



**Redthread Youth Limited**

**Company no 03131121**

**Charity no 1051280**

**Annual Report and Accounts**  
**For the period ended 31 March 2023**

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## About Redthread

Redthread is a multi award-winning charity with over 20 years experience of delivering pioneering youth work in hospitals and other health settings. We work across 13 hospitals in London, Nottinghamshire and Birmingham with 11-25 year olds who are affected by grooming, sexual and criminal exploitation, violence, emotional and physical harm, mental health issues, domestic violence and modern slavery. We also support children and young people in the online space to reduce the impacts of violence, and with those experiencing a range of health conditions, who are vulnerable and in need.

We also train NHS staff so they are able to identify and better support children and young people affected by violence in health settings. We amplify the voices of children and young people and use our evidence and insights from working with them to adapt and innovate our work, support service improvement, and influence regional and national policy and practice.

## Our purpose

Redthread's purpose is to be present where children and young people need us most. We support young people facing adversity related to mental health, sexual violence and exploitation as well as those who continue to be caught up in youth violence. We amplify their voices so that systems and services are better able to meet their needs and support them towards leading healthier, safer and happier lives.

## Our vision

A society where all young people live healthy, safe, and happy lives.

## Our mission

To empower young people to thrive as they navigate the challenging transition to adulthood by integrating trauma-informed youth work into the health sector.

## Legal and administrative information

**Company name** Redthread Youth Limited

**Charity number** 1051260

**Company registration number** 03131121

**Registered office** 158 Buckingham Palace Road, London SW1W 9TR

### Trustees

Paula McDonald CBE (chair)

Lawrence Bate

Myles Bradshaw

Miriam Bullock

Natalie Carsey

Emer Sutherland

### Transition Director and Interim Chief Executive

Lucie Russell

**Auditors** Buzzacott LLP

130 Wood Street, London EC2V 6DL

**Bankers** Lloyds Bank plc

Camberwell Green Branch

25 Camberwell Green, London SE5 7AB

The trustees, being the company's directors for the purposes of company law, present their statutory report together with the financial statements of Redthread Youth Limited for the year ended 31 March 2023.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report set out in the Companies Act 2006.

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).



## Letter from the Chair and CEO

At Redthread, we are driven by and committed to supporting the thousands of children and young people that are forgotten and failed by the services and systems that are there to keep them safe and protect them. In the middle of the context of the cost-of-living crisis and the after effects of the pandemic, the challenges faced by many of the children and young people we work with and their families have become even more complex and damaging. That's why our work with children and young people affected by grooming, sexual and criminal exploitation, violence, emotional and physical harm, mental health issues, domestic violence and modern slavery work is more vital than ever.

Redthread as a charity has also felt the impact of recent global and national issues that are affecting communities and charities around the UK, ranging from the need to seek new and sustainable funding, the huge challenges faced by our clinical colleagues in the NHS, and by the highly traumatic impacts of our work on our dedicated team of youth workers.

This year, 2022-2023 was also a journey of transition for Redthread, with a new Board and an interim CEO guiding us as we put in place our plans and strategies to increase our support for and impact with children and young people affected by violence and other vulnerabilities.

Key to this, and aligned with our current strategy we have made the significant move to a new customer record management system to better track and evaluate our impact. This has been a challenging transformation project, but it has revolutionised how our teams collect and record data about the children and young people they support, ensuring this vital work is easier for them to navigate and report on. It also enables us to paint a clearer and more compelling case for why the work we do is so important, and for developing learnings and monitoring trends in order to improve the life chances of the children and young people we work with.

As our services continue to evolve and adapt to the contextual environment we are, they are underpinned by our pioneering approach. Our model has revolutionised the support available to children and young people in hospitals and

health settings and we will continue to advocate for why this model is so impactful. The content and impact of our activities in this report really brings alive the incredibly important work we do across the NHS, and we are so very proud of the fantastic results achieved by all our staff who work so incredibly hard to improve children and young people's lives.

Our policy influencing and research work is also highly regarded and vitally important in advocating for the much-needed systems change that is so desperately needed to tackle the contextual drivers of the causes of violence, exploitation and other multiple vulnerabilities affecting children and young people.

We will also continue to apply our foundational principles of youth work in health settings, throughout our services and within the wider sector. Doing this well requires that we do our utmost to support the needs and diversity of the 74 team members in Redthread. We have a talented and diverse workforce, and that diversity brings a range of much valued knowledge and experience to the table, which is why it is vital that we continue to celebrate and harness this.

Inclusivity and diversity demographics of our staff team include:

- 72% of the workforce being under 40
- 18% of staff identify as having a learning difficulty
- 20% of staff identify as having a mental health condition
- 43% of the team are from black, Asian, mixed or other ethnic backgrounds.
- 36% of our leaders are from a black, Asian, mixed or other ethnic backgrounds (managers and LT)
- 17% identify as part of the LGBTQ+ community.
- 17% identify as disabled.

We would like to take this opportunity to thank two trustees, Patricia Gallan QPM and Katie O'Donovan, who have stood down from the board since last year's annual report was published – we thank them for their time, wisdom and guidance throughout their period of service with us.

With a new CEO and an established leadership team committed to listening and learning from our teams, and partners, Redthread is committed to developing a fully equitable, inclusive, diverse and anti-racist organisation in which every member of staff can thrive.

We are all really looking forward to the future and building on the solid foundations established this year.



Paula McDonald CBE  
Chair, Redthread Board



Lucie Russell  
Interim Chief Executive Officer

December 2023



## Annual report

### Our activities

Our flagship programmes include our Youth Violence Intervention Programme (YVIP), our Young Women's Service and our services with children and young people with multiple needs and vulnerabilities across eight emergency departments and major trauma centres in London, and five in the Midlands (in Nottingham and Birmingham). Redthread also delivers a counselling service and social prescribing projects.

#### Youth Violence Intervention Programme

Our largest and most well-established programme, the Youth Violence Intervention Programme (YVIP) embeds specialist youth work professionals into major trauma centres (MTC) and A&Es to work alongside clinical professionals to support young people who attend hospital as a victim of violence (including stabbings, shootings, assault without weapons, sexual and domestic violence, and those at risk of exploitation).

YVIP is delivered in the three London hospitals that are part of the London Major Trauma Network: St Mary's, St George's and King's College. We also work in local hospitals across Greater London (Homerton University Hospital, University College Hospital, Croydon University Hospital, Lewisham, and Queen Elizabeth Hospital Woolwich), and in the Midlands in Queen Elizabeth Hospital Birmingham, Heartlands Hospital Birmingham and the Birmingham Children's Hospital and in Nottingham at Queen's Medical Centre in Nottingham and King's Mill Hospital in Mansfield.

In 2022-23 our teams worked with a total of 2,611 children and young people to provide them with vital support in healthcare settings. Of those we worked with, 1,925 had been impacted by violence or exploitation. 1,123 of these children and young people were provided with crisis, short-term support and we provided 802 more with intensive, long-term support.

Of the 1925 children and young people we worked with and supported-

- 80% reported feeling safer
- 57% decreased their risk of exploitation
- 61% were less likely to be involved in crime
- 55% were more likely to engage in education training and employment
- And 54% were more likely to engage with other services

### **Young Women's Service**

The Young Women's Service (YWS) supports girls and young women who come into hospital as a result of serious youth violence or exploitation. Across our hospitals, in the last four years, around 35% of all children and young people referred to our services are female, rising to 38% in 2022-23. The reason for referral confirms that young women are much more likely to experience a greater variety of harm and risks than young men.

In the last two years we have seen increases in girls and young women being referred for child sexual exploitation (up by 5%), assault up by 4%), and domestic violence (up by 5%). We do not see profound gender differences in the age of presentation, although 32% of girls were 11-15 compared to 26% of boys pointing towards the vital importance of early intervention with this group.

A team of two specialist young women's workers was funded initially in 2018 for four years by Comic Relief, and additional funding from the Mayor's Office for Policing and Crime (MOPAC) and the London Violence Reduction Unit (VRU) has enabled us to build on this work by introducing a Violence against women and girls (VAWG) Lead within the Programme Management Team and to introduce the service to two more hospitals. This additional resource continues into next year and will make sure our VAWG work continues to be developed as part of our strategic work.

