

Company Registration No. 08338248 (England and Wales)

CHANGING YOUNG LIVES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

CHANGING YOUNG LIVES LIMITED

COMPANY INFORMATION

Directors	Mr G C Carter Mr C J Hindley Mr A M Stoddart
Company number	08338248
Registered office	Unit 20 Rossmore Business Village Inward Way Ellesmere Port Cheshire CH65 3EY
Auditor	Xeinadin Audit Limited 2 Hilliards Court Chester Business Park Chester Cheshire CH4 9QP

CHANGING YOUNG LIVES LIMITED

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CHANGING YOUNG LIVES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G C Carter
Mr C J Hindley
Mr A M Stoddart

Auditor

In accordance with the company's articles, a resolution proposing that Xeinadin Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr A M Stoddart
Director

14 November 2024

CHANGING YOUNG LIVES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF CHANGING YOUNG LIVES LIMITED

Opinion

We have audited the financial statements of Changing Young Lives Limited (the 'company') for the year ended 31 March 2024 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

CHANGING YOUNG LIVES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CHANGING YOUNG LIVES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Enquiries of management and those charged with governance were held in order to identify any laws and regulations that could be expected to have a material impact on the financial statements. Throughout the audit, the team were updated with the outcomes of these enquiries including consideration as to where and how fraud may occur in the company.

The audit procedures undertaken to address any potential risk in relating to irregularities (which include fraud and non-compliance with laws and regulations) included: enquiries of management and those charged with governance on how the company complies with relevant laws, regulations and any cases actual or potential litigation or claims; examination of appropriate legal correspondence; review of board minutes; testing of journal entries for appropriateness; and analytical procedures on account balances to identify variances against expectation which may show indications of fraud.

No instances of material non-compliance were identified, although the prospect of detecting irregularities, including fraud, is inherently difficult. This is due to; difficulty in detecting irregularities; limits imposed by the effectiveness of the entity's controls; and the nature, timing and extent of the audit procedures performed. Irregularities as a result of fraud are inherently more difficult to detect than those that resulting from error. Despite the audit being planned and performed in accordance with ISAs (UK), there is an unavoidable risk that material misstatements may not be detected.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CHANGING YOUNG LIVES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CHANGING YOUNG LIVES LIMITED

Use of our report

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Stephanie Baker BA(Hons) ACA

Senior Statutory Auditor

For and on behalf of Xeinadin Audit Limited

14 November 2024

Chartered Accountants

Statutory Auditor

2 Hilliards Court
Chester Business Park
Chester
Cheshire
CH4 9QP

CHANGING YOUNG LIVES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Turnover	902,026	1,323,068
Cost of sales	(648,685)	(911,789)
Gross profit	253,341	411,279
Administrative expenses	(54,016)	(110,321)
Other operating income	59,621	32,897
Operating profit	258,946	333,855
Interest payable and similar expenses	(6,193)	(3,211)
Profit before taxation	252,753	330,644
Tax on profit	(1,287)	-
Profit for the financial year	251,466	330,644

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CHANGING YOUNG LIVES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	5		198,892		225,215
Current assets					
Debtors	6	195,890		168,558	
Cash at bank and in hand		7,876		69,084	
		<u>203,766</u>		<u>237,642</u>	
Creditors: amounts falling due within one year	7	<u>(402,657)</u>		<u>(394,567)</u>	
Net current liabilities			<u>(198,891)</u>		<u>(156,925)</u>
Total assets less current liabilities			1		68,290
Creditors: amounts falling due after more than one year	8		-		<u>(68,289)</u>
Net assets			<u>1</u>		<u>1</u>
Capital and reserves			-		-
Called up share capital			<u>1</u>		<u>1</u>

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

The financial statements were approved by the board of directors and authorised for issue on 14 November 2024 and are signed on its behalf by:

Mr A M Stoddart
Director

Company registration number 08338248 (England and Wales)

CHANGING YOUNG LIVES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2022	1	-	1
Year ended 31 March 2023:			
Profit and total comprehensive income	-	330,644	330,644
Other movements	-	(330,644)	(330,644)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2023	1	-	1
Year ended 31 March 2024:			
Profit and total comprehensive income	-	251,466	251,466
Other movements	-	(251,466)	(251,466)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2024	<hr/> <hr/> 1	<hr/> <hr/> -	<hr/> <hr/> 1

CHANGING YOUNG LIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

Changing Young Lives Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 20, Rossmore Business Village, Inward Way, Ellesmere Port, Cheshire, CH65 3EY.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Youth Federation Limited. These consolidated financial statements are available from its registered office, Unit 20, Rossmore Business Village, Inward Way, Ellesmere Port, England, CH65 3EY.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided under contract for the provision of management partner services to young people, and is shown net of VAT and other sales related taxes.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	over the life of the lease
Leasehold improvements	12.5% per annum on cost
Computers	15% per annum on reducing balance & 33.3% per annum on cost

CHANGING YOUNG LIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.6 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.7 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.8 Service Contracts

Profit is recognised on service contracts if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity advances.

