



Annual Report and Financial Statements For the year ending 31 December 2018

Company registration number 06550164, Charity number 1123946

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Chair's Introduction

In 2018, Youth Business International continued to grow its membership and increase its positive impact for disadvantaged young entrepreneurs - proud achievements which sit at the heart of our mission and our ambition to support 1 million young people to start and grow their businesses by 2025.

Seven new members joined our growing network and together we supported more young people on their entrepreneurship journey than ever before. Our unique and diverse network includes a range of expertise and knowledge across the world, allowing knowledge sharing and support to be tailored in the best way to reach as many young people as possible.

We helped close to 100,000 young entrepreneurs improve and build on their entrepreneurship skills this year. We did this by providing mentoring, training and financial assistance through various programmes. Through our flagship partnerships with Accenture, Citi Foundation and IDB Lab we were able to further grow the numbers of young people we are reaching.

This year we marked the launch of the 'High Flyers' Youth Entrepreneurship Programme in Uganda marking the start of a new and exciting partnership with Argidius Foundation which aims to support 1,700 high-potential young entrepreneurs to scale their businesses. The results will contribute to socioeconomic development, creating jobs and empowering local communities.

We also ran successful campaigns for Global Entrepreneurship Week and International Women's Day highlighting brilliant work of our young entrepreneurs and our network members. We also published several research reports, including our landmark study on the impact of mentorship, which set out the personal and business benefits of well-structured mentoring support for young entrepreneurs. A focus on embedding digital and innovation underpinned our work, with the launch of our inaugural Innovation Challenge and the Digital Accelerator programmes in Latin America and the Caribbean.

Looking ahead we will continue our focus on connecting and supporting our members to share, learn and innovate together. Digital, innovation and scale will remain key themes for our network but we will also begin to explore new areas of interest to our members, such as gender and migrant entrepreneurship. Overall, we will continue to strive to archive our goal of supporting 1 million young entrepreneurs by 2025.

My thanks go to all who make our work possible especially our partners and members for their support and dedication.



Sir Malcom Williamson

Chair

16th May 2019

Reference and Administrative Information

Status Youth Business International is a registered charity and is incorporated under the Companies Act as a company limited by guarantee not having a share capital. The company is governed by its Memorandum and Articles of Association dated 5th March 2008, under which each member has undertaken to contribute to the assets in the event of winding-up a sum not exceeding £5.

Company number 06550164

Charity number 1123946

Registered office 11 Belgrave Road, London, SW1V 1RB. During this period the organisation also had offices in Bogota, Colombia.

The Trustees

The Trustees who are also Directors under company law, who served during the year and up to the date of this report are as follows:

	Board Meeting Attendance
Sir Malcolm Williamson (Chair)	4/4
Timothy Copnell	4/4
Jeannie Arthur	4/4
John Downie	4/4
Romeo Effs (Stepped down 19/02/18)	1/4
Ramanie Kunanayagam (Stepped down 30/01/2019)	3/4
Elizabeth Padmore (Stepped down 19/02/18)	1/4
Crispin Rapinet	4/4
Fadi Sarkis	3/4
Anita Tiessen	4/4
Marie Staunton (Joined 06/12/18)	1/4

Chief Executive Anita Tiessen

Bankers Lloyds Bank Plc
Victoria Branch, Westminster, London SW1E 5JL

Auditors Nexia Smith & Williamson, Chartered Accountants
Onslow House, Onslow Street, Guildford, GU1 4TL

Report of the Trustees

The Trustees of Youth Business International have pleasure in presenting their report together with audited financial statements of the company and group for the year ending 31st December 2018.

The financial statements have been prepared in accordance with Statement of Recommended Practice 2015 (FRS102), Accounting and reporting by Charities issued by Charity Commission.

Youth Business International (YBI) is a global network of 53 independent, locally led organisations (our ‘members’) supporting underserved young entrepreneurs to turn their ideas into successful businesses, creating jobs and strengthening communities. The network is supported by a dedicated Network Team based in London and Bogota.

As a network we develop and scale new solutions to the critical challenges facing underserved young entrepreneurs. Our members learn, innovate and influence together. As a result, they are able to deliver better quality support to more young people around the world.

Learn: Our members have diverse expertise across the full range of youth entrepreneurship support services. To support them in their work, we deliver capacity development services, facilitate member learning exchanges and connect members to partners with the relevant expertise.

Innovate: By convening the collective expertise of the network, we can identify gaps in support for young entrepreneurs around the world. Using these insights, we work with members to develop new solutions for youth entrepreneurship support.

Influence: As a global network we are well positioned to advocate the benefits of youth entrepreneurship. We work with members to generate and share evidence on priority themes, and use the insight generated to drive change in policy and practice.

During 2018, seven new members joined the network, expanding our reach to 51 countries across six continents. Three members left the network due to the cessation of the organisation or change in strategic direction.¹ During 2018, 22 members went through our rigorous accreditation process. At the close of the year, 38 members were fully accredited, 14 were partially accredited and one was under review.

¹ Members joining in 2018: Inner City Enterprise (Ireland), Ground Zero (Uzbekistan), Jinishian Memorial Foundation (Armenia), ICCO Uganda, ICCO Burundi, Enactus Kyrgyzstan, Spark Rwanda. Members leaving in 2018: Fundación Impulsar (Argentina), Kolping Uruguay, Startup Direct (UK).

We believe that young people are critical to the future of economic development. However, with 66² million young people currently unemployed worldwide and 145 million working but living in poverty, their potential is not being fully realised.

Empowering young people to succeed in setting up their own businesses is a critical part of the solution; young entrepreneurs create new jobs and shape local economies and young people equipped with entrepreneurship skills are better able to navigate the challenges of today's rapidly changing job market.

Our vision is that all young people who want to set up a business are able to fulfil their potential. We are ambitious. By 2025, we aim to support one million underserved young entrepreneurs to access the support they need to start, strengthen and grow sustainable businesses.

