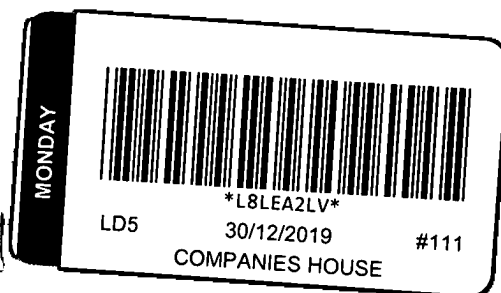




YOUNG ENTERPRISE ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019





CONTENTS

YOUNG ENTERPRISE ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 JULY 2019

Chairman's Statement and Chief Executive's Report **5**

Strategic Report **9**

Our vision, mission and values

How we work

Key achievements in 2018/19

Introducing the next three years

What we will set out to do in 2019/20

Review of fundraising and finances **21**

Structure, governance and risk management **25**

Objects and structure

Committees

Trustees' responsibilities

Management of risk

Reserves

Independent auditor's report to the members of Young Enterprise **33**

Accounts for the year ended 31 July 2019 **37**

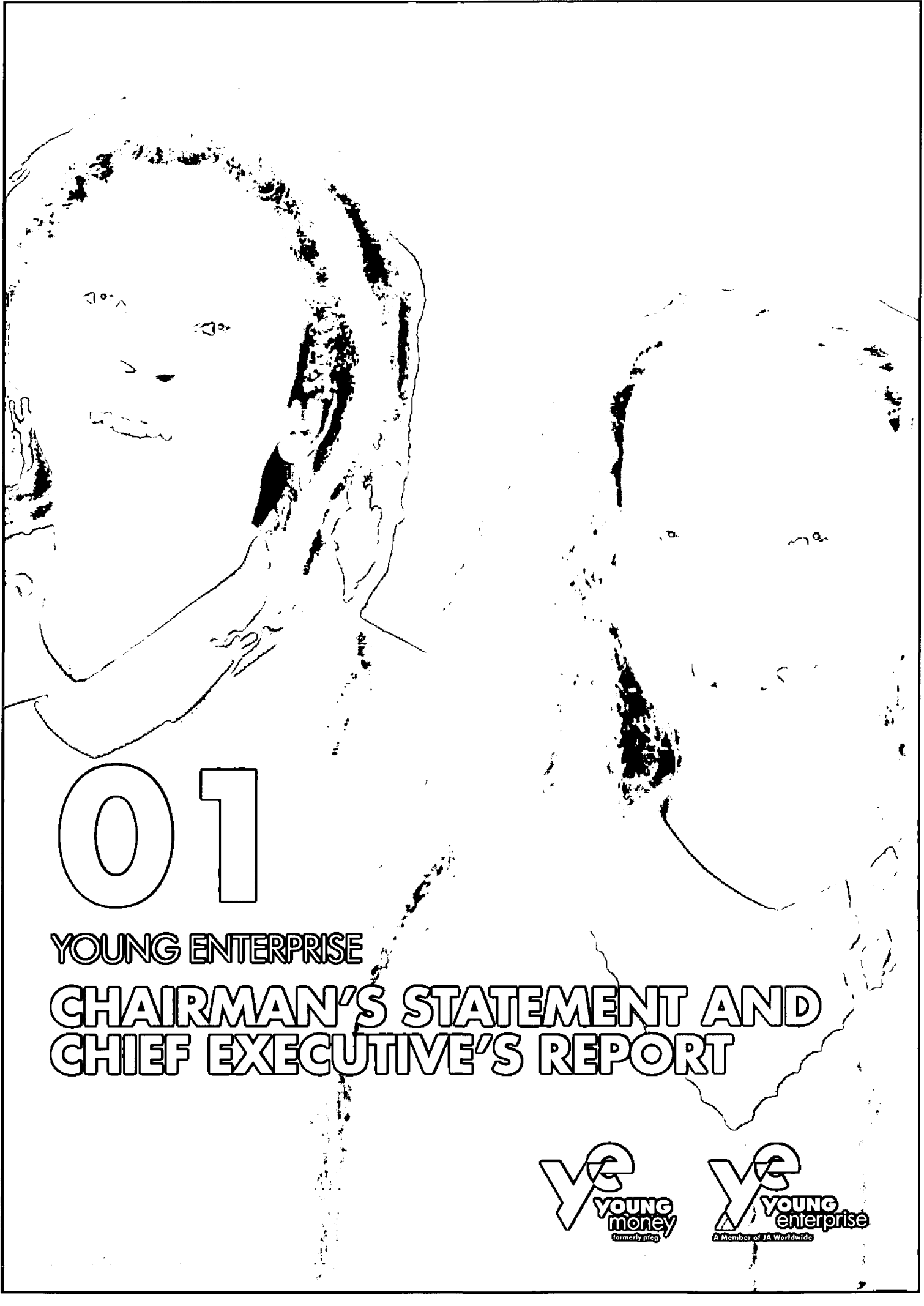
OUR KEY SUPPORTERS

We are especially grateful to these supporters who lead the way in empowering young people to learn how to earn and manage their money.

ALLIANZ
ALMACANTAR
ARCONIC
ARROW GLOBAL
AT&T
BAILEY THOMAS CHARITABLE FOUNDATION
BANK OF NEW YORK MELLON
BCP COUNCIL
BECHTEL GROUP FOUNDATION
BEDFORDSHIRE AND LUTON COMMUNITY FOUNDATION
BISHOP FLEMING
BLACKROCK
BOURNEMOUTH UNIVERSITY
BRANSFORD TRUST
BRUNO AND MARTHA ROCHA
BUILDING SOCIETIES TRUST
CAPITA
CAPITAL ONE
CHARTERED INSTITUTE FOR SECURITIES AND INVESTMENT
CHESHIRE COMMUNITY FOUNDATION
CHRIS SLATER
CITI FOUNDATION
COMMERCIAL EDUCATION TRUST
CNOOC INTERNATIONAL
DELTA AIR LINES

DISNEY
EDUCATION ENDOWMENT FUND
EQUIFAX
EU NETWORKS
EUROCLEAR
EXPERIAN
ERNST & YOUNG
FEDEX EXPRESS
FLYING FUTURES
FRANKLIN TEMPLETON
GOLDMAN SACHS
HANSA CAPITAL
HERTFORDSHIRE COUNTY COUNCIL
HITACHI CAPITAL
HONDA MOTOR COMPANY
HSBC UK
ICANN
IHG
J.P. MORGAN
JACK PETCHEY FOUNDATION
JAGUAR LAND ROVER
JOHN LAING CHARITABLE TRUST
JOHNSON & JOHNSON
KEITH BRESLAUER, PATRON CAPITAL
KEN AND DIANA RANDALL
LEARNING TREE INTERNATIONAL
LIZ AND TERRY BRAMALL FOUNDATION
LYRECO
MARKETING TRUST
MARTIN LEWIS OBE
METLIFE

MINTEL
MONEY AND PENSIONS SERVICE
MONEYGRAM FOUNDATION
NOTTINGHAM BUILDING SOCIETY
NUTMEG
OLDHAM ENTERPRISE TRUST
ONE FAMILY
PEOPLE'S POSTCODE TRUST
PRINCIPALITY
SALOMON OPPENHEIMER FOUNDATION
SANTANDER
SCHRODER FOUNDATION
ST JAMES'S PLACE
TDS CHARITABLE FOUNDATION
THE CAREERS & ENTERPRISE COMPANY
THE CHURCH OF ENGLAND (ARCHBISHOPS' COUNCIL)
THE COMPANY OF THE MERCHANT ADVENTURERS OF YORK
THE FEDERATED FOUNDATION
THE LESTER FOUNDATION
THE ROWLANDS TRUST
THE RU GROUP
UBS
VIRGIN MONEY
VISA EUROPE
WELSH GOVERNMENT
WILLIAM BERRY, STANCROFT CAPITAL



01

YOUNG ENTERPRISE

CHAIRMAN'S STATEMENT AND CHIEF EXECUTIVE'S REPORT



Chairman's Statement and Chief Executive's Report

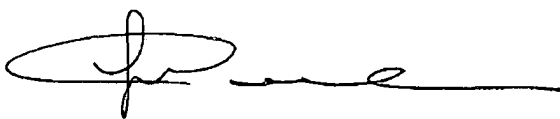
Chairman's Statement

Unlike previous years I am writing a separate statement as this year has been a year of considerable change for Young Enterprise and it will be the last Annual Report under my Chairmanship as I will be retiring at the end of this calendar year. I am very pleased that Simon Lewis has agreed to take on the role of Chair. He was appointed to the Board in November this year and has the unanimous support of the Trustees. Simon has a wealth of business experience and was also Director of Communications at 10 Downing Street and the Prime Minister's Official Spokesman. He was appointed as the first Communications Secretary to H.M. The Queen in 1998. He has a longstanding interest in educational matters and was appointed OBE in 2014 for his contribution to international education through his former Chairmanship of the Fulbright Commission. In addition to Visiting Professorships at the Cardiff School of Journalism and the London Institute of Banking and Finance he is also the Chair of the Governing Council of University College School. I am pleased to say that in order to assist during his transition into the role, Helen Nixseaman, chair of the Risk and Audit Committee, has agreed to act as Vice-Chair of the Board.

During the course of our last financial year we have also seen the retirement from the Board of both David Walter and Jazz Rayet after seven years as Trustees, and also the resignation of Alicia Navarro as she left to pursue interests abroad. I thank them all for their service to the Charity. In addition to myself, two other Trustees will be retiring at the calendar year end, Alan Williams who has served as a trustee and before that as an independent member of the Risk and Audit Committee, and Judith Felton who apart from myself is the longest standing Trustee. Judith bore much of the brunt of the reorganisation of the Charity by the merger of the myriad regional charities through which Young Enterprise used to operate and has for the last 5 years been the Trustee responsible for governance. It is through her hard work and dedication that the structure of governance within the Charity is of such a high order. In anticipation of these changes five further Trustees, Rajiv Sharma, Sajjad Jetha, Chris Slater, Graham Farhall and Wayne Bulpitt CBE, have been appointed during the course of 2019 many of whom have prior connection with Young Enterprise whether as alumni, volunteers or supporters.

At the end of October this year we also said good-bye to Michael Mercieca as our Chief Executive who had served in that role for over 7 years. Michael had done a remarkable job in steering the charity during my Chairmanship from an operating deficit of £1.3m to two consecutive years of surplus whilst virtually doubling the number of learning experiences delivered each year. It was also he who identified the opportunities to acquire Tenner through Enterprise UK and pfeg (now Young Money). Today both are very important constituents of our programmes in enterprise and financial education. I am also very pleased that Sharon Davies accepted the role of Chief Executive. Sharon has been in the charity for 10 years and was formerly Chief Operating Officer and then Deputy Chief Executive. She has an in-depth knowledge of the charity, its programmes and organisation and was instrumental in making the changes necessary to take out £2m per annum of operating costs which has proved vital to the health and sustainability of Young Enterprise.

I joined the Board of Young Enterprise some 13 years ago and, unsurprisingly, today's charity bears little resemblance apart from the Company Programme, which itself has had many quite radical innovations over that period. We have just completed a successful three-year strategic cycle which we styled as "Unlocking Potential 2016-19". The success of that can be seen in the Strategic Report which follows later as part of this document and must be credited to our hardworking staff and the thousands of volunteers around the country without whose enthusiasm and dedication Young Enterprise would not exist. Details of the next three-year cycle can also be found in the Strategic Report including our "No Time Like The Future Campaign". I am content to say that although the economic and politically uncertain times in which we find ourselves create difficulties for charities such as Young Enterprise, I am confident that it is in good hands, robust and has a bright future to continue its important work of the last nearly 60 years providing young people of all backgrounds the skills necessary for successful futures and providing this country with the entrepreneurs of the future.



Grey Denham
Chairman

Chief Executive's Report

On the 1st of November 2019, I had the huge privilege of becoming the CEO of Young Enterprise (YE). We are a charity that has worked in the education sector for almost 60 years encouraging, nurturing and unlocking young people's talent and potential, with the aim of bridging the gap between academic learning and the world of work, a charity that I believe has greater relevance than ever in supporting young people to prepare for a rapidly changing world of work.

In reflecting upon the 2018/19 academic year, my heartfelt thanks go to Grey Denham who is stepping down as Chairman at the end of December after five years in the role, and over 13 years as a trustee of the Charity. Grey has been a tireless advocate for young people throughout his long service with YE, and together with Michael Mercieca as CEO, their formidable partnership has led our charity through significant positive change, resulting in increased opportunities for many more young people.

Thank you also to the incredible endeavours of YE's fantastic staff, volunteer and supporter partnership, our £6m income funded almost 300,000 young people to engage in YE programmes across England and Wales in the 2018/19 academic year. We increased the number of learning opportunities accessed to almost 400,000, supported by over 4,700 volunteers from a wide range of industry sectors, delivering a £109,000 surplus, which will enable us to continue to build the charity's reserves.