During the year ending 31 March 2023 our team was able to provide 49 young women with intensive, long-term support. This is an increase on the 41 who received the service in 2021-22.



## **King's Adolescent Outreach Service (KAOS)**

The KAOS team has been in place since 2018, working closely with clinicians to provide youth work support to young people aged between 16-24 who are admitted to adult wards at King's College, with the aim of promoting the importance of a holistic approach to adolescent healthcare.

In 2022-23 we worked with 277 young people. The service is provided to both male and female patients, with the total numbers being split equally between the two genders. The team has worked hard to ensure that awareness of the service is promoted across the numerous specialities dealt with within the hospital, with referrals being made from more than 25 different departments.

In terms of signposting, onward referrals were made by the team to a wide range of other services, both within the health system and in the community – these ranged from support with mental health issues, sexual health and alcohol and substance misuse through to education and training providers, legal & advocacy support services and more generic youth work opportunities.

## **Diabetes service**

Redthread's diabetes service is now in its second year of a two-year pilot. It sits within the Queen Elizabeth Hospital, Woolwich and provides psychosocial support to young people between the ages of 11-19 living with diabetes. The youth work support is designed to empower young people to manage their condition, build resilience and self-confidence and support them to access additional support.

In tandem with delivery, Redthread has piloted a new approach to provide peer support through social events, and developing community engagement communications plans to reach other young people living with diabetes.

## **Counselling**

Children and young people affected by serious violence and exploitation continue to present overwhelmingly with PTSD symptoms, anxiety, suicidal ideation and depression. Redthread's service provides long term counselling, to meet the mental health needs of children and young people following their traumatic experiences.

Based in Birmingham, the service has been delivering counselling for two years across the city with young people aged 11 – 25 who attend Birmingham Rethread Hospitals (Birmingham Children's Hospital, QE Hospital Birmingham and Heartlands Hospital). Between 2022 and 2023 the counsellor worked alongside 26 young people, with 16 receiving long term counselling and 10 receiving therapeutic input.

Having counselling embedded into hospitals means we are uniquely placed to meet safeguarding and mental health needs, avoiding risks of retraumatising young people in our service provision and the risk of missing crucial opportunities to engage.

The service is staffed by one counsellor offering outreach clinical work three days per week and one day based with the YVIP team. Young People are offered a trauma-informed counselling service which consists of a staggered assessment, six initial sessions with a review every 6 weeks,

At each point of service, we offer children and young people a choice, either geographical area, venue, time, method (face to face, telephone, online, walk and talk) to create a sense of control and safety for them. This sense of safety is a core principle in recovery when working with those who have experienced exploitative and abusive relationships.

We would like to develop this service going forward funding allowing.

### **Social Prescribing**

In mid-2022, Redthread piloted its first social prescribing services in Nottingham and Homerton, London. Social prescribing in Nottingham is based in the Emergency Department at the Queen's Medical Centre hospital. In Homerton Hospital, the service is provided in Hackney via GP surgeries. Redthread provides weekly training sessions at each surgery to clinicians, to demonstrate the values on social prescribing for their community in accessing wellbeing services, mental health support and physical fitness. Our team was part of the Nottingham University Hospitals NHS Trust Emergency Department SPLW Service team that won Social Prescribing Partnership of the Year (Sponsored by NHS England) at



the Link Worker Day 2023 Awards. This award recognises an outstanding, collaborative social prescribing partnership. This is another focused area of work we would like to develop going forward.

### **The Social Switch Project**

Redthread remains a partner in the co-delivery of the Social Switch project with Catch22, as it entered its fourth year of operations. This important initiative continues to seek ways of tackling the growing issue of antisocial and violent online behaviour, which often has the potential to escalate into violence in the real world.

Over the past 4 years the project has trained over 1,500 professionals working with young people to deal with the challenges and opportunities of the online world, supported 109 young people into digital careers, and provided intensive career support post-programme.

In 2023-24 Redthread is partnering with Catch22 again to deliver the new phase of the programme, focusing on upskilling frontline professionals on the opportunities and risks the online world presents to young people and a pre-employability programme for young people that includes training modules on how to stay safe online and a particular focus on working with girls and young women.

### **Youth Participation**

In March 2022, we launched the [Redthread animation](#) designed, created, scripted and produced by our Redthread Youth Ambassadors - with many of them providing the voiceovers. This was a four-month process delivered in partnership with Chocolate Films and represents who Redthread is and who we work with.

In January 2023, our Youth Participation Coordinator supported young people to contribute to our CEO recruitment, to new consent cards, and to address how best to approach youth participation going forward at Redthread.

This includes a strong focus on supporting young people to participate in local and national discussions on topics and policies that directly affect their lives.

## Youth Endowment Fund

Our Youth Endowment Fund project was initiated in April 2022 and continues to focus on pilot sites in London and Birmingham. In close collaboration with YEF and with the evaluator, University of Birmingham, we have continued to trial the feasibility of the evaluation tools during this pilot phase. Through this evaluation, we are also collaborating with NHS Trusts to compare health outcomes of young people who engaged with Redthread compared to a control group of young people who attended hospital before Redthread's programmes began, to understand as fully as possible the impact of the Youth Violence Intervention Programme.

## Scaling our impact – our strategy 2021-26

At the end of June 2021, [we launched our ambitious new five-year organisational strategy](#) following a process which involved all levels of the organisation, a wide range of external partners and,, the young people we work with.

Delivering our plans requires us to maintain a careful balance between sustaining our current services alongside exploring new ways of working that will help us achieve our ambitious plans to scale our impact through consolidation and innovation. We are also committed to building a sustainable organisation, with a resilient funding base utilising a diverse range of income streams, supported by effective governance and robust financial policies and processes.

Our strategic plan identifies three overarching strategic priority areas, with the following workstreams under each area:

### Gold Standard

We will:

- Be an inclusive, diverse and empowering organisation in which staff can thrive
- Be a gold standard provider for young people through the high quality of our work across integrated care systems
- We will empower young people to participate in decisions that impact their lives, by amplifying their voices and opinions both within Redthread and on external platforms



## **The People Strategy**

We have a wide range of professionals working at Redthread, and our diverse workforce provides us with a wealth of talent and capability. During the Autumn/Winter of 2023 we will finalise our People Strategy, which will build upon our collective efforts, sitting across all three strands of the strategy but in particular our objective to become a Gold Standard employer.

The aim of our People Strategy is to maximise our potential whilst refining the organisation's culture to ensure everyone working at Redthread now or joining us in the future, understands our ambition, our expectations of each other and how it should feel to work alongside us.

The People Strategy will also form the set of practices and actions that will improve how we attract, retain and grow our employees to accomplish our mission best. However, we will need to retain agility in terms of the delivery plan and be able to flex the plan subject to the changing needs of our staff and the changing demands on our services.

## **Innovation**

We will:

- Expand our work across integrated care systems, building on our previous experience within both primary and secondary care
- Increase our ability to demonstrate the impact of our work in order to continually improve our delivery and support partners to achieve the best outcomes for young people
- Develop and deliver expert training programmes to our staff and to external partners

## **Introducing 'Thread' - collecting data to demonstrate impact**

This year, we launched our new customer relationship management system, Thread. This will transform the way we record key information about the children and young people we support, their presentation at hospital, and their journey with Redthread. Thread will enable us to quickly and easily report on our work and the impact of this on children and young people, as well as to monitor the completeness of our data, identify any gaps and understand and learn from trends.



Alongside Thread, we have designed and introduced a Safety and Wellbeing Assessment. This tool will assess the starting point of each child and young person across key areas such as physical health, mental health and housing, then measure the changes in these aspects of their lives by the time they finish their work with Redthread. For the first time, we will be capturing the voice of the young person in this assessment, using a series of self-assessed, strengths-based questions. Thread will also be a mechanism by which we can improve the quality of the services we provide.

### **Thought Leadership**

We will:

- Use our experience to influence regional and national policy makers and commissioners to ensure that young people's needs are met
- Build productive relationships with key stakeholders and partners which will enable us to further develop our work together
- Lead a strong and influential network through our Hospitals Interrupting Violence Exchange (HIVE) which encourages collective working and collaboration to improve outcomes for young people.