Our Partners

To grow and nurture a sustainable network that drives impact for young entrepreneurs on a global scale, we partner with corporates, governments, international development agencies, charitable foundations and individuals. In 2018, our partners included Accenture, Citi Foundation, the Innovation Laboratory of the Inter-American Development Bank (IDB Lab), the European Union and Argidius.

Accenture

YBI's three-year programme with Accenture (2015-2018) supported 80,470 young entrepreneurs. Our new three-year partnership was announced in October 2018. We were awarded a US \$6 million grant which will enable us to support an additional 75,000 young entrepreneurs to start, grow and sustain their businesses - creating jobs, building communities and transforming lives. The new partnership will focus on digital and innovative approaches to youth entrepreneurship support.

Citi Foundation

Our partnership with Citi Foundation supports young entrepreneurs across Europe. This programme brings together a consortium of nine YBI members³, building regional collaboration and supporting young people to start and strengthen businesses. In the first year of this two-year partnership, the programme supported 9,040 young people to develop their employability and entrepreneurship skills

² https://www.ilo.org/newyork/news/WCMS_634637/lang--en/index.htm

³ Adie (France), Inner City Enterprise (ICE), KIZ (Germany), microStart (Belgium), NyföretagarCentrum Sverige (Sweden), PerMicrolab (Italy), Positive Planet (France), Qredits (Netherlands) and Youth Business Spain,

IDB Lab

The five-year Youth Entrepreneurship Program, a collaboration between the IDB Lab and our members in nine countries across Latin American and Caribbean, aims to increase the number of poor and low-income youth successfully starting sustainable businesses and creating jobs⁴. In 2018, the programme supported 9,289 young people to start or strengthen their businesses.

M-UP

This year saw the first full year of the migrant entrepreneurship support network (M-UP) in partnership with the EU's Europe's Programme for Small and Medium-sized Enterprises (COSME) programme. This three-year programme brings together organisations from across Europe to help entrepreneurs to scale up and grow their businesses. YBI is a founding member of the network, which now has 17 members including six YBI members and two YBI consortium members, and key stakeholders in the field of migrant entrepreneurship support.

Argidius Foundation

We began a partnership with Argidius in late 2018. This collaboration will focus on our members working in Sub-Saharan Africa and will convene a community of practice with the regional YBI members, as well as a new youth entrepreneurship programme for 'High Flyers' to grow their businesses in Uganda.

The trustees are indebted to all partners for their support, both financial and otherwise, without whom it would not have been possible to achieve all that we did.

Objectives, activities and performance

YBI's objects for the public benefit are:

To act as a resource for young people aged 18-35 by providing mentoring, advice and financial assistance through the Youth Business Programmes as a means of:

- a) Advancing in life and helping young people by developing their skills, capacities and capabilities to enable them to participate in society as independent, mature and responsible individuals
- b) Advancing education through mentoring, training, advocacy and the efficient sharing of knowledge through the network of Youth Business Programmes
- c) Relief of unemployment

⁴ Acción Emprendedora (Chile), Aliança Emprendedora (Brazil), Barbados Youth Business Trust, Corporación Minuto de Dios (Colombia), Fundación Paraguaya (Paraguay), Jamaica Youth Business Trust, Man'qa Bolivia, Perspektiva (Peru), Yo Quiero Yo Puedo (Mexico), Youth Business Trinidad & Tobago

To encourage sustainable development which meets the needs of the present without compromising the ability of future generations to meet their own needs and to promote it for the benefit of the public by:

- a) The relief of poverty and the improvement of the conditions of life in socially and disadvantaged communities
- b) The promotion of sustainable means of achieving economic growth and regeneration

In 2018 YBI introduced a new framework to measure its impact, with a set of Key Performance Indicators assessing progress and outcome attribution at three levels: the Network; member; and young entrepreneur.

At the Network level, we saw strong performance. Of those with sufficient time to judge, YBI fully or partially met 100% of its members' top priorities for being in the Network. 165 member collaborations occurred and 90% of our members were engaged through peer learning initiatives.

Having an impact on young people is YBI's Mission. In 2018 our Network supported 93,828 young people to develop their entrepreneurship skills. We are also able to report that, of the young people our Network supported in 2017, 16,419 have strengthened their business and 9,721 have started a new business.

2018 Achievements

Learn: Building impactful organisations and programmes

Over the course of the year we supported our members to come together and learn from each other and sector experts to enhance their support services for young entrepreneurs.

Youth Entrepreneurship Summit in Latin America and the Caribbean

In November, seven YBI members taking part in the Youth Entrepreneurship Programme supported by the IDB Lab gathered in Guadalajara, Mexico, to explore ways in which we can further develop the ecosystem of support for young entrepreneurs in Latin America and the Caribbean. The main themes included digital acceleration and the adoption of digital strategies, as well as sustainability, financing and impact measurement.

Youth Business Europe collaboration through regional workshops

The Youth Business Europe programme supported by Citi Foundation held two workshops in 2018, in June and September. Both were opportunities for members in Europe to collaborate and share their knowledge and expertise on youth entrepreneurship support. In September, YBI member in Sweden, NyföretagarCentrum, represented the network by participating in Citi Foundation's Pathways to Progress event in London.

Regional training workshop in Africa

In May, YBI held a regional training workshop in Kigali, Rwanda. Attended by 20 participants representing seven different YBI member organisations from across Sub-Saharan Africa, the workshop provided training managers, trainers, facilitators and mentors with new skills and tools to improve the effectiveness of their work with young entrepreneurs.

Sharing experiences of migrant entrepreneurship support

M-UP hosted two workshops in 2018, in Brussels and Amsterdam, bringing together more than 90 participants from this Europe-wide migrant entrepreneurship support network. The workshops were an opportunity for members to share best practices, work together to develop new ideas and hear from young entrepreneurs themselves.

Innovate: Developing new and improving existing products and services

In 2018 we scaled up our work around innovation, piloting new approaches and leveraging technology to reach and engage more members.

