

Youth Scotland

A Company Limited by Guarantee Registration Number SC125456

Charity Registration Number SC000501

ANNUAL REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2023

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1. Legal and Administrative Information

Trustees

William Miller* (Chair)
Dona Milne* (Vice Chair) (resigned 27 October 2022)
Judith Macdonald* (Treasurer)
Clair Ferguson* (Vice Chair from 30 November 2022)
Douglas Ormston
Scott Findlay*
June Ford
Elizabeth (Anne) Gibson (resigned 27 October 2022)
Maureen Herdman
Sascha Macleod*
Linda McGlynn
Caroline Anne Purvis (appointed 1 June 2022)
Jayne Stuart* (resigned 27 October 2022)
Hannah Eaton (appointed 27 October 2022)
Jenny Long (appointed 1 March 2023)
* denotes member of Finance and Resource Group

Company Secretary and Chief Executive

Michael Strang

Registered Office

Balfour House
19 Bonnington Grove
Edinburgh EH6 4BL

Auditor

Chiene + Tait LLP (trading as CT)
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

Close Brothers
Saltire Court (3rd Floor West Wing)
20 Castle Terrace
Edinburgh EH1 2EN

2. Chair's Report

Trustees' Report

For the year ended 31 March 2023

The Trustees are pleased to present their annual report together with the financial statements for the year ended 31 March 2023 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).

Chair's report

I wanted to begin this year's report by thanking all staff in the organisation for the incredible effort they've made over the past 12 months. The energy, passion and commitment shown are inspiring and the 'can do culture' in the organisation is exciting to be around. We absolutely recognise that the staff are the most significant resource in the organisation, but with that comes ongoing challenges regarding annual budget funding.

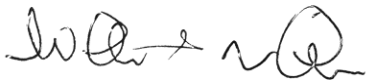
A significant focus over the past year has been finance. The funding landscape has continued to be challenging and the Trustees have constantly wrestled with the right financial actions to take, to ensure we maintain services and programmes. It remains our ambition to maintain and grow the organisation and to support the team appropriately, but this is always done in accordance with the diligent use of available resources.

Third sector organisations don't have the luxury of up front fully funded settlements each financial year. The skill and challenge of forecasting income to cover annual costs is not an exact science and leads to much stress and anxiety as each month in the financial year ticks by without the successful grant application letters appearing.

We welcome and are grateful for the funding made available by a range of organisations and institutions, but I would urge them to consider the impact of delayed decision making, particularly for organisations where cash flow becomes critical if available funds doesn't cover monthly organisational outgoings.

We held our nerve as the year progressed, but have been clear as a Board that we would not shirk from making difficult decisions if required. This has led us to the beginnings of developing a new three-year financial strategy (inclusive of learning from the changing landscape), in addition to our organisation strategy. This won't result in immediate financial solutions, but it will allow us to better determine our priorities and explore alternative solutions.

I've always maintained that consolidation short term can lead to expansion long term, but continuing 'full steam' regardless, is a recipe that could bring an organisation into serious difficulty. We have a duty as Trustees to make responsible financial decisions to ensure continuity of services for our members. To do that, we have to look after our most important resource.



William Miller

Chair of Youth Scotland

3. Landscape and External Influence

2022-23 saw the increased demand for Youth Scotland's offer remain; membership continued to grow along with the need for Training and access to Youth Scotland's national programmes. Youth Scotland Youth Awards have also remained popular and widely used, seeing growth in face-to-face activities and physical challenge sheet submissions, once the pandemic restrictions began to ease.

Around one in four children in Scotland are living in poverty. Scotland's worst affected communities have been faced with the impact of UK-wide austerity and cuts, the global COVID-19 pandemic and, more recently, the cost of living crisis. Accessing funds became vital for groups and we were able to support members through the Youth Scotland Spring Fund and the Stand Up to Sectarianism programme small grants. We also supported the network to access funding through Spirit 2012 and the Inspire 22 programme and panel support to members through the Cost of Living Fund from UK Youth.

Additionally, Youth Scotland produced the report: [Acting on Poverty: how Youth Scotland's vital work supports the most affected communities](#), which explores the impact and views from those most affected and how youth work plays a vital role in supporting those communities.

Youth Scotland contributed (via membership of the Awards Network) to the Independent Review of Qualifications and Assessment (IRQA) led by Professor Louise Hayward which published its highly-anticipated Interim Report, which proposed a revision to Scotland's Qualifications and Assessment system that aims to build on the Curriculum for Excellence and capture a wider range of student's capabilities.

The emerging mental health crisis was one of the significant issues identified from the pandemic and successive lockdowns, particularly for Scotland's most vulnerable and isolated young people. Responding to the needs of the network, Youth Scotland's training team supported over 960 youth workers with the Mental Health Foundation Training programme and ongoing CPD, allowing them to increase their knowledge of young people's mental health and emotional wellbeing.

Furthermore, the impact of lockdowns and restrictions gave rise to significant turnover in the community-based youth work sector. Youth Scotland's Training Team played a vital role in workforce development, supporting the induction and upskilling of new and returning youth workers through Ready for Youth Work (SCQF Level 3), our nationally recognised PDA in Youth Work (SCQF Level 6) and the ILM Leading in Youth Work (SCQF Level 9).

Despite these ongoing challenges, the community-based youth work sector fosters resilience and focuses on recovery. Youth groups continue to build strong relationships with local communities, pairing tried and tested methods of supporting children and young people with innovative new interventions.

4. Objectives and Activities

The charity is established for charitable objects and purposes only.

The charity's objectives, which were updated and 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;
- v) To support a thriving network of diverse organisations that use a youth work approach

5. Impact 2022-23 and progress against our Strategy 2020-23 'Changing Lives Through Community-Based Youth Work'

The organisation continues to track well against our strategic ambitions as outlined in 'Changing Lives Through Community-Based Youth Work - A Strategy for 2020-2023'.

