

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

Registered Company number 2699839
Registered Charity number 1040482

Directors' report and financial statements

30 September 1995



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

Vision

The Foyer Federation vision is of a society where young people can become independent, self-confident and fully integrated into the community.

Mission Statement

The Foyer Federation fosters and supports the development of a network of Foyers and devises and maintains standards relating to accomodation, guidance, support and job training advice.

The Foyer Federation seeks to be recognised as one of the most effective organisations in resolving unemployment and homelessness amongst young people. We seek this recognition from our clients - the young people, from our customers - employers, housing and training agencies and from the government.

CHIEF EXECUTIVE'S REPORT

The third full year has been of consolidation both for the Federation and for the Foyer Network. Progress has been less dramatic but still very solid. Foyer Federation achievements this year include:-

- *Staff training programme which catered for 517 participants in 13 events, run directly by the Federation, with another 20 events run for external training agencies, such as the Chartered Institute of Housing.*
- *An events programme encompassing two receptions and launches; representation at 3 national conference exhibitions, and a further 74 presentations to outside agencies, including support for local Foyer development and presentations to business.*
- *A public affairs programme which focused on local and central government with a programme of meetings including the Housing Minister, David Curry; Nick Raynsford, Labour Housing spokesman; Senior Civil Servants, in the Employment Department, Employment Service, Government Regional Offices, and Housing Corporation and a presentation to the All Parliamentary Homelessness Group.*
- *Participation in the European network including a presentation at the European Community/LEntA Social Exclusion Conference; joint work and development of research programmes with the French Foyers, and other members of OEIL; presentations to groups from Spain, Norway, Poland, Finland and to the Irish Housing Minister.*

Projects

Camberwell Foyer

One the most exciting new projects this year was the Camberwell Foyer, one of the original pilot schemes which opened for residents in October 1994 and was launched by HRH Prince Charles in July 1995. It is in an inner city area of Lambeth, situated on a high street, and has a shop and restaurant managed by a local restaurateur. The Foyer has 82 beds in cluster flats with bathrooms and kitchens and a training centre equipped and funded by BT and other private sector sponsors. Young people can gain work experience on placements with the private sector, such as Marks and Spencer, and there are also good links with Europe. It was developed by London and Quadrant and is now managed by Centrepont, who put in a great deal of preparatory work supported by charities, government agencies and the private sector.

Bruce House

Another Foyer that opened this year in the heart of Covent Garden was Bruce House based in the hostel where George Orwell stayed in the 1930s. This project with a specialist remit was developed by Peabody Trust, with accommodation for 69 and is targeted at young people who have been sleeping rough in central London, and is managed by Centrepont, while the Skills Development Centre is managed by LEntA. The rest of the building is used for a restaurant,

50 permanent flats managed by the Peabody Trust, and a centre run by Look Ahead for older homeless people with mental health problems .

YMCA Foyers

The YMCA itself has continued to expand the number of foyers it has developed. The advice given to potential developers by the YMCA National Council and the Foyer Federation is not to rush into developing Foyers without having fully thought through the consequences and planned the programme and the funding in consultation with local agencies. Cross fertilization has continued between the housing agencies, who are the main developers of the schemes, and training funders and agencies. Several foyers are now providing up to date and relevant techniques to job search. Thus Watford YMCA Foyer use psychometric tests as part of a comprehensive assessment to enable young people to choose the type of work they would like to go into rather than following in the footsteps of their peer groups or relatives. This is essential as there have been fundamental changes in the employment market which affect their job chances. Several Foyers, including High Wycombe YMCA Foyer, are developing a prevocational training course to give young people a certificate from an FE College.

Small towns, such as Braintree, need Foyers too.....

Young people in small towns and rural areas can find access to housing, employment and training all very difficult, unless they are given the right support and guidance. Braintree Council and two housing associations, SAHA and Blackwater, were partners in developing a scheme, with 32 beds in the Foyer, a small cafe, a meeting room and 20 self-contained flats. The scheme has been running since 1994. The total capital cost was £2M with grants from the Housing Corporation and Countryside Properties, a grant and land from Braintree Council, and a mortgage taken up by the Salvation Army Housing Association. Training support is provided by the European Social Fund.

Cross UK Network

This year priority was given to building the foundations of a truly national network by linking with agencies in Northern Ireland, Wales and Scotland. Each of those countries has a different housing structure; each has differences in the training services on offer and each scheme requires different housing associations and training agencies to operate there, hence the need for specialist support.