Innovation Challenge

We launched the first ever YBI Innovation Challenge in May and announced the two winners in August - Aliança Empreendedora (Brazil) and the consortium of Futurpreneur (Canada), Youth Business Spain and Youth Business Germany. The challenge provided members with the opportunity to receive funding and mentoring to develop and launch their innovations.

Embedding a digital mindset in youth entrepreneurship support

In May, we launched a Digital Accelerator Programme in collaboration with Accenture and the IDB Lab. The project is supporting seven YBI members in Latin America and the Caribbean to understand the changing dynamics in the world of work, and develop road maps for innovation. Key elements that have made the programme successful have been the opportunity for members to collaborate to gain valuable expertise, as well as developing an understanding of the digital experience of the young entrepreneurs.

Influence: Generating and leveraging evidence

In 2018 we profiled our members and the young entrepreneurs they support in key campaigns as we continued to build the evidence base in support of youth entrepreneurship.

Demonstrating the impact of entrepreneurship support

In July we shared the findings of our longitudinal study on the impact of volunteer business mentoring. The report was very well-received by our members and partners. We also released two other key reports in our 'Insights for Success' series: a methodology review

and a guide for practitioners on designing and delivering entrepreneurship support. We presented the guide at the Global Youth Economic Opportunities conference in September.

International Women's Day campaign

In the run up to International Women's Day on March 8th, we ran a campaign celebrating female entrepreneurs across the network. We saw great engagement from our members who submitted a number of videos of the entrepreneurs they support. The online campaign generated greater visibility for our global network and the content shared throughout the campaign gathered over 5,000 views.

Global Entrepreneurship Week campaign

In November, the annual Global Entrepreneurship Week (GEW) campaign was held across the world and many YBI members took part in this global movement by hosting events and activities to raise awareness about the value of entrepreneurship. YBI ran an online campaign during the week, focused on the dissemination of our 2017 Impact Report and sharing a variety of social media and website content. Social media content around the campaign was seen almost 65,000 times across our channels.

Finance performance

Income

The Group's total incoming resources for the year were £5.6m (2017: £3.5m) of which £1.3m was unrestricted (2017: £0.8m) and £4.3m (2017: £2.7m) was restricted. All of this income is recorded in the Charity. The Group's incoming resources are higher due to the new partnerships forged during the year with Accenture and Argidius and increased investment on digital accelerator by IDB Lab.

During 2018 grant funds were received as follows; £0.7m from Citi Foundation (2017: £1.0m), Accenture £2m (2017: £0.8m), the Inter-American Development Bank (IDB Lab) £1.1m (2017: £0.6m) and Argidius £0.4m made up 71% of total income. These are multi-year and multi-project grants demonstrating the success of the strategic focus towards developing long-term relationships with our partners.

The main sources of funds in 2018 were Corporate Donors at 69% (2017: 55%), Governmental/ Multilateral organisations which contributed 20% (2017: 21%) and Charitable foundations and Trusts at 8% (2017: NIL).

We continue to be grateful to some very generous private individuals who have also made significant donations to YBI to support our work.

Expenditure

The Group and Charity's total resources expended for the year were £4.8m (2017: £4.5m), of which £1.6m (2017: 1.8m) was unrestricted and £3.2m (2017: £2.7m) was restricted. A further £0.3m has been allocated to restricted funds at the end of the year thus reducing unrestricted expenditure to £1.3m in 2018.

The budgeted core costs of the team are agreed in advance each year, and as resources and individuals are assigned to specific projects towards which donors have directed their grants we recover these costs and show them as expenditure against the restricted income. Remaining unallocated costs and overheads are shown as unrestricted expenditure.

Overall, our expenditure in 2018 was slightly higher than our expenditure in 2017. Unrestricted expenditure decreased from £1.8m in 2017 due to improved cost recovery and efficient use of resources while also being able to recover a higher level of overhead than in previous years.

Looking forwards, YBI seeks to increase unrestricted income and further reduce the proportion of unrestricted expenditure, through a combination of expenditure reviews and cost recovery improvements.

Reserves Policy and Going Concern

The charity holds unrestricted reserves in order to continue to operate in the event of a downturn in income. In 2018, the charity's aim was to maintain unrestricted free reserves equivalent to between three and six months of unrestricted committed expenditure which based on the expenditure in the year to 31 December 2018 amounts to £450k lower target and £900k upper target.

The Board reviews and approves the reserves policy on an annual basis.

In 2018 the charity decreased its unrestricted reserves by £17k compared to the previous year in order to continue to provide general support to our Network. As at 31 December 2018 unrestricted reserves are £644k, exceeding the Reserves policy lower target by £194k.

Trustees have taken a number of steps to ensure the charity's financial sustainability. These are:

- Completion of a Fundraising Strategy with a focus on securing sustainable unrestricted income streams
- Detailed expenditure review and reduction of ongoing operating expenses
- Strategy review process and quarterly budget reforecasts to ensure organisational resources are aligned to organisational priorities

After reviewing the charity's forecasts and projections, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence

for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Risk Management

The Trustees have delegated day-to-day responsibilities for the management of the risks to the Senior Management Team. An ongoing risk management process assesses business risks and implements risk management strategies. Major risks faced by the charity are identified and prioritised in terms of their potential impact and likelihood of occurrence and means of mitigating the risks are identified.

During 2018, the three main risks to the organisation were;

- **Strategic:** Risk that the charity is unable to diversify and grow unrestricted funding in short and long term. New Partnerships & Fundraising Team has been brought on board and they are developing number of proposals for new partnerships and other fundraising opportunities.
- **Operational:** Risk that charity is unable to meet members demand for capacity development. A number of vacancies have been filled at the end of 2018 and early 2019 in order to provide capacity building and support to the members.
- **Financial:** A deficit in cash flows to meet expenditure requirements. Exchange rate fluctuations and any requirement for pre-financing of projects can be challenging on the level of reserves and the availability of cash. Cashflows and reserves are reported to the Trustees on quarterly basis and with careful control of support costs we are able to maintain the reserves in line with the reserves policy.

