

REACHOUT YOUTH

England & Wales · Charity number 1096492

Details

Other names REACHOUT

Status Registered

Legal form Charitable company

Company number [04604379](#)

Registered 2003-03-12

Register [View on the Charity Commission register](#)

Contact

Address ReachOut
8-10 Grosvenor Gardens
London
SW1W 0DH

Phone 02080871849

Email info@reachoutuk.org

Website www.reachoutuk.org

Activities

Objects: TO PROMOTE EDUCATIONAL OPPORTUNITY, SOCIAL RESPONSIBILITY AND MULTICULTURAL AWARENESS AMONG CHILDREN AND YOUNG PEOPLE, PRIMARILY IN INNER CITY AREAS AND TO PROVIDE FACILITIES IN THE INTERESTS OF SOCIAL WELFARE FOR RECREATION AND LEISURE TIME OCCUPATION WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR THE SAID CHILDREN AND YOUNG PEOPLE.

Activities: We are a mentoring charity working with children in deprived communities to help them grow in competence and character. We improve self-confidence and develop numeracy, literacy, communication and memory skills, whilst reinforcing our core values of fairness, self-control, good judgement and staying power. We do this through 1 to 1 mentoring with positive role models and team activities.

Classification

- **How:** Provides Human Resources, Provides Services
- **What:** General Charitable Purposes, Education/training, Amateur Sport
- **Who:** Children/young People

Geography

- Camden
- Hackney
- Haringey
- Islington
- Lambeth
- Liverpool City
- Manchester City
- Oldham
- Tower Hamlets
- Wandsworth

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£947,424	£989,445	£154,064	64
2024-08-31	£921,671	£1,205,285	£196,085	85
2023-08-31	£1,293,240	£1,377,537	£479,699	42
2022-08-31	£1,053,289	£1,147,711	£563,996	78
2021-08-31	£1,095,278	£830,191	£658,418	66

Trustees

Name	Role	Appointed
Professor SIMON HEPBURN	Chair	2023-07-25
Deepa Mistry		2023-07-25
James Browne		2019-08-28
MONA VADHER		2023-07-25
NIGEL PAUL TERRINGTON		2023-07-25
Richard Norman		2025-02-12
Tom Edmonds		2021-11-16

Accounts

Company number: 4604379
Charity number: 1096492

ReachOut Youth

Report and financial statements
For the year ended 31 August 2025

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Reference and administrative information
For the year ended 31 August 2025

Company number 4604379
Country of Incorporation United Kingdom

Charity number 1096492
Country of Registration England and Wales

Registered office &
operational address Fivefields
 8-10 Grosvenor Gardens
 LONDON
 SW1W 0DH

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

Professor Simon Hepburn
Marion Baker
James Browne
Tom Edmonds
Steven McCann
Deepa Mistry
Owen Standen
Nigel Terrington
Mona Vadher
Richard Norman – Appointed February 2025

Company Secretary Ben Hilton

Key Management Personnel

Ben Hilton, Chief Executive Officer
Alice Cleary, Head of Programmes & Impact
Jo Amand, Head of Operations & Finance (Maternity leave from April 2025)
Claire Sexton-Moore, Head of Operations & Finance (Maternity cover from April 2025)

Reference and administrative information
For the year ended 31 August 2025

Bankers	RBS Drummond House Redheughs Ave Edinburgh EH12 9RH
	The Co-operative Bank PO Box 250 Skelmersdale WN8 6WT
Solicitors	Morgan, Lewis & Bockius Condor House 5-10 St. Paul's Churchyard London EC4M 8AL
	Menzies LLP Lynton House 7-12 Tavistock Square London WC1H 9LT
	GBH Law Ltd 7-8 Innovation Place Douglas Drive Godalming GU7 1JX
Auditor	Third Sector Accountancy Holyoake House Hanover Street Manchester M60 0AS

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For the year ended 31 August 2025

The Trustees present their report and financial statements for the year ended 31 August 2025.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Following a strategic review process, in 2024 the charity launched a new strategy and refreshed mission:

Our Vision

Every young person has the opportunity to succeed.

Our mission

We support young people to build the confidence and skills they need to succeed.

The context of our work:

We are operating in a complex environment. Children are facing unprecedented challenges, and schools are expected to provide the solutions. When up against budget constraints, schools often face pressure to focus on academic outcomes, rather than holistic development. A new approach is necessary to meet the demands placed on schools and ensure that the value of socio-emotional skills is widely appreciated.

ReachOut is a strategic partner for schools. Through delivering after-school youth development programmes, we build the socio-emotional skills that transform outcomes for 9–14-year-olds. We exist because not all children have the opportunity to just 'pick-up' socio-emotional skills. The 9–14 age bracket is an especially crucial juncture in childhood development, so we focus our efforts on helping children in this range.

Within this bracket, we further focus our efforts on helping young people constrained by circumstance. Our programme delivery is informed by an evidence-based curriculum and delivered through collective mentoring with trained practitioners and volunteer mentors. Through our weekly sessions, the young people that take part work with their peers, mentors, and our youth practitioners. They develop their skills through conversations, group activities, reflection, and goal setting, as well as horizon building work experience visits and career talks.

How our activities deliver public benefit

The Trustees review the aims, objectives, and activities of the charity each year. The Impact Report together with this report summarise the achievements of the charity and the outcomes of its work during the reporting period. The Trustees are pleased to report the success of the key activities of

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the charity with benefits delivered to those groups of people that the charity has been set-up to help, in line with its stated purpose.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

In the opinion of the Trustees, we have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Policies to further the charity's objects

The income and property of the charity from whatever source derived are applied solely towards the promotion of its objects as set out above. No portion thereof is paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the company. We are very grateful to all our funders, large and small, as well as our individual donors who are not named here, for their decision to donate to ReachOut and help us pursue our objectives. Their confidence in us is very much appreciated.

Programmes for young people of school age

ReachOut's core programmes combine group and individual mentoring from positive role models, interactions with employers and activities and experiences that cultivate character and promote socio-emotional skill development. This helps young people to become more confident, engaged with school and equipped for the future.

Weekly after-school sessions are tailored to specific age groups working to a particular evidence-based curriculum. Young people also benefit from insightful and inspiring workplace experience visits and talks given by our network of mentors, corporate supporters and other partners.

For all age groups, young people are referred by their teachers at our partner schools. We consider the deprivation funding element of the National Funding Formula for schools and focus our work with schools within the top 20% of recipients. This considers current & historical Free School Meal eligibility and the level of deprivation in the postcodes where pupils live, measured using the Income Deprivation Affecting Children Index (IDACI).

Youth Participation

Youth involvement and participation continue to be a priority for the organisation, ensuring that young people can make meaningful contributions to shape our work to best benefit themselves and ReachOut.

Each project group elect two 'Mentee Representatives' to represent their group by collecting feedback to support organisational decisions as well as the additional opportunity to be part of our Youth Panel in London or Manchester. Twenty-one young people were elected as youth panellists

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For the year ended 31 August 2025

and attended five in-person meetings across the year, where they received training for their role, advised senior staff members and provided feedback.