Organisation

The staffing changed this year, with the ending of the very useful secondments from the Department of Environment and Employment Service. The organisation's capabilities have been helped by the fact that GrandMet Trust still delivered accountancy services to the Federation; a very valuable service indeed as it enabled the Federation to concentrate on its strengths, namely the support to projects, policy work, and training work, while the financial services were handled by a skilled team. We have continued to build the strength of the organisation and the network, including the introduction of corporate membership, the expansion of membership numbers, the production of quarterly newsletters and mailings to full members and other interested parties.

Sponsors' Support

The support from our other main sponsor, BET, is complementary in that its managers are working closely with Foyers in the field including Braintree and Camberwell. The links with business were extended and improved this year with the support of Grand Metropolitan plc and BET. Lord Sheppard, chairman of London First, invited 50 businesses to come and hear about Foyers with a view to becoming involved in supporting the London Foyers. The follow up work from this is still going on and, currently, thirty London based companies are involved with Foyers. Across the country other companies are involved with their local Foyers, such as GKN with the scheme in Yeovil and Tarmac with the Axiom scheme in St Neots, Hertfordshire.

Events Programme

Another significant event in the year was the launch of the Foyer Design Handbook, translated from the original French booklet written by Michael Conan for UFJT. This translation and the subsequent launch was sponsored by Tarmac.

In April 1995 the University of York published its research on Foyers which was financed by the Rowntree Foundation. This was very thorough and comprehensive research into the five YMCA pilots and capital funding aspects of the first three Housing Corporation funded schemes. The report recommended strongly that proper funding mechanisms were needed for Foyers, as this was proving to be a problem.

Foyer Fair

The Federation ran the second Foyer Fair in October 1994, combining a national conference, a VIPs reception and an exhibition. There was a range of notable speakers including Neville Simms, Chief Executive of Tarmac, Lady Diana Brittan from Community Industry, Julia Cleverdon from Business in the Community and Sheila McKechnie of Shelter. A significant group of delegates from Europe were sponsored by British Airways to attend the conference. The workshops were very successful for the 300 delegates.

Conclusions

In the last year the Foyer network continued to expand, and apart from those already mentioned in the annual report, we are pleased to welcome all the new Foyers including Bath, Bridge Close, Cumbernauld, Ealing YMCA, Halton YMCA and Newbury YMCA.

The programmes are proving very cost effective with unit costs of around £1,000 per place and consistently good outputs into work and training as well as social skills and personal development as recommended by the CBI.

There has continued to be greater emphasis on the positive employment and training results of Foyers, without forgetting the need for skills development among young people. All in all this has been another good year for the Foyer network.



Don Macdonald - Chief Executive

DIRECTORS' REPORT

Year ended 30 September 1995

CHAIR'S REPORT

The Foyer Federation was set up as the central coordinating organisation for Foyers in the United Kingdom and is now in its third full year. However, in this short time, an enormous amount has been achieved, due mainly to the efforts of voluntary agencies, supported by the private and public sectors.

The Foyer network continues to grow and at the end of September 1995 25 Foyers are operational with more in the pipeline. This expansion from 1992 represents a tremendous achievement and at this rate, the Foyer Federation target of about 75 to 100 projects by the Millennium should be achieved. The large number of schemes and the high level of interest in the Foyer concept demonstrate how concern for young people touches a chord.

The Federation is currently concentrating on disseminating good practice, training for Foyer staff and networking among the wide range of organisations involved in Foyers. In order to strengthen these areas of activity, the Board's expertise has been increased by the recent appointment of three Foyer managers as regional representatives. Membership of the Federation has also continued to grow and a new category of Corporate Membership was successfully introduced earlier this year. As a result of their support for the Foyer concept and local projects there are now 25 organisations in Corporate Membership.

The Federation is planning to introduce a system of quality assurance for Foyers, which following widespread consultation with the field, will be piloted and then implemented for all Foyers who wish to have their standards of service and provision validated and endorsed.

The Federation has also been playing a key role in representing to the Government the achievements and concerns arising from the work of Foyers.

I am sure that the Federation will continue to play its part in helping the Foyer network grow, resulting in increased numbers of young people enabled by Foyers to lead independent and self-sufficient lives.

