

LAYC
(Registered as a Scottish Charitable Incorporated Organisation)
REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2020

LAYC

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LAYC

REFERENCE and ADMINISTRATIVE INFORMATION

Charity Name	LAYC (SCIO)
Registered Office and Operational Address	Dunford House 7 Boroughloch Lane Edinburgh EH8 9NL
Scottish Charity Number	SC009193
Board of Trustees	
Office Bearers	Gillian Lithgow - President Allister Short – Chair (from November 2020) Nick Croft – Chair (until November 2020) Allister Short - Vice Chair (from August 2020 – November 2020) Lianne Swadel - Treasurer
Members	Claire Gibson (from May 2020) David Hull Fiona McKenzie (from September 2020) Helen Davis Pamela Martin Valerie Agnew (until September 2020) Willy Barr (until August 2020)
Co-opted Members	Sonal Haddow
Staff	Laurene Edgar - Director Emma Lee - Development Worker (Membership & Capacity Building) Rosalie Short – Administration, Communication & Marketing
Independent Examiner	Jeremy Chittleburgh Chiene + Tait LLP 61 Dublin Street Edinburgh EH3 6NL
Bankers	Bank of Scotland Clerk Street Edinburgh EH8 9PP
Solicitors	Morton Fraser LLP Quartermile Two 2 Lister Square Edinburgh EH3 9GL
Association Advisers/Appointments	David Hull - John Watson Trust

LAYC

CHAIR'S REPORT

Since the last LAYC annual report (2018/19), where I outlined the progress LAYC had made with regard to its long term financial sustainability and renewed sense of purpose, the beginning of 2019/20 saw LAYC consolidate its ambitions for growth, improving support to its members, and influencing national, regional and local policy developments.

With regard to LAYC governance, staff team, financial position, support and advice to members, use of assets and IT, communications and marketing, and advocacy for universal community-based youth and children's work, all have been subject to continued and significant improvement.

It is important to thank the LAYC Board members, and the Director and her staff team, for both initiating and sustaining the 'revitalisation' of LAYC over the last year.

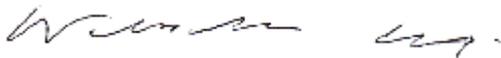
This is especially important, given the organisation, its members, and the children and young people they serve, have faced the most significant challenges in a generation due to the COVID-19 Pandemic.

As a result of public health and government guidance, the initial lockdown led to the closure of a vast number of LAYC and member organisation face to face services. This forced LAYC and its members to develop new and innovating on-line service delivery solutions, and the progress made in this area has been nothing short of miraculous, and bears credit to the professionalism and dedication of board members, staff and volunteers across the youth and children's work sector in the region.

I believe that LAYC has played an important part in supporting all member organisations to respond and adapt to the Pandemic, to provide a sense of collective support, and to help define new action and direction across the sector.

I also believe that as we emerge from the Pandemic in the months to come, LAYC will continue to provide quality support and advice to its members and will itself continue to grow and evolve into a local and regional player of significance and importance.

Finally, due to a number of personal matters, it is with great regret that I have decided to step down as Chair of LAYC in November 2020. However, I am very confident that the new Chair, Allister Short, and existing Board members and the Director and her staff team will continue to ensure a bright and prosperous future for LAYC.



Nick Croft
Chair

LAYC

ANNUAL REPORT

For the year ended 31 March 2020

OBJECTIVES and ACTIVITIES

LAYC is an intermediary organisation and we are part of the Youth Scotland Network. At the time of writing this annual report there are 121 community-based youth and children's organisations in the LAYC network area covering East Lothian, Midlothian, West Lothian and the City of Edinburgh, providing services for 28,831 children and young people through 2,360 staff, of which 1,173 are volunteers.

LAYC champions, strengthens and develops youth and children's work in this geographical area through the provision of support, information and training to the network of Member Groups engaging children and young people within their local communities. In addition to these services, LAYC plays a representation role within local strategic decision-making processes that effect youth and children's work.

LAYC delivers an annual training and capacity building programme. This programme is led by the needs of the youth and children's work sector - to meet both the needs which children and young people are presenting local community organisations with, but also the training and development needs staff and volunteers are identifying for themselves as professionals. The training and capacity building programmes cover core topics such as child protection, equalities, group work skills, values and principles of youth work and emergency first aid. Developing this core learning is enhanced by a range of topical sessions such as: mental health and emotional wellbeing, increasing physical activity of children, trauma informed practice, alcohol and substance misuse and gender issues.

LAYC provides access to essential support and advice that assists the capacity of community-based youth and children's organisations to deliver safe and improved services to children and young people. This support and advice includes Protecting Vulnerable Groups Scheme Membership and Records, governance, insurance and organisational policy and procedure development.

Nearly 50% of staffing in the LAYC network is contributed by volunteers, with some of the Member Groups completely volunteer led. The support and advice accessed through LAYC for these groups particularly assists with the reduced capacity and assures Members Groups who can be distant from policy landscape.

