

FOYER FEDERATION FOR YOUTH
(Limited by Guarantee and not having a Share Capital)

Registered Company number 2699839
Registered Charity number 1040482

Trustees' report and financial statements

30 September 1996



KPMG
1 Forest Gate, Brighton Road, Crawley, West Sussex, RH11 9PT

CONTENTS

	Page
Chairman's Report	1
Chief Executive's Report	2-3
Trustees' Report	4-5
Legal and Administration Details	6
Major Donors	7
Corporate Members	8
Statement of Trustees' Responsibilities	9
Auditors' Report	10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13-18

CHAIRMAN'S REPORT

The Foyer Federation for Youth acts to promote the interests of Foyers and to facilitate the ongoing growth of the Foyer network.

This Annual Report describes another year of rapid and exciting growth for the Foyer movement. Foyer managers and developers have responded energetically to the intensifying changes in the world of work. As the global economy reaches ever deeper into our national economy, jobs for life have gone and access to fulfilling employment has become more challenging especially for young people. It is, however, employment which is so critical to the realisation of personal potential and, for young people, the culmination of the passage to fulfilling adulthood.

The achievements of Foyers across the country over the past year have demonstrated ever more clearly how much the movement has to offer those young people who need help, support and motivation to get a job and achieve independence. The enterprise inherent in the movement continues to be reflected in the wide variety of Foyers that have been developed. While welcoming this diversity, it is important to the Foyer Federation to ensure that there is a wide understanding of the fundamental characteristics which all Foyers should share. They are:

- (i) A focus on helping disadvantaged young people, who are homeless or in housing need, achieve the transition from dependence to independence.
- (ii) A holistic approach to the young person's needs, offering integrated access to, at a minimum, accommodation, training and job searching facilities.
- (iii) A relationship between the young person and the Foyer based on a formal agreement as to how the Foyer's facilities and local community resources will be used in making the transition to independence, adherence to which is a condition of continued residence in the Foyer.

Finally, I would like to congratulate the many people across the country who have come together - often against considerable scepticism and inertia - to bring their Foyer into existence or to sustain its ongoing operation. I would also like to pay tribute to the hard work of all the staff of the Foyer Federation whose contribution has been so vital, and in particular to Don Macdonald who resigned as Chief Executive at the end of the year. His work for the Foyer Federation since its inception has been of great importance in building the platform from which the Federation now moves into the next phase of its life. Under the leadership of our new Chief Executive, Carolyn Hayman, I look forward with excitement and anticipation to another year of outstanding achievement. The concept of Foyers is established and accepted throughout the country. The basic network is in place and energy, imagination and commitment is flowing through its veins.



Dickon Robinson - Chair

CHIEF EXECUTIVE'S REPORT

As explained in the Chairman's Report, the Foyer Federation for Youth acts to promote the interests of Foyers and to facilitate the ongoing growth of the Foyer network.

Progress of the Foyer Movement

In the year 1995-96 20 Foyers were opened bringing the total to 45. The 45 Foyers have around 2,500 bed spaces, and many other young people in those communities will have benefited from Foyer training and other programmes. In addition to Foyers in urban settings there has been a further broadening of the concept to include rural Foyers, with 7 schemes opening during the period.

The projected growth of the Foyer movements shows a further 25 Foyers operational in 1997 and increases of 28 in 1998 and 12 in 1999 making the total number in operation 120 by the end of that year.

Foyer Federation for Youth's activities during the year ended 30th September 1996

The Foyer Federation for Youth supported the *growth of the movement* by its ongoing programme of awareness raising. 30 events were held in association with third parties such as the Chartered Institute of Housing. Particularly significant was the Federation's participation in a working party with the Housing Corporation which resulted in Foyers being incorporated in the Special Needs Funding Framework, allowing them to bid for higher rates of Housing Association Grant and Special Needs Management Allowance.

The Federation's ability to support developers will be strengthened following the award of a three year grant from the National Lottery Charities Board of £198,000 subsequent to the year end. This will fund a capacity building programme delivered largely through events and publications.

The Foyer Federation for Youth started work this year on an important initiative to *maintain quality in the Foyer movement*, through the development of a management information system for use by Foyers. This development project, supported by TSB Foundation, is intended to enable Foyers to collect and analyse all the information needed by a variety of funders. The system will be completed and made available to all Foyers who want to use it, in the course of 1997.

This work will dovetail with programme being developed on quality assurance and accreditation. Early development of these was also carried out during the year.

