

GENERATION CHANGE**TRUSTEES REPORT****FOR THE YEAR ENDED 31st JULY 2019**

The Trustees, who are also the Directors, of Generation Change present their report and financial statements for the year ended 31st July 2019.

Reference & Administrative Information

Charity Name	Generation Change
Charity registration number	1158567
Company registration number:	08595580
Registered Office	58 – 62 White Lion Street, London N1 9PP

Trustees

Peter Askew	
Sophie Livingstone	Resigned
Jennie Butterworth	
Michael Lynas	
Tessy Ojo	

Company Secretary

Alison Vaughan	Resigned April 2019
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Senior Management Team

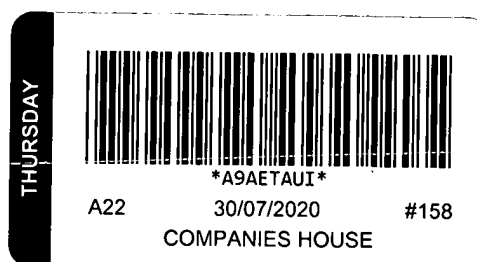
David Reed	Resigned
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Bankers

Unity Trust Bank
9 Brindley Place
Birmingham
B1 2HB

Solicitors:

Ashurst LLP
Broadwalk House
5 Appold Street
London
EC2A 2HA



GENERATION CHANGE

TRUSTEES REPORT

FOR THE YEAR ENDED 31st JULY 2019

Our Aims and Objectives

Public Benefit

In developing the objectives for the year and in planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit.

Purposes and Aims

GENERATION CHANGE's purposes as set out in the objects contained in the company's memorandum of association are,

- For the promotion of the voluntary sector for the benefit of the public by providing advice and assistance to voluntary sector organisations working in the field of youth social action to enable them to meet their purposes.
 - Voluntary sector means voluntary and community organisations, charities and other forms of social enterprise for public and community benefit whose constitutions prohibit the distribution of surplus funds.
 - Youth social action is defined as action that realizes young peoples' potential in practical activity by volunteering in service of others and which provides support and activities which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible adults.

The aims of our charity are to:

- to support youth social action organisations in the UK to improve their impact, status and scale in the UK
- to promote the role of high quality, structured youth social action opportunities in the UK
- to map the provision of social action programmes in the UK in order to make it easier for organisations to identify opportunities for young people to take part.

Our aims fully reflect the purposes that the charity was set up to further.

Ensuring our work delivers our aims

We shall be reviewing our aims, objectives and activities each year. This review looks at what we have achieved and the outcomes of our work during our fifth year of operation

GENERATION CHANGE

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FOR THE YEAR ENDED 31st JULY 2019

Summary

In August 2019, Generation Change completed the transfer of its successful Impact Accelerator programme to the Centre for Youth Impact. This decision was made by our trustees as being in the best interests of achieving our mission and charitable objects, even though we knew it would hamper the future viability of Generation Change as a charity. Our strategy for FY19 was to pivot the charity into new projects that would continue to further our wider goals of achieving systems change for young people by increasing the provision of social action activities. We pursued this new strategy diligently, made some good progress, and achieved some of our aims. However, over the course of FY20, it became clear that a number of external factors beyond our control had put the charity in a difficult position to continue operating effectively. Therefore in April 2020, our trustees notified members and stakeholders that we would be closing down the charity. Our achievements as an organisation, which was founded in 2013, and our rationale for closing down, are explained in further detail below.

Transfer of the Impact Accelerator - July 2019

Generation Change successfully: designed, piloted, delivered and then scaled up an innovative new impact programme we were calling the Impact Accelerator. The development of this work has been detailed in previous annual reports. By FY19, we had recruited 29 organisations to participate in this scheme, that enabled a wide variety of youth providers to adopt a rigorous common impact framework, and benefit from consultation, training and practical support to improve the quality of their programme provision for young people. We believe this is the most extensive attempt, to date, in the youth sector, to establish a shared impact methodology amongst practitioners that was not tied to the reporting requirements of a funder. The deep, detailed validation and improvement done with each youth organisation produced unprecedented insights into the effectiveness and improvement requirements of different types of social action provision.

