (640) | - | 8,958 |
| Training and Communications (Scottish Government) | 16,279 | 57,728 | (50,351) | - | 23,656 |
| Building redevelopment | 88,000 | - | (2,000) | - | 86,000 |
| | ----- | ----- | ----- | ----- | ----- |
| | 174,172 | 956,194 | (886,033) | - | 244,333 |
| | ===== | ===== | ===== | ===== | ===== |

YOUTH SCOTLAND
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

| 17. Restricted funds (continued) | Brought Forward 2018 £ | Project Income £ | Project Costs £ | Transfer £ | Carried Forward 2019 £ |
|--|---|---------------------------------|--------------------------------|-----------------------------|---|
| Breaking Barriers | 13,047 | 15,000 | (15,664) | - | 12,383 |
| Youth Active | 37,198 | - | (523) | (29,979) | 6,696 |
| Cycling Scotland | 969 | - | (123) | - | 846 |
| Awards Website / e-Portfolio | 6,112 | - | - | - | 6,112 |
| The Big Music Project | 34,611 | 48,802 | (7,105) | (76,308) | - |
| Education Scotland Capacity 2016/17 | 9,093 | - | (9,093) | - | - |
| Education Scotland Capacity 2018/19 | - | 50,000 | (50,000) | - | - |
| Youth Participation General | 15,965 | - | (469) | (12,037) | 3,459 |
| UPS Road Code | 4,579 | 9,400 | (13,979) | - | - |
| Education Scotland Aspect Review | 1,076 | - | (1,076) | - | - |
| Starbucks | 6,270 | 5,700 | (11,970) | - | - |
| Money for Life | 36,496 | 104,339 | (132,103) | (8,732) | - |
| SCVO Community Jobs | 2,988 | 10,342 | (13,330) | - | - |
| Generation Cashback | - | 496,195 | (496,195) | - | - |
| Achievement Generators | - | 59,961 | (59,961) | - | - |
| Generation Code | 3,014 | - | (3,014) | - | - |
| Chance to Connect | 20,000 | - | (20,000) | - | - |
| Youth Scotland Rural Action Fund | 30,000 | - | (29,146) | - | 854 |
| Greenspace | - | 7,984 | (7,984) | - | - |
| Scottish Government Stem | - | 4,633 | (4,633) | - | - |
| Spirit 2012 | - | 24,154 | (4,564) | - | 19,590 |
| Big Idea's | - | 35,379 | (35,379) | - | - |
| Stand Up | - | 64,500 | (64,500) | - | - |
| Network Falkirk | 9,470 | - | (1,520) | - | 7,950 |
| Network Shetland | 3,933 | - | (1,529) | - | 2,404 |
| Volunteer Action Plan (Scottish Government) | 9,599 | - | - | - | 9,599 |
| Training and Communications (Scottish Government) | 25,020 | 42,900 | (51,641) | - | 16,279 |
| Building redevelopment | 90,000 | - | (2,000) | - | 88,000 |
| | ----- 359,440 ===== | ----- 979,289 ===== | ----- (1,037,501) ===== | ----- (127,056) ===== | ----- 174,172 ===== |

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

17. Restricted funds (continued)

Breaking Barriers is funded by the Gannochy Trust and is to support a project with offenders within HMP Polmont.

Youth Active aims to deliver worker training for physical activity with young people, and to target young people in disadvantaged communities through activity programmes.

The **Anti-Sectarianism** fund comprises funding from the Scottish Government to raise awareness of and progress, a community-based, grassroots approach to tackling sectarianism.

The **Coach Foundation's Dream Project** seeks to support the next generation as they create the future they know is possible, by providing the necessary skills and resources to achieve their goals.

Google's Be Internet Citizens has been designed to teach teenagers about media literacy, critical thinking and digital citizenship, with the aim of encouraging young people to have a positive voice online. The programme provides a strong foundation, empowering them with the confidence to become producers of online content, where they can express their identities, share their stories, make a social impact, and bring communities together.

Big Idea's create and support projects which bring communities and countries together. Working with playgroups and parliaments, steel pans and sports clubs, Big Ideas seeks to make lasting change locally, nationally and globally.

The Big Music Project is a project funded by Big Lottery UK and managed by UK Youth to develop youth music hubs which young people can attend and participate in the programme.

Education Scotland and subsequently Scottish Government CLD funded the Awards Network hosted by Youth Scotland and contributed towards the costs of our training and capacity building support to youth workers across Scotland.

UPS Road Code – A road hazard awareness programme for young people which combines workshops with experience 'behind the wheel' using a driving simulator.

Youth Participation General - Involving young people in decision making is a core principle of quality youth work reinforced by a right to be involved bestowed by the United Nations Convention on the Rights of the Child. Youth participation in Youth Scotland is a suite of programmes, training and resources that delivers youth involvement.

Starbucks Youth Action – A social action programme that provides up to £1,000 to enable applicants aged 16 – 24 who are not currently in education or employment to develop projects that have a positive benefit to their local community and enhances their own employability.