Looking Ahead

As we look ahead to the next chapter for YE, we do so within a UK context and environment where income inequality is amongst the highest by international standards.¹ The UK now has higher levels of regional inequality than any other large wealthy country.² Life expectancy in more affluent areas is almost 10 years longer than those in more deprived areas.³ We are a country where almost half (49%) of young people aged 17-23 believe their education has not prepared them for the world of work.⁴ Just 35% of Britons agree that people have equal opportunities to be successful in life, compared to 53% in 2008.⁵

Teachers work incredibly hard to prepare young people with the skills and attributes they need for their future. They are our valued partners, without whom YE would not be able to deliver on our mission for young people. However, teachers are having to manage with fewer resources and more responsibilities than ever before, faced as they are with the challenges of a knowledge-based curriculum. Nearly half (47%) of teachers believe that there are fewer opportunities to develop employability skills and competencies since the reformed GCSEs and A levels were introduced.⁶ This is why our staff and volunteers provide such vital support within schools, assisting teachers to ensure these critical skills and attributes are covered.

Access to opportunity is a precious commodity. Access to opportunity makes the difference and can change futures. I myself have been a beneficiary of the difference that access to opportunity can make and will forever be grateful for that. Opportunities to develop transferable skills should be available to all young people. Sadly, they are not and because of that, more and more young people are not getting the fair start they deserve.

Introducing 'No Time Like the Future'

At YE, we believe that no-one should be left behind, and I am extremely proud to introduce our new three-year strategy 'No Time Like the Future' which is a call to action to invest in our country's young people and to address inequality of access to opportunity. This is a strategy which will focus on 3 key areas; purpose, inclusion and impact.

Over the next 3 years we will work in new and different ways to connect with stakeholders, so that we are united by a shared purpose to help equip young people with the skills, financial capability and entrepreneurial mindset to navigate a changing world of work.

1 Institute of Fiscal Studies 2019 Inequalities in the twenty-first century: introducing the IFS Deaton Review

2 University of Sheffield Sept 2019 Perceptions of regional inequality and the geography of discontent: insights from the UK. Professor Phillip McCann

3 Institute of Fiscal Studies 2019 Inequalities in the twenty-first century: introducing the IFS Deaton Review

4 CBI/Accenture/Hays Survey Nov 2018

5 Sutton Trust Mobility Manifesto 2019

6 Education and Employers (2018) How Schools are Building Employability Skills

We will listen to, engage and involve stakeholders more in the development and delivery of our services, most importantly young people themselves. We will increase access to and develop more inclusive approaches to the activity and services we offer. Through the implementation of our 3 Year Impact Strategy we will work to deepen the evidence base for the impact of our work and work closely with our alumni network to understand and share first-hand accounts of the difference YE may have had on their individual journeys. We will continue to prioritise our charity resources to support the young people and educators who will benefit most from our programmes and services. This is a strategy informed by consultation with our staff, supporters, volunteers and our Board of Trustees.

We will be even more proactive in fostering a culture of connection and collaboration with like-minded partners. We believe that building shared values and working collaboratively can create an even greater impact for the young people we serve. No one organisation can address inequalities of access alone. Partnerships based on a shared purpose of helping to equip young people to support themselves, their families and their communities will achieve so much more.

No Time Like the Future is based on the belief that we can change the future by empowering young people to flourish. With support, we can give them access to the enterprise and finance skills that shape their careers. We can help them open doors they didn't know were there and transform their futures. An investment in young people is an investment in society's future. This time is their future, and we owe it to them to act now to help them build the brightest one possible.



Sharon Davies
Chief Executive

02

YOUNG ENTERPRISE
STRATEGIC
REPORT



Our vision

We believe that no child should be left behind. All young people should be given the best chance for a rewarding future – no matter where they start their journey.

Our mission

We believe that the potential of the UK's young people is unlimited, and an academic education on its own is not enough. As a national charity we motivate young people to succeed in the changing world of work by equipping them with the skills, knowledge and confidence they need.

We work directly with young people, their teachers and guardians, businesses and influencers to help build a successful and sustainable future for all young people and society at large. Through our hands-on employability and financial education programmes, resources and teacher training, we want to help young people realise their potential beyond education. We want to empower a generation to learn, to work and to live.

We operate in England and Wales and the Channel Islands and through three licensed organisations in Northern Ireland, Scotland and Gibraltar delivering YE-approved programmes.

Our core values

- **Unlocking Potential**
Recognising and developing the potential of all: in our organisation, in the young people we champion and the stakeholders we work with.
- **One Team**
Working together effectively to achieve our goals.
- **Enterprising and Resilient**
Embracing change, innovating, adapting and responding to challenges and opportunities.
- **Creating Great Impact**
Aiming for the biggest impact on young people and their educators.

How we work

Helping young people build successful futures

We are passionate in our aim to ensure that young people develop the skills and attributes needed to provide them with the greatest opportunities in future life. We recognise that to have the most impact those skills and attributes need to be relevant in 2030 – when many young people we support today will be entering the world of work for the first time.

Through our ethos of 'learning by doing' we support young people to complement their academic studies with the development of crucial skills and attributes. This synergy provides young people with a breadth of learning, which better prepares them for future life. It can also stimulate positive attitudes towards learning – enabling them to apply relevant contexts to their academic studies.

The invaluable role of volunteers from the world of work

The opportunity to engage with volunteers from a wide range of industries is vitally important in raising the aspirations and motivations of young people in school. Research has shown that young people are receptive to the views of professionals and agree this can inform their career making decisions.⁷ Our volunteers provide support across a range of programmes and we are incredibly grateful to the 4,747 volunteers who have contributed their time, energy and expertise to support young people to engage in our programmes in 2018/19.

Engagement with volunteers provides young people with opportunities to discover more about a range of employment and training options after they leave school. Volunteers often share their career journeys, which gives young people an understanding of the transferable nature of skills and helps to raise their aspirations.

Impact of volunteer business adviser support from the perspective of a young person

"This has definitely been a really beneficial experience and I feel I have learnt important life lessons which will be helpful for my future career. Our business adviser was really helpful and provided us with lots of good advice and support. My teammates were really fun to work with and, because of them, I had a great time. Overall, I have really enjoyed being part of this process and I would 100% recommend it to others." – Young Person, East of England

"It was a really good experience, as it only takes as much time as you want to put in. You find yourself and your skillset growing in a good way. You get to meet more people and have the experience of running a company with other team members, while doing it safely under the guidance of YE and your business advisor. At the end of the day, what have you got to lose?" – Young Person, East Midlands

Supporting educators

Our support for educators complements the programmes we deliver to young people. Our main educator audience is teachers, but our work extends to practitioners who work with vulnerable young people and to parents and carers. Our educator support is built around three tiers of intervention, identified through research conducted in partnership with University of Edinburgh Business School⁸:

- Provision of high-quality tools and resources
- Opportunities for professional development
- In-school support

These three tiers are not necessarily progressive, meaning educators can access any tier at any time. But the research shows that increased student outcomes are achieved when educators engage in multiple tiers, with the greatest impact being achieved when all three tiers are utilised.

Other services, such as our Subscription Service, Advisory Service and Quality Mark, provide educators with high-quality support and resources. This enables them to create bespoke financial education programmes suited to the needs and abilities of their young people. We continue to provide Continuing Professional Development (CPD) teacher training for both enterprise and financial education, and support teachers to value and further develop these key areas within their schools.

⁷ It's who you meet: why employers contacts at school make a difference to the employment prospects of young adults, Education and Employers Taskforce, 2012

⁸ The Impact of Training Teachers in Financial Education on the Financial Capability of the Students they Teach, University of Edinburgh Business School, 2018

YE Centre of Excellence case study

Case Study: The Phoenix Collegiate, West Bromwich

The Phoenix Collegiate, West Bromwich, is a re-accredited Centre of Excellence (COE) that has successfully and creatively embedded financial education by establishing projects and initiatives for all secondary education age groups.

Maths in Context

As GCSE exam questions place greater emphasis on the need for young people to demonstrate the application of maths skills to real-world scenarios, Phoenix Collegiate took part in the Young Money initiative, Maths in Context.

The project aims to improve engagement and attainment of young people in Year 10, who are studying for their maths GCSEs, by applying maths to real-world contexts. Staff at Phoenix Collegiate recognised the importance of the project, and therefore gave it a high priority.

What Works for Financial Education (WWFE)

To ensure young people in Key Stage 5 are well-prepared as they transition into further education, work or apprenticeships, Phoenix Collegiate took part in the WWFE project, which focuses on developing and incorporating financial education into the KS5 curriculum.

Linking curriculum learning to financial education provides young people with the ability to understand the importance of the knowledge and skills they learn in school, and how to apply them to real-world scenarios relevant to further education and working life.

The WWFE project ensures the links between the curriculum and financial education are effective through a tailored approach that meets the needs of educators, teachers and young people.

My Money Week – a starring role!

Phoenix Collegiate participated in My Money Week 2018, with young people in Year 9 selected to appear in video resources created by Young Money. The young people involved acted in a number of scenes and had the opportunity to gain insight into various roles in video production.

The videos continue to be used by secondary schools across the UK to assist in their efforts to incorporate financial education into their curriculum.

The video resources produced are available to view on YouTube and on [Phoenix Collegiate's website](#).

Establishing external links

To help young people understand the relevance of financial education in the world of work, Phoenix Collegiate established links with external businesses and organisations. This gave young people the opportunity to engage with working professionals who personify the importance of financial education and curriculum learning.

Young people at Phoenix Collegiate had visits with the Bank of England, and a Year 12 Business Studies class was invited to attend a meeting with the chief executive of West Bromwich Building Society.

Through the various projects employed at Phoenix Collegiate – from incorporating financial education into the curriculum effectively, to providing additional enrichment activities and promoting financial education – the school can therefore be described as an exemplary school that has demonstrated the significant benefits COE accreditation can bring for young people.

Our 2016-19 Unlocking Potential strategy set out a 3-year commitment to:

- Develop programmes and build support for educators working with young people outside mainstream education, such as youth workers, social workers, and those working with young offenders.
- Develop programmes and services that support development and attainment and complement the curriculum, adding value to schools' teaching and learning plans.
- Develop young people's potential, especially those who need our help the most, to build the skills and character needed to succeed in business and life.
- Help employers to recognise the value of skills and character, and help companies close their skills gap by discovering the advantages of hiring YE alumni.

Summary of our 2016-19 Unlocking Potential achievements

We are very grateful to our volunteers, teachers, staff and supporters for their contribution to our collective efforts to increase opportunities for young people. Helping them to benefit from greater levels of support and make successful transitions into employment. Over the three-year period, this has resulted in:

- An increase in annual learning experiences by 77% (+172,685 learning experiences)
- An increase in state-funded primary school engagement by 8% (+71 schools)
- An increase in state-funded secondary school engagement by 14% (+202 schools)
- An increase in engagement in the 30% most deprived areas by 68% (+247 schools)

Key achievements in 2018/19 – the final year of the Unlocking Potential strategy

Increasing support to educators

- We worked with a range of stakeholders in financial education to gain a general consensus on the contents of the YE Financial Education Planning Framework. The result is that all of the main financial education charities in the UK, as well as the Money and Pensions Service, have agreed to follow the learning outcomes of the framework, producing for the first time a consistency of approach to financial education.
- In October 2018 we delivered 340,000 copies of the Your Money Matters textbook to state secondary schools in England – 100 copies per school. This was the first textbook ever to focus on financial education and was created in partnership with Martin Lewis, OBE. The textbook continues to be an extremely popular resource and we are conducting an evaluation into its impact within schools.
- Our teacher training offering has been extended to include enterprise education. This has taken the successful structure that has been tried and tested for financial education but with content developed specifically for enterprise education.
- We extended our research trial to find out what impact teacher training in financial education has on the young people they teach. The trial extension allowed us to monitor the impact over a longer period and to observe any changes. Outcomes show that teachers sustained the knowledge and confidence in delivering financial education 18 months after their initial training. Young people taught by trained teachers have sustained their improvement in financial capability compared to the control group.
- Our Centres of Excellence programme has continued to grow. We now have 172 centres across England and Wales, which have developed and embedded high-quality financial and/or enterprise education into their curricula. During 2018/19 we extended our reach in Wales to six Centres of Excellence.