LAYC plays an integral representation role for the network of Member Groups and often the wider Edinburgh and Lothian youth and children's work sector. The position as an intermediary organisation and relationship with strategic partners, including national youth work agencies (Youth Scotland and YouthLink Scotland) and local authorities, provides a route and ensures a voice for community-based organisations to be included in discussions and decision-making that effect the youth and children's work sector e.g. Children's Services Plans, Community Learning and Development Plans and Community Improvement Partnerships.

LAYC facilitates four youth and children's work forums providing a central space to meaningfully use the representation role and act as the conduit between grassroots organisations gathering the voice of young people and strategic decision making. The four forums are: After School Clubs Forum, Youth Work Managers Forum, Central Youth Work Strategy Group and Early Intervention Children and Young People Mental Health Group. These offer the opportunity to connect peers to share knowledge and in some cases resource and capacity. The central facilitation of peer networks and forums is empowering for many of the smaller and marginalised community-based organisations who can connect in a safe space to problem-solve and understand they have a route to influence decision making.

Over 50% of the youth and children's organisations supported through the LAYC network are situated in communities within the bottom quintiles of the Scottish Index of Multiple Deprivation, whilst not losing sight of the need for universal youth and children's work services across all communities to offer an early intervention route around issues such as mental health, emotional wellbeing and low income.

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ANNUAL REPORT (continued)

For the year ended 31 March 2020

OBJECTIVES and ACTIVITIES (continued)

Mission Statement

LAYC's mission statement is "LAYC will champion, grow and strengthen the quality of community-based youth and children's work by supporting our Member Groups to provide positive opportunities for children and young people."

The key purposes of LAYC are to:

- Act as a link between Member Groups and the wider youth and children's sector;
- Provide information and advice to Member Groups and the wider youth and children's work sector;
- Provide those services that support Member Groups and serves our purposes;
- Encourage public interest in youth and children's work and to assist in the formation of new groups where desired;
- Undertake innovative work consistent with our purposes;
- Raise funds to support our purposes;
- Co-operate with statutory bodies and with voluntary bodies, both within the area benefit and out with, which support our purposes; and
- To do all things which are lawful to promote the aforementioned purposes.

Activities and Achievements

As an intermediary organisation, the advice, support, information, representation and training that LAYC provides to Member Groups and their staff and committee members enables these community-based groups to continue their direct work with children and young people.

Member Groups' need for advice, support, information and representation was never more needed when the COVID-19 pandemic significantly affected the country from March 2020 and many organisations had to adapt the way services for children, young people and wider communities were delivered.

LAYC has spent 280 hours representing the interests of Member Groups on a wide variety of strategic partnerships, including Edinburgh Integrated Children's Services Partnership, Edinburgh's Community Learning and Development Partnership, East Lothian Child Poverty Steering Group and Children's Services Manager Groups, as well as thematic steering groups on youth participation, BAME youth work and sexual health.

COVID-19 lockdown measures significantly increased the request for LAYC representation and in March, LAYC joined a voluntary sector and City of Edinburgh Council Taskforce group alongside four Locality Operational Groups to respond to the emerging needs of children and young people as a result of the pandemic.

To complement the increased representation role, LAYC increased the regularity of Managers Forums, to ensure effective and relevant contribution at partnerships and steering groups. LAYC has held 24 Manager's Forums over the course of the year which have received 280 attendances. During lockdown, these Forums provided an opportunity for Member Groups within the network to connect with peers, share ideas and be supported. In the initial stages of lockdown, there was a focus on moving services online to continue to support and engage children and young people safely and appropriately. In recent stages, the focus has been about organisations moving safely and appropriately through the recovery of services. Forums also provided an ideal opportunity to update Member Groups on necessary information such as Government Job Retention Scheme and necessary health and safety information, as well as crucial funding opportunities.

The Forums have worked alongside the addition of increased online Member Group support in the form of closed Facebook Groups for Managers to continue conversations out with facilitated meetings, as well as access to a Membership Knowledge Exchange – running on a padlet to share best practice ideas and essential documents such as template risk assessments.

In November 2019, LAYC welcomed an Administrator, Communications and Marketing Officer. This has enabled a more planned approach to LAYC's digital presence and connection with Member Groups and the wider sector. This digital media presence not only promotes LAYC services and events but allows Member Groups' own achievements to be publicised and promoted.

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ANNUAL REPORT (continued)

For the year ended 31 March 2020

OBJECTIVES and ACTIVITIES (continued)

Activities and Achievements (continued)

LAYC's core training programme for 2019/2020 consisted of 34 training sessions providing 405 participant places. The training programme is youth-work led and is a result of an annual training needs analysis. Topics covered in the 2019/2020 training programme include – trauma informed practice, emergency first aid, child protection, autism awareness, eating disorders awareness and Getting It Right For Every Child.