FINANCE REPORT

During the year the Foyer Federation continued to benefit substantially from the financial support of a few corporate benefactors, but in particular, from the generosity of Grand Metropolitan Charitable Trust. However, although income from these sources formed the major part of the Federation's income for the year, there has been encouraging growth in membership (both corporate and Foyer) and in ad-hoc donations.

After total expenditure for the year of £220,058 (1994: £280,759) there was a surplus of £117,129 (1994: £3,900 deficit). The Federation's cash balance at 30th September 1995 was

£95,770 (1994: £89,964) and was achieved after a loan repayment of £80,000. Of the total income for the year, £52,658 (1994: £97,608) was committed to specific projects, as analysed in note 13 to the Accounts.

The Federation has done well to accumulate unrestricted funds of £75,744 at the Balance Sheet date and at this early stage of the Federation's development the directors consider this level of surplus to be sufficient to ensure the continued smooth running of the organisation.

1994/95 has been a satisfactory year for the Federation and, with an active fund raising programme and further European and lottery bids, there are reasons to believe that Foyer Federation will continue to sustain its growth in 1995/96.

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.

Directors

The Directors who served during the year were:

Geoffrey Bush	(Vice Chair)	
John Farrow		(resigned 20 September 1994)
Sir Christopher Harding		
Andrew Harris		
Sheila McKechnie	(Vice Chair)	
Nigel Milliner	(Treasurer)	
Christopher Pearman		
John Plummer		
Dickon Robinson	(Chair)	
Victoria Stark		
Barbara Thorndick		(appointed 18 July 1995)
Bill Badrock		

No Directors hold, or have held, any beneficial interest in the Company.

Secretary

Don Macdonald

Observers

Julian Heddy of OEIL
Richard Horsman of Department of the Environment

Staff

Don Macdonald	Chief Executive	
Jill Tomlin	Deputy Chief Executive (seconded from Department of Environment)	
David Tyler	Development Director	
Gill Sewell	Training and Support	
Kath Whalley	Employment affairs	(seconded from The Employment Service until 27 July 1995)
Chris Fagg	European affairs	(resigned 25 July 1995)
Anthony Hopson	Support (information)	(resigned 30 June 1995)
Ursula Emile	Support(membership and finance)	

Registered and principal office

91 Brick Lane
LONDON
E1 6QN

Bankers

National Westminster Bank plc
216 Bishopsgate
LONDON
EC2M 4QB

The Charities Aid Foundation
Money Managment Co. Ltd.
CAFCASH Deposit Fund
48 Pembury Road
TONBRIDGE
Kent TN9 2JD

Auditors

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

Solicitors

Clifford Chance
200 Aldergate Street
LONDON
EC1A 4JJ

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and accordingly have signed the report in their new name.

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Particular thanks to:

BET plc
Department of the Environment
Employment Service
Grand Metropolitan plc

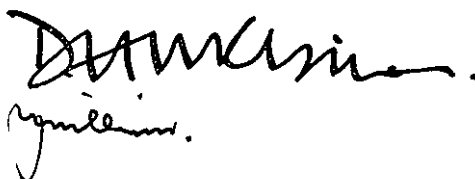
Grand Metropolitan Charitable Trust
Marks and Spencer plc
Rank Foundation

Corporate Members and Other Donors:

Belfast Improved Houses Ltd
British Airways plc
BT
Calford Seadon Partnership
Clifford Chance
Department for Education and Employment
East Thames Housing Group
European Social Fund
Grosvenor Housing Association
International Distillers and Vintners Ltd
Kent Community Housing Trust
Knightstone Housing Association
Laing Charitable Trust
Lawrence Graham
London & Quadrant Housing Trust
Look Ahead Housing Association

North British Housing Association
OEIL
Open Door Housing Association
Paines Mill Foyer
Peabody Trust
Portsmouth Housing Association
Salvation Army Housing Association (Swindon)
Salvation Army Housing Association (Newcastle)
Salvation Army Housing Association
Salvation Army Housing Association (Head Office)
Sedgwick Group plc
Tarmac Contract Housing
TARMAC Construction plc
Tate and Lyle plc
TSB Group plc
Whitbread plc
YWCA

Dickon Robinson - Chair
Nigel Milliner - Treasurer



STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company and charity law require the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the excess of income over expenditure of the Company for that period. In preparing those financial statements, the Directors 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 Company will continue in business.*

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Company 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 17 which have been prepared under the historical cost convention and the accounting policies set out on page 13.