Their primary focus was to act as consultants on the development of ReachOut's new curriculum, testing and providing detailed feedback on the themes, structure, and skills that felt most relevant to their experiences. The result is a programme that is more youth-led than any previous iteration, embedding young people's voices directly into session content and delivery guidance for staff.

Young people who were not elected as representatives were still given opportunities to share their views. For the first time, we deployed The Centre for Youth Impact's Youth Engagement Survey, ensuring that every young person involved in our programmes could provide feedback on their experiences and help shape future delivery.

Through these combined efforts, young people play an active and visible role in shaping ReachOut's direction, helping ensure that our programmes remain youth-led, inclusive, and grounded in their real experiences.

Our Project Leaders

ReachOut sessions are facilitated by Project Leaders, paid, sessional staff members who are recruited, trained and given extensive ongoing support by ReachOut's core staff team. The Project Leader role is an excellent opportunity for those interested in youth work, teaching, and other related professions to develop their skills and experience. We are proud that many of our core staff team have previously been Project Leaders with ReachOut in the past.

Our Volunteer Mentors

We recruit a diverse pool of mentors who bring different skills, interests, and experiences to our young people. Our mentors are a mixture of working professionals and students from local universities, who mostly volunteer at our primary school programmes.

All mentors go through our recruitment and training journey which includes a 1-2-1 meeting with a member of our team and training that incorporates ReachOut's methodology, the challenges young people face, how to build successful relationships, active listening, safeguarding and setting boundaries. They also complete an enhanced DBS Check and submit two references. Staff provide ongoing line management of mentors and provide regular updates on safeguarding, session plans and development.

Achievements and performance

2024/25 has been a year of evidence building from implementing our new impact methodology to our refreshed focus on socio-emotional skills at the core of our curriculum. Testing across our mentor ratios, programme length and group sizes has allowed us to better understand the factors that allow our programme to be both impactful and sustainable.

Summary of projects delivered, and young people engaged:

2024/25 Delivery	Cohorts Delivered	Young People engaged
ReachOut Club London	16	250
ReachOut Club Manchester	5	62
Total ReachOut Club (ages 9-11)	21	312
ReachOut Academy London	16	140
ReachOut Academy Manchester	10	139
Total ReachOut Academy (ages 11-14)	26	279
Total	47	591

Key statistics:

- We provided support for 591 (2023/24 - 764) young people aged 9-14.
- At least 61% of young people we worked with were in receipt of Pupil Premium (2023/24 - 61%), 28% of young people had Special Educational Needs and disabilities (SEND). 52% were female and 48% male. 79% were from non-White British backgrounds.
- 252 individuals volunteered as mentors with 60 of those having also volunteered with us in a previous academic year.
- 153 young people attended a Workplace Experience Visit, and these were facilitated by approximately 100 volunteers from our corporate partners.
- 16 visiting speakers presented to 160 young people giving them a different perspective on routes for the future as well as the skills they will need to get there.

Impact measurement

Throughout 2024 our Theory of Change and Monitoring, Evaluation and Learning framework were developed in partnership with YMCA George Williams College (Centre for Youth Impact) and 2024/25 was our first year of utilising this new methodology. The changes have cultivated a culture of continuous improvement and evidence-based decision making.

Our programme aim is to ensure that young people (mentees) have the socio-emotional skills and opportunities they need to thrive. Long term this means empowering young people to make positive decisions for their future resulting in improved life satisfaction. Whilst mentees are taking part in the programme, we can measure progress towards this through our short- and medium-term outcomes below:

- Improved socio-emotional skills (Responsibility, Empathy, Problem Solving, Teamwork & Emotion Management)
- Improved wellbeing
- Improved school engagement
- Improved confidence

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We use a range of measures to understand our impact and have provided some key highlights:

1. **Mentee surveys** utilise validated & widely recognised measurement tools at the start and end of the programme
 - 86% of mentees improved in at least one of the socio-emotional skill domains measured using the Centre for Youth Impact's Young People's Survey
 - 49% of mentees improved their wellbeing measured by the Stirling Children's Wellbeing Scale
 - 96% of mentees reported that they had been encouraged to share their opinion of ReachOut and 94% agreed that their ideas were listened to.
2. **Progress observations from the adults on sessions** (Project Leaders and Volunteer Mentors) allow us to understand change witnessed by those who have worked most closely with young people
 - Adults reported 95% of mentees improved in at least one of the socio-emotional skill domains
 - 93% of mentees were reported to be more confident by the end of the programme
 - 90% of mentees were observed as having improved leadership skills
3. **Teacher progress observations and data** allow us to understand change that has translated into the school environment
 - Teachers reported that 88% of mentees improved their engagement with school over the course of the programme (considering attendance, behaviour & relationships with adults)
 - 90% of mentees had improved leadership skills according to teachers
 - Considering school attendance, 46% of mentees had better attendance in this academic year than the previous
 - Teachers observed 93% of mentees developed at least one of the socio-emotional skill domains
4. **Parent Surveys** allow us to understand change that has translated into the home environment:

"The ReachOut programme did an excellent job creating a supportive environment where my son could thrive. Peer support groups and confidence building activities helped him feel understood and grow more self-assured. The focus on a safe for expression and family involvement also boosted his mental health and social skills. My son became more open emotionally, showing improved mental health and better ways to handle stress. His confidence increased, as he participated more in school and activities. He also got better at dealing with other students, forming stronger connections and navigating social situations with ease. The ReachOut program clearly made a big impact on my son." Parent

We have also developed our use of the below quality assurance measures to build consistency across our programme:

5. **Youth Engagement Surveys** from the Centre for Youth Impact provides a snapshot of whether mentees felt safe, included and engaged in sessions contributing to our quality assurance and curriculum development

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For the year ended 31 August 2025

- Considering the session they had just taken part in 97% of mentees said that they enjoyed what they were doing, 95% said they felt accepted by those that they were working with and 93% agreed that their ideas and contributions were heard and respected

6. **Quality practice observations** using the Centre for Youth Impact's Quality Practice Tool ensure our facilitators are delivering to the highest standards

Operational improvements

Alongside making improvements on our programmes offering, we have also spent time this year, on embedding process changes and improving our internal operations. This is crucial to ensure that our systems, process and expertise are robust, as we look to deepen our impact and grow our delivery model in future years. The main highlights for this year include:

- Achieving Cyber Essentials accreditation status
- Onboarding Volunteero has our new volunteer onboarding and management platform
- Onboarding Beacon CRM as our new fundraising and prospect management platform

Financial review

Incoming resources increased slightly this year to £947,424 against income of £921,671 in the previous year and a target of £1,093,000. This year we started putting in place a new four year fundraising strategy and towards the end of the year we have strengthened our fundraising team by recruiting a dedicated Trusts & Grants Manager and a Corporate Partnerships Manager, refocusing some existing capacity to now be income generating with the role of Corporate Partnerships Officer and successfully recruited for a new Community & Events Fundraising Officer.