### **All Party Parliamentary Group (APPG) for Child Criminal Exploitation and Knife Crime**

Committed to making the experience of young people heard, understood and acted upon by politicians and decision-makers, we continued to provide the co-secretariat, with Barnardo's, for the All-Party Parliamentary Group for Child Criminal Exploitation (CCE) and Knife Crime, which is co-chaired by Florence Eshalomi MP and Taiwo Owatemi MP.

The APPG aligned closely with upcoming legislation relevant to CCE by focusing its evidence sessions, including a keynote by the Shadow Minister for Victims and Youth Justice, on the Online Safety Bill, School exclusion and severe absence (with the APPG on School Exclusions and Alternative Provision) and the Victims Bill. Session briefings were shared with political and wider stakeholders to inform parliamentary debate and policymaking. Based on the expert evidence provided, the co-chairs wrote to the Secretary of State for Justice stressing the importance of a statutory definition of CCE in the Victims Bill. In the year ahead the APPG will progress this crucial work with planned sessions on girls and young women, child

centred policing, and health.

## **HIVE**

HIVE (the Hospitals Interrupting Violence Exchange) is a network set up by Redthread in 2017 to provide opportunities to share best practice with other professionals and organisations working in the field of youth violence in hospital settings. At the end of January 2023, Redthread relaunched the exchange with two conferences, one online focusing on Safeguarding and the three P's: People, Practice and Policy, and the other in person on Collaborating to Reduce Serious Youth Violence.

The Collaborating to Reduce Serious Youth Violence conference welcomed over 220 professionals from delivery practitioners to community partners, Violence Reduction Units (VRUs), the NHS and other statutory organisations, to share insights and best practice for how organisations can collaborate with one another to reduce serious youth violence across the country.

With leading experts from the sector, a major point to emerge from the conference was the lack of a statutory definition of Child Criminal Exploitation (CCE). This lack of definition makes it difficult for police forces to collect accurate data and provide evidence-based solutions. Many in our sector also share concerns around the lack of consistency and understanding of what constitutes CCE.

Based on the feedback survey, 89% of respondents found the exhibition and networking session helpful or very helpful and 89% would recommend HIVE events to a colleague. This tells us that our network values the time and space to meet new people, establish connections and learn about new services.

## **Structure, governance, and management**

Redthread Youth Limited is a registered charity and a company limited by guarantee in England and Wales, and as such is governed by its published Memorandum and Articles of Association. The members of the charitable company are also the directors/trustees. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member.



The charitable company operates under the name “Redthread.”

The Trustees have made use of the exemption, as set out in the Companies Act 2006 as part of the Small Companies Regime, from the preparation of a Strategic Report, on the grounds that as an entity it did not reach relevant thresholds whereby this would be a requirement.

## **Organisation**

The board of trustees administers the charity and meets on a quarterly basis. The trustees have appointed a Chief Executive Officer to manage the day-to-day operations of the charity. To enable Redthread to run smoothly and effectively, the Chief Executive has delegated authority for operational matters, including finance, fundraising, marketing and communications, business development, employment of staff and programme-related activity to members of the senior management team.

Following the recruitment of both a chair and four new trustees during 2022, a governance review has taken place, a scheme of delegation has been developed and implemented during the year, and a new committee structure introduced. The Finance & Fundraising Committee is responsible for scrutinising the performance of the finance and fundraising functions, including regular review of the Finance Policy & Procedures, the charity's reserves, banking and investment policies, reviewing the annual budgeting process, and ensuring we generate sufficient income to meet our strategic objectives. The Audit & Risk Committee oversees the annual audit process, including the appointment and performance of the auditors, reviews the charities finances from a risk perspective, alongside other elements of risk management, including the consideration of any major proposals for new services, contracts or collaborations from a risk point of view.

## **Trustees and appointment of Trustees**

The board seeks to appoint trustees with the skills, experience, and knowledge to provide the necessary oversight of the company's activities and fulfil its obligations legal and otherwise to the full range of stakeholders. The board aims to represent in its appointments the different constituencies of health education and the wider business community which form the context in which we work.

New trustees are appointed by the board and are asked to serve for an initial term of three years after which they may put themselves forward for re-appointment. New trustees may be sought by open advertisement or through a dialogue with funders and other stakeholders. Prospective trustees are interviewed by a panel that includes the Chair, the CEO and one or more other members of the board and/or executive.

Since our last annual report was published, two of our longer standing trustees have stood down:-

Katie O'Donovan (appointed 24 July 2019, resigned 11 February 2023)

Patricia Gallan (appointed 24 July 2019 resigned 30 July 2023).

In addition, Lucie Russell stood down as a trustee on 10 April 2023, in order to take on the role of Transition Director, and has subsequently been appointed by the board as Interim Chief Executive.

### **Trustees induction and training**

New trustees follow an induction process which includes meeting the senior management team and visiting Redthread's projects, and a programme of initial training around the responsibilities of becoming a charity trustee. Training and support is made available throughout their tenure and trustees are encouraged to attend peer to peer networking events and conferences through organisations such as the National Council for Voluntary Organisations, and the Charity Finance Group. We also twin each trustee with a delivery team in one of our hospitals, enabling trustees to gain more in-depth knowledge of our work and our staff team.

### **Related parties**

The trustees have procedures in place for identifying related parties and transactions with them. Any identified related party transactions are reported on in the notes to the financial statements.

### **Leadership team**

Since the beginning of the current financial year, an augmented leadership team has been in place, which now comprises the Chief Executive Officer, the Chief



Operating Officer, the Heads of Services, Operations, Finance, Communications and Policy plus the Safeguarding Lead. The post of Director of Services has remained unfilled since the previous incumbent stood down, but is currently being recruited, and is expected to be in post in the early part of 2024.

### **Reserves policy**

The trustees have examined the requirement for free reserves, i.e., those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. The trustees consider that, given the nature of the charity's work, the level of unrestricted funds should aim to cover at least three months' annual expenditure of the charitable company at any one time. It is the trustees' intention to further review the reserves policy during the course of 2024-25, to consider whether a risk-based policy is more appropriate for the volatile funding environment that all charities are experiencing.

At 31 March 2023, this figure equated to £1,167,247, while actual free reserves stood at £1,150,956 which remains in excess of 3.5 months' of annual expenditure. This will continue to provide an essential buffer to cover any temporary shortfalls in incoming resources due to timing differences in income flows. This approach ensures we have adequate working capital to cover core costs and will also allow the organisation to invest in some of its key strategic objectives.

### **Public benefit**

In setting objectives and planning activities, the trustees confirm that they have complied with their duty under Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The trustees' report gives a description of the activities undertaken during the period to further its charitable purposes, and the trustees are satisfied that such activities provide public benefit.

### **Redthread's environmental impact**

At Redthread, we recognise the importance of environmental sustainability and are committed to minimising our impact on the planet. We strive to operate in an environmentally responsible manner by implementing various initiatives to reduce



our carbon footprint, conserve resources and promote eco-friendly practices wherever practicable.

These include; working with our landlords to maximise the sustainability of our head office environment; promoting recycling, and using a zero to landfill waste collection and recycling company; using digital media rather than hard copy wherever possible, eg eliminating any requirement for hard copy evidence of financial transactions through the use of a cloud-based accounting system; encouraging staff to use public transport, and promoting a cycle-to-work loan scheme; and next year we will be developing an environmentally friendly procurement policy.

## **Redthread's approach to fundraising**

At Redthread we greatly value the support we receive from individuals, organisations, companies, and funders, and we take none of this for granted. Redthread is registered with the Fundraising Regulator and abides by the Code of Fundraising Practice. We uphold the four values of the Code of Fundraising Practice; our fundraising is legal, open, honest, and respectful.

We will never:

- Sell supporters' data to another organisation
- Share the personal information of supporters with another organisation without the data subject's specific and explicit consent
- Share or sell any personal details to another organisation for their own purposes

We will always:

- Keep supporters' personal information safe and secure
- Listen to our supporters and ensure we communicate with them in the way that they wish
- Treat our supporters and stakeholders fairly, reasonably and with transparency
- Be accountable to our supporters, stakeholders, and service-users.