To play our part in ensuring that all young people have the best chance to realise their potential and have happy fulfilling lives our strategy focuses on the **four** key pillars of:

- Supporting Our Member Youth Groups
- Training Volunteers and Youth Workers

- Youth Leadership and National Programmes
- Accredited Youth Awards

2022-23 in Numbers

We are very pleased to see sustained growth and access to capacity building and training offers for the period. More detail is offered under each strategic pillar, global figures below:

- Total Young People supported **97,018**
- Total Youth Workers **10,775** of whom **6,632** are volunteers
- Total Youth Groups **1,999**
- Total Member Organisations **590**
- Total awards **7,171**
- Young People engaged in Leadership and participation programmes **5,381**
- Youth Workers engaged in training **4,276**

What is amazing about these figures is what is behind the numbers. Behind every number there is a Young Person, Youth Worker or Youth Group who are involved in Youth Work in their community, have engaged in great programmes and achieved recognised awards.

Pillar 1: Supporting Our Member Youth Groups

Our ambition is for all young people, regardless of their circumstances, to benefit from high quality community-based youth work through the Youth Scotland network.

Ambition

1. Increase the number of youth groups in our membership by **20%**
2. **100%** of our member youth groups will improve their practice and continue to meet minimum standards, complying with all relevant regulations e.g. Child Protection
3. **9,000** youth work practitioners will improve their knowledge through use of the Youth Work Essentials online resource

Progress (by end of year 3)

1. Groups increased by 29%, young people increased by 32%
2. **100%** of our member youth groups meet minimum membership criteria
3. Over 10,000 youth work practitioners have access to Youth Work Essentials with **100,210 unique page views** in 2022-23.

Impact in 2022-23

We have seen another increase in our membership with 212 youth groups joining in 2022-23. These new groups, alongside existing members, can now access the suite of

advice, guidance, support, resources, training and funding opportunities offered as part of the Youth Scotland membership offer.

- We continue to have reach across all 32 Local Authority areas in Scotland, with 1,999 member youth groups (1,730 in 2021-22) providing universal youth work opportunities as well as more targeted approaches. Of that total, rural youth groups represent 34% of the membership and urban represent 66% of the membership. In addition, 67% of Youth Scotland members operate in SIMD 1-5 post codes.
- 97,018 young people (82,454 in 2021-22).
- 10,775 youth workers (9,379 in 2021-22) of whom 6,632 are volunteers.

These outcomes are also achieved through the support of membership services we provide centrally to our membership and in support of our Area Association network of six infrastructure bodies that offer local services to our shared membership in Edinburgh & the Lothians, Fife, Highland, Isles of Lewis & Harris, Orkney Islands and Scottish Borders. Additionally, our Youth Scotland Area Coordinators supported member groups in Stirling, Clackmannanshire, Falkirk, North Ayrshire, East Ayrshire and South Ayrshire.

Pillar 2: Training Volunteers and Youth Workers

Our ambition is to establish ourselves as the leading provider of training and capacity building for the youth work sector in Scotland, improving the skills and confidence of those who are supporting young people.

To achieve this we will:

- Increase and enhance opportunities for accredited learning and development through our Training Pathway for voluntary and paid youth workers, managers and leaders.
- Develop our thematic Members' Forums for youth work staff and volunteers to meet and share learning in youth work practice and policy.
- Build on our Inclusive Youth Work, Trusted Adult and thematic training programmes to ensure that youth workers have the knowledge, skills and confidence to support young people and meet their needs in an ever-changing and complex society.
- Build and expand our offer of accessible learning opportunities, delivered both face to face and online, to skill youth workers to meet young people's emerging needs.

Ambition

1. **6,500** youth workers will report increases in the skills and confidence to deliver youth work opportunities for young people and accredit young people's learning.
2. **3,000** will achieve accredited qualifications or CPD evidencing their training and development.

Progress (by end of year 3)

12,783 youth workers have taken part in training, report increased skills and confidence and are able to evidence their Continuing Professional Development (CPD), with **729 youth workers** achieving accredited qualifications.

We are delighted to have been able to continue to offer development opportunities and training for the sector over the last year, building further opportunities particularly in support of young people's mental health, trauma informed practice and inclusive youth work.

Our accredited training pathway continues to offer real world qualifications and progression routes into professional youth work practice.

Impact in 2022-23

Youth worker training has continued to thrive with **4,276** youth workers' abilities and skills developed further to support young people's emerging needs. Our training programme offered accredited and non-accredited training opportunities in Youth Awards (842 participants), Ready for Youth Work (1,150 participants), Trusted Adult (1,185 participants), PDA in Youth Work (83 participants), Leading in Youth Work (11 participants), Child Protection (553 participants) and other key training programmes, including delivering safe and effective digital youth work and specialist mental health training.

Our partnership programme with Place2Be continued to offer a Mental Health Foundation Training programme and ongoing CPD to over 960 youth workers, allowing them to increase their knowledge of children and young people's mental health and emotional wellbeing.

Pillar 3: Youth Leadership and National Programmes

Our ambition is for young people across all 32 Local Authorities to have the opportunity to grow and develop their everyday leadership skills through iLead and other youth participation projects.

To achieve this, we will:

- Increase the opportunities for young people to participate in iLead, Youth Scotland's youth leadership programme and develop their leadership skills.
- Improve young people's participation in national programmes that build resilience and improve health and wellbeing.
- Seek funding for new projects and programmes which can be co-designed with young people and address mental health and wellbeing; financial literacy; active citizenship; and community participation

Ambition

1. **5,000 young people** will report they have developed new skills, increased confidence and have accessed new experiences through our national programmes.

Progress (by end of year 3)

12,337 young people have engaged in national programmes, developed new skills and enjoyed new experiences.

Impact in 2022-23

We have continued to offer young people a range of activities to meet their emotional needs, build their confidence and develop new skills. Our Area Coordinators in Ayrshire and Forth Valley and our National Youth Scotland staff continued to act as examples of good practice, delivering quality youth work sessions which produced positive outcomes for young people, whilst also building the confidence of the local workers and volunteers shadowing them.

This year saw a return to mainly face to face delivery at the request of young people who had been reporting digital fatigue. We are delighted to have again exceeded our yearly target with 4,276 young people having undertaken training and have been directly involved in our national leadership and participation programmes.