Towards the end of our second cohort on the scheme, and whilst we were in the midst of recruiting our third (starting in May 2019), Generation Change's board made the strategic decision to transfer this scheme to the Centre for Youth Impact - an adjacent organisation doing similar work, with a broader scope across the youth sector. We did this for the following reasons:

- We had strong existing relationships, shared philosophy, and mutual goals with the Centre when it came to impact methodology and our goals for changing behaviour when it came to the evaluation and improvement of outcomes in youth organisations.
- We were discovering that the Impact Accelerator methodology was highly effective as a content-neutral, programme-agnostic approach to improving learning of youth provision.
- Both the Centre and Generation Change agreed that this methodology could be applied more widely across the youth sector, and that to do so would have a greater impact in driving systems change amongst funders and practitioners by building a universal landscape of support and recognition
- We recognised that all of the above were the most effective route to achieving our charitable objects and mission - which has always been to improve practice in the youth voluntary sector.

This was a brave decision for our trustees to make. It required us to put the needs of the wider sector above the narrow interests of the charity to continue operating - as the scheme was our largest source of income. It led to us exiting the Learning Hub contract for the #iwill fund, and resulted in the transfer of a staff member over to the Centre so that this work could continue seamlessly under the new management of the Centre. We are proud to have acted in this way, and hope it can set an example to other charities looking to achieve systems change through collaboration. Our hope is that our work will continue to have an important legacy in the youth sector - both through the lasting impact of our work from 2013-2019 and through the wider application of our methodology being taken forward by the Centre for Youth Impact. This kind of lasting, integrated, systems change is exactly what Generation Change was founded to achieve - with our goals being to inform and shift the behaviours and perspectives of wider actors in our sector so that youth provision could improve.

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FOR THE YEAR ENDED 31st JULY 2019

Wider strategic aims - FY20

As this will be our last report to the charity commission, we would like to provide a detailed examination of our wider strategic aims as a charity - and provide some context behind the decision for closure of the organisation. As well as seeking to improve the quality of youth social action provision - Generation Change sought to drive other forms of systems change that would enable youth social action provision to go mainstream in the UK.

Having achieved our primary goal on quality with the transfer of the Impact Accelerator to the Centre for Youth Impact, Generation Change entered FY20 as a going concern, with sufficient income to operate until the end of the year, and a strategy for pivoting into new projects that would enable us to achieve our wider strategic aims. Drawing on our findings from over 6 years of collaborative working and research, we had identified the need for Generation Change to cultivate the tools and resources for youth practitioners to be able to apply best practice from structured programmes, and find local social action projects in their area that they could direct young people towards.

In pursuit of this, we delivered a hackathon event, did extensive influencing work to build the case for this type of work being needed and worth investing in - and used our remaining resources to develop these tools in a limited way. We worked with Tech For Good to create a working prototype 'project finder' tool, which involved extensive user validation, and performed very well in early user testing. We built a rationale for the #iwillFund, DCMS and other major actors in the youth landscape to pursue an approach that prioritised giving youth practitioners the tools to understand how to do youth social action.

Unfortunately, by the end of 2019, it became increasingly clear that the wider political and funding landscape was not in our favour. We were unable to secure funding for this work. There was significant political change in the 2019, and a decreasing appetite from funders to listen to or invest in strategic collaborative projects of the kind we were advocating. By this point, 5 of our founding member charities had closed, and there had been significant turnover of leadership amongst our partner organisations - resulting in a weaker platform for us to be building from in the sector. After consulting our members, we decided that our continued membership model required a lighter-touch approach. The confluence of these factors meant that Generation Change was no longer viable as an independent charity.

Since the Board made a decision to wind up the organisation, we have made extensive efforts to share our findings and prototype work with other youth charities that were in a position to take them forward. Our Director has also shared extensive learning about our mission through a series of blogs that has been widely read in the sector and highly influential. Our hope is that the legacy of this work and our learning will continue to influence critical decisions made with regards to young people in government and amongst funders.