A review of all risks, and progress against mitigating these, is completed quarterly by the Executive Directors, and reviewed by the Audit & Risk Committee and the Board. Where appropriate, risks are covered by insurance.

Plans for the year ahead

We will continue to focus on growing and adding value to our Network. We will be guided by, and seek to contribute to, the Sustainable Development Goals. Over the year ahead we aim to deepen our current partnerships and continue to expand and diversify our portfolio of funders.

- **Network membership and our Global Summit:** We expect to continue to grow in 2019, with up to four new members. Of our existing members, 19 will go through some form of accreditation process, with nine full assessments and 10 reviews planned. In 2019 we will hold a Global Youth Entrepreneurship Summit, bringing together members and sector leaders to identify new solutions to the challenges facing young entrepreneurs around the world.

- **Learn:** Digital will continue to be a key area for shared learning, including evolving the Sky's The Limit platform with our members, embedding our online Community for members to share their learning and expertise, and exploring opportunities to scale up our Digital Accelerator Programme. We will also promote member learning exchange on key themes such as innovation, scaling and skills.
- **Innovate:** We will launch our second Global Innovation Challenge with support from Accenture. We will draw on key learning challenges to promote innovation across the network and support members to develop products and services that address young entrepreneurs' needs, with winners receiving funding to allow them to pilot and monitor their projects.
- **Influence:** We will launch new research and learning on scaling, digital, innovation and the future skills young entrepreneurs need to thrive. We will share our insight in key fora and support our members on campaigns, positioning entrepreneurship as a key part of the solution to tackling the global youth employment crisis.

Structure, Governance and Management

Trustee and organisational structure

Youth Business International (YBI) is a charitable company, limited by guarantee and governed by its Memorandum and Articles of Association dated 5th March 2008. The governing Board of the charity is a Board of Trustees who met formally quarterly.

The Board of Trustees approve all the major strategic decisions for the organisation. The Board of Trustees delegate the day-to-day operational decision making to the Chief Executive Officer who with the Senior Management Team (SMT) runs the organisation and is responsible for all the contracts.

There are three further sub-committees;

- Accreditation Committee to define and review accreditation status of the Members of YBI Network. The committee comprises two Trustees and two non- YBI members or staff. Chair: Crispin Rapinet
- Nominations and Remunerations committee to select new trustees; determine the remuneration of Chief Executive Officer and organisations remuneration policy. The Nominations and Remunerations committee comprise three Trustees including the Chairman of the Board. Chair: Sir Malcom Williamson
- Audit and Risk Committee (ARC) to provide assurance to the Board that an effective internal controls and risk management system is maintained and that finances are being managed effectively. ARC comprises three Trustees, Chief Executive Officer and Director of Finance and Operations (non - voting). Chair: Timothy Copnell

Trustee Recruitment and Training

New trustees are recruited for their skills in areas relevant to organisational strategy and objectives. They are recruited in variety of ways including public advertisements and/or by recommendations from those working with YBI, or from existing trustees. Candidates are scrutinised by the Nominations and Remuneration Committee supported by the CEO as necessary.

All new trustees are given a structured induction to the organisation by the Chief Executive and the Chairman. As part of the induction, meetings are arranged with key employees, other trustees and relevant external contacts. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. Training requirements are reviewed regularly.

Related parties

Any connection between a trustee or senior manager of the charity or any other contractual relationship with a related party, must be disclosed to the full Board of Trustees. Other than Control of the Fundación YBI Latinoamérica y Caribe, there were no related party transactions in 2018.

Public Benefit

The trustees have a duty to report on public benefit by explaining:

- The significant activities undertaken in order to carry out our aims for the public benefit
- Achievements measured against those aims

The trustees confirm that they have had regard to the Charity Commission's guidance on public benefit reporting on YBI's vision and mission, and on the objectives, achievements and plans.

Core Policies

YBI inducts all new staff to enable them to have good understanding of the organisational structure, policies and procedures and other role relating information. YBI core policies; Code of Conduct, Safeguarding policy, Anti -Bribery and Anti-Corruption policy, Conflict of Interest policy, Whistleblowing policy and Confidentiality policy are shared with all YBI staff members. Senior Managers and Finance staff are also inducted with other finance and people management related policies.

People

Network Support Team based in London and Bogota totalled 26 people during the year. In addition, the charity has benefited greatly from the help of volunteers, both experienced professionals and interns.

Income recognition

YBI income is partly raised by project- based grants and contracts. Income on these projects is recognised in line with performance and at the same time as the expenses, meaning in the same fiscal period. The method used by YBI to recognise income from project- based grants is by using the proportion of cost incurred for work performed to date.

YBI also raises a portion of its income from philanthropists, individuals and private corporations. Income from these sources must be reported in the year in which it was received as opposed to when the expenditure occurs.

Since the latter type of income is almost always received in advance of expenditure occurring, it results in surplus or deficits showing in the organisations statement of financial activity. Deficits signify that income for expenses incurred in current fiscal period were recognised in the year prior and surpluses are carried over as part of reserves for use in the next fiscal period.

This is in line with 'Statement of Recommended Practice (SORP) accounting guidance for charities which YBI must follow.

Fundraising Standards Information

During 2018, YBI worked with corporate partners and multilateral/governmental organisations to raise funds for our work. We also receive the generous support of some anonymous donors. YBI does not use any professional fundraisers or commercial participators in the carrying out of such activities.

The Charity, or any person acting on behalf of the charity is bound by any voluntary scheme for regulating fundraising or any voluntary standard of fundraising in respect of activities on behalf of the charity.

Trustees' Responsibilities Statement

The trustees (who are also directors of Youth Business International) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102, the Financial Reporting Standards applicable in the UK and Republic of Ireland.

Under company law the trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Internal controls

The trustees have overall responsibility for ensuring that the charity has an appropriate system of control, financial and otherwise.