With health and wellbeing underpinning all our delivery, we have supported young people to develop their skills and take action in their groups and communities. As a result, young people have reported an increase in their confidence, resilience and an improvement in their ability to: manage relationships; describe and apply their learning; participate effectively in groups; consider risks and make reasoned decisions; demonstrate social commitment and broaden their perspectives through their engagement in our national leadership and participation programmes. This included:

- Generation Cashback Grow and Lead, with 1,293 participants
- Stand Up To Sectarianism, with 66 participants
- STV Grow in Ayrshire and Forth Valley, with 1,442 participants
- Inspire Social Action, with 299 participants
- Y2Be Mental Health Peer Mentoring and Community Wellbeing, with 255 participants
- Young Islanders Network, with 804 participants

Pillar 4: Accredited Youth Awards

Our ambition is that we will create more opportunities for young people to achieve and gain accreditation for their learning through Hi5 Awards (Hi5), Dynamic Youth Awards (DYA) and Youth Achievement Awards (YAA) at SCQF levels 2–7. This will support national efforts to close the poverty related attainment gap and increase young people's skills for learning, work and life.

To achieve this we will:

- Develop new partnerships with schools and employers and build capacity within our community-based youth groups to improve young people's access to our Awards
- Encourage more young people to participate in Youth Scotland's Awards while engaged in our national programmes
- Increase the number of young people in our member youth groups achieving Youth Scotland's Awards
- Support wider recognition of the value of youth awards in young people's lives through leading and hosting the Awards Network

Ambition

1. Youth Scotland will accredit young people's learning and achievements with more than **100,000** awards since launch
2. We will increase the number of schools registered and using a youth work approach to deliver awards by **50%**
3. Young people across all **32 Local Authorities** are able to achieve our awards through community-based youth work, school and employer partnerships

Progress (by end of year 3)

1. Since launch Youth Scotland have facilitated **85.5K awards**
2. In 2022-23 we changed the terminology around award registration and Operating Agencies are now referred to as Award Delivery Hubs. We also introduced a Primary School registration option. The number of registered **Secondary School Hubs** increased from **26 to 32**. The number of **Local Authority Hubs** remained at **31**. We also have **18 Charity/Third Sector Hubs** (up from 10 last year) and **22 Primary School Hubs**.

Impact in 2022-23

In 2022-23, Youth Scotland Awards were delivered by a network of 250 Awards Groups supported locally by 111 Award Delivery Hubs (78 in 2021-22). We have seen successful growth of the Awards in 2022-23 with completion figures on target for a 20% rise on the 2021-22 figures (7,171 across Hi5, DYA and YAA compared to 6,000 in 2021-22). New registrations have increased with a 20% increase in secondary schools coming on board as Hubs and an 80% increase in charities registering as Hubs. Income from material sales (challenge sheets and toolkits) has remained steady in comparison to 2021-22, however, we are expecting an increase in 2023-24 for both sales and completions under the growth agenda as:

1. new registered hubs/groups start delivering;
2. we see a return on resource development investment and
3. customer service improvements bed in.

In 2022-23 we achieved:

- Youth Achievement Awards – 314 at SCQF levels 4 – 7 (248 Bronze, 52 Silver, 8 Gold and 6 Platinum)
- Dynamic Youth Awards - 3,003 at SCQF level 3
- Hi5 Awards - 3,854 at SCQF level 2

33% of all Youth Scotland Awards in 2022-23 were delivered in the most deprived areas of Scotland, demonstrating how our awards are contributing to closing the poverty-related attainment gap.

Impact statements from young people, collected as part of the award process, show that 87% of Hi5 Award recipients, 79% of Dynamic Youth Award recipients and 79% of Youth Achievement Award recipients reported improvements in their experiences and outcomes as a result of completing their challenges.

Other Successes

Grant making

Accessing funds remained a key priority for member youth groups as they fully re-opened and we were delighted to offer support through the following grant schemes which we operated in 2022-23.

- The Youth Scotland Spring Fund, funded by Scottish Government through the STV Children's Appeal, distributed £14,000 funding to 16 youth groups who made onward awards reaching children and young people affected by poverty.
- The Stand Up to Sectarianism programme, funded by the Scottish Government, distributed £7,800 in small grants to youth groups to allow them to tackle sectarianism in their communities.

We also supported a number of our member youth groups to access funding through our partnership with UK Youth and Spirit 2012 through our Inspire Social Action Project.

We believe that the connection which Youth Scotland has to community-based youth groups across the country has been proven again as being an effective mechanism for reaching young people experiencing poverty and other issues. Ours and our members' reach into communities, both urban and rural, their knowledge and understanding of local need alongside existing relationships with young people and families has demonstrated the impact of working this way and getting the funds to where they are needed most.

We would like to thank all the funders of all our small grant schemes for their much appreciated support of community-based youth work in the past year and look forward to relaunching our Rural Action Fund next year with support from The Gannochy Trust.

Representation

Youth Scotland continues to be a voice for our members and community-based youth work and contributes to a number of national groups.

In addition to our role on the national youth work and CLD working groups, the organisation has also represented the interests of our members on several groups during the past year:

- Scottish Youth Work Leaders Forum
- YouthLink Policy Planning Group
- SCVO Intermediaries Network
- Awards Network
- National Youth Work Strategy Reference Group
- National Youth Work Training Forum
- CLD Standards Council
- YouthLink Youth Work and Schools Planning Group
- Communications and PR Network

Strong Partnerships

We have continued to develop new and existing partnerships in 2022-23 supporting community-based youth work delivery across Scotland. We are especially grateful to the following partners:

Scottish Government – The Young Islanders Network

The Young Islanders Network (YIN) empowers young people living in our island communities to have their say on the implementation of the actions in Scotland's National Island's Plan. The YIN officially launched in Orkney with young people in August 2022, following an initial successful pilot project. Key achievements so far include:

- Young islander representation on the NIP delivery group.
- Young islanders working together to decide on priorities to take forward and to feedback to decision makers, with initial priorities identified as Transport and Housing.
- Young islanders meeting with Scottish Government Ministers, Depute First Minister and the UK Prime Minister to express their views on issues impacting their lives and to influence change.
- Growing the network beyond the initial youth work setting anchor organisations and reaching young people within the community, education and employment settings.