Conclusion - our achievements as an organisation:

Over the best part of 7 years, Generation Change:

- **Built close working relationships** between our member organisations, that resulted in numerous direct delivery partnerships that benefitted young people and improve the efficiency of our sector\
- **Provided a voice for frontline delivery organisations**, and drew on their expertise to critically challenge, influence and directly inform the work of government and funders during a period of heightened interest in youth social action provision
- **Led innovative work to create a new, rigorous impact standard** for youth organisations that has now been widely adopted and integrated into the systemic landscape of evaluation and improvement work recognised by funders
- **Produced definitive quality standards and principles** that are now universally recognised in the UK when it comes to understanding what we mean by good quality social action.

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TRUSTEES REPORT

FOR THE YEAR ENDED 31st JULY 2019

- **Led other innovative projects and research** that significantly advanced our understanding of the challenges facing the youth sector when it comes to scaling up and making important practices for young people more mainstream.

We are enormously proud of these achievements, and the example they set for the value of collaborative systems change.

GENERATION CHANGE**TRUSTEES REPORT****FOR THE YEAR ENDED 31st JULY 2019****Financial Review**

The Statement of Financial Activities on page 8 of these financial statements discloses a deficit for the year ended 31st July 2019 of £20,869. This is the result of total incoming resources of £87,747 net of total resources expended of £108,616. Total unrestricted funds came to a total of £17,351 and restricted funds came to nil at the year-end.

Principal Funding Sources

- Paul Hamlyn Foundation
- #iwill Learning Hub contract

Reserves Policy

Generation Change is in the process of producing a Reserves Policy. It is the Trustees opinion that the current level of funding is sufficient to meet its operational requirements.

Amount of Reserves

The reserves currently stand at £17,351 compared to £38,220 in FY18

Structure, Governance and Management**Governing Document**

The organisation is a charitable company limited by guarantee, registered in England and incorporated on 03 July 2013 and registered as a charity on 15 September 2014. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members (who are currently solely the Trustees of the charity) are required to contribute an amount not exceeding £1.00.

Recruitment and Appointment of Trustees

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association one third of the Trustees must retire by rotation and can be re-elected at a general meeting. New Trustees can be recommended by the Trustees or by the members.

All Trustees give their time voluntarily and receive no benefits from the charity.

Trustee Induction and Training

A values matrix for Trustees has been produced to inform recruitment and skills audits, and all new Trustees are invited to meet with the Chair and Director to discuss the work of the charity and in particular:

- The obligations of Trustees
- The main documents which set out the operational framework for the charity including the Memorandum of Articles
- Resourcing and the current financial position

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TRUSTEES REPORT

FOR THE YEAR ENDED 31st JULY 2019

- Future plans and objectives

Trustees' needs are assessed on an individual basis.

Risk Management

Internal control risks are minimised by the implementation of procedures for the authorisation of all financial transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers and visitors.

Conflict of Interest Policy

Generation Change has a conflict of interest policy to ensure its decisions and decision-making processes are, and are seen to be, free from personal bias, and do not unfairly favour any individual connected with the charity. Within this, we are committed to ensuring that individual member organisations are not, nor are seen to be, unfairly advantaged relative to another member organisation on the basis of an individual's actions that are taken as a representative of Generation Change.

This report was approved by the Trustees on

and signed by order of the Board:

Preparation of the report

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

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Generation Change

Independent examiner's report to the trustees of Generation Change
(Charity number 1158567)

on the accounts for the year ended 31 July 2019

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 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

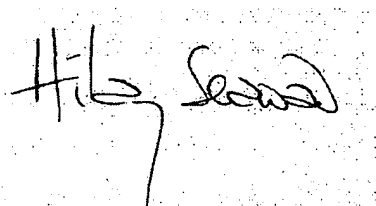
- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention

My examination was carried out in accordance with 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 the 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.