The **Orkney** Association of Youth Groups held a weekend of workshops and training for youth workers, volunteers and young people from all the Islands. Also, an equipment and resource bank was set up for the future use of all our members and groups throughout Orkney.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

17. Restricted funds (Contd.)

In **Money for Life** Youth Scotland will work in conjunction with UK Youth and Lloyds Bank to develop and deliver Financial Awareness Training through a peer mentored approach.

The **Money Masterclass** is a face to face training project that is split up into four short modules of around 1-2 hours covering a range of topics relevant to the lives of young people. The modules are designed to be flexible and can be adapted to suit each youth group and the young people they work with and the programmes they currently deliver. Youth groups can choose to deliver the training in one session or over a series of sessions, depending on what works best for them. **The Money for Life's Community Challenge** funding gives young people the chance to design, develop and deliver their very own community project to tackle a money issue within their local community.

SCVO Community Jobs - Community Jobs Scotland (CJS) is a national programme operated by SCVO which supports young people aged 16 to 29 years who are more disadvantaged in the labour market to secure employment.

Funded through Cashback for Communities, **Generation Cashback** is a partnership project with Youth Scotland, The Boy's Brigade Scotland, Girlguiding Scotland and Scouts Scotland. The project is growing new and supporting existing youth groups in disadvantaged communities across Scotland and supporting young people to develop leadership skills.

Funded through the CYPFEI Project Fund, managed by Corra Foundation, **Achievement Generators** builds on the recognised value of non-formal awards for young people and aims to build a grassroots movement to raise attainment. The project supports people to undertake a structured training programme and gain the skills to plan, deliver and accredit activities with children and young people in a youth, community or afterschool setting.

Funded by Microsoft through UK Youth, **Generation Code** allows young people to get creative, develop their computational thinking and coding skills to become better equipped to take advantage of the opportunities in a world that is becoming digital-by-default.

Stand Up to Sectarianism, funded by Scottish Government, offers worker training, peer education for workers and young people, a small grants scheme, accessible resources and networking opportunities to help combat hate crime and sectarianism in local communities.

Funded by **Chance to Connect** from the Scottish Children's Lottery, Activate uses sport and physical activity as a tool to develop young people's leadership and employability skills and gain qualifications. The project will increase the number of young people from disadvantaged areas taking part in sport & physical activity and open new learning and progression pathways in physical activity and sports.

Funded by The Robertson Trust, and the Gannochy Trust, **Youth Scotland's Rural Action Fund** will make small awards to enable youth groups operating in rural communities to provide more and/or better youth work opportunities for young people.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

17. Restricted funds (Contd.)

The various **Network support projects** were set up to support management committee volunteers and build the capacity of locally based associations of youth clubs. During the year an amount was transferred from unrestricted funds to meet deficits arising on the Network Orkney fund.

The **Volunteer Action Plan** is a project aiming to develop resources information and training for volunteers involved in youth work.

The **Training and Communications Programme** was funded through the Scottish Government's National Voluntary Organisations Support Fund. The programme aims to provide information, support and training to part-time and voluntary youth workers. Project income above includes grants as well as other sources of income as stated in the Statement of Financial Activities. The main funding bodies are shown in brackets.

Inch Park is our partner in the 'Let's Give Sport Back to Girls' project designed to support young girls to adopt healthy active lifestyles.

The **Building Redevelopment fund** consists of funding from the Garfield Weston Foundation and the Robertson Trust to finance the redevelopment of Youth Scotland's headquarters premises.

A local employability project funded by **Coca Cola** and managed by UK Youth to deliver an employability project in South Lanarkshire.

The **STV Children's Appeal**. This programme seeks to grow and develop community-based youth work across Scotland but with an in-depth focus on youth groups and young people across Forth Valley and Ayrshire. With the aim to demonstrate the impact of community-based youth work in helping young people overcome issues of poverty and the vital role which youth work has in a prevention agenda.

Funded by the National Lottery Heritage Fund Scotland and Scottish Government, the Young Placechangers project is a partnership with **Greenspace** Scotland to engage and empower young people to take the lead on changing the places where they live.

Funded by **Spirit of 2012** as part of the Changing Lives through Sport and Physical Activity programme, the Youth Works Through Sport project is working in communities in Glasgow to increase opportunities for young people to participate in sport and develop leadership skills.

STEM training for youth workers funded by **Scottish Government** and managed by Education Scotland

| 18. Designated funds 2020 | Brought Forward | Income | Expenditure | Transfer | Carried Forward |
|----------------------------------|------------------------|---------------|--------------------|-----------------|------------------------|
| | £ | £ | £ | £ | £ |
| Fixed assets fund - cost | 176,883 | - | (10,563) | 2,371 | 168,691 |
| Fixed assets fund - revaluation | 22,795 | - | (845) | - | 21,950 |
| | ----- | ----- | ----- | ----- | ----- |
| | 199,678 | - | (11,408) | 2,371 | 190,641 |
| Website/IT Development fund | 24,051 | - | (13,607) | - | 10,444 |
| General Youth | 55,899 | - | - | - | 55,899 |
| iLead | 127,056 | - | (112,496) | 17,879 | 32,439 |
| | ----- | ----- | ----- | ----- | ----- |
| | 406,684 | - | (137,511) | 20,250 | 289,423 |
| | ===== | ===== | ===== | ===== | ===== |