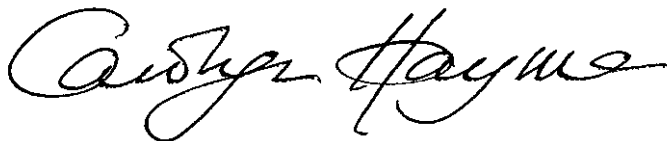
FOYER FEDERATION FOR YOUTH

The staff training programme ran sessions for 160 participants in the seminars, together with 200 individual training sessions, 400 distance learning programmes and a two-day residential conference.

The Federation *continued to influence opinion* through its public affairs programme, focussed on local and central government with a programme of meetings including Ministers, Shadow Ministers, MPs and senior civil servants including those in the Employment Department, Employment Service, Government Regional Offices and Housing Corporation and a presentation to the All Parliamentary Homelessness Group. In addition, the Federation continued to expand its network of contacts focussing particularly over the last year on Local Authorities, Government Offices and other Government Departments and Agencies. Our mailing list grew from around 1,200 organisations to around 1,700 organisations.

The Federation launched a research report, "Foyers - the step in the right direction", giving a snapshot of 20 Foyers over an 18 month period. The research and report was carried out by Annabel Jackson Associates and showed broadly similar results to the earlier University of York study into the five pilot Foyers. The figures show about half of the young people on the Foyer programme gaining employment, (mostly full time permanent posts) and about a third going into some form of training.

European links were maintained through OEIL, the European Federation of Foyer movements. The Foyer Federation for Youth was funded from the European Commission to do a comparative study of basic skills training in the UK, Ireland and France.



Carolyn Hayman
Chief Executive

TRUSTEES' REPORT

The Trustees, who act as directors for the purposes of company law, present their report and financial statements for the year ended 30th September 1996.

Vision of the Foyer Federation for Youth

The Foyer Federation for Youth is the umbrella body for the Foyer movement in the UK. Its mission is to bring into being a national network of Foyers providing safe and affordable accommodation with access to training, education and employment opportunities from which young people are empowered to become socially and economically active citizens.

Mission Statement of the Foyer Federation for Youth

The goals of the Foyer Federation for Youth are to:-

- ♦ **increase the size of the Foyer movement in the UK.**
 - by supporting Foyer developers
 - by making the case for Foyers to Government, the private sector, and others
- ♦ **maintain high standards of quality and innovation through the Foyer movement**
 - by developing quality standards and accreditation, including equal opportunities for all residents including those with special needs.
 - through training, publications and other exchanges of good practice
 - through participating in research and evaluation of aspects of the Foyer movement
- ♦ **create an environment in which Foyers can flourish**
 - by raising awareness of the Foyer movement
 - by lobbying for changes in funding and the regulatory environment
 - by mobilising support and partnerships for Foyers particularly with the private sector
 - by maintaining links with other European Foyer movements

Trustees' report (continued)

Finance report

The financial statements reflect a year of transition. Significant new funding was won from TSB Foundation with £20,000 received in the year. It is anticipated that a further £60,000 will be received over the next three years. Subsequent to the year end, a grant of £198,000 over the next three years was awarded by the National Lottery Charities Board.

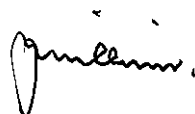
Donations in the year decreased by 44% to £131,532 (1995 -£235,353), which reflects the beginning of a transition from the strong support of the Foyer Federation's original supporters to a more diversified funding base. Direct charitable expenditure for the year rose by 44% to £281,101 (1995-£195,076). This was due mainly to the Federation's increased activities, with new programmes coming on stream during the year:-

- ♦ Housing Consultancy - funded by The Housing Corporation
- ♦ Employment Consultancy - funded by The Tudor Trust.
- ♦ Training modules - funded by the Department for Education and Employment.
- ♦ AJA Research Project - funded from reserves.

Our reserves were utilised to fund the AJA research report, detailed on page 3, the Chief Executive's final payment and an increase in property costs, a total of £44,006.

The net result for the year was a deficit of £49,062 (1995-surplus £117,129) and total funds carried forward of £60,072. Restricted funds were unaffected by the deficit for the year, but the balance of unrestricted funds was reduced to £26,070 (1995-£75,744).

Under new direction and with tightened financial controls it is anticipated that the Federation will return to surplus in 1996/97 despite the loss of substantial core funding from BET following its takeover by Rentokil.