Amounts recoverable on service contracts are included in debtors and are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account.

CHANGING YOUNG LIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

1.9 Short term debtors and creditors

Short term debtors and creditors with no stated interest rate are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

1.10 Distribution to parent

On 7th March 2022, Changing Young Lives Limited and Youth Federation Limited (ultimate parent company) entered into a Deed of Covenant agreement. As a result, all profits and distributable reserves of the company have been distributed from the subsidiary to the parent, necessitating an accrual at 31 March 2024 for amounts unpaid.

In the preceding financial periods such distributions were accounted for a cash paid basis.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Determining useful economic lives of fixed assets

The company depreciates tangible assets over their estimated useful lives based on historic performance. The actual lives can vary.

3 Exceptional item

	2024	2023
	£	£
Expenditure		
VAT on transfer of fixed asset	3,759	-
	<u> </u>	<u> </u>

4 Employees

The average monthly number of persons employed by the company during the year was:

	2024	2023
	Number	Number
Total	13	57
	<u> </u>	<u> </u>

CHANGING YOUNG LIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

5 Tangible fixed assets

	Leasehold land and buildings	Leasehold improvements	Computers	Total
	£	£	£	£
Cost				
At 1 April 2023	216,470	32,558	72,389	321,417
Transfers	-	-	(72,389)	(72,389)
At 31 March 2024	216,470	32,558	-	249,028
Depreciation and impairment				
At 1 April 2023	17,678	28,692	49,832	96,202
Depreciation charged in the year	2,165	1,601	-	3,766
Transfers	-	-	(49,832)	(49,832)
At 31 March 2024	19,843	30,293	-	50,136
Carrying amount				
At 31 March 2024	196,627	2,265	-	198,892
At 31 March 2023	198,792	3,866	22,557	225,215

6 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	66,793	16,000
Other debtors	129,097	152,558
	195,890	168,558

7 Creditors: amounts falling due within one year

	2024 £	2023 £
Bank loans	-	10,067
Trade creditors	30,104	6,750
Amounts owed to group undertakings	294,687	311,267
Taxation and social security	4,599	4,939
Other creditors	73,267	61,544
	402,657	394,567

CHANGING YOUNG LIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Bank loans and overdrafts	-	68,289

Loan balance was settled on 25/04/24 and charges settled 01/11/24.

Creditors which fall due after five years are as follows:

	2024 £	2023 £
Payable by instalments	-	24,894

9 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The company was recharged management time of £17,848 (2023: £58,557) and project costs of £nil (2023: £nil) by group entities.

The company recharged management time of £58,835 (2023: £17,401), project costs of £nil (2023: £nil) and rental income of £60,024 (2023: £30,012) to group entities.

In addition the company distributed £251,466 (2023: £330,644) of profits to its parent charity under a Deed of Covenant during the year.

At 31 March 2024 the company owed £294,687 (2023:£311,267) to group entities.

10 Parent company

Youth Federation Limited, a company limited by guarantee and a registered charity, is the company's ultimate parent undertaking by virtue of its holding of 100% of the issued share capital. Consolidated accounts for Youth Federation Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The company is ultimately controlled by the trustees/directors of Youth Federation Limited.

CHANGING YOUNG LIVES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

		2024		2023
	£	£	£	£
Turnover				
Project activities		902,026		1,323,068
Direct costs				
Project activity costs	332,420		377,834	
Wages and salaries	265,901		470,410	
Social security costs	25,716		31,800	
Staff training	300		30	
Staff pension costs defined contribution	16,184		18,772	
Other staff costs	8,164		12,943	
	<u>648,685</u>		<u>911,789</u>	
Total cost of sales		(648,685)		(911,789)
Gross profit		253,341		411,279
Other operating income				
Rent receivable	59,621		30,011	
Sundry income	-		2,886	
	<u>-</u>	59,621	<u>32,897</u>	
Administrative expenses				
Staff training	-		3,707	
Intercompany overhead staff costs	-		23,023	
Rates	4,805		3,600	
Storage and removal charge	5,254		5,768	
Power, light and heat	3,757		3,276	
Property repairs and maintenance	7,077		11,329	
Premises insurance	3,772		2,742	
Motor running expenses	3		9	
Professional subscriptions	2,182		361	
Legal and professional fees	5,684		7,411	
Audit fees	5,790		5,241	
Bank charges	(39)		(37)	
Printing and stationery	2,191		1,590	
Advertising	917		14,410	
Meetings and conferences	49		724	
Telecommunications	4,856		5,564	
Sundry expenses	193		408	
Depreciation	3,766		21,195	
VAT on transfer of fixed asset	3,759		-	
	<u>-</u>	(54,016)	<u>(110,321)</u>	
Operating profit		258,946		333,855
Interest payable and similar expenses				
Bank interest on loans and overdrafts		(6,193)		(3,211)

CHANGING YOUNG LIVES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

	£	2024 £	£	2023 £
Profit before taxation		<u>252,753</u>		<u>330,644</u>