STV Appeal and Place2Be

We have now completed the final year of our Growing Community-Based Youth Work programme, funded by the STV Children's Appeal. During the course of the three-year

programme, our aim was 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 promoting a prevention agenda.

We have also completed Year 2 of our connected partnership project with the mental health charity, Place2Be which is also funded by the STV Children's Appeal. This project is building the skills and resilience of the youth work workforce, including peer mentors, to support young people's mental health in the community.

Scottish Government & Inspiring Scotland - Generation CashBack

Youth Scotland continued to work in partnership with The Boys' Brigade, Girlguiding Scotland and Scouts Scotland in 2022-23, during the third year of the 3 year CashBack for Communities Phase 5 grant from the Scottish Government.

The consortium, led by Youth Scotland, built the capacity of 135 youth groups across Scotland, offering financial support, training for workers, and tailored advice and resources. Much of the support given focussed on enabling youth groups to return to face to face delivery safely, while understanding and implementing the government COVID-19 guidance. As well as capacity building support, Generation CashBack staff delivered leadership opportunities for young people and accreditation through youth awards. The programme reached 3,267 young people over the course of the year, 67% of whom are based in SIMD 1-2 areas.

In other collaborations during 2022-23, the partnership with Education Scotland in the delivery of STEM training workshops continued in 2022-23. We developed a new Inspire partnership with UK Youth and Spirit of 2012 providing young people with skills and funding to plan and deliver social action events in their local communities which built social cohesion. The delivery of Youth Scotland's youth awards for young people continued across Scotland in partnership with local authorities, schools and third sector partners. We also worked with several Scottish Government directorates and 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.

We also continued our strategic partnerships with the Social Enterprise Academy; UK Youth; and with the 5 Nations of national youth work organisations in the UK and Ireland.

Risk Management

The Senior Leadership Team and Board monitor strategic risk via a Strategic Risk Register and by adopting appropriate policies and procedures.

The Risk Register is regularly reviewed by Senior Leadership and Board to facilitate awareness of external influences which may affect the future function of the organisation and potential risks. Mitigations are put in place and risks monitored.

Youth Scotland is represented on key sector groups giving sector visibility and working with partners to address risks to the sector.

In the period 2022-23 COVID-19 risk has decreased, however, Youth Scotland has accumulated crisis response learning and is able to adapt quickly should there be a future pandemic or national health emergency.

The funding environment remains challenging and Senior Leadership and Board are closely monitoring the funding landscape with an active funding pipeline in place.

6. Financial Review

Funding

Principal funding received, and how it is expended, is detailed later in this report and in the notes to the financial statements on pages 27-47.

We would wish to record our sincere appreciation to all of our funders for funding received in 2022-23:

- Core funding from the Children, Young People and Families Early Intervention Fund from Scottish Government and managed by the Corra Foundation.
- Funding from the Scottish Government CLD Team in support of our coordination role in the Awards Network, promoting informal learning opportunities between 38 Members and Partners.
- Generation CashBack, funded by Scottish Government Cashback for Communities and managed by Inspiring Scotland.
- Continuation of our training and capacity building support for youth workers, funded through the Scottish Government's CLD Team and the National Voluntary Youth Work Organisations Support Fund (which is managed by YouthLink Scotland).
- The Young Islanders Network, funded from the Scottish Government's Islands' Team.
- The Stand Up to Sectarianism programme, funded by Scottish Government's Equalities Division.
- The Growing Community-Based Youth Work programme and the Y2Be youth work and mental health programme both funded by the STV Children's Appeal.
- STEM training for youth workers funded by Scottish Government and managed by Education Scotland.
- Cyber Skills Resilience Programme funded by YouthLink Scotland.
- Scotland The Big Picture Rewilding Partnership, funded by the Scottish Heritage Lottery Fund.
- Participatory Grant-Making Pilot Project, funded by The National Lottery Community Fund.
- Henry Duncan Young Grantmakers programme, funded by Corra Foundation.

- All our programmes managed in partnership with UK Youth. Including UPS Road Code funded by UPS, Google Be Internet Citizens funded by Google, Inspire 2022 – funded by Spirit of 2012.
- What's Your Big Idea?! microgrant scheme for young people through support from the Audrey Milan Fund.
- Youth Scotland Spring Fund, funded by the STV Children's Appeal and the Scottish Government.

The Trustees would also wish to thank the Meikle Foundation for their donations in support of our work.

Income and Expenditure

Details of the income and expenditure for the year, and assets and liabilities at 31 March 2023 are shown on the Statement of Financial Activities and Balance Sheet in the financial statements on pages 27 - 28.

The charity recorded a deficit in unrestricted funds, before investment gains, amounting to £27,001 for the year compared to £15,224 in 2021-22.

The 2022-23 deficit was as a result in the reduction in unrestricted income of £8,526 and an increase in unrestricted expenditure of £20,303.

Restricted funds recorded a deficit of £265,315 compared to a surplus of £269,915 in 2021-22 which reflects the timing of spending on reserves being carried forward.

The principal funding sources of income to the charity in 2022-23 were: grants amounting to £1,133,794; a core grant of £206,000; affiliation fees and insurance sales of £82,462 training fees amounting to £88,682; and sales amounting to £66,696

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 these past years, providing income to the organisation at times 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. The level of non-designated unrestricted reserves at 31 March 2023 amounted to £701,639. Whilst management acknowledge that unrestricted funds are currently above their minimum target level, they are currently forecasting a deficit for the year to 31 March 2024 and recognise that funding in forthcoming years is likely to be much tighter as a consequence of the pandemic. They are therefore happy to accept a higher level of unrestricted reserves at this time in order to assist in meeting future funding shortfalls to enable projects to continue as planned.

Movements on restricted and designated funds are included in the notes to the financial statements on pages 30-47. As at 31 March 2023, restricted funds stood at £283,034.

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 2023 of tangible fixed assets was £282,000 and £202,000 of this amount has been designated during the year to reflect that these do not represent free reserves of the charity, with the balance of £80,000 represented by restricted funds.