Improving our programme offering to young people

- The online platform that young people use to guide them through Company Programme has been refined to streamline the content and make it more accessible. The content has been reduced, infographics and videos added, and the total number of steps reduced. To complement this a Fast Track guide has been created for young people and teachers to help them start Company Programme as quickly and easily as possible.
- A digital version of Company Programme has been created and is ready for testing in the 2019/20 academic year. This provides the same immersive experience for young people – developing a product, trading that product and being supported by a business volunteer – but all the interaction is through digital channels. Initial engagement by teachers will happen on the YE website, including payment of contribution and registration. Business advisers will use a fully safeguarded mentoring platform, YE Digital Connect, to engage digitally with the young people they are supporting. Trading of products will take place through our e-commerce platform, YE Market Place. Company Programme Digital extends the accessibility and reach of this historic YE programme.
- The Employability Masterclass day programme has been updated. This followed consultation with young people, teachers and staff. The revised programme has been developed with flexibility in mind, and now contains core and non-core elements, allowing it to be easily adapted to fit into school timetables without losing the key learning.

Developing young people's potential – measuring the impact of our work

- We carried out a stakeholder analysis on the different indicators used by organisations to measure engagement in deprived areas. Results show the Indices of Multiple Deprivation (IMD) and Free School Meals were the most popular indicators used as measures of deprivation. Our 2019-22 strategic focus aims to address inequality of access to opportunity. Therefore, we will continue to use IMD to monitor our progress in increasing our accessibility to communities in areas of disadvantage.
- We undertook a review of YE's employability framework on employability skills and consulted with a number of employers on the future of skills. As a result of this, we are keen to move away from measuring skills and move towards measuring attributes that foster an enterprising mindset in young people. We are consulting with stakeholders on a move towards replacing our eight employability competencies and six attributes. To date feedback from employers has been positive.
- Our secondary school engagement in the 30% most deprived areas has increased to 57% in 2018/19. This is an increase of 46% on 2017/18 and is mainly due to the success of My Money Week but also thanks to Capital One funding for our Subscription Service delivery in secondary schools.
- In preparation for our new three-year strategy we developed YE's 2019-22 Impact Strategy. Its implementation is underpinned by three of the United Nations Sustainable Development Goals (more detail on this on p19). We have outlined key activities planned for the first year to establish necessary baselines for the new strategy.

Developing the potential of our staff and volunteers

- We launched a new online learning platform for YE staff and volunteers. This provides professional and personal development opportunities and makes sure all staff and volunteers have access to essential training, such as safeguarding and GDPR training.
- The National Volunteer Forum has continued to contribute to our plans and strategy. Meeting four to five times a year, this has become a useful test environment for policy and to communicate new ideas and approaches.
- A simplified Local Volunteer Handbook has been created, which provides an A4 electronic signpost enabling access to key, up-to-date policy and procedure information.

- We have extended our range of online training modules to support volunteers with their own development where appropriate. We have developed and launched four eLearning modules which have relevant and engaging content to prepare volunteers for the classroom experience and YE programmes.

Working strategically with our donors

- We deepened our relationships with the companies, individuals and foundations that fund our work through ongoing communication, collaboration and consistent reporting.
- We worked with our corporate funders to make sure their donations helped them achieve their Corporate Social Responsibility and volunteering goals to impact positively the lives of young people across the UK.
- We provided ongoing opportunities for our donors to get involved in our programmes, attend events, meet other supporters and contribute to the conversation about how best to support our young people to achieve their goals.

2018/19 achievements and performance

87%

of young people feel confident in their abilities to run a business following Company Programme participation

74%

of young people progressed in at least four employability competencies, with the largest increases in work readiness (+10%), working responsibly (+10%) and aspirations (+8%)

93%

of teachers agreed YE's day programme explores and explains employers' skills and attitudinal expectations in young people

88%

of volunteers agreed they were able to share their experiences and skills with young people

79%

of volunteers agreed they have personally benefitted as a volunteer

87%

of teachers rated their knowledge as 'good' following a CPD session compared to 26% before the session



2018/19 reach in education centres in England and Wales (young people's programmes and educator support)

1,094 primary schools, which is 6% of all primary schools (2017-18: 7%)	1,094 new YE student companies were started through YE programmes (2017-18: 1,302 started)
1,598 secondary schools which is 45% of all secondary schools (2017-18: 37%)	11,969 young people started a YE student company during 2018/19 (2017-18 14,330)
85 further education (FE) colleges, which is 38% of all FE Colleges (2017-18: 32%)	4,260 teachers benefitted from CPD and resources to support study planning (2017-18: 5,169)
14 higher education (HE) institutes, which is 10% of all HE institutes (2017-18: 14%)	6,441 educators engaged with YE across England and Wales (2017-18: 7,033)
57% of secondary schools in the 30%* most deprived areas have engaged with YE (2017-18: 39%)	198 practitioners trained to support vulnerable young people and 10,030 vulnerable young people were supported by those trained practitioners (2017-18: 230 practitioners trained to support 10,032 vulnerable young people)

**Using data from English Indices of Multiple Deprivation September 2015 Report and Welsh Indices of Multiple Deprivation 2014 Report*

Across England and Wales, we delivered 396,805 learner experiences (2017-18: 320,247) to 297,201 young people (2017-18: 240,186) in 3,270 educational centres (2017-18: 3,316), including independent and special schools, pupil referral units, other types of centres defined as non-applicable on the DfE database, and informal education settings.

- o The increase in the number of secondary schools we work with was achieved mainly due to the success of My Money Week, our Tenner Challenge and an increase in educator-facing programmes.
- o The increase in engagement in the most deprived areas is due to the success of My Money Week and the Capital One funding for our Subscription Service delivery in secondary schools.
- o Educator-facing engagement increased again due to the success of My Money Week and the funding from Capital One.
- o The reduction in the number of student companies and the associated number of young people starting a student company is primarily due to constrained school budgets and teacher time.
- o The decrease in teachers benefiting from CPD and the number of educators engaged with, is due primarily to the ending of two research projects in the year (What Works Fund and Maths in Context).

Case study of YE Company Programme

Sevenhills Academy alternative provision case study

Students from Sevenhills Academy, who were given a second chance with YE Company Programme, reduced judges to tears as they won the Grimsby and Cleethorpes Area Showcase.

The students, who designed and produced decorative jars and wooden hearts, started their journey lacking confidence and unsure how to rise to the challenge. Jenny Smith, assistant principal at Sevenhills Academy, said: "Our young entrepreneurs, who have all experienced difficulties in their home or educational environments, have progressed from 'We will never manage to do this – we're not posh enough' to 'Yes! We've done it!'".

The students faced several challenges throughout their journey. In the beginning, the team struggled to agree on a product or company name, several members of the group left the company, and the whole team was daunted by the prospect of presenting at the Area Showcase. One student said:

"The biggest challenge was getting ready for the presentation as we didn't think we could stand in front of a large room of people and speak. During the day we had butterflies in our stomachs from nerves but found that after practising and working together we managed to be professional and get across what we wanted to everyone."

The judges were wowed by the students' journey and agreed the team were well deserved winners – beating off tough competition from other local schools. One student said:

"We couldn't believe we won. It was amazing to hear our name called out and having our teachers and parents there spurred us on more. We've done really well, and we are looking forward to the County Final – and really want to win it too!"

The team are increasingly optimistic about their futures. One student said:

"We are really enjoying learning about enterprise and some of us want to continue this further and are ready to look at apprenticeships and business opportunities for the future."

One of the team members met a local business at the Area Showcase and has since been offered a job.

Assistant principal, Jenny Smith, who has seen the students' transformation said:

"Thank you YE for this brilliant opportunity. A huge thank you for having faith in our students and giving them the confidence to believe that they could do this. This is what inclusion and second chances are all about."

What we didn't manage to do in 2018/19

We are proud of the progress we've made towards the priorities of our Unlocking Potential strategy for 2018/19, but we also wanted to highlight areas of our 2018/19 plan that we were unable to progress and why:

- We did not have the funding to translate the Financial Education Planning Framework and develop a package of financial education support to all Welsh secondary schools.
- Due to capacity funding issues we were unable to launch the Enterprise Education Champions Network⁹ this year as we had planned to. However, we did launch the Financial Education Champions Network with a view to transferring learning across to the Enterprise Education Champions Network, which – funding dependent – will be launched in 2019/20.
- We were unable to progress the development of a new evaluation framework for our young people's programmes. Instead we focused on piloting the new reflective method of day programme evaluation. Students are asked to reflect on their knowledge and skills before and after the programme and the results are compared. This is in addition to preparing an impact strategy to evaluate YE's 2019-22 strategy key evaluation outcomes.

⁹ The Financial and Enterprise Education Champions Network aims to build a community network of individuals who are committed to the development of financial and enterprise related knowledge, skills and attributes in young people in their communities.

Building our next three-year strategy (2019-22)

- Looking ahead to the next three years, it is clear that political, economic and technological changes will continue to create uncertainty for many in the UK, especially young people, compounding a climate where access to opportunity to build successful futures continues to be unfairly distributed, where young people with the greatest need for employer engagement within education commonly receive it least.¹⁰
- We believe that now is exactly the time to invest in young people's futures, it is exactly the right time to connect with Generation Z's natural spirit of curiosity and create opportunities that inspire them to develop their talents and unlock their potential. We want to build on and harness what we have learned, not only from our Unlocking Potential strategy but from almost 60 years' work supporting young people to develop their **entrepreneurship, employability and financial capabilities** which are the three key pillars of the Junior Achievement Network, of which we are a proud member.
- We will do more to help young people from all backgrounds build the skills, mindset and confidence needed to succeed in the 2030 workplace. We will do more to support educators to embed sustainable enterprise and financial education across the curriculum. We will also build the YE alumni network of individuals who have participated in our programmes over the years. We will learn more about the longer-term impact of YE and look at what else we can do to support our more recent alumni to continue to develop after they complete a programme. We will also look at how our alumni could support the organisation to continue to provide young people with opportunities for the future.

3 Goals of 2019-22 'No Time Like the Future' Strategy

Purpose

1. **To unite educators, parents, alumni and supporters in a shared mission to help young people across England & Wales activate their ambition we will:**
 - Work with partners and supporters to increase opportunities for young people, who have the least access to social and public capital, to build brighter futures.
 - Build stronger emotional connections with our volunteers, teachers, partners and supporters, increasing the range and accessibility of opportunities to engage with YE.
 - Innovate with supporters, teachers and volunteers to create opportunities for young people to develop the confidence and skills they need to succeed in the 2030 workplace.
 - Create a group of Ambassadors who expand our community of supporters to support more young people.

Inclusion

2. **To develop and promote a more inclusive proposition that supports young people from all backgrounds to build successful futures we will:**
 - Work hard to build a more diverse workforce and volunteering community that reflects the make-up of today's society and the communities that we serve across England and Wales.
 - Listen and act on feedback from young people with a range of needs and abilities on ways to remove barriers to accessing opportunities to build skills.
 - Listen and act on educators' feedback to remove barriers to accessing our programmes and services.
 - Develop programmes that impact positively on attitudes to lifelong learning and personal development.
 - Provide innovative training and resources to help educators deliver enterprise and financial education.
 - Invest in increasing accessibility of training, support and resources for YE volunteers, educators and staff.
 - Advocate through policy and media, on behalf of young people with the least access to resources, for equality of opportunity to develop enterprise and financial skill.

10

Education and Employers Research 2017

Impact

3. To cultivate an environment that creates greater impact for young people we will:

- Increase the engagement and retention of a diverse workforce and volunteer community through an inclusive culture that values diversity of thought, connection and collaboration.
- Create enterprise and financial education tools and resources that are engaging and impactful.
- Implement a 3-year Impact Strategy transparently and hold ourselves to account on our promise to activate the ambition of young people from all backgrounds.
- Share impact stories that reflect our rich heritage and present-day experience and expertise of developing the skills and talents of YE participants from varied backgrounds.
- Launch a YE alumni network that enables participants to continue their engagement with us and to showcase the short, medium and long-term impact of engagement with YE.

2019-22 Impact Strategy

YE's impact strategy is underpinned by three of the United Nations Sustainable Development Goals (SDGs) which are also aligned with JA Europe's priorities – Quality Education (SDG4), Decent Work for Economic Growth (SDG8), and Partnership for Goals (SD17).

SDG 4: Quality Education

YE programmes teach the knowledge, skills and attitudes young people need to develop an enterprising mindset. This can then contribute towards a growth mindset. For example, through a range of self-reflective activities encouraged in YE's core programmes, young people appreciate that abilities can be developed through dedication and hard work. They have an improved attitude to learning and a greater preparedness for the world of work.

SDG 8: Decent Work for Economic Growth

Young people can use their new enterprising mindset to pursue their education, employment and training goals after leaving statutory education. Through engagement via YE's alumni network, we will aim to survey our alumni's career trajectories, business startups, salaries and enterprising mindsets.

SDG 17: Partnership for Goals

Multi-stakeholder partnerships are crucial to leverage the synergy between the SDGs and enhance their effectiveness and impact. These partnerships will help us to accelerate progress in achieving SDG4 and SDG8.

SDG17 calls for greater collaboration – and so do we. Through collaboration, we ensure that YE can help young people develop the necessary attributes they need to succeed in a 2030 workplace.