YOUTH SCOTLAND
(A Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

| 18. Designated funds 2019 | Brought Forward | Income | Expenditure | Transfer | Carried Forward |
|----------------------------------|------------------------|---------------|--------------------|-----------------|------------------------|
| | £ | £ | £ | £ | £ |
| Fixed assets fund - cost | 181,584 | - | (4,701) | - | 176,883 |
| Fixed assets fund - revaluation | 23,640 | - | (845) | - | 22,795 |
| | ----- | ----- | ----- | ----- | ----- |
| | 205,224 | - | (5,546) | - | 199,678 |
| Website/IT Development fund | 24,051 | - | - | - | 24,051 |
| General Youth | 55,899 | - | - | - | 55,899 |
| iLead | - | - | - | 127,056 | 127,056 |
| | ----- | ----- | ----- | ----- | ----- |
| | 285,174 | - | (5,546) | 127,056 | 406,684 |
| | ===== | ===== | ===== | ===== | ===== |

The **Website/IT Development fund** was created for the purposes of new information technology and related expenditure.

The **Fixed Assets Fund** maintains a balance equivalent to the carrying value of the charity's fixed assets to more accurately reflect the level of free reserves available to Youth Scotland.

The **Property Revaluation Reserve** was created on the revaluation of the heritable property in 1997 and written down at the same rate as the property was depreciated. This is now included within the fixed assets fund.

General Youth

These are former funds from BP Youth which, with their agreement, have been transferred to unrestricted funds and designated as to be applied to any new Youth Work development projects.

Youth General

These were funds assigned for new Youth Work development projects, which have now been designated for use on IT projects relating to youth awards.

iLead is Youth Scotland's social development journey for young people, offering opportunities to get involved in everyday leadership and youth participation. Young people develop their skills and confidence and can progress through a staged programme, achieving accreditation for their achievements through our youth awards. During the year this fund was enhanced by the transfer of £17,879 of funds from Endowments following a reorganisation approved by OSCR. These transferred funds continue to be represented by listed investments as shown in Note 19.

19. Analysis of net assets between funds

| 2020 | Investments | Tangible Fixed Assets | Net Current Assets | Total 2020 |
|--------------------------------|--------------------|------------------------------|---------------------------|-------------------|
| | £ | £ | £ | £ |
| General funds – non-designated | 707,173 | - | (175,063) | 532,110 |
| Restricted funds | - | 86,000 | 158,333 | 244,333 |
| Designated funds | 17,879 | 190,641 | 80,903 | 289,423 |
| | ----- | ----- | ----- | ----- |
| | 725,052 | 276,641 | 64,173 | 1,065,866 |
| | ===== | ===== | ===== | ===== |

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2020

20. Analysis of net assets between funds

| | Investments | Tangible Fixed Assets | Net Current Assets | Total 2019 |
|--------------------------------|--------------------|--------------------------------------|-----------------------------------|-----------------------|
| 2019 | £ | £ | £ | |
| General funds – non-designated | 773,821 | - | (199,937) | 573,884 |
| Endowment funds | 17,879 | - | - | 17,879 |
| Restricted funds | - | 88,000 | 86,172 | 174,172 |
| Designated funds | - | 199,678 | 207,006 | 406,684 |
| | ----- | ----- | ----- | ----- |
| | 791,700 | 287,678 | 93,241 | 1,172,619 |
| | ===== | ===== | ===== | ===== |

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

| | 2020 | 2019 |
|---|-------------|-------------|
| | £ | £ |
| Net movement in funds | (106,753) | (13,453) |
| Add back depreciation charge | 13,408 | 21,876 |
| Deduct income from investing activities | (15,585) | (14,353) |
| Losses/(gains) on investments | 60,959 | (39,276) |
| Decrease in debtors | 2,716 | 199,022 |
| Decrease in creditors | (5,869) | (58,438) |
| (Increase)/decrease in stock | (3,929) | 2,836 |
| | ----- | ----- |
| Net cash (used in)/provided by operating activities | (55,053) | 98,214 |
| | ===== | ===== |

21. Pension schemes

The company makes contributions to a number of individual arrangements for employees of a defined contribution nature. Contributions are charged as incurred and there were no outstanding contributions as at the balance sheet date. Pension costs charged in the year were £30,550 (2019: £30,185).

22. Related party transactions

The company undertook no transactions with related parties during the year (2019: Nil).

23. Going concern and post balance sheet events – Covid-19

Subsequent to the year end the impact of the pandemic on the general economy and working environment has increased significantly. The potential effect on the finances and operational activities of the charity has been assessed by management and the board, and steps have been taken to mitigate these risks as set out in more detail in the Trustees' Report. At this stage, while significant elements of grant funding forecast in respect of 2020-21 and 2021-22 has been confirmed, uncertainty remains in terms of grant and other income for 2021-22, as well as related costs. The Trustees are satisfied that confirmed funding and existing reserves, as well as mitigation taken to date, provides reasonable assurance that the charity can continue to operate for at least 12 months from the approval of these financial statements.