This new team has brought fresh data led thinking, expertise and capacity at a critical time and set us up well for a success with 86% of our income target for 2025/26 already classified as confirmed or highly likely. Our plans to diversify our income sources through focused fundraising activities saw a continued community, events & individual fundraising increase and a welcome uplift in Trusts & Foundations income, similar to levels in 2022/2023. Whilst corporate partnerships have seen a dip this year, we are confident that with the increased capacity and expertise now in place, we will see this income stream rise as in previous years.

Changes in the mix of funding sources from the previous financial years can be seen below:

Principle Funding Sources	2024/2025	2023/2024	2022/2023
Trusts & Foundations	52%	45%	52%
Corporates	27%	34%	30%
Schools	6%	8%	7%
Community and Individual	15%	13%	11%
Government	0%	0%	0%

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Outgoing expenditure decreased to £989,445 from £1,205,285 leading to a net deficit of £42,021. At the start of the year, we had hoped to run a small surplus year, but we continue to be affected by the very difficult fundraising environment, the cost-of-living increases and the recent national insurance increase from April 25. To ensure we maintain viable against the backdrop of the last two years, we have continued to create expenditure efficiencies through another restructure, budget efficiencies and new models of operation, which has reduced our expenditure for 2025/2026 to circa £910,000 and we are confident that we will make a surplus next year, bringing our reserves back up to circa £290,000.

Reserves

The charity's policy is to hold reserves for the purpose of protecting the work of the charity in the short term, if funding targets are not met or if the charity needs to cease or curtail its activities. The reserves policy is reviewed annually where specific factors affecting the level of continuity, restructuring and dissolution funds are looked at with changes being made as necessary.

Our target reserves level has been set at between £228,000 and £455,964 with effect from 24th October 2025 which provides mitigation controls of 3 to 6 months of operating and close-down costs.

As of 31st August 2025, free reserves were £118,364 which is under this range and currently provides 1.6 months of operating costs. We have further restricted reserves of £35,700. The Board of Trustees have reviewed and put plans in place including options to increase the levels of unrestricted reserves we hold over the coming year, for the organisation to get back within the range of our reserves policy.

Fundraising & Partnerships

ReachOut is fortunate to have a wide range of supporters who support and invest in our work. Overall, 2024/2025 was a similarly challenging year for fundraising to the previous year and we fell short of raising the full amount that we hoped. Like many other charities we are finding that fundraising continues to be hugely competitive with far more competition for reduced funding. That said, many of our friends and supporters continue to recognise the importance of the work being done by ReachOut and the new strategic direction we are on. Our community events continue to be a growing area for the charity, and we were delighted to maintain and welcome funders and partners across our income streams.

As in previous years, most of our funding 79% (2023/24 - 79%) came from trusts and foundations and corporate partnerships, a mixture of project and unrestricted funding. We are deeply grateful to our long-term supporters, such as Henry Smith, Garfield Weston, Fidelity Foundation, Swire Charitable Trust, AKO Foundation, John Lyons, 4814 Trust, Insurance Industry Charitable Foundation and the Westminster Foundation to name a few. Our partnerships with companies continue to be crucial to

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our work in so many ways. Alongside providing large numbers of our mentors and valuable horizon building opportunities for our young people, which greatly enhance our programmes, partnerships with companies also generate vital funds for the charity through investment. We work hard to develop mutually beneficial, long-term partnerships with companies which best serve the interests of the young people we support. We are delighted that many of our longstanding corporate partners continued to support our work during the year including Aegis London, Bregal Investments, Blackrock, Bloomberg, EDF Power Solutions, Quadrant Estates, James Hambro, Macquarie, Wellington Management Ltd, The Pokémon Company International, Terra Firma, Simkins, Howden and Tibra Capital.

In addition to the above, an important part of our funding mix comes from contributions from schools, individuals, and community events. This year we had our biggest ever number of runners in the Hackney Half Marathon and raised more than in any previous year and we also re-established our Charity Cup event in Manchester.

All our fundraising activities are carried out by our in-house fundraising team, overseen by the charity's leadership. The Charity is registered with the Fundraising Regulator, and our fundraising activities are in line with the Code of Fundraising Practice and our own ethical fundraising policy. We are committed to protecting vulnerable people in all our activities. We do not use any professional fundraising organisations and did not receive any complaints about our fundraising activities during the year.

We are enormously grateful to everyone who has supported ReachOut this year.

Principal risks and uncertainties

The Trustees are responsible for ensuring key risks faced by ReachOut are managed and adequate mitigating measures are implemented. How we proactively identify and manage our risks is recorded in the Risk Register and reviewed quarterly at board meetings and is in line with our Approach to Risk Management Policy.

Key risks for ongoing attention:

Safeguarding - The Trustees are aware the principal risk for the Charity is concerned with the safeguarding of the young people it aims to support, and as such, this is always considered when risks are discussed. ReachOut's Safeguarding & Child Protection Policy is reviewed annually by the Trustees which sets out procedures and controls to mitigate the associated risks. Our Designated Safeguarding Leads, overseen by our Board Safeguarding lead, ensure safeguarding reporting and recording procedures are followed and that concerns are flagged and communicated rapidly and securely. All staff and volunteers are screened and vetted, and we deliver continually updated safeguarding training to volunteers. Staff undergo annual refresher training, and we consult with schools regarding at-risk young people.

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Funding - To mitigate the funding risks, we have invested in building the skills, expertise, and capacity of this team as we strive to diversify our funding streams across trusts and foundations, government grants, schools, corporate donations, and community fundraising. Through our strategic review, we now have in place a 4-year income generation strategy sets out a clear plan to build our reserves back to our policy levels and safeguard the organisation for future years.

Loss of key personnel – Following a board effectiveness review and skills analysis, we strengthened the Board this year with one new appointment and one external appointment to our Programmes & Impact sub-committee. We are aware that the charity sector recruitment and attraction market has been buoyant this year and whilst we can't always compete with the rises in salaries in the sector, we have undertaken a benchmarking review and remain in the midrange of salary bands for a charity of our size. We have however, as a whole organisation, reviewed and refreshed our culture, values and behaviours framework this year to ensure that our team feel understood and looked after, and our supportive working environment and staff benefits are valued by the team.

Cyber, Digital & Data Protection – With the current trends and risks associated with cyber-attacks and data protection, we are proud that this year we have achieved cyber essentials accreditation and continue to provide regular training and workshops on data protection principles with the team.

Financial Controls and Risks of Fraud – With the continual rise in phishing attacks and fraud related incidents globally, we maintain vigilant with strong financial controls and procedures, with oversight from a 3rd party accountancy firm who produce our management accounts, and an active Finance, Audit & Risk Committee chaired by our Treasurer. Whilst our likelihood factors are reduced with these systems in place, the impact remains severe which is why it remains a principal risk on our risk register.