Evidence has shown that all our programmes have an impact on young people's knowledge, skills, attitudes and behaviours. Outlined below are the specific short-term outcomes YE's programmes aim to address. We have also outlined the medium and long-term outcomes that participating in a YE company-based programme can have. Informed by this framework, there will be specific annual targets, which will be formulated, implemented and refined over the course of the strategy.

Short-term outcomes: measuring the distance travelled in the development of attributes; the impact of employer contacts in inspiring young people's career intentions; and the impact of Company Programme on young people's attitudes to learning.

Medium-term outcomes: surveying YE alumni to investigate their education, employment and training (EET) destinations and understanding whether Company Programme contributed to a positive change in their mindset.

Long-term outcomes: understanding whether there is a difference in YE alumni's ability to navigate successfully the labour market and start their own businesses compared with non-YE participants. Also, engage in active promotion encouraging YE alumni to volunteer on our programmes.

Our plans for 2019/20

Looking forward to 2019/20, we have assumed that we will continue to operate in a challenging and competitive economic environment and have prepared a budget that reduces both income and expenditure compared to 2018/19. We also aim to increase our operating surplus and add to the charity's reserves.

1) We will launch our 'No Time Like the Future' campaign

This will be a call to action to galvanise a collective approach to invest in young people's futures, specifically to support young people who currently don't have equal access to opportunities to build their knowledge, skills and confidence in preparation for the world of work.

2) Embed a new flexible delivery model for our young people's programmes

This model aims to introduce flexibility and resilience to changes in our resources and capacity. We will invest in our programme development to ensure that young people across England and Wales gain access to skills development through engaging digital programmes. We will continue to invest in the active stewardship of strong local relationships and the coordination of high-quality, face-to-face programme delivery. This transformation will be supported by investment in our central systems for staff and volunteers.

3) Improve access to our programmes

Team Programme is an enterprise journey for students who have mild to moderate learning difficulties. Designed to aid young people's transition from education into independent living and employment, the programme develops confidence and life skills through working as a team to set up and run an enterprise. External evaluation highlights the positive impact Team Programme has on young people's knowledge, skills and attitudes. It provides them with the necessary competencies to make a successful transition from learning into work and adult life.¹¹ We want to offer this opportunity to more young people and engage more stakeholders in the potential that young people have who take part in this programme. We will share findings of external research of the long-term impact of participating in Team Programme in 2020.

4) Launch digital teacher training – enabling us to reach a much wider audience

We expect to launch digital teacher training in April/May 2020, although we will be conducting live testing prior to this. A financial education e-newsletter, which reaches over 45,000 teachers, is scheduled after the Easter holidays, and the new digital teacher training offering will headline this. We will work with Martin Lewis OBE to promote this through his network, as well as through our social media channels and media coverage.

5) Create baselines for 2019-22 short, medium and long-term impact

Please refer to page 19.

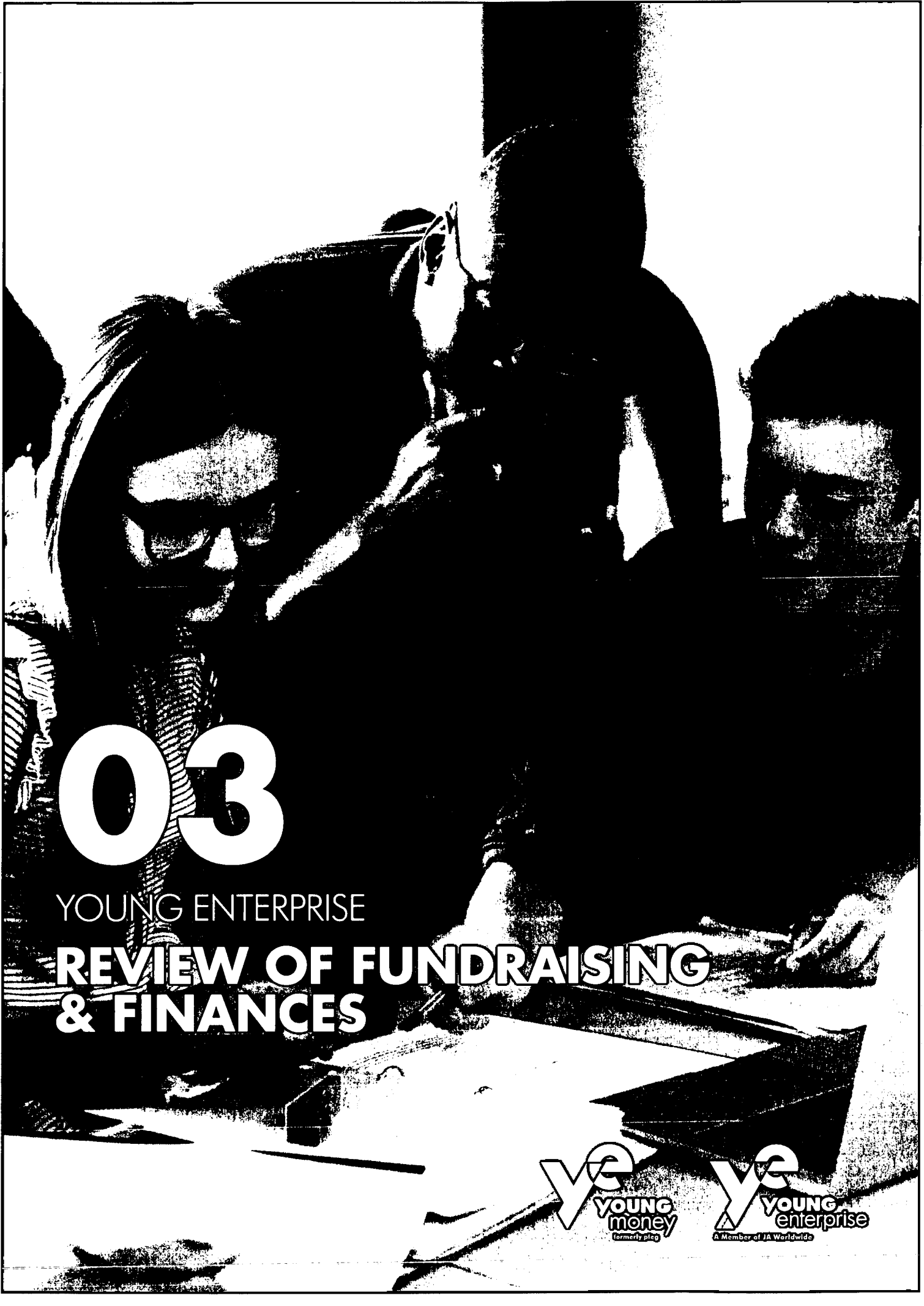
6) Increase accessibility of training, support and resources for YE volunteers, educators and staff

We will continue to improve the range of digital resources for volunteers. We will also aim to pilot our Enterprise Champions Network in 2020, with a view to it going live in the 2020/21 academic year.

7) Continue to develop a culture of connection and collaboration

We will proactively seek opportunities to collaborate with others for the benefit of preparing young people for the 2030 workplace. We will review our systems of volunteer recruitment, engagement and retention, to gain insight into whether our volunteer opportunities engage an accurate representation of the breadth and diversity of the communities we serve. We will use findings from the 2020 staff and volunteer surveys to improve opportunities to connect and collaborate with YE.

¹¹ University of Derby International Centre for Guidance Studies (2016)



03

YOUNG ENTERPRISE

**REVIEW OF FUNDRAISING
& FINANCES**





The financial objective of Young Enterprise is to raise sufficient income to cover its operating costs, whilst generating a small surplus in order to fund future investments and to build reserves.

As outlined in the Chief Executive's Report, Young Enterprise reported a surplus of £109k for the financial year (2018: surplus £54k).

Income

Income raised by Young Enterprise decreased by 8% to £6.0m (2018: £6.5m). The main income streams were:

Voluntary income:

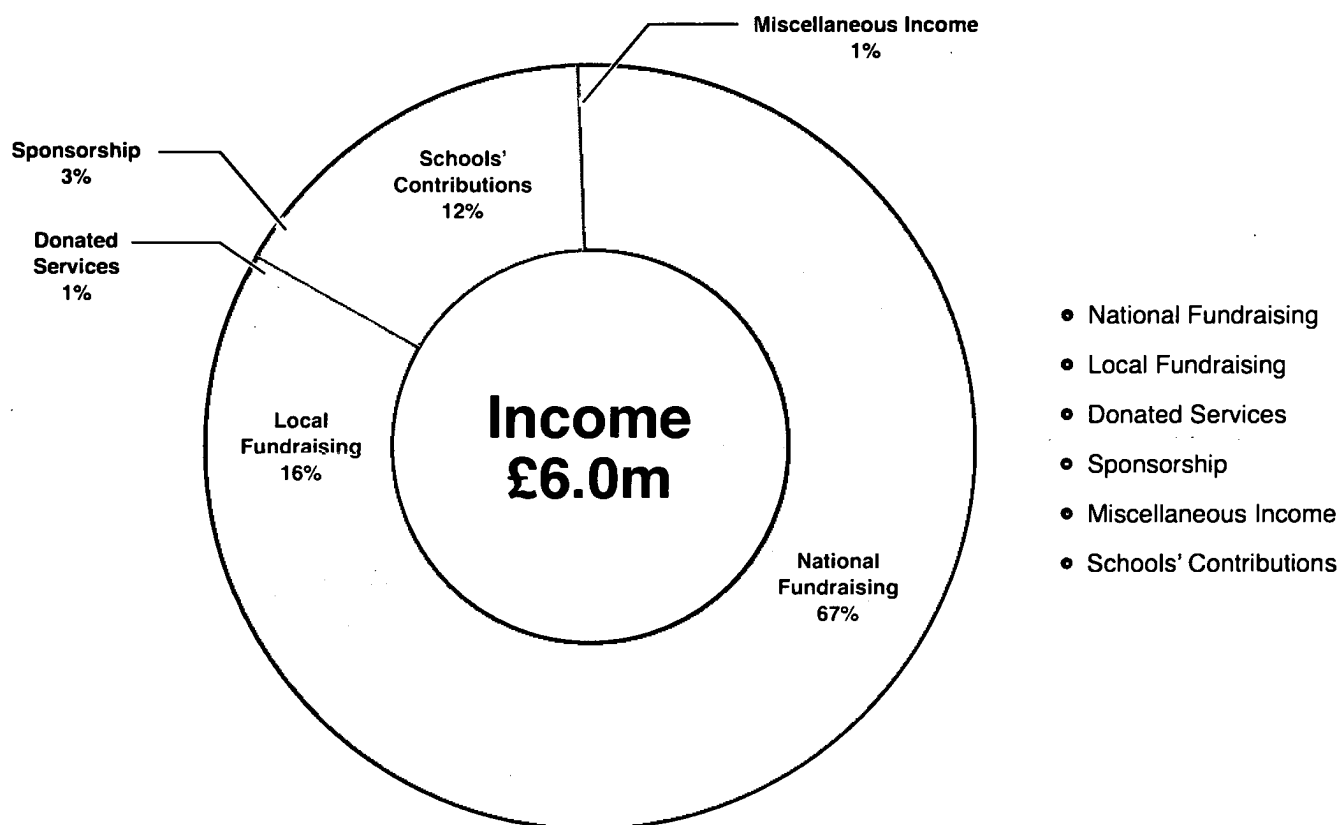
Young Enterprise raises money at both the national and local level. National Fundraised income increased by £0.03m to £4.05m (2018: £4.02m) whilst local fundraised income increased by £0.1m to £0.99m.

Schools' contributions:

Schools' and Colleges' contributions to the programmes that Young Enterprise delivers was £0.7m (2018: £0.9m) reflecting the value placed on the learner experiences by those centres.

Gift in kind income:

Young Enterprise receives the benefit of donated services. Income, and equivalent costs, decreased by £435k to £35k (2018: £470k).