All training sessions are evaluated using a pre- and post-evaluation form, where participants are asked to self-report levels of knowledge, skills and confidence using a sliding scale. The results continue to show a significant increase in all these outcomes.

Youth Scotland

LAYC holds a shared Membership with Youth Scotland: organisations joining in the Lothian area are also Members of Youth Scotland and can access the benefits of both LAYC and Youth Scotland as intermediary organisations.

The level of co-operation and collaboration between LAYC and the other independent Area Associations (Youth Borders, Youth 1st and Youth Highland) has significantly increased during the COVID-19 pandemic with weekly, and latterly fortnightly, online meetings taking place facilitated by Youth Scotland to share challenges and support.

The connection with Youth Scotland also delivers practical benefits at a local level to LAYC Member Groups such as the national Big Skills training weekend, Dream It Real and Google Be Internet Citizens.

LAYC are also able to support two local groups each year through Youth Scotland's Cashback grant.

Financial Review

During the year there was net expenditure of £38,373 (2019: £750) and a net movement in funds after remeasurements on the defined benefit pension scheme of (£37,415) (2019: £7,577). This was made up of a deficit of £44,657 (2019: surplus of £24,079) on unrestricted funds and a surplus of £7,242 (2019: £16,502) on restricted funds. With total funds brought forward of £336,053, this resulted in total funds to carry forward of £298,638 of which £289,376 (2019: £334,033) related to unrestricted funds and £9,262 (2019: £2,020) related to restricted funds.

Funding

LAYC is grateful to all funders who support the work of the organisation and enable the core activities to take place, in turn supporting a network of 120 community-based youth and children's organisations.

During the year, LAYC received £50,097 under the City of Edinburgh Council Revenue Grant, which was part of an award of £50,097 per annum and which ends in August 2020. LAYC have secured further funding of £91,097 per annum from City of Edinburgh Council under the Communities and Families 2020-2023 Third Party Revenue Grant, which will commence in September 2020. This core funding will cover 65% of LAYC's core running costs over the next three-year period until March 2023. This funding being awarded has enabled LAYC to grow the staff team in late 2020 with the addition of a Development Worker post with a focus on Membership training and capacity building.

In July 2020, LAYC were successfully funded £18,000 from The Robertson Trust. This funding also adds to the core support of the organisation.

In 2019/2020, LAYC entered the final year of funding (£6000) from The Gannochy Trust. This funding has supported the Investing in Young Youth Workers initiative as part of the core training programme. This project is aimed at 18 to 25-year olds who are involved in volunteering or paid work in a community-based youth work organisation and interested in pursuing a career in youth and children's work. Inspiring Young Youth Workers train and learn alongside more experienced youth and children's workers in LAYC's training programme, with one third of spaces on all training sessions reserved for 18 to 25-year olds. This enables the sharing of learning and practice across age groups and experience levels. Beyond The Gannochy Trust funding, LAYC continues to explore avenues of funding to support this valuable project.

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ANNUAL REPORT (continued)

For the year ended 31 March 2020

OBJECTIVES and ACTIVITIES (continued)

Funding (continued)

Funding from Watkin Jones Community Foundation, Corra Foundation Shift the Power, British Science Week and Pump House Trust in 2019/20 have all contributed to LAYC's topical training programme and supported the delivery of various training sessions from mental health first aid to STEM training for Member Groups, including the provision of toolkits.

LAYC were also successful and grateful to be awarded COVID-19 support funding from Corra Wellbeing Fund, Foundation Scotland Response, Recovery and Resilience Fund and 6VT Youth Café through their Supporting Communities Fund. These all helped to expand the levels of Membership support required during lockdown and recovery of services.

Reserves Policy

During 2019/2020, the Board of Trustees reviewed LAYC's reserves policy for unrestricted funds, not designated or invested in tangible assets ('the free reserves'). This was previously stated as needing to be in the region of £35,000. It was agreed that a more secure position for LAYC would be to have reserves policy stated as a period of time and the Board of Trustees believes 6 months running costs provides a financial cushion that would enable appropriate informed decisions to be made. The free reserves at the 2020 year-end were £61,757 (2019: £104,117)

Grant Making Policy

The Trustees shall continue to maintain the Joyce Dunford Bequest for the purpose of supporting the work of LAYC and for the benefit of Member Groups, including the provision of small grants as and when appropriate. The Trustees further retain the right to review the level of funds held within it, and to reallocate part or all of them where that is considered to be in the best interests of LAYC.

Investment Policy

In accordance with its constitution, the Board of Trustees has the power to invest in such stocks, shares and property in the UK as it sees fit. Any such investment will be made in the name of LAYC SCIO.

In making such investments, the Trustees shall take account of the reserves policy and undertake an ethical assessment. Where it is found that the activities in question may impact negatively on people's health and general wellbeing, the investment would be considered unacceptable. However, first consideration will be given to invest directly for the benefit of Member Groups in line with LAYC's objectives.