Plans for the future

Towards the end of 2024/2025, ReachOut has published its new four-year strategy following a thorough stakeholder consultation, strategy review, and a year of evaluating a new curriculum, monitoring and evaluation framework and theory of change. We have focused our work where we can have the greatest impact and where we sit within the youth development eco system. This strategy is underpinned by a four-year income generation plan, a structure built for national delivery, revised culture, values and behaviours framework and an investment in the systems and processes to enable our team to be work effectively.

Our strategy has four commitments and four enabling factors which we will report on over the next four years, you can find our full strategy here - <https://www.reachoutuk.org/our-strategy-2025-29/>.

Commitments:

1. Close the opportunity gap for those constrained by circumstance.

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2. An established strategic partner for schools.
3. Youth informed and youth led.
4. Build a sustainable future.

Enabling Factors

1. Organisation strength and culture.
2. Sector positioning and influence.
3. Impact driven storytelling.
4. Sustainable and diverse funding.

Our delivery model was reviewed considering the tests performed throughout 2024/2025 and our new strategic priorities. To continue to build quality and impact in a sustainable way we have made the following decisions for our delivery moving forward:

- Members of our core team, Youth Development Leads, are going to take on the facilitation of our sessions, removing the previous Project Leader role which historically was delivered by trained sessional staff.
- Following thorough data analysis and a recent review by DataKind, the programme will now run for 12 weeks and have between 4-6 adult mentors rather than a 1:1 ratio, really focusing on relationships built through collective mentorship.
- We have new programme curriculums developed in collaboration with our youth panel and evaluated in sessions. The four principles below were the foundation of the development, and we look forward to seeing the impact on mentee outcomes:
 - Evidence-based skill development
 - Youth participation and engagement
 - Quality, Relational Practice
 - Progressive pathways building skills over time

We have rewritten our programme curriculums and rebranded our programmes to ensure that the content and learning is more aligned to the age range accessing these programmes and that there are clear development opportunities from one programme to the next. These are outlined below:

ReachOut Roots: Primary school pupils Year 5-6 (aged 9 – 11)

ReachOut Roots lays the foundations for social and emotional skills in primary school, equipping young people with the confidence, resilience, and sense of responsibility to transition successfully into secondary education.

ReachOut Rise: Secondary school pupils Year 7-8 (aged 11 – 13)

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ReachOut Rise supports young people through the challenges and opportunities of early secondary school, helping them to build resilience, strengthen identity and belonging, and grow the confidence to take initiative in shaping their aspirations, relationships, and choices.

ReachOut Ready: Secondary school pupils Year 9 (aged 13 – 14)

ReachOut Ready empowers young people to step into leadership and apply their skills to real-world contexts. Through youth voice and leadership opportunities, collaborative projects, mentoring, and future planning, they gain the confidence, agency, and vision to influence others positively and transition into the next stage of education and life.

Youth Informed & Youth Led

Building on the strong foundations set by last year's panels, ReachOut is now launching a new Youth Consultant role in 2025/26. These consultancy opportunities will enable young people to work in partnership with Delivery Managers throughout the year to evaluate, review, and further improve our programmes and resources.

Organisationally 2025/2026 is about consolidating the changes which have been implemented over the past 18 months to ensure that these are fully embedded and that data continues to drive our decision making and developments. Each department within ReachOut has key OKR dashboard which will be reported on quarterly to all staff and at our committee and board structures, which include:

Programmes & Impact

- Enhance the mentor journey using Volunteero and develop a continuous mentor training programme.
- Full data and surveys for 95% of mentees that complete a programme.
- Ongoing quality improvements to achieve the National Youth Agency Quality Mark.

Operations & Finance

- Conduct a new DPIA Assessment across the organisation.
- Complete a review of our EDI policy and 'Belonging' principles and develop a belonging delivery plan.
- Maintain Cyber Essential accreditation.

Income & Partnerships

- Achieve income targets of £1.06mil.
- 85% of income for 2026/2027 is categorised at confirmed or highly likely by August 2026.
- Delivery a pilot coaching programme between corporate mentors and future education leaders.

Going concern

ReachOut has an appropriate level of reserves, a strong network of supporters and a clear case for support with current and prospective funders. Although the deficit incurred in the current year was not expected to the level experienced, with confidence higher than in previous years that we will reach our income target for 2025/2026, we remain within one good year to be back within the charity's Reserves Policy as described on page 9 of this report. This is due to the expenditure changes we have implemented, the confidence in income levels for 2025/2026, with 86% of our income categorised as confirmed or highly likely which provides a greater degree of confidence than previous year, the new focused income generation plan and the investment in skills, expertise and capacity within the income and partnerships team.

The charity target reserves level has been set at between £228,000 and £455,964 with effect from 24th October 2025 which provides mitigation controls of 3 to 6 months of operating and close-down costs.

As of 31st August 2025, free reserves were £118,364 which is under this range and currently provides 1.6 months of operating costs. We have further restricted reserves of £35,700. The Board of Trustees have reviewed and put plans in place, options to increase the levels of unrestricted reserves we hold over the coming year.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 29 November 2002, and registered as a charity on 12 March 2003. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

There are three committees of the Board, Programmes & Impact, Finance, Audit & Risk and the Remuneration & Nominations Committee.

Responsibility for day-to-day operations and the leadership of the staff and volunteer team is delegated to the Senior Management Team. The team is responsible for all day-to-day decisions affecting the charity. Decisions of a strategic or directional nature, including the employment of the senior staff, remain the responsibility of the Trustees, as laid out in our Delegation of Executive Powers. The Trustees are ultimately responsible for setting and approving the remuneration of the CEO. Remuneration for the wider team is delegated to the CEO and the process agreed with the Finance, Audit & Risk Committee and the Remuneration & Nominations Committee and is approved by the Trustees as part of the annual budgeting process. The charity has no subsidiaries or related parties.

All Trustees give their time voluntarily and receive no benefits from the charity. £153 of expenses were claimed by the Trustees in this financial year.

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Related parties and relationships with other organisations

Within the year, there was one related party transaction from trustee, Tom Edmunds of £750. This payment was a donation for his company, Edmunds Elder, to take part in the annual ReachOut Chariry Cup football fundraising event.

Remuneration policy for key management personnel

Our approach to pay is to provide fair and appropriate remuneration packages for our people to ensure we can attract and retain people with the skills and experience to deliver the Charity's objectives. We aim to be competitive in the marketplace from which we draw our people and review this regularly through benchmarking exercises.

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of ReachOut Youth for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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 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
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records 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.

In so far as the trustees are aware:

Contents

For the year ended 31 August 2025

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

The Trustees are responsible for the maintenance and integrity of the corporate and 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 31st August 2025 was ten.

As part of our commitment to review our auditors after a period of time for good governance, after a careful and robust procurement process, Third Sector Accountancy have been appointed as our auditors for the next three years, taking over from Sayer Vincent LLP.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' annual report has been approved by the Trustees on the 17th December 2025 and signed on their behalf by:



Simon Hepburn
Chair of Trustees



Deepa Mistry
Treasurer

Independent auditor's report to the members of ReachOut Youth

Opinion

We have audited the financial statements of ReachOut Youth (the charitable company for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 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 August 2025 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' report, 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.