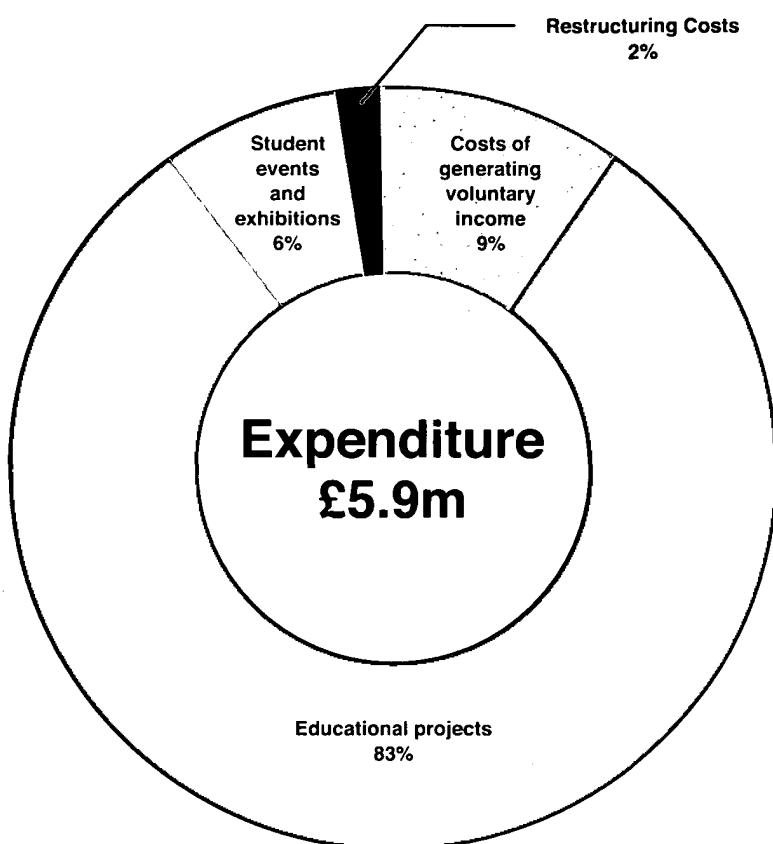
Expenditure:

Our aim as an organisation is to maximise the amount of expenditure that is spent on activities that contribute directly to achieving our charitable aims. All of our expenditure ultimately goes towards helping young people, be it direct expenditure on our charitable activities or expenditure to secure future income.

Our operating expenditure was £5.8m in 2019 (2018: £6.5m). In addition, we incurred £98k of restructuring costs resulting in total expenditure of £5.9m.

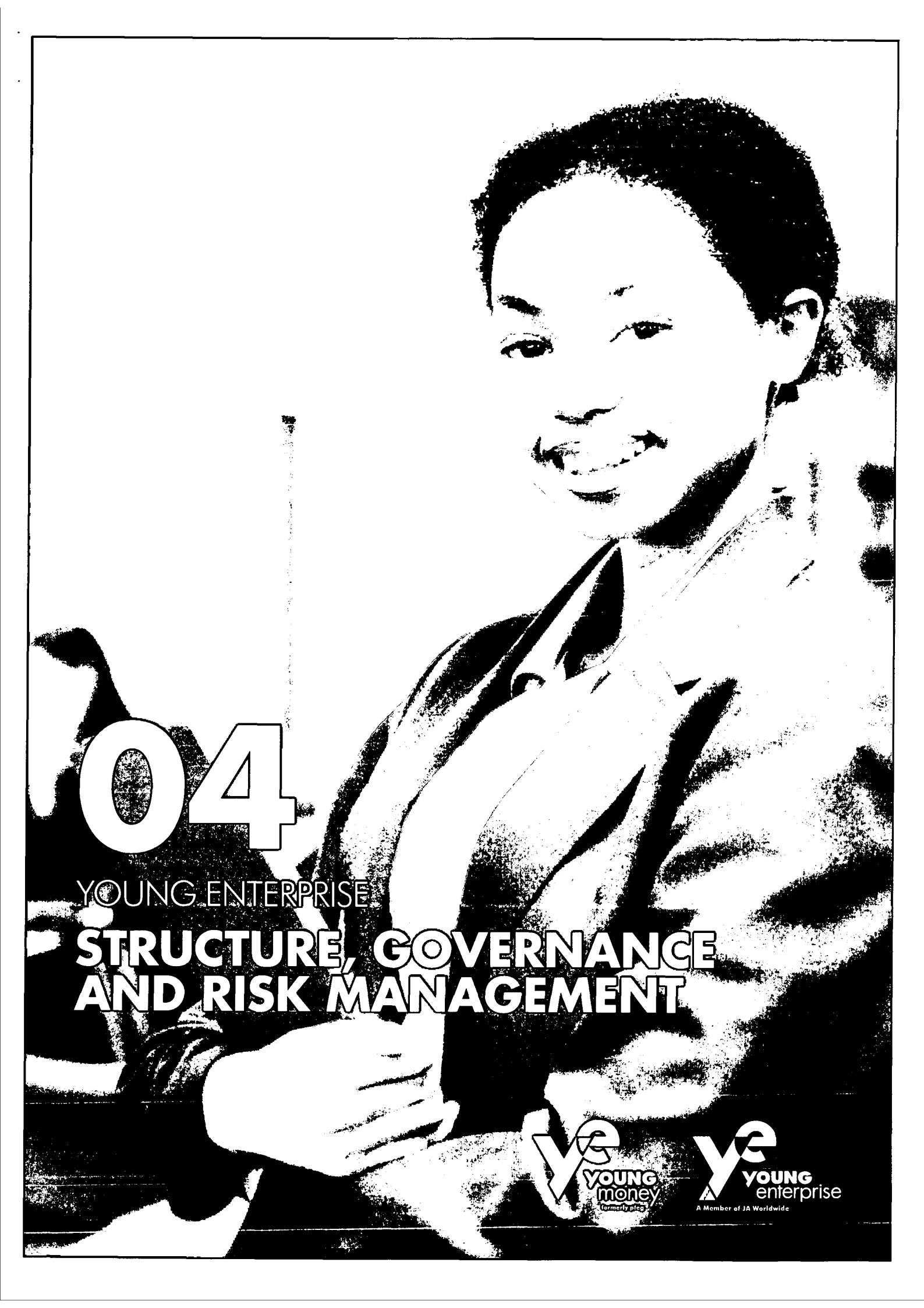
The cost of generating voluntary income was £0.5m and reflects the cost of researching and securing regular donors for the charity (2018: £0.6m).

Expenditure on our charitable activities (educational projects and events and exhibitions) was £5.3m (2018: £5.9m). Our achievements with this expenditure are set out throughout this report.



Key

Total Charitable activities represent 89% of total expenditure, 89p in the £1 (Educational projects 83% + Student events and exhibitions & 6%) (2018:90p)



04

YOUNG ENTERPRISE

STRUCTURE, GOVERNANCE AND RISK MANAGEMENT



Young Enterprise is a registered national education charity and a company limited by guarantee, governed by its Memorandum and Articles of Association.

The Board of Trustees, members of which are also Directors under Company law, has ultimate legal responsibility for our organisation and works to ensure good governance with the help of its committees.

Trustees have experience of the business, education, public and voluntary sectors and include Young Enterprise alumni and volunteers. Every year, one third of the Directors must retire by rotation, but may then offer themselves for re-election. Trustees can serve a maximum consecutive term in office of seven years and at the expiry of this term, must take a break from office and may not serve again as a Trustee for a period of one year unless the Board resolves that they may continue to serve beyond the maximum term.

Trustee appointments are made by the Board. Prospective Trustees meet the Chief Executive and Chairman as part of the recruitment and appointment process and, upon appointment, undertake an induction and training process. Newly appointed Trustees are also provided with further information on the governance, activities and operation of Young Enterprise. In addition, they are invited to volunteer in Young Enterprise programmes to experience first-hand the inspirational work of the Charity. (See also Nominations Committee below).

The Board appoints and delegates responsibility for leadership and the day-to-day management of Young Enterprise to the Senior Management Team, currently comprising the Chief Executive, the Finance Director and the Chief Operations Officer. The Senior Management Team are responsible to the Board in the execution of their duties and lead the Senior Leadership Group. The Senior Leadership Group addresses business planning and performance, through a functional approach consisting of Fundraising, Marketing, Public Affairs & PR, Programme and Delivery, Operations, Human Resources, Information Technology and Finance.

The objects of the charity are:

- the advancement of education and in particular commercial and financial education if and in so far as such purpose shall be charitable; and
- to educate young people in the United Kingdom in the organisation, methods and practice of commerce and industry and in all subjects related thereto.

Organisational structure

Young Enterprise operates in England and Wales, the Channel Islands and through three licensed organisations in Northern Ireland, Scotland and Gibraltar delivering Young Enterprise approved programmes. A wholly owned trading subsidiary Young Enterprise Trading Limited donates its profits, generated mainly from sponsorship, to Young Enterprise.

Young Enterprise is a member of Junior Achievement Europe (JA Europe), which is Europe's largest provider of entrepreneurship education programmes, reaching 4.3 million students in 40 countries. Young Enterprise is also a member of the Junior Achievement Worldwide network reaching over 10 million students in over 100 countries.

Committees

The Board has two standing Committees: Risk & Audit and Remuneration, and an ad hoc Nominations Committee the members of which are appointed from time to time from amongst the Directors. It delegates certain duties to these Committees and receives reports from them.

Risk and Audit Committee chaired by Helen Nixseaman

On behalf of the Board, the Committee maintains an oversight of the risks faced by Young Enterprise, the financial reporting process, the audit process, including the appointment of the auditors and agreeing their fees, the system of internal controls and compliance with laws and regulations. The Committee meets quarterly and reviews Young Enterprise's Risk Register and Issues log, providing challenge to the Executive team and ensuring appropriate

actions are planned and executed to mitigate the identified risks and issues. The Committee considers management accounts, three financial re-forecasts throughout the year and the annual budget prior to recommending them to the Trustee Board.

Remuneration Committee chaired by Judith Felton

On behalf of the Board, the Committee makes recommendations to the Board on the remuneration policy for the Senior Management Team and the Senior Leadership Group and sets their total remuneration in accordance with such policy. It also reviews their annual performance evaluation. The Committee considers the impact of the remuneration policy set for these individuals on the organisation as a whole, which includes a general oversight of grade salary bands for all staff and review of awards against annual performance rating. Pay bands for all grades are externally benchmarked. The Committee also has oversight of the Executive succession planning process, consideration of the pension deficit and determining auto enrolment pension contribution levels.

Nominations Committee

Towards the year end a search was commenced with the assistance of an external recruitment agency (Saxton Bamfylde), to identify and appoint a new Chairman to replace Grey Denham who is retiring on 31 December 2019 after serving as Chairman for five years. An ad hoc Nominations Committee was appointed for this purpose comprising Helen Nixseaman (Chair), Judith Felton, Chris Slater and Johaan Wiggins. A number of candidates were interviewed by the Committee and other members of the Board and following Board agreement, Simon Lewis was offered and accepted the position. He was appointed as Trustee with effect from 1 November 2019 and assumes the role of Chairman on 1 January 2020.

In order to assist Simon in his transition into the role, the Committee recommended, and the Board agreed to the appointment of Helen Nixseaman as Vice Chair for the period January to May 2020.

As noted in the Chairman's Statement, Michael Mercieca retired as Chief Executive on 31 October 2019. The Nominations Committee also undertook the process to appoint a new Chief Executive. This position was offered to Sharon Davies, previously Deputy Chief Executive, who was appointed with effect from 1 November 2019.

Pay policy for senior staff

The Directors consider that the Directors, who are the organisation's Trustees, the Senior Management Team and the Senior Leadership Group comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Charity on a day to day basis. All Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in notes 3 and 21 to the accounts.

Pay scales are benchmarked for competitiveness against charitable organisations of a similar size, complexity and income. Their pay is based on performance and any recommendation to award a pay increase takes account of the financial performance of the charity and is made by the Remuneration Committee in line with the remuneration policy agreed by the Board.

We are pleased to confirm that there are no discernible pay differences between males and females undertaking similar responsibilities of role within YE.

Public benefit

The Trustees are mindful of their duty under the Charities Act 2011 to ensure that the Charity's activities exist for the public benefit. They have considered Charity Commission guidance on public benefit and are satisfied that the performance and achievements of the Charity during the year, as summarised in the Chairman's Statement and Chief Executive's Report and the Strategic Report, have benefited the public.

Trustees' responsibility statement

The Trustees (who are also Directors of Young Enterprise for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements of the charitable group for the period unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including its income and expenditure.

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;
- make judgments and accounting 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 and group will continue in business.

The Trustees are responsible for ensuring adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

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

Auditors

Moore Kingston Smith LLP were appointed as auditors in the year following a competitive tender process. Grant Thornton, the retiring auditors, confirmed that there were no issues relating to their resignation that needed to be brought to the attention of the members.

Moore Kingston Smith LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Management of risk

The Trustees are ultimately responsible for risk management at Young Enterprise and they are satisfied that appropriate internal control systems and risk management processes are in place. They consider that the following framework provides Young Enterprise with adequate measures to reduce the impact of identified risks:

- The Board reviews the full risk register and issues log on an annual basis to satisfy itself that relevant risks are identified and adequately mitigated;
- The Risk and Audit Committee reviews the risk register and issues log on a quarterly basis and considers the proposed mitigating actions and internal controls to satisfy itself that they are appropriate;
- Senior Management review key strategic and operational risks and issues on a regular basis. They consider progress on mitigating actions, new and emerging risks and opportunities; and
- Management functions help identify, evaluate and manage risks relating to fundraising, business continuity, health and safety, remuneration and operational needs.