They are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to

ensure that the financial statements comply with the Companies Act 2006.

These systems of internal control are designed to provide assurance against material misstatement or loss. They include:

1. A strategic plan, an annual operating plan and an annual budget all approved by the Board
2. Regular consideration by the Board of financial results and variance from budgets
3. The use of the Audit & Risk Committee in overseeing of the company's financial reporting process, including related risks and controls as well as working with the company's external auditors
4. Appropriate identification and management of risk

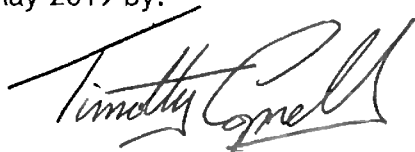
As part of this process, trustees continue to review the adequacy of the charity's internal controls. They consider whether controls are sufficient on an annual basis.

Disclosure of Information to the Auditor

As so far as each of the Trustees in office at the date of the Trustee report is aware

- there is no relevant audit information of which the company's auditor was unaware
- they have taken all steps that the trustee ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditor was aware of that information

The Trustees' Report was approved and signed on behalf of the Board of Trustees on 16th May 2019 by:

A handwritten signature in black ink, appearing to read 'Timothy Copnell', written in a cursive style.

Timothy Copnell

Trustee and Chairman of the Audit and Risk Committee

Independent Audit Report



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOUTH BUSINESS INTERNATIONAL

Opinion

We have audited the financial statements of Youth Business International (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated statement of financial activities, the Group and company balance sheets, the Group cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and of the parent charitable company's affairs as at 31 December 2018 and of the group's income and expenditure 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 group and parent charitable 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in The Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees, which includes The Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees (who are directors of the parent charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and under section 151 of the Charities Act 2011, and report in accordance with those Acts and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charitable company's members, as a body, 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 parent charitable company's members those matters we are required to state to them 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 parent charitable company, and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Jeffrey Selden
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Onslow House
Onslow Street
Guildford
GU1 4TL
Date: 26 June 2019

Statement of Financial Activities

Consolidated Statement of Financial Activities

(Including income and expenditure) account for the year ended 31 December 2018

	Notes	Unrestricted (£)	Restricted (£)	Year ended Dec 2018 (£)	Year ended Dec 2017 (£)
Income from					
Grants and donations	(2)	1,283,490	4,356,102	5,639,592	3,433,831
Charitable activities	(2)	26,525	-	26,525	65,614
Investment Income	(2)	1,599	-	1,599	-
Total income		1,311,614	4,356,102	5,667,716	3,499,445
Expenditure on					
Costs of raising funds	(3)	95,462	162,440	257,902	269,919
Charitable activities	(3)	1,504,085	3,036,654	4,540,739	4,181,463
Total expenditure		1,599,547	3,199,094	4,798,641	4,451,382
Net movement in funds for the year before transfers	(11)	(287,933)	1,157,008	869,075	(951,937)
Transfers between funds	(11)	270,673	(270,673)	-	-
Net movement in funds for the year	(11)	(17,260)	886,335	869,075	(951,937)
Total funds brought forward	(11)	661,654	1,007,551	1,669,205	2,621,142
Total funds carried forward	(11)	644,394	1,893,886	2,538,280	1,669,205

All of the above results are derived from continuing activities.

There is no material difference between the reported net income/(expenditure) of the charity and the group in either the current or comparative period.

Balance Sheet

Group and Company Balance Sheets

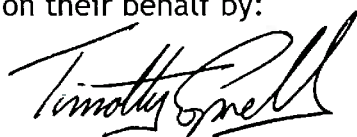
As at 31 December 2018

	Notes	Group 2018 Total (£)	Group 2017 Total (£)	Charity 2018 Total (£)	Charity 2017 Total (£)
Fixed assets					
Tangible assets	(6)	23,710	34,385	23,710	34,385
		<u>23,710</u>	<u>34,385</u>	<u>23,710</u>	<u>34,385</u>
Current assets					
Debtors	(7)	669,536	400,994	669,820	454,354
Cash at bank and in hand		2,207,646	1,387,257	2,207,583	1,328,200
		<u>2,877,182</u>	<u>1,788,251</u>	<u>2,877,403</u>	<u>1,782,554</u>
Liabilities					
Creditors falling due within one year	(8)	(354,198)	(145,017)	(354,480)	(139,382)
Net current assets		<u>2,522,984</u>	<u>1,643,234</u>	<u>2,522,922</u>	<u>1,643,172</u>
Total assets less current liabilities		<u>2,546,694</u>	<u>1,677,619</u>	<u>2,546,632</u>	<u>1,677,557</u>
Creditors falling due after more than one year	(14)	(8,414)	(8,414)	(8,414)	(8,141)
Net assets	(11)	<u>2,538,280</u>	<u>1,669,205</u>	<u>2,538,218</u>	<u>1,669,416</u>
The funds of the charity:					
Unrestricted		644,394	661,654	644,332	661,592
Restricted		1,893,886	1,007,551	1,893,886	1,007,551
	(11)	<u>2,538,280</u>	<u>1,669,205</u>	<u>2,538,218</u>	<u>1,669,143</u>

There is no material difference between the reported net assets and reserves of the charity and the group in either the current or the comparative period.

The Charitable Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The net income of the Parent Charitable Company for the year was £869,015 (2017: £951,999 net expenditure).