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination

I have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Hilary Seaward, FCA
Chartered Accountant
9 Sherlock Road
Cambridge, CB3 0HR

13 July 2020

GENERATION CHANGE
STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 JULY 2019

		2019			2018		
Incoming Resources	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Incoming Resources from Generated Funds							
Grants from Trusts & Foundations	2	-	76,747	76,747	-	75,178	75,178
Membership	3	-	-	-	9,800	-	9,800
Impact accelerator fees		11,000	-	11,000	6,000	-	6,000
				-			-
Investment Income							
Bank interest		-	-	-	-	-	-
Total Income		<u>11,000</u>	<u>76,747</u>	<u>87,747</u>	<u>15,800</u>	<u>75,178</u>	<u>90,978</u>
Resources Expended							
Programme Expenses							
Salaries		23,422	49,443	72,865	6,475	41,079	47,555
Staff Development & hiring		-	4,226	4,226	-	545	545
Design & Production		-	-	-	-	144	144
Strategic Adviser (consultancy)		-	5,437	5,437	-	10,793	10,793
Quality Mark Project		-	17,641	17,641	1,763	22,617	24,380
Overheads		8,447	-	8,447	7,390	-	7,390
Total Resources Expended		<u>31,869</u>	<u>76,747</u>	<u>108,616</u>	<u>15,628</u>	<u>75,178</u>	<u>90,806</u>
Net Income	4	<u>(20,869)</u>	<u>-</u>	<u>(20,869)</u>	<u>172</u>	<u>-</u>	<u>172</u>
Total Funds Brought Forward		38,220	-	38,220	38,048	-	38,048
Transfer between reserves		-	-	-	-	-	-
Total Funds Carried Forward		<u>£17,351</u>	<u>£ -</u>	<u>£17,351</u>	<u>£38,220</u>	<u>£0</u>	<u>£38,220</u>

This statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

**GENERATION CHANGE
BALANCE SHEET AS AT 31 JULY 2019**

**GENERATION CHANGE
BALANCE SHEET AS AT 31ST JULY 2019**

	Notes	31 July 2019 £	31 July 2018 £
Current Assets			
Debtors	9	14,619	15,206
Cash at Bank and in Hand		<u>24,607</u>	<u>23,721</u>
		39,226	38,927
Liabilities	10		
Creditors due within one year		<u>21,875</u>	<u>707</u>
Total Net Assets		<u>17,351</u>	<u>38,220</u>
Total Funds of the Charity:			
Unrestricted Funds		17,351	38,220
Restricted Funds		-	-
Total Funds		<u>17,351</u>	<u>38,220</u>

**GENERATION CHANGE
BALANCE SHEET AS AT 31 JULY 2019**

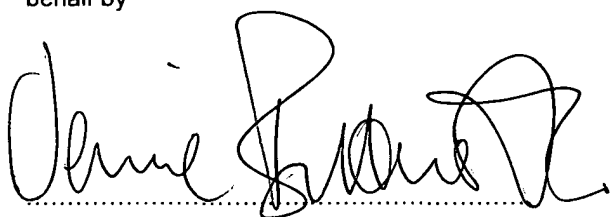
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

For the year ending 31 July 2019, the Charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- (i) The members have not required the Charity to obtain an audit of its accounts for the year in question in accordance with section 476;
- (ii) The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue, by the Trustees on 28/07/20 and signed on its behalf by

A handwritten signature in black ink, appearing to be 'Diane Smith', written over a dotted line.

The annexed notes form part of these financial statements.

**GENERATION CHANGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

1. Accounting Policies

a) Basis of Accounting

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015)' as updated on 2 February 2016 (SORP 2016), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Judgements and key sources of estimation uncertainty

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies and there are no key sources of estimation uncertainty.

c) Income

Income consists of grants and donations, membership subscriptions and bank interest receivable. These are dealt with on a receivable basis, that is, income is recognised when it becomes receivable. For grants and donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

d) Expenditure

Expenditure is recognised on an accruals basis.

e) Restricted Funds

Where income is given for a specific purpose or project, the funds are treated as restricted and any surplus or deficit will be carried forward as a restricted fund until it is fully applied for the specific purpose.