As in 2018, our most significant risks and mitigating actions are set out below:

Risk: Lack of reserves (funds and liquidity) to respond to new needs or requirements

Mitigation:

- Reserve levels are kept under regular review by the Risk and Audit Committee and are reviewed monthly by the Executive team against expected needs.
- The Development team are seeking to increase multi-year agreements with existing supporters.
- Income generation focuses on funding core activity with appropriate controls in place to ensure a contribution to Young Enterprise's core costs.
- Cash is monitored closely, and a monthly cash flow forecast is prepared and shared with management and Board members.

Risk: Uncertain economic and political climate impacts upon fundraising

Mitigation:

- To ensure the on-going strength of pipeline, fundraising activity is split between management of existing supporters to grow those relationships as well as new business development to identify new supporters.
- Diversification of national fundraising approaches and income streams, with particular focus on unrestricted funds and multi-year asks.
- Clear communication of Young Enterprise's mission in a concise case for support to encourage unrestricted funding.
- Continue to maximise opportunities to secure centre income by adding value to teaching and learning plans.

Risk: Failure to attract and retain the right quality of staff

Mitigation:

- Annual salary survey and pay review undertaken to establish if Young Enterprise pays sector market rates.
- Training, conditions, performance development and feedback systems are reviewed on a regular basis.
- Staff turnover is monitored and reported to senior managers on a quarterly basis and benchmarked against the sector. Exit interviews are performed to identify any possible trends in leavers' reasons.
- Succession planning of senior roles undertaken and shared with and reviewed by YE's Remuneration Committee.

Risk: Failure to raise National and Local income budgets

Mitigation:

- Careful recruitment of the National Fundraising team to ensure each and every member of the team has the right level of skills and experience to deliver.
- Regular monitoring and challenge of National and Local fundraised income by the CEO and Director of Finance.
- Focus on reduced portfolio of programmes delivering maximum impact.
- Three-year fundraising strategy developed.

Reserves

The Trustees review free reserve levels annually and they are monitored throughout the year. Free reserves exclude fixed assets and restricted funds and assist Young Enterprise in continuing its operations in a changing environment. Management regularly reviews funds within the scope of the reserves policy to take into account the latest targets and assessment of risks and opportunities.

The Trustees consider that in the light of the strategic plan to continue to develop charitable activities and to manage risk, Young Enterprise should target free reserves of three months of annual expenditure. At 31st July 2019 free reserves were £0.2m, 0.4 months annual expenditure (2018: £0m 0 months). However, the Trustees recognise that Young Enterprise's restricted funds mostly support core on-going activity and if the calculation of free reserves included these, the corresponding figures would be £1.1m, 2.5 months annual expenditure (2018: £1.0m, 2.0 months).


The Trustees share management's commitment to ensure that the financial performance over the medium term brings the level of reserves in line with the policy.

Going concern

The Board of Trustees has reviewed Young Enterprise's financial position taking into account: the level of reserves and cash, budgets, financial projections and systems of financial and risk management. As a result, the Board believes Young Enterprise is well placed to manage successfully its operational and financial risks.

The Board therefore considers there is a reasonable expectation that the charity and group have adequate resources to continue for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the accounts.

Approved by the Trustees on 20 December, 2019 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Grey Denham', with a long horizontal line extending to the right.

Grey Denham
Chairman

Name of the charity	Young Enterprise
Registered charity number	313697
Registered company number	712260
Registered Office	Yeoman House Sekforde Street London EC1R 0HF
President	William Salomon

The Trustees (who are the Directors of the Company) who served during all or part of the reported year and to the period up to the date of this report are:

Grey Denham (Chair)	(retiring December 2019)
Wayne Bulpitt CBE	(appointed May 2019)
Graham Farhall	(appointed February 2019)
Judith Felton	(retiring December 2019)
Sajaad Jetha	(appointed February 2019)
Elizabeth Kitcott	
Simon Lewis OBE	(appointed November 2019)
Alicia Navarro	(resigned April 2019)
Helen Nixseaman	
Jaswinder Rayet	(retired December 2018)
Rajiv Sharma	(appointed January 2019)
Chris Slater	(appointed February 2019)
David Walter	(retired December 2018)
Johan Wiggins	
Alan Williams	(retiring December 2019)

Company Secretary
Tim Stanbury

Independent member of the Risk & Audit Committee
Andrew Baddeley

The Board Committees are:

Risk & Audit Committee

Helen Nixseaman (Chair)	
Andrew Baddeley	
Graham Farhall	
Judith Felton	
Rajiv Sharma	(from June 2019)

Remuneration Committee

Judith Felton (Chair)

Grey Denham

Elizabeth Kitcatt (Chair from January 2020)

Sajaad Jetha (from November 2019)

Rajiv Sharma (from November 2019)

UK Senior Management Team

Sharon Davies Chief Executive Officer

Roy Howard Chief Operations Officer

Tim Stanbury Director of Finance

Auditors

Moore Kingston Smith LLP

Devonshire House

60 Goswell Road

London

EC1M 7AD

Bankers

HSBC Bank Plc

Prama House

Banbury Road

Summertown

Oxford

OX2 7HY

Solicitors

Field Fisher

Riverbank House

2 Swan Lane

London

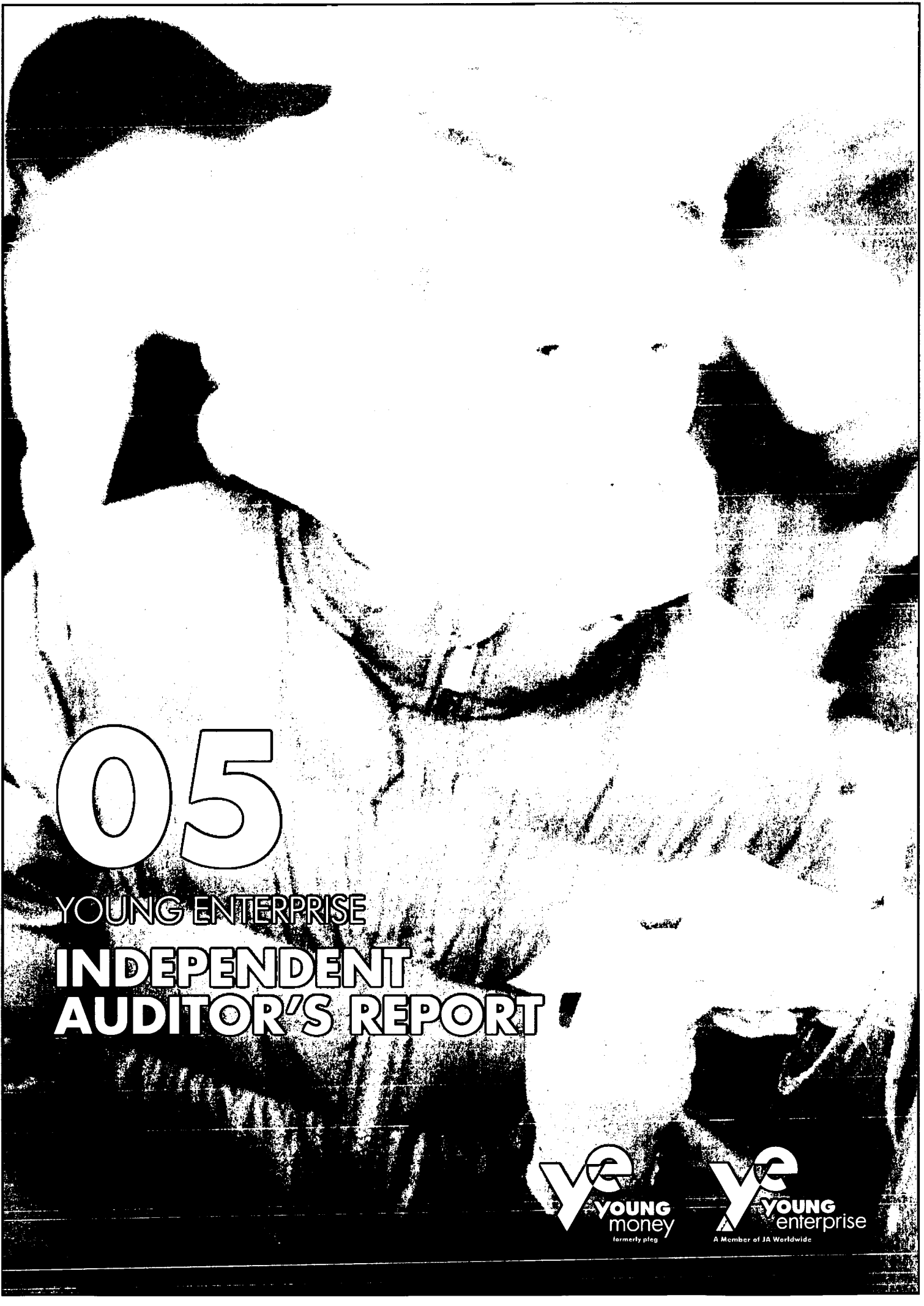
EC4R 3TT

Clifford Chance

10 Upper Bank Street

London

E14 5JJ



05

YOUNG ENTERPRISE

**INDEPENDENT
AUDITOR'S REPORT**



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF YOUNG ENTERPRISE

Opinion

We have audited the financial statements of Young Enterprise (the 'company') for the year ended 31 July 2019 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2019 and of the group's 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 requirements of the Companies Act 2006 and the Charities Act 2011.

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 group's and parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 28 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 group and parent 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 group or parent 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 the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

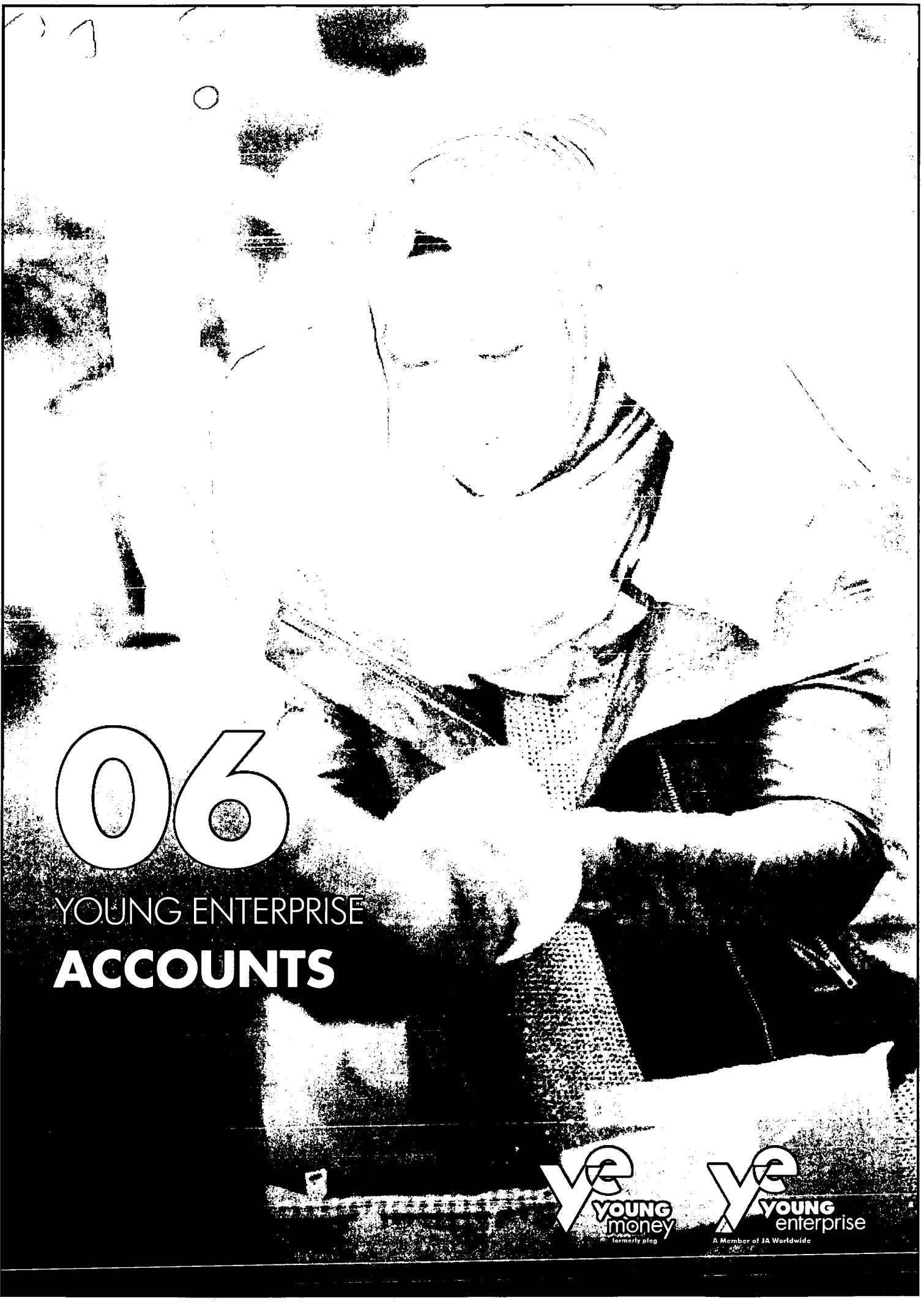
Moore Kingston Smith LLP

Date: 20 December, 2019

James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.