Risk Management

An analysis of potential risks faced by LAYC is reviewed annually.

The risk analysis identifies key financial, operational and staffing issues that have the potential to negatively impact on LAYC's ability to function effectively. A series of measures and controls are set against each key risk factor identified with the intention to prevent or mitigate potential consequences that would be damaging.

STRUCTURE, GOVERNANCE and MANAGEMENT

Since 1 April 2012, LAYC has been a Scottish Charitable Incorporated Organisation (SCIO) registered with the Office of the Scottish Charity Regulator (OSCR). Alterations to the original LAYC SCIO constitution were approved by the AGM in 2017 and lodged with OSCR.

LAYC retained the Scottish Charity Number SC009193.

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ANNUAL REPORT (continued)

For the year ended 31 March 2020

STRUCTURE, GOVERNANCE and MANAGEMENT (continued)

Staff and Board of Trustees

The Trustees of the charity are elected at Annual General Meetings in accordance with its Constitution. Office Bearers may only serve for a maximum of six years.

The Board of Trustees may contain a maximum of 14 Trustees including Office Bearers, up to 7 Members (or representatives of Members) appointed by the Annual General Meeting and up to 2 co-opted Trustees who have specific skills which would be of benefit to LAYC.

LAYC benefits from the support, encouragement and direction from a Trustees team combining a range of skills including Voluntary Sector Youth Work Managers, Corporate Sector, Education Sector, Local Authority, Out of School Care, Child and Adolescent Mental Health and Finance Experience.

Recruitment and Appointment of Board of Trustees

LAYC Office Bearers are elected for a 3 year term (with a maximum of 2 terms before they have to stand down). Member elected Trustees and serving co-opted Trustees are subject to re-election annually at the Annual General Meeting.

All Trustees are required to make a declaration that they are not disqualified in any way from taking up a Trustee position.

LAYC encourages enquiries about joining the organisation's Board and invites nominations from Member Groups in the lead up to and from the floor at the Annual General Meeting. New Trustees or potential Trustees meet with staff and office bearers to discuss the role and its responsibilities. New Trustees are provided with a Trustee Handbook and other key LAYC documents, such as the current Strategic Plan for the organisation.

The LAYC Board is a strong and effective vehicle to provide a critical yet supportive overview of the work of the organisation. LAYC are fortunate to have a skilled and committed group of voluntary Trustees who provide a stabilising presence along with the strong, skilled and committed staff team, who continue to demonstrate the range of activities that can be achieved for the benefit of Member Groups and the wider sector.

The Trustees met on 11 occasions across the year and in 2020 the decision was taken to form a Finance Sub-Committee, which has met on a total of 3 occasions. The Board were responsible for setting the strategic direction, policy and financial matters and overarching management of the organisations including the employment of staff.

The Board consider that they, together with the Director, comprise the key management personnel. The Trustees give their time freely and set the pay and remuneration of the LAYC staff.

Plans for Future Periods

During 2020 the Board, together with the Director, undertook a review of LAYC's Strategic Plan and a new Strategic Plan 2020-2023 has been devised to run concurrently with LAYC's main 3-year core grant.

LAYC has also undergone a creative and language rebrand to ensure sustainability and relevance of the organisation moving forward. The outcome of this is reflected in the 2020-2023 Strategic Plan.

A new logo and visual branding are also due to be unveiled for LAYC.

From the 3-year core funding secured in 2020, LAYC are now in a position to recruit a Development Worker with a focus on Membership Training and Capacity Building. This will increase the Membership support currently available.

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ANNUAL REPORT (continued)

For the year ended 31 March 2020

STRUCTURE, GOVERNANCE and MANAGEMENT (continued)

Statement of Trustees Responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees 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 the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 appropriate to assume that the charity will continue operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board of Trustees,



**Allister Short
Chair**

2 December 2020

INDEPENDENT EXAMINERS REPORT

TO THE TRUSTEES OF LAYC



I report on the Financial Statements of the Charity for the year ended 31 March 2020 which are set out on pages 11 to 21.

Respective Responsibilities of the Trustees and Examiner

The charity's Trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) (the Regulations). The charity Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the financial statements as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

Basis of Independent Examiner's Statement

My examination is carried out in accordance with Regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeks 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 I do not express an audit opinion on the view given by the financial statements.