At the year end, the charity also had designated funds for the development of an Awards e-portfolio amounting to £14,500 the completion of which has been delayed and will roll into 2023-24.

The total designated funds held at 31 March 2023 amounted to £289,642.

Investment Policy – Objectives and Performance

The Finance and Resource Group (FRG) maintained a strong overview of our investment portfolio with our investment manager Close Brothers in 2022-23.

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 in the longer term. 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.

During the year, Youth Scotland generated £22,667 of income from their deposits and investment portfolio. As a consequence of movement in the investment markets the value of the share portfolio increased by £80,679.

Going Concern

The cost of living crisis, tightening Local Authority budgets and a competitive funding landscape continue to present a challenging set of conditions for charities in Scotland.

Although existing in a challenging external environment, we do not anticipate that these factors will impact Youth Scotland's ability to continue as a going concern. Most funding is secured for the year ahead including continuation and multiyear funding covering the assessment period and beyond. We remain supported by a comfortable reserves position.

With levels of secured funding and reserves far greater than known outgoings the Trustees of Youth Scotland therefore consider that the charity remains a going concern.

7. Plans for Future Periods

As demand for Youth Scotland's services continues to grow, we remain responsive to the needs of our membership, youth work leaders, youth workers and young people.

As we enter a new strategic period for Youth Scotland, our purpose remains clear: To grow, develop and support community-based youth work. It is crucially important that young people are able to access safe, quality youth work in their communities. Youth Scotland's support and capacity building approach helps to realise a vibrant and diverse network of member youth work organisations ready to stand beside young people as they manage the difficult transitions in life. Youth Scotland is also laser focused on the workforce, both voluntary and paid; with over 10,000 workers in our network, we remain committed to ensuring the next generation of youth workers will be confident and competent providing the essential safety net of trusted adults in communities across Scotland.

Recent surveys tell us that Youth Scotland's offer is still relevant for our members, youth workers and young people.



Figure 1: relevance of Youth Scotland's four pillars.

We will continue to grow, develop and support the network via these pillars but also turn our eye to the future to ensure Youth Scotland remains a charity fit for the future and relevant to our membership, youth workers and young people.

Youth Scotland's next strategy will have a focus of future sustainability and place young people's voice at the heart of all we do.

8. 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 amend the Articles was approved for adoption at an AGM held on 27 October 2022.

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

The Legal and Administrative Information, set out on page 3, 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).

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 two further three-year terms.

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 subgroups of the Board meeting in between.

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 that is of benefit to the organisation. A Board induction 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.

Decision Making

There is one standing committee 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 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 regards to:

- the budgets, work and project plans approved by the Board;
- the actual performance of the charity; and/or
- 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. Key management remuneration is set by the Trustees with reference to benchmarks for similar roles in other organisations.

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 9 of the financial statements. Trustee indemnity insurance in place for the benefit of Trustees.

Reference and administrative details

These details, including Trustees who served in the year, are set out on page 3.

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);
- 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.

Approval of Annual Report and Accounts

The financial statements were approved and authorised for issue at a Board meeting held on 21 December 2023 and are signed on behalf of the Trustees by William Miller, Chair of the Board.

William Anthony Miller

William Miller

Trustee and Chair of the Board

9. Independent Auditor's Report to the Trustees and Members of Youth Scotland

Opinion

We have audited the financial statements of Youth Scotland (the 'charitable company') for the year ended 31 March 2023 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 2023 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

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

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

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

Other information

The 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters 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 pages 23 and 24, 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.

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

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates and considered the risk of acts by the charitable company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the charitable company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the management and the Trustees;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and

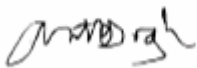
evaluating whether there was evidence of bias by the Trustees that represented a risk of material misstatement due to fraud.

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.



Jeremy Chittleburgh CA (Senior statutory auditor)

For and on behalf of CT

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

22 December 2023

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

10. Financial Statements and Notes

STATEMENT of FINANCIAL ACTIVITIES

For the year ended 31 March 2023

	Note	Un- Restricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Income from:					
<i>Donations</i>					
- Donations		2,040	-	2,040	3,098
- Grants		216,300	-	216,300	227,000
<i>Charitable activities</i>	3	235,810	1,143,733	1,379,543	1,807,462
<i>Investments</i>		22,667	-	22,667	16,732
Total income		476,817	1,143,733	1,620,550	2,054,292
Expenditure on:					
<i>Raising funds</i>					
- Fundraising for grants and donations		18,608	-	18,608	20,220
- Investment management fees		5,482	-	5,482	8,112
<i>Charitable activities</i>	6	479,728	1,409,048	1,888,776	1,771,269
Total expenditure		503,818	1,409,048	1,912,866	1,799,601
Net (expenditure)/income before net gains on investments		(27,001)	(265,315)	(292,316)	254,691
Net (losses)/gains on investments	12	(71,144)	-	(71,144)	17,657
Net (expenditure) income and net movement in funds		(98,145)	(265,315)	(363,460)	272,348
Reconciliation of funds					
Total funds brought forward	16,17	1,089,426	548,349	1,637,775	1,365,427
Total funds carried forward	16,17	991,281	283,034	1,274,315	1,637,775

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 30-47 form part of these financial statements.

BALANCE SHEET

As at 31 March 2023

	Notes	2023	2022
		£	£
Fixed assets			
Tangible assets	11	282,000	274,656
Investments	12	830,176	904,400
		-----	-----
		1,112,176	1,179,056
Current assets			
Stock	13	10,126	6,506
Debtors	14	120,341	243,868
Cash at bank and in hand		303,460	526,239
		-----	-----
		433,927	776,613
Creditors: amounts due within one year	15	(271,788)	(317,894)
		-----	-----
Net current assets		162,139	458,719
		-----	-----
Net assets		1,274,315	1,637,775
		=====	=====
Reserves			
Unrestricted general funds		701,640	814,285
Unrestricted designated funds - other	17	269,381	254,881
Unrestricted designated funds - property revaluation	17	20,260	20,260
Restricted funds	16	283,034	548,349
		-----	-----
		1,274,315	1,637,775
		=====	=====

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 21 December 2023 and are signed on their behalf by:

William Anthony Miller

William Miller
Chair
Company No. SC125456

The notes on pages 30-47 form part of these financial statements.