Nigel Milliner
Treasurer and Trustee
16 June 1997

LEGAL AND ADMINISTRATION DETAILS

Foyer Federation for Youth is a Company limited by guarantee, formed in 1992 and registered in England and Wales, Company number 2699839. The Company obtained charitable status on 31st August 1994, charity number 1040482.

The governing instrument of the charity is the Memorandum and Articles of Association which was drawn up on 29 January 1992 and amended by special resolution passed on 17 August 1994.

Trustees

The Trustees who served during the year were:

Dickon Robinson	(Chair)
Geoffrey Bush	(Vice Chair)
Sheila McKechnie OBE	(Vice Chair)
Nigel Milliner	(Treasurer)
Andrew Harris	
Ann Sutcliffe	(Co-opted 24.09.96)
Barbara Thorndick	
Bill Badrock	
Christopher Pearman	
Clair Coward	(Appointed 09.05.96)
John Plummer	
John Drake	(Appointed 09.05.96)
Paul Hulley	(Appointed 09.05.96)
Sarah Brennan	(Appointed 09.05.96)
Sir Christopher Harding	
Victoria Stark	(Resigned 09.05.96)

Secretary

Carolyn Hayman	(Appointed 07.04.97)
Nigel Milliner	(Appointed 31.10.96, resigned 07.04.97)
Don MacDonald	(Resigned 31.10.96)

Observers

Julian Heddy of OEIL
Richard Horsman of Department of the Environment

Registered and principal office

91 Brick Lane
LONDON
E1 6QL

Bankers

National Westminster Bank plc
Liverpool Street Station Branch
P.O. Box 282
216 Bishopsgate
London
EC2M 4JH

The Charities Aid Foundation
CAF Charity Money Management
CafCash Ltd
Kings Hill
West Malling
Kent ME19 4TA

Auditors

KPMG
1 Forest Gate
Brighton Road
CRAWLEY
West Sussex
RH11 9PT

Solicitors

Clifford Chance
200 Aldersgate Street
LONDON
EC1A 4JJ

Particular thanks to:

BET plc
Department of the Environment
Employment Service
Grand Metropolitan plc
Tate and Lyle plc
The Housing Corporation
TSB Foundation

Grand Metropolitan Charitable Trust
Marks and Spencer plc
Rank Foundation
National Lottery Charities Board
Tarmac Contract Housing
Department for Education and Employment
Tudor Trust

Corporate Members:

Barclays Bank plc
Belfast Improved Houses Limited
BET plc
British Urban Regeneration Association (BURA)
BT Community Affairs
Calford Seaden Partnership
Grand Metropolitan plc
Grosvenor Housing Association
International Distillers & Vintners (IDV) Ltd
John Laing plc
London and Quadrant Housing Trust
Look Ahead Housing Association
Marks & Spencer plc - Community Involvement
NACRO
North British Housing Association
Peabody Trust
People for Action
Portsmouth Housing Association
Post Office
Riverside Housing Association
Salvation Army Housing Association
Sanctuary Housing Association
Sedgwick Group plc
Tarmac Contract Housing
Tate & Lyle plc
Trident Housing Association
TSB Group plc
Whitbread plc
YWCA of Great Britain

Other donors:

E. W. Payne Ltd
Great Portland Estates plc

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to incorporated charities in England and Wales requires the trustees, who are also the directors for the purposes of company law, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its financial activities during the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS, KPMG, TO THE MEMBERS OF FOYER FEDERATION FOR YOUTH.

We have audited the financial statements on pages 11 to 18.

Respective responsibilities of Trustees and Auditors

As described on page 9 the trustees, who are also the directors of Foyer Federation for Youth for the purposes of company law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 30 September 1996 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG, Chartered Accountants, Registered Auditors
1 Forest Gate, Brighton Road, CRAWLEY, West Sussex RH11 9PT

4th July 1997

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 September 1996

	Notes	Unrestricted funds	Restricted funds	Total 1996	Total 1995
INCOME AND EXPENDITURE		£	£	£	£
INCOMING RESOURCES					
<i>Donations</i>		101,532	30,000	131,532	235,353
<i>Grants receivable</i>		37,453	59,728	97,181	35,497
<i>Other income by way of purpose</i>	5	38,432	14,891	53,323	62,712
<i>Investment income</i>		4,278	0	4,278	3,625
Total incoming resources		181,695	104,619	286,314	337,187
RESOURCES EXPENDED					
<i>Direct Charitable Expenditure</i>	6	(177,094)	(104,007)	(281,101)	(195,076)
<i>Management and Administration</i>	7	(54,275)	0	(54,275)	(24,982)
Net movement in funds		(49,674)	612	(49,062)	117,129
Surplus/(deficit) brought forward		75,744	33,390	109,134	(7,995)
Surplus carried forward		26,070	34,002	60,072	109,134

The notes on pages 13 to 18 form part of these financial statements.