Independent Examiner's Statement

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the Act and Regulation 4 of the Regulations;
 - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the Regulations;

have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Jeremy Chittleburgh
Chiene + Tait LLP
Chartered Accountants
61 Dublin Street
EDINBURGH
EH3 6NL

3 December 2020

LAYC

STATEMENT of FINANCIAL ACTIVITIES

For the year ended 31 March 2020

	Notes	Un- restricted Funds £	Restricted Funds £	2020 Total £	Un- restricted Funds £	Restricted Funds £	2019 Total £
Income from:							
Donations and legacies	2	53,597	22,005	75,602	66,271	6,000	72,271
Charitable activities	3	19,608	2,150	21,758	19,035	34,286	53,321
Investments		1,091	-	1,091	1,025	-	1,025
Total income		74,296	24,155	98,451	86,331	40,286	126,617
Expenditure on:							
Charitable activities	4	119,911	16,913	136,824	70,579	56,788	127,367
Total expenditure		119,911	16,913	136,824	70,579	56,788	127,367
Net (expenditure)/income before pension adjustments		(45,615)	7,242	(38,373)	15,752	(16,502)	(750)
Pension scheme adjustments	12	958	-	958	8,327	-	8,327
Net (expenditure)/income		(44,657)	7,242	(37,415)	24,079	(16,502)	7,577
Transfer between funds		-	-	-	(549)	549	-
Net movement in funds		(44,657)	7,242	(37,415)	23,530	(15,953)	7,577
Total funds brought forward		334,033	2,020	336,053	310,503	17,973	328,476
Total funds carried forward		289,376	9,262	298,638	334,033	2,020	336,053

The notes on pages 12 to 21 form part of these financial statements.

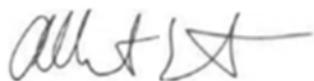
LAYC

BALANCE SHEET

As at 31 March 2020

	Notes	2020 £	2019 £
Fixed assets	7	186,903	189,200
		-----	-----
Current assets			
Debtors and prepayments	8	935	935
Bank and cash		167,142	209,159
		-----	-----
		168,077	210,094
		-----	-----
Creditors: amounts falling due within one year	9	(29,648)	(32,028)
		-----	-----
Net current assets		138,429	178,066
		-----	-----
Net assets excluding pension liability		325,332	367,266
		-----	-----
Defined benefit pension scheme liability	12	(26,694)	(31,213)
		-----	-----
Net assets including pension liability		298,638	336,053
		=====	=====
Represented by:	10		
Funds – reserves			
Unrestricted – General		248,660	293,317
– Designated		40,716	40,716
		-----	-----
		289,376	334,033
Restricted		9,262	2,020
		-----	-----
		298,638	336,053
		=====	=====

The financial statements were approved and authorised for issue by the Board of Trustees on 2 December 2020.



Allister Short
Chair

The notes on pages 12 to 21 form part of these financial statements.

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimated uncertainty in the preparation of the financial statements are as follows:

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the financial statements.

The financial statements are presented in Sterling which is the functional currency of the charity and rounded to the nearest £1.

The financial statements have been prepared in accordance with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) and the Financial Reporting Standard applicable in the United Kingdom and republic of Ireland (FRS 102).

LAYC meets the definition of a public benefit entity under FRS 102.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustees have assessed the charity's ability to continue as a going concern, including consideration of the impact from COVID-19, and have reasonable expectation that the charity has sufficient resources to continue in operational existence for the foreseeable future.

Income recognition

Income is recognition when charity has entitlement to the funds when it is probable that the income will be received, and the amount can be measured reliably.

Donations, legacies and similar incoming resources are included in the period in which they are receivable, which is when the charity is entitled to the resource.

Charitable income, which can include income from grants and membership subscriptions, is recognised when the charity has entitlement to the funds, any performance conditions attached to the income resources have been met and it is probable the income will be received and the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Expenditure recognition

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and expenditure therefore includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities, those costs of an indirect nature necessary to support them and an allocation of governance costs.

Support costs are allocated between governance costs and other support costs. Governance costs comprise those costs involving the public accountability of the charity and its compliance with regulations and good practice. They therefore include the costs of independent examination and costs linked to the strategic management of the charity. Other support costs relate to the administrative costs of running the charity and are allocated to charitable activities accordingly.

NOTES to the FINANCIAL STATEMENTS (continued)**For the year ended 31 March 2020****1. Accounting policies (continued)****Expenditure recognition (continued)**

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of minor additions or those costing less than £250 are not capitalised.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Heritable property	50 years
Furniture and equipment - computer	4 years
- other	10 years

Debtors

Debtors and prepayments are recognised at the settlement amount due.

Cash at bank

Cash at bank and in hand includes cash and highly liquid short term investments with a maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

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

Fund accounting

Funds held by the charity are either:

Unrestricted funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the Board of Trustees.

Designated funds – included within unrestricted funds, funds have been designated where the trustees, at their discretion, have created a fund for a specific purpose.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular restricted purpose.

Pension costs

LAYC is a member of the Scottish Voluntary Sector Pension Scheme (the Scheme) which is a multi-employer defined benefit scheme. This Scheme closed to future accrual on 31 March 2010. It is not possible to confirm LAYC's share of underlying assets and liabilities of the Scheme and the Scheme is therefore accounted for as a defined contribution scheme. The Scheme is currently in deficit funding agreement is in place with LAYC. The net present value of the deficit reduction contributions payable under the agreement are reflected as a provision on the balance sheet and the movements on this provision in each period charged or credited through the Statement of Financial Activities.