The financial statements were approved by the Trustees on 16th May 2019 and were signed on their behalf by:



Timothy Copnell

Trustee and Chairman of the Audit & Risk Committee

Company number: 06550164

Cash Flow

Group Cash Flow Statement

For the year ended 31 December 2018

	2018 Group Total (£)	2017 Group Total (£)	Charity 2018 Total (£)	Charity 2017 Total (£)
Cash flows from operating activities	820,387	(1,101,319)	879,383	(1,160,376)
Change in cash and cash equivalents in the reporting period	<u>820,387</u>	<u>(1,101,319)</u>	<u>879,383</u>	<u>(1,160,376)</u>
Cash and cash equivalents at the beginning of the reporting period	1,387,257	2,488,576	1,328,200	2,488,576
Cash and cash equivalents at the end of the reporting period	<u>2,207,646</u>	<u>1,387,257</u>	<u>2,207,583</u>	<u>1,328,200</u>

Notes to the cash flow statement

(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2018 Group Total (£)	2017 Group Total (£)	Charity 2018 Total (£)	Charity 2017 Total (£)
Net income/ (expenditure) for the reporting period (as per statement of financial activities)	869,075	(951,937)	869,015	(951,999)
Depreciation charges	10,674	9,699	10,674	9,699
Increase/(Decrease) in creditors	209,181	(368,306)	215,160	(373,941)
(Increase)/Decrease in debtors	(268,543)	209,225	(215,466)	155,865
Net cash provided by/(used in) provided by operating activities	<u>820,387</u>	<u>(1,101,319)</u>	<u>879,383</u>	<u>(1,160,376)</u>

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

1. Accounting Policies and Convention

Basis of Financial Statements

The Financial Statements have been prepared under the historical cost accounting rules and in accordance with applicable Financial Reporting Standard (FRS102) and the Statement of Recommended Practice (SORP) 2015 "Accounting and Reporting by Charities".

The Trustees financial review for the year ended 31 December 2018 in comparison to the prior year shows that the charity has a healthy cash balance and a large proportion of the grant funding required for 2019 is already agreed with the donors.

Trustees consider that there are no material uncertainties about the Charities ability to continue as going concern in the 12 months from the date of signing and preparation of the accounts is on a going concern basis.

Particulars of the significant accounting policies are given below. They have been applied consistently throughout the year and preceding years.

Consolidated Accounts

The consolidated accounts incorporate the results of Youth Business International and Fundación YBI Latinoamérica y Caribe (company number 900785397, incorporated in Colombia) which YBI controls. Comparative consolidated 2017 information is also reported.

Incoming Resources

Income for a specific purpose is credited to a restricted fund.

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably. In respect of income not tied to time- limited grants, income is recognised as soon as it is prudent and practicable to do so. In the case of performance related or long terms contract income, income entitlement is considered to be conditional upon delivery of the specified level of service, in accordance with FRS102 and Charities SOP 2015. Income is therefore recognised to the extent that the charity has delivered the service or activity. The expenditure used to date is used as a reasonable estimate or approximation of the charities' performance and entitlement to income.

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

Donated Services and facilities

Donated services or facilities are recognised as unrestricted income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated services or facilities are valued at the amount the charity would have to pay for the services or facilities on the open market, a corresponding amount is then recognised in expenditure in the period of receipt.

In accordance with the Charities SORP, general volunteer time is not recognised.

Resources expended

All Expenditure, including grants payable and irrecoverable VAT, is accounted for on an accrual basis and classified under headings that aggregate all costs related to that category. Expenditure is allocated to activity categories based on the amount attributable to the activity in the year, including the cost of raising funds, charitable activities, and services.

Direct costs in these categories are charged with their share of support costs. Support costs are those functions that assist the work of the charity and include central functions such as general management, accounting, communication, IT, human resources, governance, office rent, general travel, relationship building, irrecoverable VAT and depreciation. All support costs items are either allocated or apportioned over the relevant categories on the basis of the overall time spent in these categories.

The cost of raising funds comprises those costs directly attributable to the fundraising activities of the charity and the appropriate apportionment of central costs.

Irrecoverable VAT is charged as a cost against the activity using the support costs allocation method.

Fund accounting

Unrestricted funds are used to fulfil the objectives of the organisation at the discretion of the Trustees. Restricted funds are funds which are used in accordance with the specific instructions imposed by donors or which have been raised by the charity for a specific purpose.

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

Fixed assets

Fixed assets are capitalised where the purchase price of each individual item costs £2,000 or more including VAT. Depreciation has been provided in order to write off the cost of the assets over their estimated useful lives on a straight-line basis.

Financial instruments

Youth Business International only has financial assets and liabilities of a kind that qualify as basic. These basic instruments are shown in the balance sheet and initially recognised at transaction value and subsequently measured at their settlement value.

Company pension scheme

The charity operates a defined contribution pension scheme for staff. Contribution costs are charged to the statement of financial activities in the year in which they are payable.

Taxation

The charity is exempt from tax on income and gains for the purposes of Section 505 of the Income and Corporation Taxes Act 1988 and is exempt from Corporation Tax.

Foreign currencies

Transactions in foreign currencies are recognised at the rate of exchange at the date of the transaction. Monetary assets and liabilities are translated into sterling at the exchange rate on the balance sheet date. All exchange differences are recognised through the statement of financial activities.

Operating leases

Rentals payable under operating leases, where substantially all the risk and rewards of ownership remain with the lessor, are charged to the financial statements in the year in which they fall due.

Grant Making

During 2018, YBI made grants to nineteen members detailed in note 4. All YBI grantees are accredited members of the network with a Memorandum of Understanding signed between the parties.

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

Principal accounting estimates and judgements

In the application of YBI's accounting policies, management is required to make judgements, estimates and assumptions about carrying amounts 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 relevant. Actual results may differ from these estimates.

The matter considered to be the most important in applying the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported is Multilateral donor accrual recognised and reported as income received. In calculating the level of accrued income to be recognised in 2018, management is required to exercise estimation and judgement, particularly in determining the value and probability of receipt.