Redthread's fundraising is led by our in-house team of fundraising professionals with support from colleagues and wider networks.

Our income comes from a wide variety of sources; however, our typical activities include:

- Applying for funding from grant-making trusts, foundations or other organisations
- Applying for government funding and influencing opportunities for future funding and commissioning.
- Forming partnerships with community groups, companies and other organisations who choose to support our work in a variety of ways
- Offering opportunities for individual supporters to take part in challenge events or other fundraising events on our behalf
- Advertising the impact of our work on social media, in mainstream print and broadcast media, on our website and through other appropriate channels
- Communicating with our supporters and individuals who have asked to be kept informed about our work
- Approaching individuals who may be interested in our work through professional organisations such as business networks, universities, hospitals, churches, clubs, and community groups.

We do not:

- Conduct regular gift, face-to-face fundraising on the street (but we may hold bucket collections and awareness raising events in public places, or at events where we have been invited to do so)
- Canvas door-to-door
- Send out direct marketing mail to people unknown to us
- Contact former service-users or their families regarding fundraising activity unless they have specifically asked to be contacted.

We check funding sources to ensure they are appropriate and in line with Redthread's values. We have never received any complaints about our fundraising activities, and we constantly monitor our fundraising processes and activities to ensure they are reasonable. In particular, we closely monitor the impact that any of our activities could have on vulnerable people. Our Youth Ambassadors (former service-users who have joined a youth participation programme) are sometimes asked if they would like to be involved in fundraising activity including promoting

our work. When this occurs, or when former service-users who are not involved in the Youth Ambassadors programme choose to support our work or fundraise on our behalf, we work closely with our programme management team to safeguard those former service-users.

## Financial Review

This year our total income was £3.66m compared with £4.05m in 2021-22, a 10% reduction in turnover, whereas our expenditure increased slightly, to £3.88m, compared with £3.81m the previous year.

The percentage of our income derived from statutory and institutional funders increased again this year, to 66% of the total, compared with 61% last year. Our unrestricted funding from trusts and foundations decreased slightly to 12%, (2021-22: 16%), whilst restricted funding from trusts and foundations was maintained at 20% of total funding. The total amount from funding streams such as individual giving, challenge events, awards and other voluntary funding sources reduced significantly, totalling £36.5k (compared to £89k in 2021-22).

The breakdown between the categories of funding is illustrated in **Chart 1**.

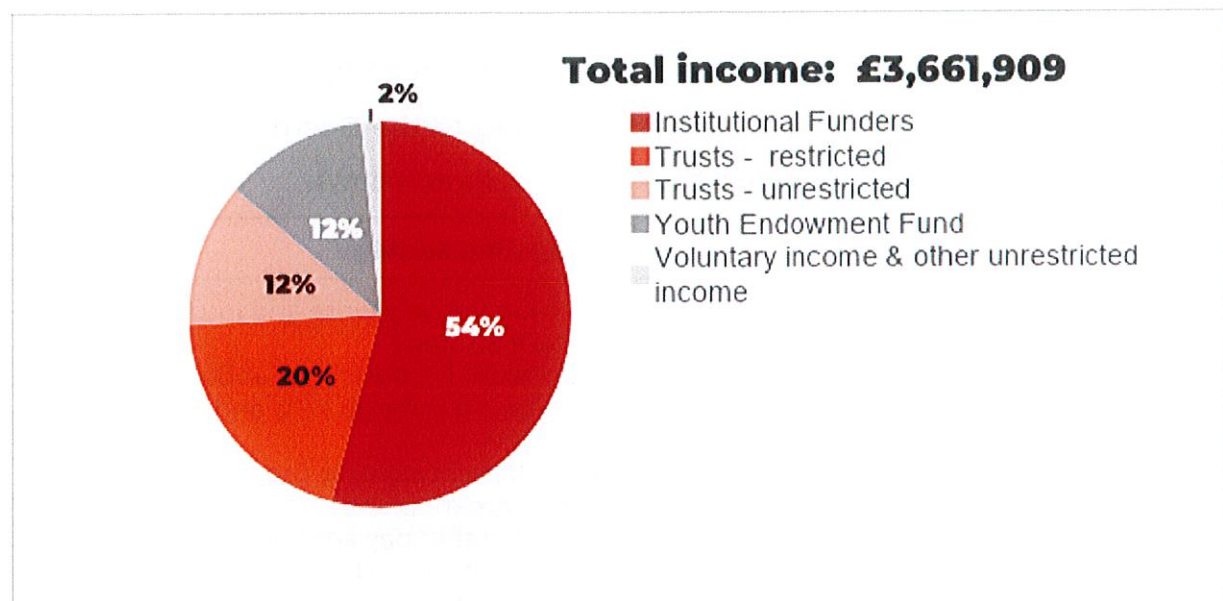
**Chart 2** illustrates the breakdown of expenditure between the various cost centres during the year.

At the end of year, we utilised £127,873 of our unrestricted funds reducing our free reserves to £1,150,956 at 31 March 2023, however this still represents just over 3.5 months of expenditure, so we continue to meet our stated policy of retaining a minimum of 3 months expenditure in reserve. In addition, we ended the year with £509,789 in our restricted funds, to carry forward for activities taking place in 2023-24.

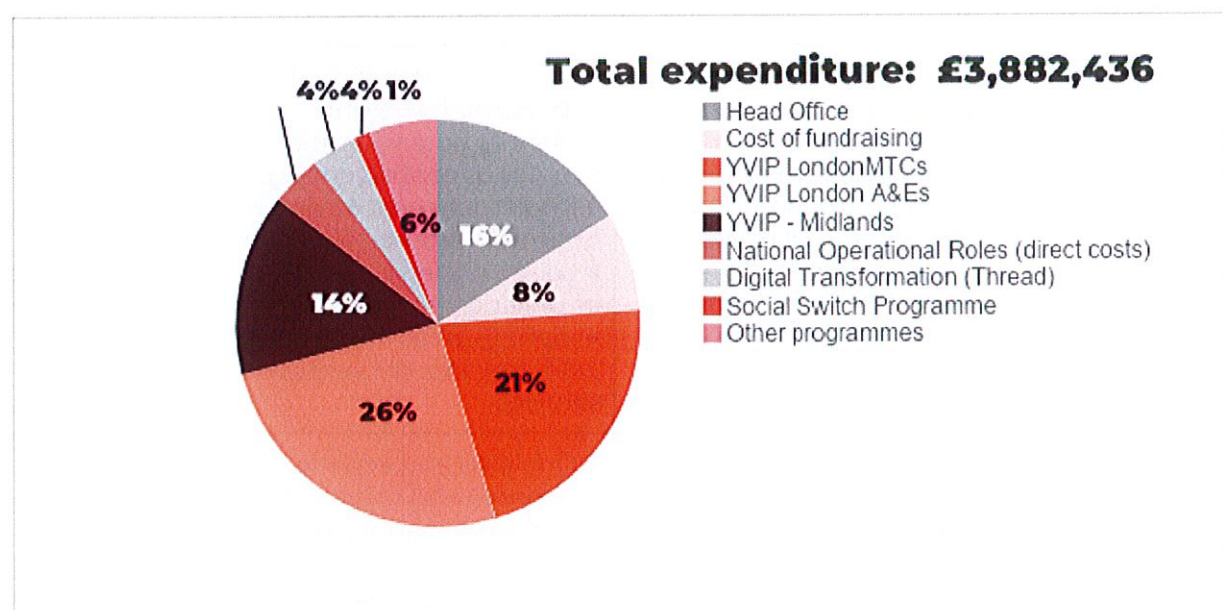
The relatively healthy state of our reserves continues to provide a buffer in terms of our cash flow this year and mitigates us from any unanticipated delays in release of grant funding.