The charity has no recognised gains or losses other than the net movement in funds for the year.

The incoming resources and resulting net movement in funds in each of the financial years arise from continuing operations.

(A company Limited by Guarantee and not having a Share Capital)

BALANCE SHEET at 30 September 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
<i>Tangible fixed assets</i>	9	5,691	8,500
CURRENT ASSETS			
<i>Debtors</i>	10	36,379	24,051
<i>Cash at bank and in hand</i>		60,842	95,770
		97,221	119,821
CREDITORS:			
<i>amounts falling due within one year</i>	11	(42,840)	(19,187)
NET CURRENT ASSETS		54,381	100,634
NET ASSETS		60,072	109,134
ACCUMULATED FUNDS			
<i>Unrestricted funds</i>		26,070	75,744
<i>Restricted funds</i>	12	34,002	33,390
TOTAL FUNDS		60,072	109,134

The notes on pages 13 to 18 form part of these financial statements.

The financial statements were approved by the trustees on 16 June 1997 and were signed on their behalf by:



Dickon Robinson - Chair



Nigel Milliner - Treasurer

NOTES TO THE FINANCIAL STATEMENTS

1. MEMORANDUM OF ASSOCIATION

The charity is a company limited by guarantee. At the 30 September 1996 there were 15 members (1995: 11), three of whom had undertaken to contribute £1 to the company's assets in the event of the company being wound up.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice: Accounting by Charities and applicable accounting standards.

Fund accounting

The charity's reserves are allocated to two separate funds:

General unrestricted fund

These resources arise from the accumulated surpluses and deficits on the provision of general charitable purposes and are expendable at the discretion of the trustees.

Restricted funds

These funds are subject to specific conditions imposed by the donors.

Incoming Resources

Donations are accounted for on receipt. All other income is accounted for on an accruals basis.

- Donations are mainly from the corporate sector and charitable trusts. These are recognised on an accruals basis where there is a reasonable assurance of receipt.
- Grant income is primarily for specific programmes and includes funding from the European Social Fund and other organisations.
- Income by way of purpose includes funding from the Department for Education and Employment, The Housing Corporation and other organisations.
- Investment income comprises interest on short term deposits.

Resources Expended

All expenditure is accounted for on an accruals basis. Direct charitable expenditure comprises costs directly attributable to charitable programmes. This includes costs related to supporting the programmes and education of the public. Administration

expenditure relates to the management of the charity's funds, organisational administration and compliance with statutory requirements.

Pension costs

The charity contributes towards the employees' defined contribution pension scheme. The amount charged in expenditure represents contributions to the scheme in the financial year.

Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the life of the lease.

Capitalisation and depreciation of fixed assets

Tangible fixed assets are capitalised at cost or at market valuation at date of donation. Depreciation is calculated on a straight line basis to write down the cost or value of the assets over their expected useful economic lives at the following rates:

Computer equipment	33.3% per annum
Office equipment	33.3% per annum
Fixtures and fittings	33.3% per annum

3. CASHFLOW

The charity is exempt from the requirements to prepare a cash flow statement because of its size.

4. TRUSTEES' EMOLUMENTS AND REIMBURSED EXPENSES

Emoluments and reimbursed expenses were not paid to any of the charity's trustees during the financial year.

5. OTHER INCOME BY WAY OF PURPOSE

	1996	1995
	£	£
National Conference	17,525	18,620
Contribution to projects	10,000	20,000
Contribution to conferences	4,652	4,552
Subscriptions	18,451	16,314
Other	2,695	3,226
	<u>53,323</u>	<u>62,712</u>

6. DIRECT CHARITABLE EXPENDITURE

	Unrestricted Funds	Restricted Funds	Total 1996	Total 1995 as restated
	£	£	£	£
Staff costs	66,071	0	66,071	81,218
Premises costs	12,210	0	12,210	4,302
Equipment and consumable costs	46,925	0	46,925	22,944
Programmes	51,888	104,007	155,895	86,612
	<u>177,094</u>	<u>104,007</u>	<u>281,101</u>	<u>195,076</u>

Staff costs include all employment expenditure including salaries, reimbursed expenses, staff training and recruitment.

The 1995 totals have been restated to reflect revised cost allocation between staff and programme expenditure.