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

2. Income

	Unrestricted (£)	Restricted (£)	Group Year ended Dec 2018 (£)	Group Year ended Dec 2017 (£)
Grants and donations				
Charitable foundations and trusts	115,000	362,103	477,103	-
Corporate donors	1,843	2,863,115	2,864,958	1,679,355
Individuals	119,375	-	119,375	125,000
Multilaterals	-	1,122,637	1,122,637	909,366
Donated services	1,047,272	-	1,047,272	639,600
Government support	-	8,247	8,247	80,510
	1,283,490	4,356,102	5,639,592	3,433,831
Charitable activities				
Recharge of services to the network	26,525	-	26,525	65,614
	26,525	-	26,525	65,614
Investment Income				
Bank interest received	1,599	-	1,599	-
	1,599	-	1,599	-
Total income	1,311,614	4,356,102	5,667,716	3,499,445

Donated Services in 2018 are valued as £1m (2017: £0.6m) and are recognised within incoming resources as donated services. An equivalent charge is included within outgoing expenses.

The charity is grateful to:

- Hogan Lovells and PHRLegal for their general legal advice. Their contribution is valued at £127,092 and £15,186 respectively.
- The Worshipful Company of Management Consultants whose members have continued in 2018, as in previous years, to undertake all the independent accreditations, together with some specific follow up projects. Their contribution is estimated to be valued at £133,500 in 2018.
- Accenture have provided several consultants over the course of 2018 to YBI as we were building, testing and preparing for the launch of Sky's the Limit during the year. Their contribution is valued at £771,494.

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

3. Expenditure

a. Analysis of total expenditure

	Direct activity cost (£)	*Direct staff cost (£)	**Network Support costs (£)	Grant to members (£)	Year ended Dec 2018 (£)	Year ended Dec 2017 (£)
Costs of raising funds	34,134	128,306	95,462	-	257,902	269,919
Charitable activities						
Strengthening and expanding the network	480,619	1,226,057	133,018	794,538	2,634,232	2,771,723
Resource raising & partnership management	233,527	385,985	287,178	-	906,690	1,025,359
Research, communications & advocacy	416,547	334,441	248,829	-	999,817	384,381
	1,130,693	1,946,483	669,025	794,538	4,540,739	4,181,463
Total expenditure	1,164,827	2,074,789	764,487	794,538	4,798,641	4,451,382

*Direct staff cost includes donated services valued at £1,047k”;

**Network support cost include £25k external audit fee.

b. Analysis of the Network Support Cost

	Management and admin staff costs (£)	Office, IT, & business support (£)	Travel & relationship building (£)	Depn (£)	Governance (£)	Total support costs (£)
Costs of raising funds	65,556	525	19,761	612	9,007	95,462
Charitable activities						
Strengthening and expanding the network	50,513	64,827	5,562	4,886	7,230	133,018
Resource raising & partnership management	123,371	139,857	13,715	4,032	6,203	287,178
Research, communications & advocacy	107,920	122,340	11,999	1,144	5,426	248,829
	281,804	327,024	31,276	10,062	18,859	669,025
Total support costs	347,360	327,549	51,037	10,674	27,867	764,487

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

c. Analysis of grants awarded to YBI Member organisations during the period

YBI Member	Total grants awarded (£)
MOST Kazakhstan	33,313
IBLF	104,699
Associazione PerMicroLab Onlus	34,750
Inner City Enterprise (ICE) Ireland	57,119
ADIE (France)	34,271
NyforetagarCentrum Sverige	42,032
Youth Business Spain	35,699
Qredits	26,560
MicroStart Support (Belgium)	88,814
Positive Planet	42,032
Associacao Allianca Empreendedora (Brazil)	30,866
Youth Business America	38,088
ADIE (FRANCE)	10,718
Youth Business Spain	12,594
KIZ Sinnova (YBGermany)	85,210
Qredits	15,479
Corporación Minuto de Dios	12,895
ICCO (Uganda)	57,421
Enterprise Uganda	31,978
Total support costs	<u>794,538</u>

The remainder of charitable activities spend was undertaken internally.

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

4. Employees, Key Management Personnel and Trustees - Charity and Group

a. Employees

	Year ended Dec 2018 (£)	Year ended Dec 2017 (£)
Wages and salaries	1,170,484	1,240,385
Social security	124,369	132,653
Pension costs	84,636	45,587
Other staff costs	-	61,040
Total staff costs	1,379,489	1,479,665

Employer pension contributions that were paid in respect of higher paid employees totalling £17,029 (2017: £3,654).

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

	Year ended Dec 2018 (£)	Year ended Dec 2017 (£)
Direct charitable activities	19	20
Management, administration and raising funds	9	10
	28	30

The average number of employees during the year is the same for the Charity and the Group.

The number of employees paid more than £60,000 during the year was as follows:

Band	Year ended Dec 2018 (£)	Year ended Dec 2017 (£)
£60,000 to £69,999	2	-
£70,000 to £79,999	1	1
£80,000 to £89,999	-	-
£90,000 to £99,999	1	1

b. Key management personnel

The total salary paid to the senior management team were £539,720 (2017: £348,944).

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

c. Trustees remuneration

Anita Tiessen, CEO and Trustee, was paid £ 91,038 in her role as an employee and CEO of YBI. No other trustees were paid or received any other benefits or expenses from employment with the charity during the year. (2017: £1,791 paid to one trustee relating to reimbursed-subsistence and meeting cost)

5. Charity and Group Net Income

Net income for the year is stated after charging/ (crediting):

	Year ended Dec 2018 (£)	Year ended Dec 2017 (£)
Depreciation	10,674	9,699
Auditor remuneration in respect of:		
the audit of the annual accounts	24,540	24,540
other services	1,100	600
Operating leases	68,500	68,500
Foreign exchange losses	24,016	188,836

6. Charity and Group Tangible Fixed Assets

	Office Improvements (£)	Fixtures & fittings (£)	IT equipment (£)	Total (£)
Cost				
At 1 January 2018	92,118	10,420	34,512	137,050
At 31 December 2018	92,118	10,420	34,512	137,050
Accumulated depreciation				
At 1 January 2018	57,733	10,420	34,512	102,665
Charge for the year	10,674	-	-	10,674
At 31 December 2018	68,408	10,420	34,512	113,340
Net book value				
At 31 December 2018	23,710	-	-	23,710
At 31 December 2017	34,385	-	-	34,385