LAYC also contributes to the individual personal pensions of employees. The contributions payable are charged to the Statement of Financial Activity in the period to which they relate.

LAYC

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

1. Accounting policies (continued)

Taxation

As a charity, LAYC is exempt from tax on income and capital gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

2. Donations and legacies	Unrestricted £	Restricted £	2020 £	2019 £
<i>Grants</i>				
City of Edinburgh Council	50,097	-	50,097	50,097
Margaret Murdoch Charity	-	-	-	2,000
Marion Gibson Trust	-	-	-	2,000
Robert Haldane Smith	-	-	-	2,000
Anonymous donor	-	-	-	1,000
JTH charitable Trust	-	-	-	500
Nancie Massey Charitable Trust	-	-	-	2,000
Tabhair Trust	-	-	-	2,000
University of Edinburgh	-	-	-	4,674
Gannochy Trust	-	6,000	6,000	6,000
Dr Guthrie's Association	-	2,000	2,000	-
YouthLink Scotland	-	740	740	-
Wesleyan Foundation	-	1,610	1,610	-
SCVO Cyber Essentials	-	500	500	-
Watkin Jones Community Fu	-	845	845	-
Corra Mental Health	-	7,810	7,810	-
British Science Week	-	1,000	1,000	-
Hope Trust	3,500	-	3,500	-
Pump House Trust	-	1,500	1,500	-
	-----	-----	-----	-----
Total	53,597	22,005	75,602	72,271
	=====	=====	=====	=====

Income from donations and legacies was £75,602 (2019: £72,271) of which £53,597 (2019: £66,271) was unrestricted and £22,005 (2019: £6,000) was restricted.

3. Income from Charitable Activities	Unrestricted £	Restricted £	2020 £	2019 £
Affiliation fees	12,051	-	12,051	8,225
Training and other income	7,557	2,150	9,707	10,810
NHS Tobacco project	-	-	-	34,286
	-----	-----	-----	-----
Total	19,608	2,150	21,758	53,321
	=====	=====	=====	=====

Income from charitable activities was £21,758 (2019: £53,321) of which £19,608 (2019: £19,035) was unrestricted and £2,150 (2019: £34,286) was restricted.

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

4. Charitable Activities	Unrestricted	Restricted	2020	2019
	£	£	£	£
<i>Directly allocated to activities:</i>				
Disclosure fees	4,356	-	4,356	3,387
Staff costs	60,940	14,713	75,653	66,019
Networks printing and design	-	-	-	75
Subscriptions	411	-	411	355
Training costs	2,900	588	3,488	3,547
Youth Scotland insurance	-	-	-	290
Project awards	-	-	-	4,496
	-----	-----	-----	-----
	68,607	15,301	83,908	78,169
	-----	-----	-----	-----
<i>Support costs:</i>				
Staff costs: administrator	28,001	-	28,001	23,400
Pension contributions	2,441	-	2,441	2,890
Depreciation	4,511	-	4,511	4,540
Water rates and insurance	1,465	-	1,465	1,242
Heat and light	2,076	-	2,076	1,615
Travel	697	-	697	531
Postage and stationery	967	-	967	1,518
Telephone and internet	2,673	-	2,673	2,956
Computer & website costs	1,045	-	1,045	1,764
Meeting expenses	254	-	254	403
Repairs and maintenance	1,582	-	1,582	2,718
Bank charges	32	-	32	32
General office	233	1,612	1,845	1,396
Sundry	1,922	-	1,922	823
Governance costs (note 5)	3,405	-	3,405	3,370
	-----	-----	-----	-----
	51,304	1,612	52,916	49,198
	-----	-----	-----	-----
Total	119,911	16,913	136,824	127,367
	=====	=====	=====	=====

All costs have been allocated on a direct basis apart from staff costs which have been allocated on the basis of time spent.

5. Governance costs	2020	2019
	£	£
Annual report/Annual General Meeting	205	220
Independent examiner's fee	3,200	3,150
	-----	-----
	3,405	3,370
	=====	=====

6. Staff costs	2020	2019
	£	£
Salaries	99,184	84,277
Social Security costs	4,470	5,142
Pension costs	1,892	2,890
	-----	-----
	105,546	92,309
	=====	=====

LAYC

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

6. Staff costs (continued)	2020 No.	2019 No.
The average number of staff during the year was:		
Operational and administration	3	3
	=====	=====

No employee received remuneration of more than £60,000 (2019: none).

In the current and previous year, the salary costs of the Director were met directly by The City of Edinburgh Council but are reflected within staff costs detailed above. The matching income is reflected within 'Grants' (note 2).

Members of the Board of Trustees received no remuneration nor were reimbursed any expenses in the year. The Director is the other member of key management and her total remuneration cost was £42,358 (2019: £34,781).