STATEMENT OF CASHFLOWS

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Cash provided by operating activities	19	(224,770)	176,741
		-----	-----
Cash flows from investing activities			
Investment income		22,667	16,732
Purchase of fixed assets	11	(23,756)	(21,450)
Proceeds from sale of investments	12	462,112	643,133
Purchase of investments	12	(452,577)	(646,406)
Movement in cash held as part of investment portfolio	12	(6,455)	8,410
		-----	-----
Cash provided by investing activities		1,991	419
		-----	-----
(Decrease)/increase in cash and cash equivalents in the year		(222,779)	177,160
Cash and cash equivalents at the beginning of the year		526,239	349,079
		-----	-----
Cash and cash equivalents at the end of the year		303,460	526,239
		=====	=====
Analysis of cash and cash equivalents			
Cash at bank – current account		303,460	526,239
		=====	=====

Analysis of Changes in Net Debt	2022 £	Cash flows £	Other Non-cash changes £	2023 £
Cash and cash equivalents	526,239	(222,779)	-	303,460
	-----	-----	-----	-----
Total net debt	526,239	(222,779)	-	303,460
	=====	=====	=====	=====

The notes on pages 30-47 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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 Charitable Company's ability to continue as a going concern and have reasonable expectation that the Charitable Company 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 charitable 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.

2. Accounting policies (Contd.)

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.

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.

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.

2. Accounting policies (Contd.)

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.

2. Accounting policies (Contd.)

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.

Tangible fixed assets

All fixed assets over £1,000 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.

2. Accounting policies (Contd.)

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.

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 2023	Total 2022
	£	£	£	£
Grants	149,449	984,345	1,133,794	1,506,365
Affiliation fees and insurance	82,517	(55)	82,462	67,013
Training fees	2,440	86,242	88,682	156,091
Sale of publications	7	66,689	66,696	74,089
Other activities	1,397	6,512	7,909	3,904
	-----	-----	-----	-----
	235,810	1,143,733	1,379,543	1,807,462
	=====	=====	=====	=====

In 2022, of the total income of £1,807,462, £221,461 was unrestricted and £1,586,001 was restricted. Details of government grants received are shown in note 16.

4. Donations and investment income

Donations, core grant income and investment income were entirely unrestricted in both 2023 and 2022.

5. Net expenditure

	2023	2022
	£	£
This is stated after charging:		
Auditor's remuneration - audit services (net of VAT)	7,640	5,275
Depreciation	16,412	13,965
	=====	=====

6. Charitable activities	Direct Costs	Support Costs	Total 2023	Total 2022
	£	£	£	£
Unrestricted – general and designated				
Membership services	378,976	46,584	425,560	404,941
Insurance and subscriptions	48,494	5,673	54,167	50,242
	-----	-----	-----	-----
	427,470	52,257	479,727	455,183
	=====	=====	=====	=====
	Direct Costs	Grant Funded	Support Costs	Total 2023
	£	£	£	£
Restricted				
Youth Work Projects	693,548	525,636	94,193	1,313,377
Training and Communications	93,671	-	-	93,671
Building redevelopment	2,000	-	-	2,000
	-----	-----	-----	-----
	789,219	525,636	94,193	1,409,048
	=====	=====	=====	=====

6. Charitable activities (Continued)

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

	2023	2022
	£	£
Generation Cashback:		
Youth Scotland	52,448	52,317
Scouts Scotland	118,823	117,534
Girlguiding Scotland	113,623	113,928
The Boys Brigade Scotland	118,823	117,860
Coach Foundation Dream		
Project	-	1,050
GBYW	1,000	-
GGU	40,000	-
Inspire	30,273	-
Orkney	24,281	(4,511)
Rural Action	-	35,395
Stand Up to Sectarianism	7,700	8,000
STV Appeal	1,585	11,780
STV Winter Fund	-	120,000
What's Your Big Idea – Audrey		
Milan Fund	2,800	1,600
Y2BeClued up	280	-
Young Islanders	-	12,500
Youth Scotland Spring Fund	14,000	1,000
Youth Work Support Fund	-	70,000
	-----	-----
	525,636	658,453
	=====	=====

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

7. Support costs

	Insurance & Sub'ns	Membership Services	Total 2023	Total 2022
	£	£	£	£
Unrestricted				
Rates, heat, and light	452	3,708	4,160	2,778
Staff travel and subsistence	-	-	-	841
Postage, phone, and stationery	1,191	9,780	10,971	9,403
Audit and accountancy fees	-	-	-	1,902
General running costs	2,104	17,281	19,385	23,435
Subscriptions	235	1,926	2,161	1,396
IT costs	-	-	-	(6,248)
Governance costs (see note 8)	1,691	13,889	15,580	13,307
	-----	-----	-----	-----
	5,673	46,584	52,257	46,814
	=====	=====	=====	=====

	Youth Work	Total 2023	Total 2022
	£	£	£
Restricted			
Staff Youth Work Salaries	35,797	35,797	28,180
Administration, personnel and book-keeping	31,984	31,984	25,200
Staff travel and subsistence	-	-	841
Rates, heat, and light	422	967	3,533
Postage, phone, and stationery	6,461	13,191	19,785
Audit and accountancy fees	-	-	1,902
General running costs	23,157	3,772	26,401
Subscriptions	-	-	1,396
IT costs	8,482	8,482	426
	-----	-----	-----
	106,303	94,193	107,664
	=====	=====	=====
Unrestricted and Restricted		146,450	154,478
		=====	=====

8. Governance Costs

	2023	2022
	£	£
Auditors Remuneration	7,640	5,490
Printing and publishing costs - annual report	-	820
Staff Costs	5,826	6,049
Venue hire and other out of pocket expenses	2,114	948
	-----	-----
	15,580	13,307
	=====	=====

9. Analysis of staff costs and key management personnel remuneration

	2023	2022
	£	£
Wages and salaries	833,725	694,128
Social security costs	79,617	58,783
Other pension costs	40,560	34,460
	-----	-----
	953,902	787,371
	=====	=====

The average number of employees during the year was 29 (2022: 25).