All tangible fixed assets were used for charitable purposes. There was no capital commitments at the balance sheet date. (2017: £Nil)

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

7. Debtors

	Group Dec 2018 (£)	Group Dec 2017 (£)	Charity Dec 2018 (£)	Charity Dec 2017 (£)
Trade debtors	442	36,699	443	36,737
Other debtors	1,717	21,437	1,713	21,437
Amount due from subsidiary undertak	-	-	-	53,322
Gift Aid	39,375	37,500	39,375	37,500
Prepayments and accrued income	628,002	305,358	628,289	305,358
Tax and social security	-	-	-	-
	669,536	400,994	669,820	454,354

8. Creditors

	Group Dec 2018 (£)	Group Dec 2017 (£)	Charity Dec 2018 (£)	Charity Dec 2017 (£)
Trade creditors	121,669	5,635	121,669	-
Other creditors	3,931	10,529	4,213	10,529
Accruals and deferred income	193,022	92,448	193,022	92,448
Taxation and social security	35,576	36,405	35,576	36,405
	354,198	145,017	354,480	139,382

9. Financial Instruments

	Group Dec 2018 (£)	Group Dec 2017 (£)	Charity Dec 2018 (£)	Charity Dec 2017 (£)
Financial instruments measured at fair value through profit or loss	2,210,977	1,387,257	2,210,914	1,328,200
Financial instruments measured at amortised cost	2,160	58,136	2,156	58,164
Financial liabilities measured at amortized cost	131,655	16,164	131,937	10,529

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

10. Deferred Income

	Group Dec 2018 (£)	Group Dec 2017 (£)	Charity Dec 2018 (£)	Charity Dec 2017 (£)
Deferred income brought forward	-	119,531	-	119,531
Income released in year	-	(119,531)	-	(119,531)
Income deferred in year	-	-	-	-
Deferred income carried forward	-	-	-	-

11. Statement of Funds

GROUP

	Unrestricted* (£)	Restricted* (£)	Total (£)
At 1 January 2018	661,654	1,007,551	1,669,205
Incoming resources	1,311,614	4,356,102	5,667,716
Resources expended	(1,599,547)	(3,199,094)	(4,798,641)
Transfers	270,673	(270,673)	-
At 31 December 2018	644,394	1,893,886	2,538,280

CHARITY

	Unrestricted* (£)	Restricted* (£)	Total (£)
At 1 January 2018	661,592	1,007,551	1,669,143
Incoming resources	1,311,614	4,356,102	5,667,716
Resources expended	(1,599,547)	(3,199,094)	(4,798,641)
Transfers	270,673	(270,673)	-
At 31 December 2018	644,332	1,893,886	2,538,218

***Unrestricted funds** are spent to further any of the charity's purposes. These funds can be used to supplement expenditure made from restricted funds, support the network and fund charity administrative and operating expenses.

***Restricted funds** are funds held on specific trusts by the charity for particular purpose, specified by the donor and within charity objectives. The restrictions can be applied to income, capital or both. It is possible that a charity may have several individual restricted funds, each for a particular purpose of the charity. At the end of the year, portion of restricted expenditure is re-classified to unrestricted funds. In 2018 this totalled £270,673 (2017: £433)

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

a. Breakdown of group restricted funds

By Type of Grant

	Funds Restricted to YBI (£)	Funds Restricted to YBI members (£)	Total (£)
At 1 January 2018	1,007,551	-	1,007,551
Incoming resources	3,561,564	794,538	4,356,102
Resources expended	(2,404,556)	(794,538)	(3,199,094)
Transfers	(270,673)	-	(270,673)
At 31 December 2018	1,893,886	-	1,893,886

By Grant Funder

	At 1 January 2018 (£)	Incoming resources (£)	Resources Expended (£)	Transfers to Unrestricted* (£)	At 31 December 2018 (£)
Active Grants					
Accenture Grant 4 (2015 - 2018)	488,090	176,923	(665,013)	-	(0)
Accenture Grant 5 (2015 - 2018)		1,836,335	(542,969)	(81,445)	1,211,921
Accenture Innovation		108,709	(77,187)	-	31,522
Argidius Foundation		362,103	(108,758)	(6,066)	247,279
Citi Youth Business Europe (2017-2018)	395,673	472,825	(551,095)		317,403
Citi Youth Business LatAm (2017-2018)	87,172	-	(87,172)	-	(0)
Citi Foundation		230,897	(138,012)		92,885
CVC Capital		37,426	(38,088)	662	-
DFID Uganda	36,616		-	(36,616)	-
EEA Active Youth	-		(2,653)	-	(2,653)
EC COSME (Secured)		8,247	(11,941)	(776)	(4,470)
IADB MIF (Secured)	-	1,122,637	(976,206)	(146,431)	(0)
	-				-
Total Restricted Projects	1,007,551	4,356,102	(3,199,094)	(270,673)	1,893,886

*Transfers to unrestricted funds relates to overhead cover provision as per donor grant agreements.

Notes to the Financial Statements

For the year ended 31 December 2018 (continued)

“A deed of deposit dated 27 July 2012 exists in favour of the Secretary of State and Communities and Local Government in respect of all monies due or to become due from YBI to the chargee under the terms of the lease”

14. Provisions

	Charity and Group Dilapidations provision 2018 (£)	Charity and Group Dilapidations provision 2017 (£)
At 1 January and 31 December 2018	8,414	8,414

15. Subsidiary undertaking

Consolidated accounts have been prepared incorporating the Fundación YBI Latinoamérica y Caribe (company number 900785397, incorporated in Colombia). YBI has the power to appoint or remove trustees and as such controls the Foundation. At 31 December 2018 net assets of the foundation were £349. Incoming resources was £210,370 with £209,527 being contribution from YBI and £ 57,372 transfer from restricted reserves. Operating expenditure was £ 267,393 giving deficit in the period of £349.

16. Related Parties

Other than the subsidiary referred to in note 15, there were no related party transactions during 2018.