**Chart 1: Income by type**



**Chart 2: Expenditure by cost centre**



## Risk management

The trustees have reviewed the organisation's exposure to major risks and have updated the Risk Register accordingly. The Register assesses all risks according to impact and likelihood, as well as recording all steps taken and systems put in place to mitigate them. The register is reviewed at each meeting of the Audit and Risk Committee, then top line risks are reported to the Board every six months. The trustees have identified the highest risks as follows:

Risk	Impact	Mitigating strategy
High turnover of staff and inability to attract high calibre candidates. Turnover rate up, key staff departures due to burnout, lack of engagement, lack of opportunities for professional development and poor line management.	Loss of institutional knowledge. Fatigue and a drop in the quality of service delivery and quality of support from core functions.	<ul style="list-style-type: none"> <li>• Collaboratively write and Implement a People Strategy.</li> <li>• Consider introducing. Sabbaticals, Monitoring through KPIs and reports to Board</li> <li>• Implement training programme and staff development plans.</li> <li>• Review staff pay annually.</li> <li>• For institutional knowledge: Succession planning, archiving, learning workshops, career progression.</li> <li>• Identify, retain and develop key staff and relationships.</li> </ul>
Insufficient Funding to meet commitments/ liabilities due to a failure to meet budget targets including shortfall in unrestricted funding needed to cover core costs	Redthread will have fewer resources to spend on the services we provide and a reduced ability to deliver our strategic objectives. Reserves will fall below them level set by the Board in the Reserves Policy.	<ul style="list-style-type: none"> <li>• Ensure budget is realistic and monitored with Board oversight.</li> <li>• Identify potential alternative funding sources or contingency grants.</li> <li>• Implement cost-saving measures and optimise resource allocation.</li> <li>• Seek partnerships with corporate sponsors or philanthropic organisations or individuals.</li> <li>• Identify areas of potential expansion and work towards delivering commissioned services</li> </ul>
Ex-employee submits a claim for discrimination or lack of compliance with UK HR legislation.	Long running and expensive legal battle resulting in potential financial settlement or damages awarded to the claimant and damage to reputation.	<ul style="list-style-type: none"> <li>• Qualified and experienced HR internal personnel and Crisis communications company brought in to mitigate reputational damage</li> <li>• External expertise available freely and of exceptional standards.</li> <li>• Consistent implementation of RT HR policies and procedures</li> <li>• Clear and well managed performance reviews for all staff linked to KPI's that reflect the business and action plan delivery.</li> <li>• Strong organisational leadership that leads by example and isn't afraid to address issues head on.</li> </ul>



Risk	Impact	Mitigating strategy
<p>Damage to reputation, e.g. serious safeguarding incident, financial mismanagement, poor external stakeholder communications, resulting in negative press coverage.</p>	<p>Adverse publicity/social media activity (malicious, vindictive, damaging). Inability to raise and maintain income and to attract funders to support our projects.</p>	<ul style="list-style-type: none"> <li>• Consistent review of policies and procedures and close monitoring and improvement of all case management processes and procedures, including strong line management and clinical supervision where necessary</li> <li>• Evidence the impact of our work through high-quality, external evaluations</li> <li>• Maintain good reputation and track record through high impact work and strong partnerships, transparency and openness</li> <li>• Maintain good relationships with and clear reporting processes with current funders</li> </ul>
<p>Poor organisational culture</p>	<p>Staff not reflecting the core organisational values.</p> <p>Silo working and no sharing of best practice.</p> <p>Lack of synergy between HO staff and service delivery staff</p>	<ul style="list-style-type: none"> <li>• People strategy implementation</li> <li>• Annual staff survey</li> <li>• All staff days</li> <li>• Internal communications, including awareness raising and projects (e.g. Black History Month)</li> <li>• Flexibility and ability to restructure when necessary.</li> <li>• Clear internal communications (vehicle for People Strategy) including maintaining</li> <li>• Organisational Chart and job descriptions and Leadership Team and Board progress, and inclusion of values in staff induction.</li> <li>• Cultivating shared organisational values.</li> <li>• Ensure people feel empowered to innovate &amp; feed in ideas.</li> <li>• Ensuring policies including Whistleblowing &amp; Complaints are maintained and accessible and issues properly recorded.</li> </ul>

## Statement of trustees' responsibilities

The trustees (who are also directors of Redthread Youth Limited for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of 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 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are also responsible for ensuring that adequate accounting records are kept that 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.

Each of the trustees confirms that:

- So far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware: and
- The trustee has taken all the steps that he/she ought to have taken as a trustee to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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



Paula McDonald CBE

Chair of Trustees

Date: 20/12/23



## **Independent auditor's report to the members of Redthread Youth Limited**

### **Opinion**

We have audited the financial statements of Redthread Youth Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and the notes to the financial statements, including the principle 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 charitable company's affairs as at 31 March 2023 and of its 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 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. 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 charitable 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 trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

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

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 strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report 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 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 where 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;
- The financial statements are not in agreement with the accounting records or returns;
- 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.

## **Responsibilities of directors**

As explained more fully in the trustees' 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 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 directors are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those

that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation); and

- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
  - Making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
  - Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify any unusual or unexpected relationships
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- Used data analytics to investigate the rationale behind any significant or unusual transactions
- Tested authorisation controls on expenditure items, ensuring all expenditure was approved in line with the charitable company's financial procedures; and
- Performed substantive testing on grant income to ensure the income recognised complied with the funding agreements.
- In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
  - Agreeing financial statement disclosures to underlying supporting documentation
  - Reading the minutes of meetings of those charged with



- governance; and
- Enquiring of management as to actual and potential litigation and claims.
- There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.
- Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of this report**

This report is made solely to the charity's trustees, 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 charity's members those matters that 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 charity and the charity's trustees as a body, for our audit work, or the opinions we have formed.



27 December 2023

Edward Finch (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London EC2V 6DL



## Financial Statements

### REDTHREAD YOUTH LIMITED

#### Trading as "REDTHREAD"

(a company limited by guarantee)

### Statement of financial activities

For the year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	31-Mar-23 Total £	31-Mar-22 Total £
<b>Income</b>					
Grants & donations	2	479,109	81,982	<b>561,091</b>	1,237,542
Charitable activities	3	-	3,099,079	<b>3,099,079</b>	2,782,843
Other	4	1,739	-	<b>1,739</b>	33,612
<b>Total income</b>		<b>480,848</b>	<b>3,181,061</b>	<b>3,661,909</b>	<b>4,053,997</b>
<b>Resources expended</b>					
Charitable activities	5	456,777	3,122,986	<b>3,579,763</b>	3,510,824
Raising funds	6	249,702	52,971	<b>302,673</b>	295,870
<b>Total resources expended</b>		<b>706,479</b>	<b>3,175,957</b>	<b>3,882,436</b>	<b>3,806,694</b>
<b>Net incoming/ (outgoing) resources for the period</b>		<b>(225,631)</b>	<b>5,104</b>	<b>(220,527)</b>	<b>247,303</b>
Transfers between funds		97,757	(97,757)	-	-
Net movement in funds	7	(127,874)	(92,653)	<b>(220,527)</b>	247,303
Total funds brought forward		1,295,121	602,442	<b>1,897,563</b>	1,650,260
<b>Total funds carried forward:</b>		<b>1,167,247</b>	<b>509,789</b>	<b>1,677,036</b>	<b>1,897,563</b>

**REDTHREAD YOUTH LIMITED****Trading as "Redthread"**

(a company limited by guarantee)

**Balance sheet****as at 31 March 2023**

		<b>31 March 2023</b>		<b>31 March 2022</b>	
		£	£	£	£
	Notes				
<b>Fixed assets</b>					
Tangible assets	8		16,292		5,959
<b>Current assets</b>					
Debtors	9	1,033,053		879,258	
Cash at bank and in hand	10	1,112,860		1,387,308	
		<u>2,145,913</u>		<u>2,266,566</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	<u>(485,169)</u>		<u>(374,962)</u>	
Net current assets/(liabilities)			<u>1,660,744</u>		<u>1,891,604</u>
Total assets less current liabilities			<u>1,677,036</u>		<u>1,897,563</u>
<b>Total net assets</b>			<u><b>1,677,036</b></u>		<u><b>1,897,563</b></u>
<b>Funds</b>					
Unrestricted funds	12a		1,167,247		1,295,121
Restricted income funds	12b		509,789		602,442
<b>Total funds</b>			<u><b>1,677,036</b></u>		<u><b>1,897,563</b></u>