One employee earned between £60,000 and £70,000 during the year (2022: One employee earned more than £60,000). None of the Trustees were remunerated for their duties as Trustees during the year.

The key management personnel of the charitable company comprise the Trustees and Senior Management Team which include the Chief Executive, Head of Business Development, Head of Youth Work Programmes, Operations Manager and Communications Manager. The total employee benefits of the key management personnel of the charitable company during the year, including employers' national insurance, were £256,334 (2022: £209,213).

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.

11. Tangible assets	Computer Land & Software & Buildings Equipment		Total
	£	£	
Cost or valuation			
At 31 March 2022	336,189	75,781	411,970
Additions	-	23,756	23,756
	-----	-----	-----
At 31 March 2023	336,189	99,537	435,726
	-----	-----	-----
Aggregate depreciation			
At 31 March 2022	83,101	54,213	137,314
Charge for year	6,724	9,688	16,412
	-----	-----	-----
At 31 March 2023	89,825	63,901	153,726
	-----	-----	-----
Net book value			
At 31 March 2023	246,364	35,636	282,000
	=====	=====	=====
At 31 March 2022	253,088	21,568	274,656
	=====	=====	=====

The heritable property comprises Balfour House. It was revalued on 11 March 1997 to £65,000 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 2023 does not exceed its market value.

The carrying value of the heritable property as at 31 March 2023 had it been accounted for at depreciated historic cost would be £221,454 (2022: £227,876).

12. Investments	2023	2022
	£	£
UK listed investments:		
Valuation at 31 March 2022	881,954	861,024
Additions	452,577	646,406
Disposals	(462,112)	(643,133)
	-----	-----
	872,419	864,297
	-----	-----
Realised gain on sale of investments	(25,096)	21,520
Unrealised gain/(loss) on revaluation of investments	(46,048)	(3,863)
	-----	-----
Net gain on investments	(71,144)	17,657
	-----	-----
Valuation of listed investments at 31 March 2023	801,275	881,954
Cash held as part of investment portfolio	28,901	22,446
	-----	-----
Total investments at 31 March 2023	830,176	904,400
	=====	=====
Cost at 31 March 2023	814,785	783,050
	=====	=====

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	2023	2022
	£	£
Goods for resale	10,126	6,506
	=====	=====

14. Debtors	2023	2022
	£	£
Trade debtors	72,708	200,973
Other debtors	4,955	-
Prepayments	42,678	42,895
	-----	-----
	120,341	243,868
	=====	=====

15. Creditors: amounts falling due within one-year

	2023	2022
	£	£
Trade creditors	158,544	232,716
Other creditors and accruals	43,586	14,740
Deferred income	69,658	70,438
	-----	-----
	271,788	317,894
	=====	=====

Deferred income consists of the following balances, all of which relate specifically to periods subsequent to 31 March 2023:

	Brought Forward	Funds Received	Released to income	Carried Forward
	£	£	£	£
Public liability insurance and membership receipts from affiliated clubs	38,325	50,026	(50,417)	37,934
Youth Achievement Award	32,112	54,554	(54,942)	31,724
	-----	-----	-----	-----
	70,437	104,580	(105,359)	69,658
	=====	=====	=====	=====

16. Restricted funds	Brought Forward 2022	Project Income	Project Costs	Transfer	Carried Forward 2023
	£	£	£	£	£
Big Idea's	24,648	6,495	(15,896)	-	15,247
Building redevelopment	82,000	-	(2,000)	-	80,000
Cashback	-	571,636	(571,636)	-	-
Creative Scotland	-	71,590	(2,875)	-	68,716
Cyber Skills Resilience Project	5,000	-	(5,000)	-	-
Google Be Internet Citizens Project	12,679	-	(12,679)	-	-
Morton Fraser LLP KPE4	14,048	-	(14,048)	-	-
National Lottery Community Fund	46,718	-	(46,384)	-	334
Network Falkirk	8,734	-	-	-	8,734
Network Shetland	1,424	-	-	-	1,424
Orkney	4,350	-	(1,679)	-	2,671
Scotland: The Big Picture	2,782	-	(2,059)	-	723
Scottish Government Gannochy 19/20	9,226	45,000	(46,849)	-	7,377
Spirit 2012	5,055	-	(5,055)	-	-
Stand Up	-	60,000	(60,003)	-	-
STEM Learning	1,663	8,337	(10,000)	-	-
STV Appeal	84,785	85,262	(170,047)	-	-
Training and Communications (Scottish Government)	37,019	61,405	(88,976)	-	9,447
UK Youth Inspire Project	31,608	73,514	(90,250)	-	14,871
UPS Road Code	13,279	-	(13,279)	-	-
Volunteer Action Plan (Scottish Government)	7,144	-	(4,600)	-	2,544
What's Your Big Idea - Audrey Milan Fund	7,700	-	(2,801)	-	4,899
Y2Be (Places2Be/Mental Health 2021)	(6,025)	100,294	(65,987)	-	28,281
Young Islanders - Carbon Neutral Project	-	60,000	(32,309)	-	27,690
Young Islanders Project - Network	130,436	200	(130,636)	-	-
Youth Active	6,617	-	-	-	6,617
Youth Participation General	3,459	-	-	-	3,459
Youth Scotland Spring Fund	14,000	-	(14,000)	-	-
	-----	-----	-----	-----	-----
	548,349	1,143,733	(1,409,048)	-	283,034
	=====	=====	=====	=====	=====

16. Restricted funds (Contd.)

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

Youth Participation General involves young people in decision making which 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 is a suite of programmes, training and resources that delivers youth involvement.

Funded by **UPS, Road Code** is a road hazard awareness programme for young people which combines workshops with experience 'behind the wheel' using a driving simulator.

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

Funded by income generation through fees and grant contributions, **Big Ideas** offers residential learning and development opportunities for young people and youth workers from across Scotland. It offers the chance for participants to come together to share learning and practice, network and amplify the voice of community based youth work.