Respective responsibilities of Directors and Auditors

As described on page 9 the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion based on our audit of 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 Directors in the preparation of the financial statements and, of whether the accounting policies are appropriate to the 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 the Company's affairs as at 30 September 1995 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

7th May 1996

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

INCOME AND EXPENDITURE ACCOUNT

for the year ended 30 September 1995

	Notes	Unrestricted funds	Restricted funds	Total 1995	Total 1994 as restated
		£	£	£	£
INCOMING RESOURCES					
<i>Voluntary donations</i>		200,353	35,000	235,353	104,333
<i>Gifts in kind</i>		0	0	0	7,220
<i>Grants received</i>		32,389	3,108	35,497	82,486
<i>Other income by way of purpose</i>	6	48,802	13,910	62,712	80,836
<i>Investment income</i>		2,985	640	3,625	1,984
Total incoming resources	5	284,529	52,658	337,187	276,859
RESOURCES EXPENDED					
<i>Direct Charitable Expenditure</i>	7	(163,554)	(31,522)	(195,076)	(249,640)
<i>Management and Administration</i>	8	(24,982)	0	(24,982)	(31,119)
Net movement in funds		95,993	21,136	117,129	(3,900)
Surplus/(deficit) brought forward		(20,249)	12,254	(7,995)	(4,095)
Surplus/(deficit) carried forward		75,744	33,390	109,134	(7,995)

The notes on pages 13 to 17 form part of these financial statements.

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

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

The 1994 totals have been restated in keeping with the principles expressed in the Statement of Recommended Practice: Accounting by Charities to reflect revised cost allocations between direct charitable and management and administration expenditure.

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

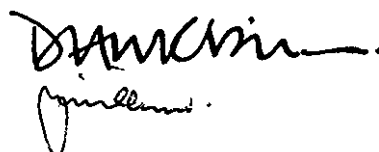
BALANCE SHEET at 30 September 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
<i>Tangible fixed assets</i>	10	8,500	7,220
CURRENT ASSETS			
<i>Debtors</i>	11	24,051	22,532
<i>Cash at bank and in hand</i>		95,770	89,964
		119,821	112,496
CREDITORS:			
<i>amounts falling due within one year</i>	12	(19,187)	(127,711)
NET CURRENT ASSETS/(LIABILITIES)		100,634	(15,215)
NET ASSETS/(LIABILITIES)		109,134	(7,995)
ACCUMULATED FUNDS			
<i>Unrestricted funds</i>		75,744	(20,249)
<i>Restricted funds</i>	13	33,390	12,254
TOTAL FUNDS		109,134	(7,995)

The notes on pages 13 to 17 form part of these financial statements.

The financial statements were approved by the Directors on 16 January 1996.

Dickon Robinson - Chair
Nigel Milliner - Treasurer



NOTES TO THE FINANCIAL STATEMENTS

1. MEMORANDUM OF ASSOCIATION

The Company is limited by guarantee. At the 30 September 1995 there were 11 members, 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 Company's reserves are allocated to two separate funds:

General unrestricted fund

These resources arise from the accumulated surpluses and deficits on the provisions of general charitable purposes.

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. Gifts in kind consists of computers and office equipment donated to the Company. Their valuation is included in note 10. The items were capitalised according to the accounting policies for tangible fixed assets. Grants receivable are recognised on an earned basis in the year in which the conditions are met.

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 Company's funds, organisational administration and compliance with statutory requirements.

Pension costs

The Company contributes towards the employees' defined contribution pension schemes. The amount charged in expenditure represents contributions to the schemes in the financial year paid to the schemes' administrators.

Operating leases

Rentals payable under operating leases are charged to the income and expenditure account 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 value at date of donation. Depreciation is calculated on a straight line basis to write down the cost or value at the following rates:

Computer equipment	33.3% per annum
Office equipment	33.3% per annum

3. CASHFLOW

Under Financial Reporting Standard Number 1, the Company is exempt from the requirements to prepare a cash flow statement because of its size.

4. DIRECTORS EMOLUMENTS AND REIMBURSED EXPENSES

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

5. RESOURCES ARISING

Voluntary income comprises donations from corporate bodies. Grants received are from the European Social Fund and the Department for Education and Employment. Other income by way of purpose is derived from contributions towards training costs, membership, publications, conferences and seminars. Bank interest was received from short term deposits.