The financial statements were approved by the board and signed on its behalf by



Paula McDonald CBE

Chair of Trustees

Date: 20/12/23

Company no 03131121

**REDTHREAD YOUTH LIMITED****Trading as "REDTHREAD"**

(a company limited by guarantee)

**Statement of cash flows****For the year ended 31 March 2023**

	Notes	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	A	(258,431)	240,130
<b>Cash flows from investing activities</b>			
Purchase of new ICT equipment	(17,401)		
Interest received	1,385		85
		(16,016)	85
<b>Net increase/(decrease) in cash and cash equivalents</b>		(274,448)	240,215
Cash and cash equivalents at beginning of year		1,387,307	1,147,092
Cash and cash equivalents at end of year	B	1,112,861	1,387,307

**A. Reconciliation of net movement in funds to net cash provided by operating activities**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Net movement in funds</b>		
(as per the statement of financial activities)	(220,527)	247,303
<b>Adjustments for:</b>		
Depreciation charge	7,068	2,980
Interest receivable	(1,385)	(85)
(Increase) / decrease in debtors	(153,795)	(179,101)
Increase/ (decrease) in creditors	110,207	169,033
Net cash provided by operating activities	(258,432)	240,130

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>B. Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	1,112,861	1,387,307



The principal accounting policies are summarised below.

The accounting policies have been applied consistently throughout the year and the preceding period.

### **1.1 Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with the charities SORP as specified in 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS102. The financial statements are presented in sterling and are rounded to the nearest pound.

### **1.2 Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees and management to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- determining the amount of grant income to defer to future periods – in making this judgement, the trustees follow the policies outlined at note 1.4 below.

It's become clear that the social and economic impact of the pandemic will continue to have repercussions for a number of years to come, and, added to a cost of living crisis arising from global events, the charitable sector as a whole continues to experience a challenging economic climate. Whilst we continue to monitor and assess all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy, estimates used in the accounts are subject to an increased degree of uncertainty and volatility.

### **1.3 Going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have

made this assessment in respect of a period of one year from the date of approval of the financial statements.

As part of this process the trustees have considered the continuing impact of the Covid-19 pandemic and the cost-of-living crisis on the charity's financial position, and, in particular on the ability of the organisation to fundraise for future periods. Whilst there are likely to be a number of far-reaching consequences for the charitable sector and the UK economy as a whole, and this will undoubtedly influence our future plans, Redthread believes it is well-placed to deal with these challenges in the medium to longer term. As we are now at the half way point of the 5 year period covered in our strategic plan we will be taking the opportunity to review progress towards our key objectives as part of our business planning as we move into the next financial year. In particular, with the support of the Fidelity Foundation UK, we have made significant investment in the implementation of a new case recording system ('Thread') which will enable us to vastly improve the way we measure and demonstrate the impact of our work, and ensure we can make a compelling case to existing and potential funders and supporters. Alongside this, the creation of a new post of Head of Policy means we now have the infrastructure to capitalise on this and move forward with the third pillar of our strategy which focusses on thought leadership, and ensuring that the experience of our beneficiaries can inform and influence key stakeholders, policy makers and commissioners to bring about systemic change that will benefit the young people we serve.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern and have asked the executive to ensure that sufficient checks and balances are in place to mitigate against any future challenges. The trustees are of the opinion that the charitable company will have sufficient resources to meet its liabilities as they fall due.

#### **1.4 Income recognition**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified



with reasonable accuracy. The following specific policies are applied to categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Grant income that has been received to fund work to be undertaken by the charity over a specified time period is recognised in the statement of financial activities as the programme is delivered. For accounting purposes, the extent of completion of a project is equated to the proportion of expenditure incurred. Any amounts received for activities not yet delivered are treated as deferred income. Where no time period is defined, restricted funds are accounted for as income when they are receivable.

### **1.5 Expenditure and the basis of apportioning costs**

Expenditure is recognised on an accrual basis as a liability is incurred.

Expenditure includes any VAT which cannot be recovered, as the charity is not registered for VAT and is reported as part of the expenditure to which it relates.

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

In respect of apportioning overheads and other central costs to projects, Redthread operates a full cost recovery model wherever possible. This means that each project is required to contribute towards those central costs to ensure that the charitable company's infrastructure is maintained at an



appropriate level to ensure the sustainability of each project. The contributions applied to each project are calculated using a range of methods:

- for most projects, a contribution is applied that equates to 15% of the total remuneration of the staff team working on that project to cover management and administration costs, and a further 5-10% to cover overheads. The precise percentage applied may vary from project to project, following initial budget negotiations with specific project funders.
- In addition, some project funding includes a fixed contribution to management and/or overhead costs as a specific part of the budget, especially where there is significant input from the members of the central team, or where members of the project team are based at head office. The amount is normally agreed as a fixed sum per quarter/annum.
- Finally, in developing new projects, some members of the Senior Management Team may be directly involved in the planning, mobilisation, and on-going management of the project, and, in these cases, an estimation of the amount of time spent on the project is made, and charges according to our full cost recovery model are applied.

The costs of fundraising comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes and includes the entire cost of employing the Head of Fundraising and all other members of the fundraising team.

Governance costs are the costs associated with the governance of the charitable company and its assets, and the costs associated with any strategic, as opposed to the day-to-day management of the charity's activities. These are allocated to charitable activities.

## **1.6 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the residual value of

each asset over its expected useful life, as follows: -

- Computers and other ICT equipment – 33.3% per annum;

Depreciation is applied to any individual asset costing more than £1000.

### **1.7 Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **1.8 Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of the acquisition.

### **1.9 Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charitable company anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **1.10 Pension costs**

The pension charge represents payments made to the automatic enrolment workplace pension scheme provided by The People's Pension and is charged to the Statement of Financial Activities in the period to which it relates.

### **1.11 Redundancy and termination costs**

Any payments due to employees as a result of either redundancy processes or termination of employment following a negotiated process are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet at the point in time where the charitable company is committed to making such payment.

### 1.12 Unrestricted and Restricted funds

The **unrestricted** funds comprise those which are freely available for application towards meeting the charitable objectives of the charitable company at the discretion of the trustees.

The **restricted** funds are those whose application is limited by funder-imposed conditions and/or their use is restricted to a specified purpose. Expenditure of projects includes both direct costs attributable to each project and appropriate contributions to support costs. Any deficit incurred on any individual restricted fund is written off by transferring the relevant amount from unrestricted funds in the year in which the deficit occurs



## 2. Income for core costs

	31-Mar-23			31-Mar-22		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Home Office	-	-	-	-	430,339	430,339
Trusts and Foundations:	444,250	81,982	526,232	645,163	110,394	755,557
Supporters and Donations	34,859	-	34,859	51,646	-	51,646
	<b>479,109</b>	<b>81,982</b>	<b>561,091</b>	<b>696,809</b>	<b>540,733</b>	<b>1,237,542</b>

## 3. Income from charitable activities

	31-Mar-23			31-Mar-22		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Youth Endowment Fund – Evaluation Pilot	-	125,869	125,869	-	-	-
Thread CRM – Digital Transformation Project	-	141,135	141,135	-	-	-
Youth Violence Intervention Programme - London	-	797,115	797,115	-	723,449	723,449
Major Trauma Centres (MTCs)	-	15,000	15,000	-	15,000	15,000
WIP - IDVA Programme	-	613,417	613,417	-	493,229	493,229
Youth Violence Intervention Programme - Midlands	-	1,051,471	1,051,471	-	1,028,254	1,028,254
Youth Violence Intervention Programme - London A&Es	-	30,000	30,000	-	160,000	160,000
Kings' Evaluation Project (Guys & St Thomas' Charity)	-	-	-	-	76,502	76,502
Comic Relief - Young Women's Project	-	65,467	65,467	-	62,699	62,699
Kings' Adolescent Outreach Service	-	32,852	35,852	-	99,668	99,668
Social Switch project	-	-	-	-	7,173	7,173
Kailo Project (University College London)	-	-	-	-	10,000	10,000
Youth participation	-	73,521	73,521	-	3,849	3,849
Social Prescribing (Hackney and Nottingham)	-	108,130	108,130	-	103,020	103,020
Direct Programme Support	-	-	-	-	-	-