Independent auditor's report to the members of ReachOut Youth

Opinions 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 trustees' report, 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 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also directors of the 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 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 the financial statements

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

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.

Independent auditor's report to the members of ReachOut Youth

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and environment in which it operates, we identified the principal risks of non-compliance with laws and regulations related to pension legislation, tax legislation, employment legislation, health and safety legislation, and other legislation specific to the industry in which the charitable company operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the reporting requirements under the Charities SORP and FRS102, and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to:

- Posting manual journal entries to manipulate financial performance; and
- Management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

Compliance with laws and regulations:

- Discussions with management including consideration of known or suspected instances of non-compliance with relevant laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit;
- Review minutes of meetings for issues relating to non-compliance;
- Reviewing both the design and implementation of key policies, including safeguarding.

Material Fraud in the financial statements:

- Making enquiries of management and those charged with governance on whether they had any knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Challenging assumptions and judgments made by management, including reviewing management's recognition of income in line with FRS102 SORP.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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. This description forms part of our auditor's report.

Independent auditor's report to the members of ReachOut Youth

Use of the audit report

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



Patrick Morrello (Senior Statutory Auditor)

For and on behalf of Third Sector Accountancy Limited, Statutory Auditor

Holyoake House

Hanover Street

Manchester

M60 0AS

Date 06 / 01 / 2026

ReachOut Youth
Statement of Financial Activities
for the year ended 31 August 2025

	Note	Unrestricted funds £	Restricted funds £	Total funds 2025 £	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2024 £</i>
Income from:							
Donations and legacies	3	303,901	380,807	684,708	231,890	347,407	579,297
Charitable activities	4	261,005	-	261,005	339,867	-	339,867
Investments	5	1,711	-	1,711	2,507	-	2,507
Total income		566,617	380,807	947,424	574,264	347,407	921,671
Expenditure on:							
Raising funds	6	(373,906)	-	(373,906)	(285,663)	-	(285,663)
Charitable activities	6	(238,514)	(377,025)	(615,539)	(604,133)	(315,489)	(919,622)
Total expenditure		(612,420)	(377,025)	(989,445)	(889,796)	(315,489)	(1,205,285)
Net income/(expenditure) for the year	8	(45,803)	3,782	(42,021)	(315,532)	31,918	(283,614)
Net movement in funds for the year		(45,803)	3,782	(42,021)	(315,532)	31,918	(283,614)
Reconciliation of funds							
Total funds brought forward		164,167	31,918	196,085	479,699	-	479,699
Total funds carried forward		118,364	35,700	154,064	164,167	31,918	196,085

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

ReachOut Youth
Company number 4604379

Balance sheet as at 31 August 2025

	Note	2025	2024
		£	£
Fixed assets			
Tangible assets	13	2,128	3,192
Current assets			
Debtors	12	52,691	95,862
Cash at bank and in hand	14	155,509	197,691
Total current assets		208,200	293,553
Liabilities			
Creditors: amounts falling due in less than one year	15	(56,264)	(100,660)
Net current assets		151,936	192,893
Net assets		154,064	196,085
The funds of the charity:			
Unrestricted income funds	17	118,364	164,167
Restricted funds	16	35,700	31,918
Total charity funds		154,064	196,085

The notes on pages 24 to 38 form part of these accounts.

Approved by the trustees on

Simon Hepburn

Professor Simon Hepburn (Trustee)

and signed on their behalf by:



Deepa Mistry (Trustee)

ReachOut Youth

Statement of Cash Flows for the year ending 31 August 2025

	Note	2025 £	2024 £
Cash used in operating activities	20	(43,893)	(343,368)
<i>Cash flows from investing activities:</i>			
Interest paid		-	(45)
Interest received		1,711	2,507
Purchase of tangible fixed assets	13	-	(4,011)
Cash provided by/(used in) investing activities		1,711	(1,549)
Decrease in cash and cash equivalents in the year		(42,182)	(344,917)
Cash and cash equivalents at the beginning of the year		197,691	542,608
Cash and cash equivalents at the end of the year		155,509	197,691

1 Accounting policies

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

a Basis of preparation

The financial statements have been prepared in accordance with 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) issued in October 2019 - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

ReachOut Youth meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

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

b Judgments and estimates

The trustees have made no key judgments which have a significant effect on the accounts. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

c Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Notes to the accounts for the year ended 31 August 2025 (continued)

d Income

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.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

e Donated services and facilities

Donated professional services and donated facilities are recognised as 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. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f Interest receivable

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

Notes to the accounts for the year ended 31 August 2025 (continued)

g Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

h Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs incurred by the charitable company in inducing 3rd parties to make voluntary contributions to it, as well as the costs of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services and activities undertaken to further the purpose of the charity and its associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

j Operating leases

Operating leases are leases in which the title to the assets, and the risks and rewards of ownership, remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

Notes to the accounts for the year ended 31 August 2025 (continued)

k Tangible fixed assets

Individual fixed assets costing £300 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a Reducing balance basis as follows:

Equipment	33% reducing balance
Fixtures	5% reducing balance

l Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m Cash at bank and in hand

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

n Creditors and provisions

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

Notes to the accounts for the year ended 31 August 2025 (continued)

O Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

P Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The costs of the defined contribution scheme are included within support and governance costs .

2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office address is disclosed on page 1.

ReachOut Youth

Notes to the accounts for the year ended 31 August 2025 (continued)

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2025 £	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>Total 2024 £</i>
Donations	147,166	-	147,166	155,890	-	155,890
Grants	156,735	380,807	537,542	76,000	347,407	423,407
Total	303,901	380,807	684,708	231,890	347,407	579,297

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2025 £	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>Total 2024 £</i>
School Funding	48,208	-	48,208	70,157	-	70,157
Corporate Income	212,797	-	212,797	269,710	-	269,710
Total	261,005	-	261,005	339,867	-	339,867

ReachOut Youth

Notes to the accounts for the year ended 31 August 2025 (continued)

5 Investment income

	Unrestricted £	Restricted £	Total 2025 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2024</i> £
Bank Interest	1,711	-	1,711	2,507	-	2,507
	<u>1,711</u>	<u>-</u>	<u>1,711</u>	<u>2,507</u>	<u>-</u>	<u>2,507</u>

6 Analysis of expenditure

	Charitable activities £	Cost of raising funds £	Total 2025 £	<i>Charitable</i> <i>activities</i> £	<i>Cost of</i> <i>raising funds</i> £	<i>Total 2024</i> £
Fundraising	-	35,891	35,891		42,588	42,588
Wages and salaries	310,283	161,056	471,339	520,794	230,331	751,125
Consultancy		17,250	17,250	-	-	-
Recruitment and other staff costs	-	-	-	-	11,429	11,429
Travel costs	-	1,262	1,262	-	1,085	1,085
Support costs (see note 7)	275,744	143,128	418,872	248,247	109,792	358,039
Governance costs (see note 7)	29,512	15,319	44,831	28,441	12,578	41,019
	<u>615,539</u>	<u>373,906</u>	<u>989,445</u>	<u>797,482</u>	<u>407,803</u>	<u>1,205,285</u>