06

YOUNG ENTERPRISE
ACCOUNTS



CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Fund	Restricted Fund	Endowment Fund	Total 2019	Total 2018
		£'000	£'000	£'000	£'000	£'000
INCOMING RESOURCES						
INCOMING RESOURCES FROM GENERATED FUNDS						
Voluntary Income						
National Fundraising		952	3,100	-	4,052	4,021
Local Fundraising		37	949	-	986	888
Local Volunteer Board Fundraising		-	-	-	-	50
Gifts in kind and donated services		35	-	-	35	470
Activities for generating funds						
Sponsorship		169	-	-	169	190
Investment income						
Interest receivable		2	-	-	2	1
INCOMING RESOURCES FROM CHARITABLE						
Young Enterprise licensees		6	-	-	6	4
Schools contributions		737	-	-	737	854
Miscellaneous income		36	-	-	36	40
OTHER INCOMING RESOURCES						
TOTAL INCOMING RESOURCES		1,974	4,049	-	6,023	6,518
RESOURCES EXPENDED						
COST OF GENERATING FUNDS						
Costs of generating voluntary income						
Fundraising costs		546	-	-	546	614
CHARITABLE ACTIVITIES						
	5					
Educational projects		1,009	3,887	1	4,897	5,425
Events and exhibitions		82	291	-	373	425
OTHER RESOURCES EXPENDED						
Restructuring costs		98	-	-	98	-
TOTAL RESOURCES EXPENDED		1,735	4,178	1	5,914	6,464
NET INCOMING RESOURCES/ MOVEMENT		239	(129)	(1)	109	54
RECONCILIATION OF FUNDS						
Total funds brought forward		20	1,014	22	1,056	1,002
Total funds carried forward		259	885	21	1,165	1,056

The notes on pages 41 to 55 form part of these financial statements

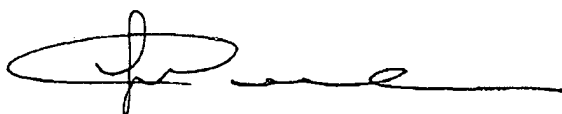
Note 7 gives details of the consolidated statement of financial activities for the comparative year ended 31 July 2018

CONSOLIDATED AND PARENT COMPANY BALANCE SHEET AT 31 JULY 2019

		Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Restated Charity 2018 £'000
	Notes				
FIXED ASSETS					
Tangible fixed assets	8	-	3	-	3
Intangible assets	9	76	57	76	57
Investments	10	-	-	-	-
TOTAL FIXED ASSETS		76	60	76	60
CURRENT ASSETS					
Stocks		20	35	20	35
Debtors	11	476	1,115	482	1,116
Cash at bank and in hand		1,035	412	848	254
TOTAL CURRENT ASSETS		1,531	1,562	1,350	1,405
LIABILITIES					
CREDITORS: AMOUNTS FALLING					
DUE WITHIN ONE YEAR	12	(442)	(566)	(430)	(586)
NET CURRENT ASSETS		1,089	996	920	819
NET ASSETS		1,165	1,056	996	879
THE FUNDS OF THE GROUP/CHARITY:					
ENDOWMENT FUNDS	13	21	22	21	22
RESTRICTED INCOME FUNDS	14	885	1,014	885	1,014
UNRESTRICTED INCOME FUNDS	15	259	20	90	(157)
		1,165	1,056	996	879

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

Approved by the Board, authorised for issue on 20 December 2019 and signed on their behalf.



Grey Denham
Chairman



Helen Nixseaman
Risk and Audit Committee Chairman

The notes on pages 41 to 55 form part of these financial statements

Company number: 712260

CONSOLIDATED CASH FLOW STATEMENT

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
Net cash generated from operating activities	18		661		(555)
Cash flows from investing activities					
Purchases of Intangible Assets	9	(40)		(42)	
Interest received		<u>2</u>		<u>2</u>	
Net cash from investing activities			(38)		(40)
Cash flows from financing activities					
		<u>-</u>		<u>-</u>	
Net cash used in financing activities			-		-
Net cash increase)/(decrease) in cash and cash equivalents	19		623		(595)

The notes on pages 41 to 55 form part of these financial statements

1. ACCOUNTING POLICIES

a) Basis of accounting

The accounts are prepared under the historical cost convention, in accordance with applicable accounting standards and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (effective 1 January 2015) – (charities SORP (FRS 102)), the Financial Reporting Standard in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

Young Enterprise 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).

The financial statements are prepared in sterling, which is the financial currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

b) Preparation of the accounts on a going concern basis

Young Enterprise reported a net cash inflow of £594k for the year and £623k on a group basis. The Trustees are of the view that the measures taken during the past 18 months to reduce operating costs have secured the future of the organisation for the foreseeable future and that on this basis the charity is a going concern.

c) Consolidation

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and Parent Charity Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the Charity and with its wholly owned subsidiary, Young Enterprise Trading Limited. The Young Enterprise parent charity surplus was £118k (2018: surplus £6k). The results of the subsidiary as included in the consolidated income, expenditure and results of the Charity are disclosed in note 10.

d) Capitalisation of fixed assets and depreciation

Fixed assets are capitalised by the Charity when the cost of the asset or the donated value as a gift in kind is over £500.

Gift in kind assets capitalised within fixed assets, when receivable, are depreciated in line with the depreciation policy set out below. Gifts in kind are recognised at a reasonable estimate of their gross value, the price the Charity estimates it will have to pay in the open market for an equivalent item.

Depreciation is provided on a straight-line basis over the economic life of the asset estimated at: 5 years for fixtures, fittings and equipment.

e) Capitalisation of intangible fixed assets and amortisation

Intangible fixed assets are capitalised by the Charity when the cost of the asset is over £500. Trade Mark and computer software development costs have been capitalised as Intangible assets.

Amortisation is provided on a straight-line basis over the economic life of the asset estimated at: 5 years for computer software development and 10 years for Trademarks.

f) Investments

Investments in subsidiary undertakings are valued at cost but, where necessary, impairment reviews have been conducted and reflected in the valuation stated.

Due to the treatment in 2018 not being in line with the Financial Reporting Committee guidance around gift aid payments, being that those from charity trading subsidiaries should not be recorded in the profit and loss account and are instead treated as dividends on the date of payment and cannot be accrued, a prior year restatement is required. Accordingly, the gift aid payments of £168,695 in 2019 and £177,404 in 2018 have been included in the year paid, with the prior year credit due to the parent restated.

g) Stocks

Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock.

h) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

i) 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.

j) Creditors and provisions

Creditors and provisions are recognised where the charity 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 and provisions are normally recognised at their settlement amount.

k) Financial instruments

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

l) Incoming resources

Income is recognised by the Charity when the Charity becomes entitled to it provided that:

- the Charity is the Principal object of the funding;
- it is probable that the funding will be received;
- it can measure the monetary value with sufficient reliability.

The main sources of income are:

- i. Corporate donations and sponsorship
- ii. Trust and Foundation grants
- iii. Major Donors
- iv. Public sector funding
- v. School contributions
- vi. Gifts in kind and Donated services and facilities
- vii. Young Enterprise licensees

Income is deferred as a liability when the Charity does not have entitlement or control of the resource in the current accounting period. It is only recognised as income in the accounting period when entitlement arises. Where the Charity is acting as an Agent for funding, the funding is not recognised either as income or expenditure.

Grants are recognised in the Statement of Financial Activities in the period to which they relate. Income tax recoverable on gift aid donations is recognised by the Charity in the period within which it is receivable. Donated services and facilities are recognised in the period they are received and recorded at their estimated value to the Charity of the service or facility received; this will be the price the Charity estimates it would pay in the open market for a service or facility of equivalent utility to the Charity.

m) Resources expended

Expenditure is recognised by the Charity in the period when it is committed and is reported gross. Irrecoverable VAT is recorded as an expense.

Resources expended are analysed on the following basis:

- i. The "Costs of Generating Funds" reflects all direct costs associated with attracting income and salaries where fundraising is the primary task of the post holder. Departmental costs are also included in proportion to total salaries.
- ii. "Charitable Activities" cover all direct expenditure incurred for educational projects and events and exhibitions.
- iii. "Governance costs" identify the direct costs associated with the constitutional and statutory requirements of the Charity.

n) Leased Assets

Rentals payable under operating leases are charged to the statement of financial activities as incurred.

o) Pension Schemes

Young Enterprise pays amounts into an occupational pension scheme, stakeholder and personal pension plans. These contributions are treated as expenditure in the year in which they are payable.

p) Foreign currencies

Transactions in foreign currencies are translated at the rate ruling at the transaction date. Foreign currency balances are translated at the rate of exchange at the balance sheet date. The resulting gains or losses are recognised within the statement of financial activities.

q) Volunteers and interns

Young Enterprise benefits from volunteers in several ways. Volunteers make up the Local Volunteer Boards across England and Wales undertaking extensive work to meet the Charity's objectives in the local community. Volunteers also deliver our programmes by supporting young people with real life entrepreneurship and employment experiences. The value to Young Enterprise of these volunteers has not been reflected in the financial statements in accordance with the Charities SORP.

r) Fund accounting

The Charity holds the following funds:

Endowment funds

The endowment fund comprises funding for the Sir John Moores Memorial Award, which comprises individual awards given to Team Programme students each year.

Restricted funds

Restricted funds are separately accounted for and utilised according to the restrictions that apply.

Restricted funds are disclosed by programme in note 14 to the financial statements. The purpose of each fund is as follows:

Company Programme	Students set up and run their own company.
Secondary short programmes	One day programmes focused on employability skills.
Primary programmes	Students are provided with £5 and have one month to set up and run a mini business.
Financial education services	Services to support those involved in delivering financial education. This ranges from our teacher training sessions to our Advisory Service.
Financial education programmes	High impact programmes that provide an opportunity for schools and teachers to develop their financial education provision.
Centres of Excellence	Providing a whole school improvement framework – a set of national professional standards through which excellence in financial education is achievable.
Lifesavers project	Supports primary schools to embed financial education, set up school savings clubs and help children and their families learn about money.
Other	Masterclasses tailored to the needs of specific groups.

Unrestricted funds

Unrestricted funds are expendable at the discretion of the charity in furtherance of its objectives.

Designated funds

The designated funds are volunteer Local Volunteer Board ring-fenced funds for use within the geographic area within which they were raised.

2. STATUS

The charity is a company limited by guarantee with no share capital. Each member has undertaken to contribute £1 to the assets of the company to meet its liabilities if called upon to do so. The total amount guaranteed by members at 31 July 2019 is £11 (2018: £9).

3. STAFF COSTS

Average number of people employed by the charity during the year:

	No. of employees		Total	Total
	Full time	Part time	2019	2018
Total staff	77	42	119	125

The average full time equivalent staff for the year was 102 (2018:104). The number of staff at year-end was 115 (2018:123) which was 98 (2018:104) full time equivalent.

	2019	2018
	£'000	£'000
Total staff costs:		
Gross wages and salaries	3,278	3,374
Employer's national insurance costs	302	329
Employer's pension costs	153	136
	3,733	3,839
	£'000	£'000
Occupational pension costs	123	88
Outstanding contributions at 31 July 2019	22	14

Young Enterprise pension scheme

Our auto enrolment staging date for the automatic enrolment of our staff into a workplace pension, if they met certain criteria, was 1st May 2014. The workplace pension selected by Young Enterprise is The Pensions Trust Growth Plan Series 4.

Employees of the Charity can participate in a multi-employer pension scheme with The Pensions Trust called the Growth Plan. Series 4 of the Growth Plan, which is the only option now available, is a Defined Contribution (DC) scheme and has been offered since October 2012. Prior to October 2012, employees contributed to a mixture of Series 1, 2 and 3 of the Growth Plan.

Changes in pension legislation in September 2005 and November 2011 mean that a contingent liability exists in Growth Plan Series 1, 2 and 3 (which are classified as defined benefit arrangements). This liability will create a debt on the Charity were the Charity to withdraw from the Growth Plan. Young Enterprise intends to remain in this Scheme and therefore no provision has been made in the accounts for the contingent liability. Growth Plan Series 4 is unaffected by this legislation because it is not a defined benefit arrangement, and no liability is being accrued by Young Enterprise through its participation in Series 4.

The 30 September 2017 valuation for the Growth Plan identified a past service funding deficit which requires additional contributions from the Charity from 1 April 2019 of £12,909 per annum. The additional contribution is part of a proposed recovery plan that aims to eliminate the deficit via a combination of additional contributions from employers and investment returns.