# REDTHREAD YOUTH LIMITED

Notes to the financial statements for the year ended 31 March 2023

## 4. Other income

	-	3,099,079	3,099,079		-	2,782,843	2,782,843
	31-Mar-23				31-Mar-22		
	Unrestricted	Restricted	Total		Unrestricted	Restricted	Total
	£	£	£		£	£	£
Bank interest	1,385	-	1,385		85	-	85
Other income	355	-	355		33,527	-	33,527
	<b>1,740</b>	<b>-</b>	<b>1,740</b>		<b>33,612</b>	<b>-</b>	<b>33,612</b>

## 5. Costs of charitable activities - by project

	31-Mar-23				31-Mar-22		
	Unrestricted	Restricted	Total		Unrestricted	Restricted	Total
	£	£	£		£	£	£
Thread CRM – digital transformation project	-	141,135	141,135		-	-	-
Youth Violence Intervention Programme - London MTCs	-	814,511	814,511		-	741,859	741,859
YVIP - IDVA Programme	-	15,000	15,000		-	15,000	15,000
Youth Violence Intervention Programme - Midlands	-	560,024	560,024		-	491,920	491,920
Youth Violence Intervention Programme - London A&Es	-	996,749	996,749		-	1,061,601	1,061,601
King's Evaluation Project (Guys & St Thomas' Charity)	-	30,000	30,000		-	160,000	160,000
Comic Relief - Young Women's Project	-	-	-		-	84,085	84,085
King's Adolescent Outreach Service	-	65,467	65,467		-	62,699	62,699
Social Switch Project	-	51,306	51,306		-	99,668	99,668
Diabetes Transition Project (Woolwich)	-	45,402	45,402		-	-	-
Kailo Project (University College London)	-	-	-		-	7,174	7,174
Youth Participation	-	-	-		-	17,438	17,438
Social Prescribing (Hackney & Nottinghamshire)	-	73,521	73,521		-	3,849	3,849
Direct Programme support	-	156,848	156,848		-	143,571	143,571
Other support costs	456,777	173,033	629,810		236,769	385,192	621,961

<b>456,777</b>	<b>3,122,986</b>	<b>3,579,763</b>	<b>236,769</b>	<b>3,274,055</b>	<b>3,510,824</b>
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## 6. Cost of fundraising

	31-Mar-23			31-Mar-22		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Staffing (salaries, NI, pension)	243,048	52,787	295,835	163,152	94,499	257,651
Other costs	6,654	184	6,838	15,742	22,477	38,219
	<b>249,702</b>	<b>52,971</b>	<b>302,673</b>	<b>178,894</b>	<b>116,976</b>	<b>295,870</b>

## 7. Net movement in funds

This is stated after charging:  
 Staff costs (see note 16)  
 Operating leases  
 Depreciation  
 Auditor's remuneration:  
   - statutory audit services  
   - other services

	31-Mar-23	31-Mar-22
	£	£
	1,891,969	2,732,638
	80,338	187,456
	7,068	2,980
	10,560	9,180
	-	1,450



**8. Tangible fixed assets**

	ICT	Vehicles	Total
Cost	£	£	£
At 1 April 2022	23,745	8,975	32,720
Additions	17,401	-	17,401
At 31 March 2023	41,146	8,975	50,121
Depreciation			
At 1 April 2022	17,786	8,975	26,761
Charge for the year	7,068	-	7,068
At 31 March 2023	24,854	8,975	33,829
Net book value			
At 31 March 2023	16,292	-	26,292
At 31 March 2022	5,959	-	5,959

**9. Debtors**

	31-Mar-23	31-Mar-22
	£	£
Trade debtors	544,421	418,877
Prepayments	86,560	66,085
Accrued income	379,626	365,220
Other debtors	22,446	29,076
	<b>1,033,053</b>	<b>879,258</b>

**10. Cash & cash equivalents**

	31-Mar-23	31-Mar-22
	£	£
Current Accounts	67,654	113,590
Interest-bearing account	1,040,905	1,266,536
Petty cash floats	982	2,170
Pleo Account (pre-paid expense cards)	3,319	5,012
	<b>1,112,860</b>	<b>1,387,308</b>

**11. Creditors**

	31-Mar-23	31-Mar-22
	£	£
Trade creditors	173,502	103,225
Accruals	17,259	107,511
Deferred income	286,811	164,226
Allowances	7,597	-
	<b>485,169</b>	<b>374,962</b>

	31-Mar-23	31-Mar-22
<b>Movement on deferred income:</b>		
	£	£
Deferred income at 1 April	164,226	117,478
Amounts deferred during the year	286,812	156,887
Amounts released to income during the year	(156,893)	(110,139)
Deferred income at 31 March	294,145	164,226

Deferred income comprises grant income received in 2022-23 which is to be applied to fund expenditure in future years.

## 12. Reconciliation of funds

	01-Apr-22	Incoming funds	Outgoing resources	Fund transfers	31-Mar-23
	£	£	£	£	£
<b>A. Unrestricted funds</b>	1,295,121	480,848	(706,479)	97,757	1,167,248
<b>B. Restricted funds</b>	£	£	£	£	£
Support costs (includes cost of fundraising)	60,414	237,851	(256,004)	-	42,261
Thread – digital transformation project	-	141,135	(141,135)	-	-
Programme Support	9,325	108,130	(156,848)	64,393	25,000
Youth participation	-	-	-	-	-
YVIP London MTCs	128,117	812,115	(829,511)	2,074	112,795
YVIP London A&Es	154,492	1,051,471	(996,740)	(170,454)	38,769
YVIP Midlands	237,570	613,417	(560,024)	-	290,963
KAOS	-	65,467	(65,467)	-	-
Social Switch Project	12,524	32,852	(51,306)	5,931	-
Diabetes Project	-	45,103	(45,402)	299	-
Social Prescribing Hackney	-	38,911	(38,911)	-	-
Social Prescribing Nottingham	-	34,609	(34,609)	-	-
	602,442	3,181,061	(3,175,957)	(97,757)	509,789

Unrestricted funds are used to carry out any of the charity's objectives, while restricted funds are tied to funding specific objectives or projects. Where specific projects show a deficit between income and expenditure at the end of the financial year, unrestricted funds are applied to make each project fully funded.

**13. Sources of Restricted Funds**

	31 Mar 23 £	31 Mar 22 £
<b>Central costs</b>		
Westminster Foundation	51,982	50,394
Paul Hamlyn Foundation	30,000	15,000
The Home Office	-	417,436
Stavros Niarchos Foundation	-	45,000
Children in Need	-	10,000
Fidelity Foundation UK	141,135	
<b>Direct Programme Support Costs</b>		
Mayor's Office for Policing and Crime (Violence Reduction Unit)	49,471	53,020
Stone Family Foundation	25,000	50,000
<b>Youth Violence Intervention Programme</b>		
<b>London:</b>		
Mayor's Office for Policing and Crime	528,238	275,707
Mayor's Office for Policing and Crime (Violence Reduction Unit)	45,149	278,005
Mayor's Office for Policing and Crime (A&E Contract)	714,952	749,508
The Leatherseller's Company	15,000	15,000
Guys' & St Thomas' Charity (King's YVIP Evaluation project)	30,000	160,000
John Horseman Charitable Trust	5,000	5,000
UCLH Charity	100,000	133,333
St George's Hospital Charity	1,765	-
Help for Children	22,500	18,000
Portal Trust	20,000	-
The Park Family Foundation	14,000	5,000
The Masonic Charitable Foundation	30,000	-
John Lyons' Charity	50,000	-
Hiscox Foundation	33,000	30,000
French Huguenot Charitable Trust	5,000	-
Assura Community Fund	25,000	-
Charles S French Charitable Trust	2,000	1,500
Hackney Parochial Charity	10,000	5,000
Charles Hayward Foundation	25,000	25,000
St James Place Charitable Foundation	20,000	-
First Give	1,000	-
Direct grants for young people	761	700
Corporate donations	19,845	23,936
CAF: The Vanguard Hometown Grants Programme	-	38,895
SE London NHS Clinical Commissioning Group	-	138,119
John Coates Charitable Trust	-	5,000
W O Street Charitable Trust	-	4,000
The Draper's Company	-	15,000
<b>The Midlands</b>		
NHS England	-	94,094
Nottinghamshire Office of the Police & Crime Commissioner	100,000	50,000
Nottingham & Nottinghamshire Integrated Care Board	100,000	
Nottingham Hospitals Charity	50,000	50,000



