

Private Company Limited by Guarantee No. 08430154
Charity Registration No. 1151198

**KCP YOUTH
DIRECTORS' REPORT AND UNAUDITED ACCOUNTS
FOR THE PERIOD ENDED 31ST MARCH 2014**

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KCP YOUTH

LEGAL AND ADMINISTRATIVE INFORMATION

Private company limited by guarantee number 08430154

Registered charity number 1151198

The Directors of KCP Youth (all of whom are charitable trustees) for the period under review were as follows:

Sarah Bates (resigned on 18 November 2013)
His Honour Judge Stephen Dawson
Stephanie Devine (resigned on 31 December 2013)
Anthony Graham
Neil Gregory
Hugh Grover (resigned on 3 June 2014)
Susan Harris (appointed on 3 December 2013)
George Lusty
Lesley Witt

The Members of KCP Youth for the period under review were as follows:

Sarah Bates (resigned on 18 November 2013)
His Honour Judge Stephen Dawson
Stephanie Devine (resigned on 31 December 2013)
Anthony Graham
Neil Gregory
Hugh Grover (resigned on 3 June 2014)
George Lusty
Lesley Witt

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Independent examiner

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KCP YOUTH

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KCP YOUTH

Directors' report for the period ended 31 March 2014

Introduction

The Directors of KCP Youth present their report for the period ended 31 March 2014.

KCP Youth is a private company limited by guarantee (registered company number 8430154) and qualifies as a small company for the purposes of section 382 of the Companies Act 2006. It is also a registered charity (registered charity number 1151198), with gross income in the relevant period of less than £250,000. This Directors' report therefore provides information required by both the Charities (Accounts and Reports) Regulations 2008 and The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008.

The accounts have been prepared in accordance with section H of KCP Youth's Articles of Association dated 1 March 2013, and with the accounting requirements set out in the Companies Act 2006 and the Charities Act 2011.

So far as the Directors are aware, there is no relevant information of which the independent examiner is unaware. The Directors have taken all reasonable steps to ascertain any relevant information to ensure the independent examiner is aware of such information.

As will be explained further below, the operations of KCP Youth ceased on 31 March 2014 and the Directors thereafter initiated steps to wind down the company's activities. As part of the wind down of activities the Directors have determined all associated liabilities. All final liabilities of KCP have been settled and residual funds determined. These residual funds have been distributed to other charities in Islington to provide services to young people in line with KCP's Articles of Association, as described on page 9. As described above these matters have been drawn to the attention of the independent examiner.

Formation of KCP Youth as a charitable company

On 5 March 2013, the Registrar of Companies for England and Wales certified that KCP Youth was incorporated as a private company limited by guarantee (registered company number 8430154). On 12 March 2013, KCP Youth was entered into the Register of Charities (registered charity number 1151198).

On 1 April 2013, the assets and liabilities of the unincorporated charity known as Kings Corner Project (registered charity number 288182) were transferred to KCP Youth, the trustees of Kings Corner Project having decided to incorporate the charity as a company limited by guarantee, and to continue the provision of substantially the same activities through the incorporated body.

Structure, governance and management

The Directors and Members of KCP Youth who served during the period under review are shown on page 2.

The strategic direction and governance of KCP Youth is carried out by the Directors, who met regularly during the period under review. Between 1 April 2013 and 31 October 2013, Sarah Bates was appointed by the Directors to chair their meetings. Following the resignation of Sarah Bates as a Director on 18 November 2013, the Directors appointed Tony Graham and George Lusty to chair their meetings until the appointment of Susan Harris on 3 December 2013, who thereafter was appointed to chair meetings of the Directors.

The day-to-day operation of KCP Youth during the period under review was carried out by its staff (on average six members of staff were employed during the period under review, supplemented by a small team of sessional workers), under the overall supervision of the Project Manager. From the beginning of the period under review until 7 March 2014, James Kitchener undertook the role of Project Manager. From that date until the cessation of the company's operations on 31 March 2014, the day-to-day operation of the company was carried out under the management and supervision of Mark Nunn, a senior youth worker. Thereafter, no operations were carried out by KCP Youth which were not ancillary to the winding up of the charitable company.