Expenditure split:

	Unrestricted £	Restricted £	Total 2025 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2024</i> £
Total expenditure	<u>612,420</u>	<u>377,025</u>	<u>989,445</u>	<u>889,796</u>	<u>315,489</u>	<u>1,205,285</u>

ReachOut Youth

Notes to the accounts for the year ended 31 August 2025 (continued)

7 Analysis of governance and support costs

	Support £	Governance £	Total 2025 £	Support £	Governance £	Total 2024 £
Wages and salaries	207,856		207,856	161,171		161,171
Other personnel costs	19,928		19,928	17,379		17,379
Occupancy & Infrastructure	129,182		129,182	97,276		97,276
Financial & Banking	1,273		1,273	1,239		1,239
Marketing & Promotion	-		-	5,000		5,000
Technology & Communication	45,550		45,550	59,576		59,576
Travel & Miscellaneous	15,083		15,083	16,395		16,395
Professional & Advisory Services		44,831	44,831		41,019	41,019
	418,872	44,831	463,703	358,036	41,019	399,055

Notes to the accounts for the year ended 31 August 2025 (continued)

8 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2025	2024
	£	£
Depreciation	1,064	819
Auditor's remuneration - audit fees	7,000	12,620
Auditor's remuneration - accountancy fees	2,000	-

9 Staff costs

Staff costs during the year were as follows:

	2025	2024
	£	£
Wages and salaries	599,276	811,091
Social security costs	64,736	66,757
Pension costs	11,230	17,062
Redundancy and termination costs	3,953	3,428
	679,195	898,338

Allocated as follows:

Cost of raising funds	161,056	230,331
Charitable activities	310,283	506,836
Support costs	207,856	161,171
Governance costs	-	-
	679,195	898,338

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was 1 (2024: 1).

The average number of staff employed during the period was 64.25 (2024: 84.5).

The average full time equivalent number of staff employed during the period was 34 (2024: 34.5).

The key management personnel of the charity comprise the Head of Operations & Finance, Head of Programmes & Impact and the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £220,807 (2024: £253,987).

10 Trustee remuneration and expenses, and related party transactions

Neither the management committee nor any persons connected with them received any remuneration or reimbursed expenses during the year (2024: Nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. In the prior year, the charity received a £750 gift from Edmond's Elder, where one of the charity's trustees is a founding director. This related to the entrance fee for participation in a charity football tournament, the Charity Cup.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year (2024: nil).

11 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

12 Debtors

	2025	2024
	£	£
Trade debtors	25,013	79,482
Other debtors	13,734	13,734
Prepayments and accrued income	13,944	2,646
	52,691	95,862

Notes to the accounts for the year ended 31 August 2025 (continued)

13 Fixed assets: tangible assets

	Computer equipment	Total
Cost	£	£
At 1 September 2024	4,011	4,011
Additions	-	-
Disposals	-	-
At 31 August 2025	4,011	4,011
Depreciation		
At 1 September 2024	819	819
Charge for the year	1,064	1,064
Disposals	-	-
At 31 August 2025	1,883	1,883
Net book value		
At 31 August 2025	2,128	2,128
<i>At 31 August 2024</i>	<i>3,192</i>	<i>3,192</i>

14 Cash at bank and in hand

	2025	2024
	£	£
Cash at bank and on hand	155,509	197,691
	155,509	197,691

15 Creditors: amounts falling due within one year

	2025	2024
	£	£
Trade creditors	917	12,436
Other creditors and accruals	14,851	24,655
Deferred income	22,563	43,500
Net Wages	1,772	1,772
Taxation and social security costs	16,161	18,297
	56,264	100,660

ReachOut Youth

Notes to the accounts for the year ended 31 August 2025 (continued)

16 Analysis of movements in restricted funds

	Balance at 1 September 2024	Income	Expenditure	Transfers	Balance at 31 August 2025
	£	£	£	£	£
Fidelity Foundation	27,490	20,360	(29,326)	-	18,524
Henry Smith Charity	3,830	60,000	(63,185)	-	645
Society of the Holy Child Jesus	-	10,000	(10,000)	-	-
Terra Firma Wellington	-	34,979	(34,979)	-	-
Management	-	50,000	(50,000)	-	-
ReachOut Club	-	114,979	(106,644)	-	8,335
ReachOut Academy	598	75,489	(75,391)	-	696
Bloomberg	-	15,000	(7,500)	-	7,500
Total	31,918	380,807	(377,025)	-	35,700
Comparative period					
	Balance at 1 September 2023	Income	Expenditure	Transfers	Balance at 31 August 2024
	£	£	£	£	£
Central Costs	-	210,484	(179,164)	-	31,320
ReachOut Club	-	53,600	(53,600)	-	-
ReachAcademy	-	79,878	(79,280)	-	598
Deloitte	-	3,445	(3,445)	-	-
Total	-	347,407	(315,489)	-	31,918

Notes to the accounts for the year ended 31 August 2025 (continued)

16 Analysis of movements in restricted funds (continued)

Name of restricted fund	Description, nature and purposes of the fund
ReachOut Club	The funds for ReachOut Club are utilised to provide mentoring programmes to primary school children (year 5/6) through our partner schools.
ReachAcademy	The funds for ReachOut Academy are utilised to provide mentoring programmes to secondary school children (years 7 to 9) through our partner schools.
Bloomberg	A restricted grant to support programme delivery in London.
Fidelity Foundation	A restricted grant contributing to the costs of two support roles, enabling greater operational effectiveness.
Henry Smith Charity Society of the Holy Child Jesus	A grant towards the costs for our Head of Programmes & Impact.
Terra Firma	A grant to support the operating/core cost of ReachOut.
Wellington Management	A restricted grant to support programme delivery in Southwark. A restricted grant to support programme delivery in London.

Notes to the accounts for the year ended 31 August 2025 (continued)

17 Analysis of movement in unrestricted funds

	Balance at 1 September 2024	Income	Expenditure	Transfers	As at 31 August 2025
	£	£	£	£	£
General fund	164,167	566,617	(612,420)	-	118,364
	164,167	566,617	(612,420)	-	118,364

Comparative period

	Balance at 1 September 2023	Income	Expenditure	Transfers	As at 31 August 2024
	£	£	£	£	£
General fund	479,699	574,264	(889,796)	-	164,167
	479,699	574,264	(889,796)	-	164,167

Name of unrestricted fund	Description, nature and purposes of the fund
	-
General fund	The free reserves after allowing for all designated funds

18 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property	
	2025	2024
	£	£
Less than one year	106,128	86,688
One to five years	89,904	163,325
	196,032	250,013

Notes to the accounts for the year ended 31 August 2025 (continued)