f) Value Added Tax

The Charitable Company is not registered for value added tax (VAT) and input tax is not recoverable. Expenditure is therefore recorded inclusive of VAT.

g) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

h) Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

**GENERATION CHANGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Grants and donations

	Unrestricted	Restricted	2019	2018
	£	£	£	£
Paul Hamlyn final grant (2 of 2)		15,000	15,000	30,000
Duverton Trust				25,000
Big Lottery-Scoping Work				2,200
Dartington Service Lab				
Lab/iwill Learning Hub Contract		61,747	61,747	17,978
	-	<u>76,747</u>	<u>76,747</u>	<u>75,178</u>

All income from grants and donations last year were given for restricted purposes.

3. Membership Income

The was no membership fees paid to Generation Change in the year to 31 July 2019

4. Net incoming resources for the year

	Year Ended 31 July 2019 £	Year Ended 31 July 2018 £
This is stated after charging/(crediting):		
Grant payable to Dartington Social Research Unit		13,711
Professional Fees - Independent Examination of accounts	<u>500</u>	<u>680</u>

Generation Change worked with Dartington Social Research Unit before to develop, test and promote a quality mark for the youth social action sector that will identify high-impact youth social action programmes.

5. Staff Costs

	Year ended 31 July 2019 £	Year ended 31 July 2018 £
Salaries and Wages	66,455	42,287
Social Security Costs	5,238	4,145
Pension costs	1,172	915
	<u>72,865</u>	<u>47,347</u>

No employees received employee benefits for the reporting period more than £60,000.

**GENERATION CHANGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

The average number of employees during the year was as follows:-

	No.	No.
Network Director & Network Officer & Network Manager	3	3
	<u>3</u>	<u>3</u>

6. Key Management Personnel

The key management personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any trustee of the entity. At Generation Change they comprise the Trustees and Network Director. The total employee benefits, including employer pension contributions, payable to key management personnel during the year amounted to £25,717 (28,183.80 incl. Eer's NI) (2018: £41,079)

7. Trustee remuneration and related party transactions

None of the Trustees received any remuneration or were reimbursed expenses during the period (2018: none).

8. Taxation

As a charity Generation Change is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity in the current period.

9. Debtors

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Trade Debtors	14,619	2,700
Accrued Income	-	12,506
	<u>14,619</u>	<u>15,206</u>

10. Creditor: Amounts due within one year

	Year ended 31 July 2019	Year ended 31 July 2018
	£	£
Trade Creditors	6,335	-
Accruals	15,540	707
	<u>21,875</u>	<u>707</u>

**GENERATION CHANGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

11. Movement in Funds

Current year	At 1 August 2018 £	Income £	Expenditure £	Transfers £	At 31 July 2019 £
Restricted funds:					
Paul Hamlyn Foundation	-	15,000	15,000	-	-
Dartington Service Design Lab/iwill Learning Hub Contract	-	61,747	61,747	-	-
	-	76,747	76,747	-	-
Unrestricted funds:					
General Funds	38,220	11,000	31,869	-	17,351
	38,220	87,747	108,616	-	17,351

Prior year	At 1 August 2017 £	Income £	Expenditure £	Transfers £	At 31 July 2018 £
Restricted funds:					
Dulverton Trust	-	25,000	25,000	-	-
Paul Hamlyn Foundation	-	30,000	30,000	-	-
Big Lottery-Scoping Work	-	2,200	2,200	-	-
Dartington Service Design Lab/iwill Learning Hub Contract	-	17,978	17,978	-	-
	-	75,178	75,178	-	-
Unrestricted funds:					
General Funds	38,048	15,800	15,628	-	38,220
	38,048	90,978	90,806	-	38,220

Restricted funds:

The application of these funds is subject to restrictions imposed by the funders with the grants available being allocated to certain categories of payroll and administration costs or to specific activities or events as follows:

Paul Hamlyn Foundation - Youth social action quality mark and shared learning community
#iwill Learning Hub contract

Details of movements are given in the Statement of Financial Activities.