Objects and activities

The objects of KCP Youth, as set out in the company's Articles of Association dated 1 March 2013 are to:

- educate, support and train young people in the City of London, the London Borough of Islington and surrounding boroughs under the age of 25, with a particular emphasis on the age group 13 to 21, so as to develop their physical, mental, moral and spiritual activities and capacities that they grow to full maturity as persons and members of society and that their conditions of life may be improved; and
- promote and provide for the advancement of the education, training and support of young persons who are unemployed or under-employed and the provision of facilities and other support for work experience, enterprise and training as will enable them to acquire and develop vocational skills.

During the period under review, the company, which as noted above, is also a registered charity, carried out work with young people, mostly between the ages of 13 and 21, in the area of Old Street in the south of the London Borough of Islington. The aims of the company are to fulfil its charitable objectives, particular by raising funding to allow the company to offer activities and programmes to build the confidence of young people, so that they can make the best of the world around them and access the available opportunities.

During the period under review, therefore, the company provided a range of activities, courses and workshops for young people, including:

- sessional music workshops, delivered at the company's premises in Old Street, under the supervision of the company's staff and sessional tutors, introducing young people to a wide range of musical instruments, and giving them the skills to record their own musical works;
- a music project involving young people from the Lough Road Centre for Children and Young People with Disabilities;
- social and cultural off-site activities, including various outdoor activities to coincide with school holidays;
- fashion workshops, including silk screen T-shirt printing and clothes customisation;
- a regular weekly youth club, on Tuesday evenings, providing a wide range of social activities for young people; and
- drop-in activities and sessions, including a computer club and homework, interview and CV support, as well as informal counselling.

The Directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake. Throughout the period under review, the Directors have continued to keep the policies and procedures of KCP Youth under review and up to date, in particular the organisation's Child Protection, Safeguarding and Safe Recruiting policies, and taken steps to ensure that the activities of KCP Youth were conducted in accordance with those policies and procedures.

Significant developments during the period

The Directors of KCP Youth have at all times during the period under review had in mind the need to ensure that the charitable company continues to represent a going concern. The funding available for the provision of non-statutory youth services, both from public and private sources, has very substantially reduced in recent years, and the sector has undergone a considerable period of rationalisation and contraction.

As detailed further below in relation to funders, the London Borough of Islington ("LBI") has been the largest single provider of funding to KCP Youth (and to its predecessor organisation, Kings Corner Project), and this funding, which includes an internal payment within LBI in respect of the rent of KCP Youth's premises at 104 Old Street, accounted for over 50% of KCP Youth's gross income. During the period under review, LBI operated a commissioning model by which KCP Youth entered into a direct contract with LBI for the provision of certain youth services in return for the funding received. The company's predecessor organisation, Kings Corner Project, had operated an identical arrangement with LBI.

Following discussions with LBI in January 2014 and the circulation by LBI of information more widely to both public and private sector providers of non-statutory

youth services in February 2014, it became clear to the Directors that LBI intended in the short to medium-term to adopt a new commissioning system, by which the provision of non-statutory youth services will, from early 2015:

- no longer provide for ring-fenced funding for any public or private sector provider;
- be provided principally from premises that are owned by LBI, with all premises leased by LBI (such as those operated by KCP Youth) relinquished;
- be opened to tender, whereby organisations would bid to operate youth services from the above (LBI-owned) premises.

The Directors of KCP Youth met on various occasions between January and March 2014 to discuss these developments, and in particular KCP Youth's ability to participate in the new commissioning model (having historically only provided directly commissioned youth services from dedicated premises) and to reflect more generally on the resilience of the organisation in light of difficulties in securing appropriate staffing for the project and achieving a suitable and sustainable scale of operations. After careful consideration, the Directors concluded that KCP Youth was no longer a going concern, and took immediate steps to cease the operations of KCP Youth, which were ended on 31 March 2014. This included the notification of LBI and other funders, withdrawing extant applications for funding, and the notification of staff and contractors, with a view to fully winding down the charitable company as soon as possible thereafter.

The Directors of KCP Youth express their most sincere thanks to our funders for their crucial support during the year and previously, and in particular to LBI and the Rank Foundation and their excellent staff members, for their considerable assistance in connection with ending the operations KCP Youth. In particular, this has involved:

- Winding down the youth activities and operations from KCP Youth's premises at 104 Old Street, and preparing for LBI to take over direct control of the premises from 1 April 2014 and continuing to offer youth services directly from these premises;
- Giving the appropriate notice to staff members in accordance with the terms and conditions in their respective contracts of employment, and assisting, as far as possible, staff members to find alternative employment;
- Undertaking discussions with funders to determine whether projects that were "in flight" at the time operations ceased could be continued (through a transfer of funding and/or equipment) by other charitable providers, which has in particular allowed a substantial music project to be continued by City YMCA London;
- Identifying KCP Youth's creditors and arranging for prompt payment, including the calculation and repayment of the unspent part of restricted funding from various funders; and

- Identifying the remaining assets of KCP Youth at the time operations ceased.