19 Analysis of net assets between funds

	General fund £	Restricted funds £	Total 2025 £
Tangible fixed assets	2,128	-	2,128
Net current assets/(liabilities)	116,236	35,700	151,936
Total	118,364	35,700	154,064
Comparative period			
	General funds £	Restricted funds £	151,936 £
Tangible fixed assets	3,192	-	3,192
Net current assets/(liabilities)	160,975	164,167	192,893
Total	164,167	164,167	196,085

20 Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income/(expenditure) for the year	(42,021)	(283,614)
Adjustments for:		
Depreciation charge	1,064	819
Dividends, interest and rents from investments	(1,711)	(2,507)
Interest Paid	-	45
Decrease/(increase) in debtors	43,171	(394)
Increase/(decrease) in creditors	(44,396)	(57,717)
Net cash provided by/(used in) operating activities	(43,893)	(343,368)

REACHOUT YOUTH

England & Wales - Charity number 1096492

Accounts

Report of the Trustees and
Financial Statements
for the Year Ended 31 August 2024
for
ReachOut Youth

ReachOut Youth

Contents of the Financial Statements
for the Year Ended 31 August 2024

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ReachOut Youth

Report of the Trustees
for the Year Ended 31 August 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

ReachOut Youth
Report of the Trustees
for the Year Ended 31 August 2024

OBJECTIVES AND ACTIVITIES

Objectives and activities

Following a strategic review process, in 2024 the charity adopted a refreshed vision and mission for the charity:

The context of our work:

ReachOut believes that socio-emotional skills are overlooked foundational skills which improve both academic attainment and the daily, personal lives of children. We define these skills as empathy, responsibility, problem solving, initiative, teamwork and emotion management. These are all assets can be taken for granted because we assume everyone has equal access to developing them - and that's not the case.

We are operating in a complex environment. Children are facing unprecedented challenges, and schools are expected to provide the solutions. When up against budget constraints, schools often face pressure to focus on academic outcomes, rather than holistic development. A new approach is necessary to meet the demands placed on schools and ensure that the value of socio-emotional skills is widely appreciated.

That's where we come in. **We are a strategic partner for schools. We build socio-emotional skills that transform outcomes for 9-14-year-olds.** We exist because not all children have the opportunity to just 'pick up' socio-emotional skills. Outside of a formal educational environment, many children are denied access to the services necessary to acquire these skills. The 9-14 age bracket is a crucial juncture in childhood development, which is why we focus our efforts on this age range. Within this bracket, we target our efforts on helping young people constrained by circumstance.

Our programme follows an evidence-based curriculum, delivered through collective mentorship with trained practitioners. It integrates positive peer support and supportive adult role models. Our programme is consistently evidence based and evidenced building: using our extensive experience to deliver efficacy in the face of contemporary challenges.

However, we know that ultimately schools themselves are the sustainable and scalable solution to building equity around socio-emotional skills. That's why we're currently undergoing a strategic review to ensure the programme will continue far into the future.

How our activities deliver public benefit

The Trustees review the aims, objectives and activities of the charity each year. The Impact Report together with this report summarise the achievements of the charity and the outcomes of its work during the reporting period. The Trustees are pleased to report the success of the key activities of the charity with benefits delivered to those groups of people that the charity has been set-up to help, in line with its stated purpose.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

In the opinion of the Trustees, we have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Policies to further the charity's objects

The income and property of the charity from whatever source derived are applied solely towards the promotion of its objects as set out above. No portion thereof is paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the company.

We are very grateful to all our funders, large and small, as well as our individual donors who are not named here, for their decision to donate to ReachOut and help us pursue our objectives. Their confidence in us is very much appreciated.

Programmes for young people of school age

ReachOut's core programmes combine group and individual mentoring from positive role models, interactions with employers and activities and experiences that cultivate character and promote social & emotional skills development. This helps young people to become more confident, resilient and better equipped for the future.

Led by paid staff who support our volunteer mentors throughout, regular after-school sessions are tailored to specific age groups working to a particular curriculum. Young people also benefit from insightful and inspiring work experiences and talks given by our network of mentors, corporate supporters and other partners.

- **ReachOut Club: Primary school pupils Year 5-6 (aged 9 - 11)**
Character-building activities to boost academic confidence and support the transition to secondary school.

ReachOut Youth

Report of the Trustees **for the Year Ended 31 August 2024**

ReachOut Academy: Secondary school pupils Year 7-9 (aged 11 - 14)

Character-building activities and interactions with employers through workplace visits and career talks, to support the period through adolescence and prepare young people for future success.

For all age groups, young people are referred by their teachers at our partner schools, which are located in underserved areas where high numbers of young people are in receipt of Pupil Premium.

Youth Participation

Youth involvement and participation has continued to be a priority for the organisation, ensuring that young people can make meaningful contributions to shape our work to best benefit themselves and ReachOut.

Each project group had the opportunity to elect 2 'Mentee Reps' to represent their group by collecting feedback to support organisational decisions. From this cohort, these 'mentee reps' had the additional opportunity to apply to be part of our Youth Panel in London or Manchester. 21 young people became youth panellists and attended five in-person meetings across the year, where they received training, spoke to senior staff members to learn about the running of the organisation and provide feedback.

They chose a ReachOut strategic objective to build a project on that fed into ReachOut's organisational actions. This objective was mentor recruitment, and the young people utilised their sessions to discuss and develop ReachOut's recruitment strategies. They also had the opportunity to create and ask questions to our CEO candidates earlier this year and provided us feedback on the candidates after the interviews.

Our Project Leaders

ReachOut sessions are facilitated by Project Leaders: sessional staff members who are recruited, trained and given extensive ongoing support by ReachOut's core staff team. The Project Leader role is an excellent opportunity for those interested in youth work, teaching and other related professions to develop their skills and experience. We are proud that many of our core staff team have previously been Project Leaders with ReachOut in the past.

Our Volunteer Mentors

We aim to recruit a diverse pool of mentors who bring different skills, interests and experiences to our young people. Our mentors are a mixture of working professionals, who mostly volunteer at our secondary school programmes and students from local universities, who mostly volunteer at our primary school programmes. For our university mentors, they also have the opportunity to have a career mentor from our corporate supporters.

All mentors go through our recruitment and training journey which includes a 1-2-1 meeting with a member of our team and training that incorporates Reach Out's methodology, the challenges young people face, how to build successful relationships, active listening, safeguarding and setting boundaries. They also complete an enhanced DBS Check and submit two references.

Where a project involves 1:1 mentoring, the matching process happens around week three and is a facilitated process where young people are matched with mentors, with young people's preferences taken into account. Project Leaders provide ongoing line management of mentors and provide regular updates on safeguarding, session plans and development.

We were delighted that this year, 91% of mentors would recommend volunteering at ReachOut to a friend or colleague.

Alumni Engagement

We aim to stay connected with young people who have taken part in ReachOut programmes. This year, we were thrilled that six of our alumni have supported ReachOut through talking about their experience at our events and presenting to potential new corporate supporters.