7. MANAGEMENT AND ADMINISTRATION EXPENDITURE

	1996	1995
	£	£
Salary and office costs	28,759	20,983
Bank charges	627	523
Audit fees	1,910	1,863
Legal and professional fees	1,391	0
Non-recurring costs (Redundancy)	21,588	1,613
	<u>54,275</u>	<u>24,982</u>

8. STAFF EMOLUMENTS

	1996	1995
	£	£
Emoluments	131,163	113,304
Social security costs	13,400	11,381
Pension and healthcare costs	9,034	8,556
	<u>153,597</u>	<u>133,241</u>
Average number of staff, excluding trustees	<u>6</u>	<u>6</u>
Number of staff in emoluments range £40,000 to £50,000	<u>1</u>	<u>1</u>

Staff emoluments exclude reimbursed expenses, staff training and recruitment costs.

9. TANGIBLE FIXED ASSETS

	Computer equipment £	Office equipment £	Total £
Cost / valuation at 1 October 1995	5,321	6,022	11,343
Additions	1,129	0	1,129
Cost / valuation at 30 September 1996	<u>6,450</u>	<u>6,022</u>	<u>12,472</u>
Depreciation at 1 October 1995	836	2,007	2,843
Charge for the year	1,931	2,007	3,938
Depreciation at 30 September 1996	<u>2,767</u>	<u>4,014</u>	<u>6,781</u>
Net book value at 30 September 1996	<u>3,683</u>	<u>2,008</u>	<u>5,691</u>
Net book value at 30 September 1995	<u>4,485</u>	<u>4,015</u>	<u>8,500</u>

All fixed assets are for direct charitable purposes.

10. DEBTORS

	1996 £	1995 £
Trade debtors	38	91
Other debtors	160	0
Prepayments	4,581	2,560
Accrued income	31,600	21,400
	<u>36,379</u>	<u>24,051</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Trade creditors	8,204	4,426
Accruals	29,518	7,277
Tax and social security	5,118	7,484
	<u>42,840</u>	<u>19,187</u>

12. RESTRICTED FUNDS

	Balance 1 Oct. 1995	Additions	Utilised/ released	Balance 30 Sep. 1996
	£	£	£	£
The Rank Foundation - (Training Officer costs)	18,350	0	18,350	0
Marks and Spencer plc - (Training Programme costs)	6,010	10,000	16,010	0
TSB Bank plc - (Three year Quality Programme)	0	20,000	0	20,000
TOTAL DONATIONS	24,360	30,000	34,360	20,000
Housing Corporation - (Good Practice in Business Planning for Foyers programme)	0	32,400	20,430	11,970
The Tudor Trust - (Employment and Training Consultancy)	0	19,200	19,200	0
Department for Education and Employment - (Training Modules)	0	8,128	6,096	2,032
TOTAL GRANTS	0	59,728	45,726	14,002
Conferences and Seminars	0	4,066	4,066	0
National Conference 1995	9,030	10,825	19,855	0
TOTAL BY WAY OF PURPOSE	9,030	14,891	23,921	0
TOTAL RESTRICTED	33,390	104,619	104,007	34,002

Training Programme

This is a training for trainers programme aimed at developers and operators of Foyers in the UK. It is delivered as a series of seminars, conferences, residential events, specific meetings, one-to-one training and distance learning material.

Quality Programme

The first stage of this programme is the development of a computer based Management Information System for Foyers. This will be followed by a Quality Assurance programme which will dovetail with an accreditation programme for Foyers.

Housing Consultancy

The Housing Corporation has funded a consultant whose role is to advise Foyers on housing related matters, including tenancy issues, housing management best practice, funding etc. This is delivered through publications, reports, meetings and seminars.

Employment Consultancy

The Tudor Trust has funded a consultant who provides expertise in training and employment issues to Foyers, including securing revenue funding for these activities. The programme is delivered through publications, reports, meetings and seminars.

National Conference 1996

An annual gathering to enable developers and practitioners to network and update their knowledge of current issues relating to Foyer development.

13. COMMITMENTS

At 30th September 1996 the company had annual commitments under non-cancellable operating leases as follows:

	1996	1995
	£	£
Operating leases which expire within one year	0	0
Operating leases which expire within two to five years	4,063	8,429
	<u>4,063</u>	<u>8,429</u>

14. POST BALANCE SHEET EVENTS

The first three instalments of the National Lottery Charities Board grant described on page 5 have been received and work on this project is under way. Work has also commenced on the Quality Assurance programme funded by the TSB Foundation, also described on page 5.