Following the submission of these accounts to Companies House and the Charity Commission, which include the payment of all known creditors and describe how the company's remaining assets have been disposed in accordance with the Articles of Association, the Directors intend to apply for KCP Youth to be struck off the Register of Companies for England and Wales and the Register of Charities.

Funding

Details of the various organisations that funded KCP Youth's activities during the period under review are detailed at note 3 to the accounts.

As noted above, KCP Youth's largest funder in the period under review was LBI, providing funding of £80,791 for the period, which sum included what is effectively an internal payment within LBI in respect of the rent of KCP Youth's premises at 104 Old Street.

KCP Youth continued to benefit under the period under review from an arrangement with the Rank Foundation (initially concluded with our predecessor organisation, Kings Corner Project), by which one member of staff participated in the Rank Foundation Youth Workers' Apprentice Programme. This programme fully funded one of our members of staff and supported a programme of study and training for that member of staff in parallel.

KCP Youth was successful in bids for funding to the Big Lottery Fund (as part of its "Awards for All" initiative), to the London Community Foundation (as part of its "Dispossessed Fund" initiative), to the Youth Music Foundation in connection with particular youth projects. These funding streams were supplemented by grants from The Murray Trust and Islington Youth Offending Service.

As detailed above, KCP Youth ceased operations on 31 March 2014 and thereafter returned, by agreement, the unspent part of any funding streams to the relevant organisation, certain of which subsequently transferred that funding (and certain accompanying equipment) to City YMCA London in order to allow the continued provision of the youth services for which the funding had initially been secured.

Unrestricted Funds and Reserves

The Directors had previously identified the high level of risk including the cost of potential cessation and closure, and ensured unrestricted funds were accumulated accordingly.

Having taken steps to identify and settle all liabilities of KCP, unrestricted funds before distribution as at 31 March 2014 were £28,957. Following careful consideration, the Directors decided to make these funds available to local charities to provide services to young people in LBI, in line with KCP's Articles of Association, by way of grants whereby the receiving charity agreed in advance specifically how the funds would be utilised. For each grant the charity is required to submit a report once the activities

have been completed, to the Directors, detailing how the funds were deployed and the outcomes achieved.

Grants were made available under these terms as described at note 7 to the accounts to charities to provide youth services over the summer period and subsequently to provide services during the winter period, to be completed in 2015.

Grants utilised during the summer of 2014 and now concluded were received and deployed by the following charities:

• Friends of the Rose Bowl	£5,000
• Urban Hope	£5,000
• St Mary Islington Community	£5,000
• Prospex	£1,000

Grants utilised during the winter of 2014 and now concluded were received and deployed by the following charities:

• City YMCA	£5,000
• Prospex	£7,957

Approval of the Directors' report

This report has been approved by the Directors of KCP Youth and is signed on behalf of the Directors by the undersigned.



Susan Harris
Director

2 December 2014

KCP YOUTH

INDEPENDENT EXAMINER'S REPORT TO THE DIRECTORS OF KCP YOUTH

I report on the accounts for the year ended 31 March 2014, which are set out on pages 11 to 15.

Respective responsibilities of the Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of the Independent Examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees, concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:

- (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- (ii) to prepare accounts which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice : Accounting and Reporting by Charities

have not been met; or

- (b) No other matter has come to my attention in connection with my examination to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.


Bernard Clow

3 December 2014

KCP YOUTH

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

For information purposes only, the comparative figures for the predecessor organisation, Kings Corner Project, for the 15 month period to 31 March 2013 have been included in these accounts.