Funded by the Scottish Government, **Stand Up to Sectarianism** 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 the **Scottish Government CLD / The Gannochy Trust** to support the Awards Network hosted by Youth Scotland and contributed towards the costs of our training and capacity building support to youth workers across Scotland.

Funded by 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 **Google's Be Internet Citizens**, and managed by UK Youth, this programme 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.

16. Restricted funds (Contd.)

Funded by the STV Children's Appeal, the Pilot Project in 2020 organised in partnership with the mental health charity Place2Be, provided online training in mental health awareness for youth workers. Funds from this project were transferred to the **Place2Be** project during 2021-22.

Funded by the STV Children's Appeal, in partnership with Place2Be, Y2Be 2021 is a two-pronged programme was rolled out for youth worker training in mental health and peer mentoring with young people.

Funded by Morton Fraser LLP, the KPE4 project supports additional activities for our work on anti-sectarianism in Edinburgh.

Funded by the Scottish Government, the **Young Islanders Project** will empower young people living in island communities to have their say on the implementation of the actions in Scotland's National Island's Plan.

The various **Network Support funds in Orkney, Falkirk and Shetland** support and build the capacity of locally based youth groups and youth workers.

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

Funded by the Garfield Weston Foundation and the Robertson Trust, the **Building Redevelopment** fund supported the financing of the redevelopment of Youth Scotland's headquarters premises.

Funded by Scottish Government and managed by Education Scotland, this funding supported **STEM** training for youth workers.

UK Youth Inspire Project 2022 is a youth-led, events-based social action programme. Delivered in Scotland by Youth Scotland, it is funded by £1.2m from Spirit of 2012 and £500,000 from the #iwill Fund (a joint investment between **The National Lottery Community Fund** and Department for Digital, Culture, Media and Sport).

Scotland: **The Big Picture Rewilding Partnership**, funded by the Scottish Heritage Lottery Fund.

The **National Lottery Community Fund** is a participatory Grant-Making Pilot Project, funded by The National Lottery Community Fund.

Cyber Skills Resilience Project is a programme is funded by YouthLink Scotland.

Funded by The Gannochy Trust, the What's Your Big Idea, the **Audrey Milan Fund** is a funding opportunity for young people aged 12-25 from Youth Scotland member groups, who would like some funding to help them develop their ideas.

16. Restricted funds (Contd.)

Funded by the Scottish Government through the National Voluntary Organisations Support Fund, the **Training and Communications Programme** aims to provide information, support and training to part-time and voluntary youth workers.

Creative Scotland distributes funding for the arts, screen and creative industries from two primary sources - the Scottish Government and the National Lottery.

Carbon Neutral Islands Schools Project: Building on the work carried out already in the Climate Change Message in a Bottle, the Project has included a school component, that will be delivered by Youth Scotland.

This will help educate young islanders on climate change and empower them to apply this knowledge within their own island based realities, highlighting the importance of young islanders in policy and decision making – a key objective of the Young Islanders Network and in line with a Programme for Government commitment and National Islands Plan objectives.

17. Designated funds 2023	Brought Forward	Income Expenditure		Transfer	Carried Forward
	£	£	£	£	£
Fixed assets fund - cost	172,396	-	-	-	172,396
Fixed assets fund - revaluation	20,260	-	-	-	20,260
	-----	-----	-----	-----	-----
	192,656	-	-	-	192,656
Website/IT Development fund	10,444	-	-	-	10,444
General Youth	55,899	-	-	-	55,899
Awards	-	-	(14,500)	29,000	14,500
iLead	16,142	-	-	-	16,142
	-----	-----	-----	-----	-----
	275,141	-	(14,500)	29,000	289,641
	=====	=====	=====	=====	=====

Designated funds 2022	Brought Forward	Income Expenditure		Transfer	Carried Forward
	£	£	£	£	£
Fixed assets fund - cost	162,066	-	(11,120)	21,450	172,396
Fixed assets fund - revaluation	21,105	-	(845)	-	20,260
	-----	-----	-----	-----	-----
	183,171	-	(11,965)	21,450	192,656
Website/IT Development fund	10,444	-	-	-	10,444
General Youth	55,899	-	-	-	55,899
iLead	16,142	-	-	-	16,142
	-----	-----	-----	-----	-----
	265,656	-	(11,965)	21,450	275,141
	=====	=====	=====	=====	=====

17. Designated funds (continued)

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.

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

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.

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.

Awards - designated funds for the development of an Awards e-portfolio

18. Analysis of net assets between funds

	Investments	Tangible Fixed Assets	Net Current Assets	Total 2023
2023	£	£	£	£
General funds – non-designated	812,297	-	(110,657)	701,640
Restricted funds	-	80,000	203,034	283,034
Designated funds	17,879	202,000	69,762	289,641
	-----	-----	-----	-----
	830,176	282,000	162,139	1,274,315
	=====	=====	=====	=====

	Investments	Tangible Fixed Assets	Net Current Assets	Total 2022
2022	£	£	£	£
General funds – non-designated	874,001	-	(52,664)	821,337
Restricted funds	-	84,000	194,434	278,434
Designated funds	17,879	183,171	64,606	265,656
	-----	-----	-----	-----
	891,880	267,171	206,376	1,365,427
	=====	=====	=====	=====

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

	2023	2022
	£	£
Net movement in funds	(363,460)	272,348
Add back depreciation charge	16,412	13,965
Deduct income from investing activities	(22,667)	(16,732)
Gains on investments	71,144	(17,657)
(Increase)/decrease in debtors	123,527	(150,618)
Increase/(decrease) in creditors	(46,106)	75,754
(Increase)/decrease in stock	(3,620)	(319)
	-----	-----
Net cash provided by operating activities	(224,770)	176,741
	=====	=====

20. 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 £40,560 (2022: £34,460).

21. Related party transactions

The company undertook no transactions with related parties during the year (2022: Nil).

22. Financial instruments

	2023	2022
	£	£
Assets measured at fair value through profit and loss	801,275	881,954
	=====	=====

Assets measured at fair value through profit and loss comprise investments.