7. Tangible fixed assets	Heritable Property £	Office Equipment £	Total £
Costs			
At 1 April 2019	220,000	1,672	221,672
Additions	-	2,214	2,214
	-----	-----	-----
At 31 March 2020	220,000	3,886	223,886
	-----	-----	-----
Aggregate depreciation			
At 1 April 2019	30,800	1,672	32,472
Depreciation charge	4,400	111	4,511
	-----	-----	-----
At 31 March 2020	35,200	1,783	36,983
	-----	-----	-----
Net book value			
At 31 March 2020	184,800	2,103	186,903
	=====	=====	=====
At 31 March 2019	189,200	-	189,200
	=====	=====	=====

8. Debtors and prepayments	2020 £	2019 £
Prepayments	935	935
	-----	-----
	935	935
	=====	=====

9. Creditors: amounts falling due within one year	2020 £	2019 £
Accruals	3,200	3,467
Deferred income	6,800	6,766
Other creditors	1,265	2,072
Funds held as custodian – Donald Gorrie Challenge Award	18,383	19,723
	-----	-----
	29,648	32,028
	=====	=====

LAYC

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

9. Creditors: amounts falling due within one year (continued)	2020	2019
	£	£
(a) <i>Movement in deferred income can be analysed as follows:</i>		
Balance brought forward	6,766	4,901
Released in year	(6,766)	(4,901)
Deferred in year	6,800	6,766
	-----	-----
Balance carried forward	6,800	6,766
	=====	=====

Deferred income comprises affiliation fees prepaid for 2020/2021.

(b) *Funds held as custodian – Donald Gorrie Challenge Award ('DGCA')*

The family of the late Donald Gorrie provided funds to directly benefit disadvantaged young people who are engaged with the youth project 6VT. These funds are held on behalf of DGCA by LAYC in a separate designated bank account. The funds are managed under a Memorandum of Understanding between the Gorrie Family, 6VT and LAYC.

Funds deposited in the year totalled £0 and £1,340 drawn to make awards leaving a balance of bank funds held at the year end of £18,383.

10. Funds	At 1 April £	Income £	Expend- iture £	Gains/ (losses) £	Transfers £	At 31 March £
2019/20						
Unrestricted – General						
Designated	293,317	74,296	(119,911)	958	-	248,660
- Joyce Dunford Bequest	40,716	-	-	-	-	40,716
	-----	-----	-----	-----	-----	-----
	334,033	74,296	(119,911)	958	-	289,376
	-----	-----	-----	-----	-----	-----
Restricted						
- NHS Tobacco project	2,020	-	(2,020)	-	-	-
- Gannochy	-	6,000	(5,335)	-	-	665
- Dr Guthries	-	2,000	(2,000)	-	-	-
- Youthlink	-	740	(740)	-	-	-
- Wesleyan Foundation	-	1,610	(620)	-	-	990
- SCVO Cyber Essentials	-	500	-	-	-	500
- Watkin Jones	-	845	(845)	-	-	-
- Corra Mental Health	-	7,810	(703)	-	-	7,107
- British Science Week	-	1,000	(1,000)	-	-	-
- Pump House Trust	-	3,650	(3,650)	-	-	-
	-----	-----	-----	-----	-----	-----
	2,020	24,155	(16,913)	-	-	9,262
	-----	-----	-----	-----	-----	-----
	336,053	98,451	(136,824)	958	-	298,638
	=====	=====	=====	=====	=====	=====

LAYC

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

10. Funds (continued)	At 1 April £	Income £	Expend- iture £	Gains/ (losses) £	Transfers £	At 31 March £
2018/19						
Unrestricted – General	260,242	85,876	(70,579)	8,327	9,451	293,317
Designated						
- Joyce Dunford Bequest	40,261	455	-	-	-	40,716
- Building maintenance	10,000	-	-	-	(10,000)	-
	-----	-----	-----	-----	-----	-----
	310,503	86,331	(70,579)	8,327	(549)	334,033
	-----	-----	-----	-----	-----	-----
Restricted						
- NHS Tobacco project	1,862	34,286	(34,128)	-	-	2,020
- ASC support	15,564	-	(16,113)	-	549	-
- Big Lottery	897	-	(897)	-	-	-
- Gannochy	(350)	6,000	(5,650)	-	-	-
	-----	-----	-----	-----	-----	-----
	17,973	40,286	(56,788)	-	549	2,020
	-----	-----	-----	-----	-----	-----
	328,476	127,056	(127,367)	8,327	-	336,053
	=====	=====	=====	=====	=====	=====

The charity's general reserves consist of funds which the charity may use for its purpose at its discretion.

The Joyce Dunford Bequest was established following a donation by a late President and it is a designated fund that is used to support member groups including the provision of small grants.

The building maintenance designated fund has been set up to meet the cost of expected building repair costs.

NHS Tobacco Project – funding was received by NHS Lothian to provide small tobacco action grants to youth groups to explore tobacco issues and promote tobacco prevention.