	Notes	Unrestricted funds £	Restricted funds £	2013/14 £	Kings Corner Project: 15 months to 31 March 2013 £
<u>Incoming resources</u>					
Incoming resources from generated funds:					
Donations	1	20,706	1,683	22,389	35,406
Investment income	2	170		170	243
Incoming resources from charitable activities	3	<u>80,791</u>	<u>49,723</u>	<u>130,514</u>	<u>133,992</u>
Total incoming resources		101,667	51,406	153,073	169,641
Resources expended					
Costs of generating funds					
Cost of generating donations	4	670		670	553
Charitable activities	5	142,110	63,302	205,412	155,425
Governance costs	8	<u>664</u>		<u>664</u>	
Total resources expended		143,444	63,302	206,746	155,978
Net (expenditure)/ income for the year		-41,777	-11,896	-53,673	13,663
Net movement in funds					
Fund balances as at 1 January 2013		41,777	11,896	53,673	40,010
Fund balances at 31 March 2014		0	0	0	53,673

KCP YOUTH


BALANCE SHEET AS AT 31 MARCH 2014

	Notes	As at 31 March 2014		As at 31 March 2013	
		£	£	£	£
Fixed Assets					
Tangible assets			0		0
Current Assets					
Debtors	11	2,345		2,789	
Cash at bank and in hand		<u>59,275</u>		<u>61,774</u>	
		61,619		64,563	
Creditors: amounts falling due within one year	12	<u>61,619</u>		<u>10,890</u>	
Net current assets			0		53,673
Total assets less current liabilities			0		53,673
Income Funds					
Restricted funds	13		0		11,896
Unrestricted funds			0		41,777
			0		53,673

The accounts were approved by the Directors on **2 December 2014**.

The company is exempt from the requirements relating to preparing audited accounts in accordance with section 477 of the Companies Act 2006. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.



Susan Harris

Director

KCP Youth
Notes to the Accounts
For the year ended 31 March 2014

Notes to the Accounts
For the year ended 31 March 2014

1 Donations

The Project is grateful to all the individuals, trusts and companies who have supported our work this year

2 Investment income

Bank interest receivable

			Total 2013/14 £	Total 2012/13 £
3 Incoming resources from charitable activities				
	Unrestricted funds	Restricted funds		
London Borough of Islington	80,791		80,791	
The Rank Foundation		14,782	14,782	
Big Lottery Fund - Awards for All		6,669	6,669	
London Community Foundation		10,579	10,579	
The Murray Trust		8,000	8,000	
Youth Music		8,893	8,893	
Islington Youth Offending Service		800	800	
	80,791	49,723	130,514	133,992
4 Cost of generating funds				
JustGiving website subscription				473
Fundraising events			<u>670</u>	<u>80</u>
			670	553

5 Charitable activities

	Staff cost £	Other costs £	£	£
Activities undertaken directly	115,576	38,711	154,287	131,382
Support costs	<u>0</u>	<u>22,168</u>	<u>22,168</u>	<u>24,043</u>
	115,576	60,879	176,455	155,425
Activities undertaken by other charities		<u>28,957</u>	<u>28,957</u>	<u>0</u>
	115,576	89,836	205,412	155,425

6 Support costs

Premises costs	20,901	22,941
Administrative costs	<u>1,267</u>	<u>1,102</u>
	22,168	24,043

KCP Youth
Notes to the Accounts
For the year ended 31 March 2014

Notes to the Accounts

7 Activities undertaken by other charities

	Total 2013/14	Total 2013/14
Friends of The Rose Bowl	5,000	
Urban Hope	5,000	
St Mary Islington Community	5,000	
Prospex	8,957	
City YMCA London	<u>5,000</u>	
	28,957	0

8 Governance costs

These are mainly to meet statutory storage requirements and other costs associated with winding up KCP Youth

9 Staff costs and directors' remuneration

Salaries	115,576	107,675
There was no employee whose remuneration was £60,000 or more per annum		
None of the Directors (or any persons connected with them) received any remuneration or reimbursement of expenses during the year		

10 Number of employees

The average monthly number of employees during the period was

	Full and Part-time	
Direct charitable activities	6	4
	2013/14	2012/13
	£	£

11 Debtors

Prepayments and accrued income		1,492
Other debtors	<u>2,345</u>	<u>1,297</u>
	2,345	2,789

12 Creditors: amounts falling due within one year

Taxes and social security costs	378	7,995
Accruals	<u>61,241</u>	<u>2,895</u>
	61,619	10,890

KCP Youth
Notes to the Accounts
For the year ended 31 March 2014

Notes to the Accounts

13 Restricted funds

	Balance at 01-Apr 2013	Movement in funds		Balance at 31-Mar 2014
	£	Incoming resources	Resources expended	£
Youth activities	11,896	51,406	-63,302	0

14 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 31 March 2014 are represented by:			
Current assets	61,619	0	61,619
Creditors: amounts falling due within one year	-61,619	0	-61,619
	0	0	0