3. STAFF COSTS (CONTINUED)

Higher paid staff	2019	2018
	No.	No.
Number of employees whose emoluments for the year were in excess of £60,000:		
£60,001 - £70,000	4	2
£70,001 - £80,000		1
£80,001 - £90,000	1	
£130,001 - £140,000	1	1

Pension contributions of £30,013 (2018: £23,657) were paid into a defined contribution scheme for higher paid staff in the year.

The key management personnel of the charity during the year comprised the Chief Executive Officer, Deputy Chief Executive Officer and the Senior Leadership Group. The total remuneration of the key management personnel in the year to 31 July 2019 was £725,130 (2018: £476,736).

The total redundancy and termination payments in the year to 31 July 2019 were £98k (Pay in lieu of notice £42k and Redundancy £56k) (2018: £39k (Pay in lieu of notice £29k, Redundancy £5k and Ex Gratia £5k)).

Neither the Trustees nor persons connected with them received any remuneration or other benefits from the organisation or any connected organisation.

No Trustee (2018: one) received reimbursed expenses during the year (2018: £111).

4. PUBLIC SECTOR FUNDING

Public sector funding represented 14% of income resources of the Charity (2018: 10.0%)

5. BREAKDOWN OF COSTS OF CHARITABLE ACTIVITIES

Activity	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs £'000	Total 2019 £'000
Educational projects	4,489	67	342	4,897
Student events and exhibitions	369	-	4	373
Total	4,858	67	345	5,270

Activity	Activities undertaken directly £'000	Grant funding of activities £'000	Support costs £'000	Total 2018 £'000
Educational projects	5,077	5	344	5,426
Student events and exhibitions	420	-	4	424
Total	5,497	5	348	5,850

OPERATING CHARGES

		2019 £'000	2018 £'000
Operating charges include			
Auditor's remuneration	audit	21	30
	other	2	2
Depreciation		3	5
Amortisation		21	34
Operating lease rentals	offices	125	101
	other	129	187

6. GOVERNANCE COSTS

	2019 £'000	2018 £'000
Audit fee	21	30
Accountancy services	2	2
Legal and other professional fees	10	18
Other	-	4
	33	54

7. PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

The Consolidated Statement of Financial Activities on Page 38 shows only the total for the prior year figures. Below are the totals for the year 2017/18 split into Unrestricted, Restricted and Endowment Funds.

	Notes	Unrestricted Fund £'000	Restricted Fund £'000	Endowment Fund £'000	Total 2018 £'000	Total 2017 £'000
INCOMING RESOURCES						
INCOMING RESOURCES FROM GENERATED FUNDS						
Voluntary Income						
National fundraising		508	3,513	-	4,021	4,100
Local fundraising		149	739	-	888	774
Local Volunteer Board fundraising		50	-	-	50	81
Gifts in kind and donated services		470	-	-	470	274
Activities for generating funds						
Sponsorship		190	-	-	190	150
Investment income						
Interest receivable		1	-	-	1	2
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES						
Young Enterprise licensees		4	-	-	4	27
Schools contributions		854	-	-	854	1,116
Miscellaneous income		40	-	-	40	42
OTHER INCOMING RESOURCES						
TOTAL INCOMING RESOURCES		2,266	4,252	-	6,518	6,566
RESOURCES EXPENDED						
COST OF GENERATING FUNDS						
Costs of generating voluntary income						
Fundraising costs		614	-	-	614	639
CHARITABLE ACTIVITIES						
Educational projects	5	1,566	3,858	1	5,425	6,000
Events and exhibitions		129	296	-	425	539
OTHER RESOURCES EXPENDED						
Restructuring costs		-	-	-	-	156
TOTAL RESOURCES EXPENDED		2,309	4,154	1	6,464	7,334
NET INCOMING RESOURCES/ MOVEMENT IN FUNDS		(43)	98	(1)	54	(768)
RECONCILIATION OF FUNDS						
Total funds brought forward		63	916	23	1,002	1,770
Total funds carried forward		20	1,014	22	1,056	1,002

8. TANGIBLE FIXED ASSETS**Group**

	Fixtures, Fittings & Equipment £'000	Equipment gifted in kind £'000	Total £'000
Cost			
At 1 August 2018	96	37	133
Additions	-	-	-
Disposals	69	37	106
At 31 July 2019	<u>27</u>	<u>-</u>	<u>27</u>
Depreciation			
At 1 August 2018	93	37	130
Charge for the year	3	-	3
Disposals	69	37	106
At 31 July 2019	<u>27</u>	<u>-</u>	<u>27</u>
Net book value			
At 31 July 2019	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July 2018	<u>3</u>	<u>-</u>	<u>3</u>

Tangible fixed assets are all used for direct charitable purposes.

9. INTANGIBLE FIXED ASSETS**Group**

	Intellectual Property £'000	Computer Software Development £'000	Total £'000
Cost			
At 1 August 2018	12	208	220
Additions	6	34	40
Disposals	-	140	140
At 31 July 2019	<u>18</u>	<u>102</u>	<u>120</u>
Amortisation			
At 1 August 2018	6	157	163
Charge for the year	2	19	21
Disposals	-	140	140
At 31 July 2019	<u>8</u>	<u>36</u>	<u>44</u>
Net book value			
At 31 July 2019	<u>10</u>	<u>66</u>	<u>76</u>
At 31 July 2018	<u>6</u>	<u>51</u>	<u>57</u>

10. INVESTMENTS

Shares in subsidiary undertaking:

Young Enterprise Trading Limited**Shares
£**

Cost of investment

At 1 August 2018 and 31 July 2019

100

The charity holds 100% of the issued ordinary shares and voting rights in Young Enterprise Trading Limited a commercial company which is registered in England with a company number of 7424441 and was incorporated on the 29 October 2010.

The results of Young Enterprise Trading Limited and its assets and liabilities at the year end were as follows:

	2019	Restated
	£'000	2018 £'000
Turnover	177	189
Expenditure	(8)	(12)
Profit for the year	169	177
Distribution to parent charity	(177)	(117)
Total assets	187	205
Total liabilities	(18)	(28)
Net funds	169	177

A management charge of £6,336 (2018: £6,348) was incurred from Young Enterprise during the year. An amount of £6,336 (2018: £6,348) was outstanding at the year end, and has been included in creditors in the above figures.

11. DEBTORS

	Group	Group	Charity	Restated Charity
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade debtors	186	840	186	832
Amounts owed from group undertakings	-	-	6	18
Other debtors	26	41	26	41
Young Enterprise licensees	-	9	-	-
Prepayments and accrued income	264	225	264	225
	476	1,115	482	1,116

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade creditors	191	368	191	415
Young Enterprise licensees	0	1	0	1
Taxation and social security costs	86	79	86	78
Accruals and deferred income	165	118	153	92
	442	566	430	586

13. ENDOWMENT FUNDS

	2019	2018
	£'000	£'000
At 1 August 2018	22	23
Incoming Resources		-
Resources expended	(1)	(1)
At 31 July 2019	21	22

The Endowment Fund comprises funding for the Sir John Moores' Memorial Award which comprises individual awards given to Team Programme students who have made the most progress and shown the most improvement through their participation in the programme. They each receive a presentation at Regional finals, a certificate and prize of £100.

14. RESTRICTED INCOME FUNDS

	Balance at 1 August 2018	Incoming Resources	Resourced Expended	Balance at 31 July 2019
	£'000	£'000	£'000	£'000
Company Programme	450	1,288	1,305	433
Secondary Short Programmes	132	979	1,102	9
Primary Programmes	-	6	6	0
Financial Education Services	138	519	576	82
Financial Education Programmes	13	201	165	48
Centres of Excellence	171	573	447	297
Lifesavers Project	110	94	189	15
Other	-	388	388	0
	1,014	4,049	4,178	885

The following funders require specific disclosure of the income and expenditure for the following grants:

	Balance at 1 August 2018	Incoming Resources	Resourced Expended	Balance at 31 July 2019
	£'000	£'000	£'000	£'000
Jack Petchey Foundation	-	150	150	-
	-	150	150	-

	Balance at 1 August 2017	Incoming resources	Resourced expended	Balance at 31 July 2018
	£'000	£'000	£'000	£'000
Company Programme	120	1,437	1,107	450
Secondary short programmes	-	352	220	132
Primary programmes	-	135	135	-
Financial education services	223	373	458	138
Financial education programmes	150	404	541	13
Centres of Excellence	276	399	504	171
Lifesavers project	50	290	230	110
Other	97	862	959	-
	916	4,252	4,154	1,014

The following funders require specific disclosure of the income and expenditure for the following grants:

	Balance at 1 August 2017	Incoming resources	Resourced expended	Balance at 31 July 2018
	£'000	£'000	£'000	£'000
Big Lottery Fund	17	-	17	-
Big Lottery Fund	2	-	2	-
Jack Petchey Foundation	-	167	167	-
Old Mutual Wealth	13	-	13	-
	32	167	199	-

15. UNRESTRICTED INCOME FUNDS

	Group Designated £'000	Group Unrestricted £'000	Group Total £'000
At 1 August 2018	19	1	20
Incoming resources	9	1,971	1,980
Resources expended	(9)	(1,732)	(1,741)
Transfer between funds			-
At 31 July 2019	19	240	259

	Charity Designated £'000	Charity Unrestricted £'000	Charity Total £'000
At 1 August 2018 (restated)	19	(176)	(157)
Incoming resources	9	1,802	1,811
Resources expended	(9)	(1,732)	(1,741)
Distribution of Gift Aid		177	177
At 31 July 2019	19	71	90

Our Reserves policy is explained in the Report of the Trustees. The designated funds are made up of the Local Board ring-fenced funds for use within the geographic area within which they were raised.

	Group Designated £'000	Group Unrestricted £'000	Group Total £'000
At 1 August 2017	366	(303)	63
Incoming resources	53	2,213	2,266
Resources expended	(88)	(2,221)	(2,309)
Transfer between funds	(312)	312	-
At 31 July 2018	19	1	20

16. FINANCIAL COMMITMENTS

The annual commitments under operating leases are analysed according to the amounts due in the periods as follows:

	2019		2018	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Within 1 year	87	83	125	89
In the second to fifth years inclusive	15	36	62	107
more than five years			-	-
	102	119	187	196

17. CAPITAL COMMITMENTS

The charity had capital commitments for web development costs of £30,298 (2018: £34,014)

18. NET CASH INFLOW FROM OPERATING ACTIVITIES

	2019	2018
	£'000	£'000
Net incoming resources	109	54
Depreciation charges	3	5
Amortisation charges	21	34
Decrease in stocks	15	28
Decrease/(increase) in debtors	639	(326)
Decrease in creditors	(124)	(348)
Interest received	(2)	(2)
Net cash inflow from operating activities	661	(555)

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN CASH FUNDS LESS LOANS

	2019	2018
	£'000	£'000
Net cash (Decrease)/Increase in cash and cash equivalents	623	(595)
Cash and cash equivalents at the beginning of the year	412	1,007
Cash and cash equivalents at end of year	1,035	412

20. TAXATION

Young Enterprise is registered as a charity for taxation purposes and has a group registration for VAT purposes. Young Enterprise is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied exclusively for charitable purposes.

No liability to corporation tax will arise in Young Enterprise Trading Limited because the Directors of this company have indicated that they intend to make donations each year to the Charity equal to the taxable profits of the company under the Gift Aid scheme. Accordingly, no provision for taxation has been made in the financial statements.

21. RELATED PARTY TRANSACTIONS

The following transaction was entered into with a member of the Board of Trustees. There were no outstanding balances in relation to any of these transactions at the year end.

- £12,500 was received as a donation from Chris Slater who became a Trustee in February 2019.

22. YOUNG ENTERPRISE ACROSS THE UK

The activities of Young Enterprise in the UK are run through this Charity and three separate autonomous licensee charities which are:

Young Enterprise Northern Ireland

Company Limited by guarantee number NI 32769

Registered Charity number XR 21328

Registered Office address: Grove House, 145-149

Donegall Pass, Belfast BT7 1DT

Young Enterprise Scotland

Company Limited by guarantee number SC133649

Scottish registered Charity number SC018180

Registered Office address: Rouken Glen Centre, Rouken

Glen Park, Thornliebank, Glasgow G46 7UG

Young Enterprise (Gibraltar) Limited

Company registered in Gibraltar

Company number 114887

Registered Office address: 124 Irish Town,

Gibraltar, GX11 1AA



Young Enterprise is a national charity. We equip young people to grow up with the life skills, knowledge and confidence they need to successfully earn and manage money.

Follow us



**Young Enterprise Head office:
Yeoman House, Seaford Street,
London EC1R 0HF**

**Email: info@y-e.org.uk
Tel: 020 7549 1980**

www.y-e.org.uk

Produced and distributed by Young Enterprise. Registered Charity No: 313697