ASC Support – funding was received by The City of Edinburgh Council (Children and Families Department) to support parent led/community based after school providers including the development of co-operative working.

Big Lottery – National Lottery “Awards for All” Scotland funding to support delivery of the 2018/19 training programme which specifically related to the health and wellbeing issues children and young people face.

Gannochy Trust – LAYC successfully secured three year funding from The Gannochy Trust to develop and deliver a new project “Inspiring Young Youth Workers” as part of the training support offered – aimed at 18-25 year olds working or volunteering in Youth and Children’s organisations based in Edinburgh or the Lothians. It was officially launched to organisations in August 2017.

Dr Guthries – supporting delivery of LAYC’s training and capacity building programme, funding support and training resources.

Youthlink – delivery of local consultation event for youth workers, contributing to the development of the national youth work strategy. Funding also required a written report submitted from the consultation event.

Wesleyan Foundation – delivery of games and physical activity training for youth and children’s workers, including follow-up support and provision of training kit bags.

SCVO Cyber Essentials – completion of Cyber Essentials accreditation for LAYC, including additional IT support required.

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020**10. Funds (continued)**

Watkin Jones – delivery of Mental Health First Aid course, including facilitation costs and training resources.

Corra Mental Health – delivery of a programme of mental health and wellbeing training sessions for youth and children’s workers, including facilitator costs and training resources.

British Science Week – delivery of Science, Technology, Engineering and Mathematics sessions for youth and children’s workers, including facilitation costs and training kit support packs for participants.

Pump House Trust – delivery of International Women’s Day event for youth and children’s workers supporting girls and young people, including facilitations costs for multi-workshop event.

11. Net assets analysis of funds	Unrestricted Funds	Designated Funds	Restricted Funds	Total
	£	£	£	£
Fixed assets	186,903	-	-	186,903
Net current assets	88,451	40,716	9,262	138,429
DB pension liability	(26,694)	-	-	(26,694)
	-----	-----	-----	-----
At 31 March 2020	248,660	40,716	9,262	298,638
	=====	=====	=====	=====
Fixed assets	189,200	-	-	189,200
Net current assets	135,330	40,716	2,020	178,066
DB pension liability	(31,213)	-	-	(31,213)
	-----	-----	-----	-----
At 31 March 2019	293,317	40,716	2,020	336,053
	=====	=====	=====	=====

12. Pension commitments*(a) Defined contribution pension arrangements*

LAYC contributes to the individual personal pension plans of employees. The contributions made in the year were £2,441 (2019: £2,890) representing an employer contribution of 7% of pensionable pay.

(b) Defined benefit pension arrangements

The company participates in the Scottish Voluntary Sector Pension Scheme, a multi-employer scheme which provides benefits to some 102 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pension Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a ‘last-man standing arrangement’. Therefore, the charity is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020**12. Pension commitments (continued)**

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2018 and showed assets of £120.0m, liabilities of £145.9m and a deficit of £25.9m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions;

From 1 April 2019 to 30 September 2026: £1.4m per annum (payable monthly and increasing by 3% each year on 1 April)

From 1 April 2019 to 31 March 2027: £136,701 per annum (payable monthly and increasing by 3% each year on 1 April)

Unless a concession has been agreed with the Trustee the term to 30 September 2026 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the charity has agreed to a deficit funding arrangement, the charity recognises a liability of this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision	2020	2019	2018
	£	£	£
Present value of provision	26,694	41,158	42,693
	=====	=====	=====
<i>Reconciliation of opening and closing provisions</i>			
		2020	2019
		£	£
Provision at start of year		31,213	42,693
Unwinding of the discount factor (interest expense)		424	823
Deficit contribution paid		(3,985)	(3,976)
Re-measurements – impact of any change in assumptions		(958)	1,074
Re-measurements – amendments to the contribution schedule		-	(9,401)
		-----	-----
Provision at end of year		26,694	31,213
		=====	=====
<i>Income and expenditure impact</i>			
		2020	2019
		£	£
Interest expense		424	823
Re-measurements – impact of any change in assumptions		(958)	1,074
Re-measurements – amendments to the contribution scheme		-	(9,401)
		-----	-----
		(534)	(7,504)
		=====	=====

NOTES to the FINANCIAL STATEMENTS (continued)**For the year ended 31 March 2020****12. Pension commitments (continued)**

Assumptions	2020	2019	2018
	%	%	%
	per annum	per annum	per annum
Rate of discount	2.57	1.46	2.01
	=====	=====	=====

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

13. Related party transactions

There were no transactions with related parties in the current or previous years.

14. Going concern and post balance sheet events – COVID-19

Subsequent to the year end, the impact of the pandemic on the general economy and working environment has increased significantly. The Trustees are satisfied that confirmed funding and existing reserves provide reasonable assurance that the charity can continue to operate for at least 12 months from the approval of these financial statements.