	31 Mar 23	31 Mar 22
	£	£
<b>13. Sources of Restricted Funds (continued)</b>		
Derbyshire Constabulary	3,000	-
Chetwode Foundation	10,000	-
Nottinghamshire Violence Reduction Unit	-	23,458
Keeping Nottinghamshire Safer (OPCC)	-	10,000
Nottinghamshire Victim Care	-	10,000
Thomas Farr Charitable Trust	-	2,000
Brown Jackson Charitable Trust	-	2,000
Community donations (Groundwork UK Ltd)	-	1,000
West Midlands Police & Crime Commissioner	85,000	85,000
NHS Birmingham & Solihull Integrated Care Board (formerly CCG)	64,908	63,392
Birmingham Women's & Children's Hospital	61,000	36,000
West Midlands VRU	-	1,200
University Hospitals Birmingham NHS Foundation Trust	-	25,000
University Hospitals Birmingham Charity	2,769	29,550
The Eveson Charitable Trust	25,000	-
Baron Davenport's Charity	-	-
DMF Ellis Charitable Trust	-	5,000
Stanley Smith Charitable Memorial Fund	-	800
The Norton Foundation	5,000	5,000
<b>YVIP – Evaluation Pilot</b>		
Youth Endowment Fund	441,644	12,903
<b>King's Adolescent Outreach Service</b>		
King's College Hospital	65,467	62,699
<b>Diabetes Transition Project</b>		
Greenwich & Lewisham Foundation NHS Trust	45,103	-
<b>Social Switch Project</b>		
Catch 22 / Google.org	-	10,080
Catch 22/ London VRU	31,352	81,588
Greater Manchester Schools Pilot	1,500	8,000
<b>Hackney Social Prescribing</b>		
WSC Primary Care Network	38,911	3,584
<b>Nottinghamshire Social Prescribing</b>		
Nottingham and Nottinghamshire Integrated Care Board	34,609	265
<b>Young Women's Project</b>		
Comic Relief	-	76,502
<b>Kailo Mental Health Research Project</b>		
University College London	-	7,174
	<b>3,181,061</b>	<b>3,323,576</b>

## 14. Analysis of net assets by fund

Fund balances represented by: -

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	16,292	-	16,292
Current assets	1,161,497	984,417	2,145,914
Creditors: amounts falling due within 1 year	(10,542)	(474,628)	(485,170)
	<b>1,167,247</b>	<b>509,789</b>	<b>1,677,036</b>

## 15. Operating lease commitments

As at the balance sheet date the charity had the following commitments under operating leases in relation to buildings which expire:-

	31-Mar-23	31-Mar-22
	£	£
Within one year:	107,118	117,784
Between one and five years	80,338	187,456

## 16. Employees

	31-Mar-23	31-Mar-22
	£	£
Wages and salaries	2,527,525	2,386,343
Social Security Costs	273,651	239,460
Workplace pension	75,879	83,791
Working from home allowance	20,722	23,044
Restructuring costs	1,809	-
	<b>2,899,586</b>	<b>2,732,638</b>

	31-Mar-23	31-Mar-22
Youth work, management and support services (average number of staff employed during the year)	70	78

The number of staff whose total emoluments (comprising salary, employer's NI and pension contributions) fell within each of the following bands was: -

	31-Mar-23	31-Mar-22
Between £210,001 and £220,000	1	-
Between £90,001 and £100,000	-	1
Between £70,001 and £80,000	1	-
Between £60,000 and £70,000	2	3

## **17. Senior Management Team**

Tracey Burley was appointed as Interim CEO following the departure of the previous CEO at the end of June 2022, and remained in the role until the end of April 2023.

A Director of Services was appointed in May 2022, and a new post of Director of Resources was introduced in November 2022 on an interim basis until a new Chief Operating Officer was appointed in March 2023. The post of Head of Fundraising was reviewed and was renamed Head of Development with effect from 1<sup>st</sup> April, taking on additional responsibilities in relation to business development, marketing and communications. The Head of Finance and the Head of Operations remained on the Senior Management Team throughout the year.

The total cost of employing the Senior Management Team in 2022-23 was therefore £567,355, compared with £366,388 in the previous year. The increase year on year is due to the fact that a Director of Operations and Transformation in 2021-22 was appointed on a consultancy basis rather than through payroll in order to oversee the implementation of the Senior Management review.

During the year a number of long-standing trustees stood down, including the chair. A successful trustee recruitment campaign took place, which resulted in the appointment of both a new chair, and four new trustees. The cost of the recruitment campaign, together with initial induction and training of both the new and existing board members came to £16,379.

In addition, a small amount of travel and subsistence expenses (£142) was reimbursed to a trustee who visited our Midlands team as part of their induction.

## **18. Taxation**

The charity's activities fall within the exemptions afforded by the provisions of the income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in these accounts.

## **19. Related party transactions**

There were no related party transactions.

## **20. Company limited by guarantee**

Redthread Youth Limited is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such an amount as may be required not exceeding £10 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.



## Thank you to all our funders and supporters:

29<sup>th</sup> May 1961 Charitable Trust  
Assura Foundation  
The Aurum Trust  
Barton Trust  
Birmingham Women's &  
Children's Hospital NHS  
Foundation Trust  
Boodle Hatfield LLP  
C A Redfern Charitable Trust  
Charles Hayward Foundation  
Charles S French Charitable  
Trust  
Chesterhill Charitable  
Foundation  
Chetwode Foundation  
Derbyshire Constabulary  
EBM Charitable Trust  
Enterprise Rent a Car  
Erewash Community Safety  
Partnership  
The Eveson Charitable Trust  
Fidelity UK Foundation  
First Give  
Forsters Charitable Trust  
French Huguenot Church of  
London Charitable Trust  
Greenwich & Lewisham  
Foundation NHS Trust  
Guy's & St Thomas' Charity  
Hackney Parochial Charities  
Help for Children  
Hiscox Foundation  
Housing the Homeless  
John Armitage Charitable Trust  
John Coates Charitable Trust  
The John Horseman Trust  
John Lyon's Charity  
King's College Hospital NHS  
Foundation Trust  
London's Violence Reduction Unit  
Leatherseller's Company Charitable  
Trust  
Masonic Charitable Foundation

Mayor's Office for Policing & Crime  
Metropolitan Police B2B Giving  
Scheme  
Norton Foundation  
NHS South East London  
Integrated Care Board (ICB)  
NHS Birmingham & Solihull ICB  
NHS Nottingham &  
Nottinghamshire ICB  
Nottingham & Nottinghamshire  
Integrated Care System partners  
Nottingham & Nottinghamshire  
Violence Reduction Partnership  
Nottingham Hospitals Charity  
Nottinghamshire Office of the  
Police & Crime Commissioner  
Park Family Charitable Trust  
Paul Hamlyn Foundation  
Percy Lea Charitable Trust  
Portal Trust  
Portrack Charitable Trust  
R L Glasspool Charity  
Sam and Bella Sebba Charitable  
Foundation  
St George's Hospital Charity  
St James Place Charitable  
Foundation  
Stavros Niarchos Foundation  
Stone Family Foundation  
TSB  
Two Magpies Trust  
University College Hospitals Charity  
University Hospitals Birmingham  
Charity  
Vicar's Relief Fund at St Martin's  
West Midlands Police & Crime  
Commissioner  
West Midlands Violence Reduction  
Partnership  
Westminster Foundation  
Well Street Common Primary Care  
Network  
Wilfred Fattorini Charitable Trust  
Youth Endowment Fund

And all the individuals and organisations who make regular and occasional donations in support of our work, or who take part in and organise fundraising challenges and activities.