6. OTHER INCOME BY WAY OF PURPOSE

	1995	1994
	£	£
National Conference 1995 & "Foyer Fair" 1994	18,620	31,039
Contribution to projects	20,000	20,000
Contribution to conferences	4,552	18,050
Mailing list	16,314	7,840
Other	3,226	3,907
	<u>62,712</u>	<u>80,836</u>

7. DIRECT CHARITABLE EXPENDITURE

	1995	1994 as restated
	£	£
Staff costs	136,670	76,454
Premises costs	4,302	7,931
Equipment and consumable costs	22,944	36,094
Conferences, seminars and other costs	31,160	129,161
	<u>195,076</u>	<u>249,640</u>

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

8. MANAGEMENT AND ADMINISTRATION EXPENDITURE

	1995	1994 as restated
	£	£
Salary and office costs	20,983	21,368
Bank charges	523	517
Loan interest	0	3,990
Audit fees	1,863	781
Legal and professional fees	0	140
Non-recurring costs (Redundancy)	1,613	4,323
	<u>24,982</u>	<u>31,119</u>

9. STAFF EMOLUMENTS

	1995	1994
	£	£
Salaries	113,304	46,225
Social security	11,381	5,140
Pension and healthcare	8,556	3,592
	<u>133,241</u>	<u>54,957</u>
Average number of staff, excluding directors	<u>6</u>	<u>3</u>
Number of staff in emoluments range £40,000 to £50,000	<u>1</u>	<u>0</u>

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

10. TANGIBLE FIXED ASSETS

	Computer equipment	Office equipment	Total
	£	£	£
Cost / valuation at 1 October 1994	1,568	5,652	7,220
Additions	3,753	370	4,123
Cost / valuation at 30 September 1995	<u>5,321</u>	<u>6,022</u>	<u>11,343</u>
Depreciation at 1 October 1994	0	0	0
Charge for the year	836	2,007	2,843
Depreciation at 30 September 1995	<u>836</u>	<u>2,007</u>	<u>2,843</u>
Net book value at 30 September 1995	<u>4,485</u>	<u>4,015</u>	<u>8,500</u>
Net book value at 30 September 1994	<u>1,568</u>	<u>5,652</u>	<u>7,220</u>

All tangible fixed assets at 30 September 1994 were donated on the 29 September 1994. One asset was capitalised at cost (£5,396), the remainder were capitalised at an estimate of their value when received.

11. DEBTORS

	1995	1994
	£	£
Trade debtors	91	452
Prepayments	2,560	2,080
Accrued income	21,400	20,000
	<u>24,051</u>	<u>22,532</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995	1994
	£	£
Loan	0	80,000
Trade creditors	4,426	38,028
Accruals	7,277	9,683
Tax and social security	7,484	0
	<u>19,187</u>	<u>127,711</u>

13. RESTRICTED FUNDS

	Balance 1 Oct. 1994	Additions	Utilised/ released	Balance 30 Sep. 1995
	£	£	£	£
The Rank Foundation - (Training Officer costs)	12,254	20,000	13,904	18,350
Marks and Spencer plc - (Training Programme costs)	0	10,000	3,990	6,010
British Telecom - ("Foyer Fair" 1994)	0	2,000	2,000	0
Barclays Bank plc - ("Foyer Fair" 1994)	0	1,500	1,500	0
Sedgwick Group plc - (National Conference 1995)	0	1,000	0	1,000
Whitbread plc - (National Conference 1995)	0	500	0	500
TOTAL VOLUNTARY INCOME	12,254	35,000	21,394	25,860
Department for Education and Employment - (Training Manager)	0	3,108	3,108	0
TOTAL GRANTS	0	3,108	3,108	0
"Foyer Fair 1994"	0	6,257	6,257	0
National Conference 1995	0	7,653	123	7,530
TOTAL BY WAY OF PURPOSE	0	13,910	6,380	7,530
Interest received - (Training Programme)	0	640	640	0
TOTAL INVESTMENT INCOME	0	640	640	0
TOTAL RESTRICTED	12,254	52,658	31,522	33,390

14. COMMITMENTS

At 30th September 1995 the company had annual commitments under non-cancellable operating leases as follows:

	1995	1994
	£	£
Operating leases which expire within one year	0	0
Operating leases which expire within two to five years	8,429	0
	<u>8,429</u>	<u>0</u>