ReachOut Youth
Report of the Trustees
for the Year Ended 31 August 2024

ACHIEVEMENT AND PERFORMANCE

Achievements and performance

2023/24 was a year of consolidation and change for ReachOut. In response to funding pressures, we reduced overall provision for young people from the previous year. We placed a renewed focus on developing a strong operational platform and carried out a full strategic review in preparation for a new phase in the organisation's development.

Programmes for Young People aged 9-14 (programmes were delivered to 140 15-16-year-olds as we transitioned to focusing on the younger age range)

Summary of projects delivered, and young people reached:

2023/24 Delivery Programme	Number of projects/Cohorts reached	Places for young people
ReachOut Club London	13	156
ReachOut Club Manchester	10	120
ReachOut Club Liverpool	6	72
Total ReachOut Club	29	348
ReachOut Academy London	14	224
ReachOut Academy Manchester	12	192
Total ReachOut Academy	26	416
Total	55	764

Core Programmes - Key statistics

- We provided placements for 764 (2022/23 - 1,124) young people, with 501 attending ten or more sessions. On average, mentees attended 79% of registered sessions.
- At least 61% of young people we worked with were in receipt of Pupil Premium (2022/23 - 56%). 18% of young people had Special Educational Needs (SEN). 55% were female and 42% male. 78% were from non-White British backgrounds.
- We ran 75 Work Experience Visits and Career Talk experiences over the course of the year.
- We trained 654 volunteer mentors, of whom 618 were placed and volunteered on our school programmes in 2023/24. This compares to 797 in 2022/23 and 738 in 2021/22. 103 were returning mentors from previous years.

Impact measurement

This year we have continued to make improvements to how we track the impact of our work. Our methodology this year included start and end-of-year surveys with teachers, mentors, mentees and parents, as well as qualitative information gathered about socio-emotional skills development among young people taking part in programmes over the course of the year. This is supplemented by information received from schools surrounding young people's engagement, attitude to learning and academic attainment where this could be sourced:

Some highlights from 2023/24 were:

Mentees

- 84% of young people enjoyed attending ReachOut this year
- 84% of young people would recommend coming to ReachOut to other young people
- 95% of young people felt that their mentor helped them
- 69% of young people improved their school attendance over the course of the year
- 65% of young people said that ReachOut had improved their confidence
- 52% of primary school young people said that ReachOut helped them to feel better about starting secondary school
- 65% of secondary school young people said that ReachOut helped them to think about what options might be available to them after leaving school

ReachOut Youth

Report of the Trustees **for the Year Ended 31 August 2024**

Teachers

- 80% of teachers agreed that they had seen improvements in behaviour for the students that took part in ReachOut
- 80% of teachers agreed that they had seen improvements in attitude to learning for the students that took part in ReachOut
- 80% of teachers reported that ReachOut had delivered the impact they were hoping to see for their students
- 90% of teachers would recommend ReachOut to other teachers
- 40% of teachers agreed that they had seen improvements in academic achievement for the students that took part in ReachOut

Parents

- 100% of parents reported that their child enjoyed attending ReachOut this year
- 100% of parents would recommend ReachOut to others
- 85% of parents reported a positive change for their child following ReachOut sessions (comparing their character, confidence or emotional wellbeing at the start of the year to the end of the year)
- 62% of parents reported they had seen an improvement in one or more-character strengths for their child
- 81% of parents reported an improvement in their child's confidence
- 54% of parents reported an improvement in their child's emotional wellbeing

For a more detailed analysis of the charity's impact please see the impact reporting documents available for download on our website.

In 2024/25 we are moving to a new impact methodology, having worked closely with YMCA George Williams College (Centre for Youth Impact) as a socio-emotional skills implementation partner. This has involved a thorough review of our Theory of Change, and our Monitoring Evaluation and Learning plan as well as putting in place their set of validated measurement tools which will provide more robust insights into the impact and quality of our provision. We are focused on making evidence informed programme improvements using data from these tools, alongside insights from The Stirling Children's Wellbeing Scale, feedback from mentees, mentors, teachers and our youth panel and referral data from schools.

The long-term outcome of our programme remains unchanged: supporting young people to improve their character. In addition to this we will empower young people to make positive decisions for their future ultimately resulting in improved life satisfaction. Whilst mentees are taking part in the programme, we can measure progress towards this through our short- and medium-term outcomes below:

- Improved socio-emotional skills (Responsibility, Empathy, Problem Solving, Teamwork & Emotion Management)
- Improved Wellbeing
- Improved school attendance
- Improved confidence

Operational improvements

Alongside making improvements on our programmes offering, we have spent time this year on improving our internal operations. This is crucial to ensure that our systems, process and expertise are robust as we look to deepen our impact and grow our delivery model in future years. The main highlights for this year include:

- We invested in 3rd party support partners to improve our IT infrastructure, cyber security and operating systems. Additionally, we secured HR support to strengthen employee relations and ensure we remain competitive in our employee engagement strategies. Finally, we engaged third-party accountancy support to ensure robust management information.
- We are thrilled to have relocated our London office from Bethnal Green to Fivefields in Victoria thanks to the Westminster Foundation. This strategic move places us at the heart of a community of youth charities, enabling greater collaboration and partnerships.
- Thanks to the Fidelity Foundation, we continue to strengthen our core staffing capacity on both the operating and volunteer management streams of work.

ReachOut Youth

Report of the Trustees for the Year Ended 31 August 2024

FINANCIAL REVIEW

Financial review

Incoming resources decreased this year to £921,671 against income of £1,293,241 in the previous year and a target of £1,100,000. Our plans to diversify our income sources through focused fundraising activities resulted in a continued uplift across corporate partnerships, community & individual fundraising and contributions from schools. The reduction of Trusts and Foundations income is a symbol of the very tough fundraising environment the charity sector is facing currently and represents a reduction of £325,408 through this income stream this financial year.

Changes in the distribution of funding sources compared to the previous financial years are outlined below:

Principle Funding Sources	2023/24	2022/23	2021/22
Trusts & Foundations	45%	52%	59%
Corporates	34%	30%	25%
Schools	8%	7%	5%
Community and individual	13%	11%	11%
Government	0%	0%	0%

Outgoing expenditure decreased to £1,205,285 from £1,377,538 leading to a net deficit of £283,614. At the start of the year, we had anticipated a £83,500 deficit; however, the challenging fundraising environment, particularly the decline in income from trusts and foundations which has historically been a stable funding source, had a significant impact. Despite the difficulties we have encountered this year, we have continued to create expenditure efficiencies. In 2023-2024 we successfully reduced our staffing costs by £140,580 in line with our reduced programme delivery. Additionally, towards the end of the financial year, we implemented a strategic restructuring exercise, with further savings to be realised in the next financial year.

Reserves

The charity's policy is to hold reserves for the purpose of protecting the work of the charity in the short term, should funding targets are not met or if the charity needs to cease or curtail its activities. The reserves policy is reviewed annually where specific factors affecting the level of continuity, restructuring and dissolution funds are looked at with changes being made as necessary.

The charity target reserves level has been set at between £239,246 and £478,492 with effect from 7th November 2024 which provides mitigation controls of 3 to 6 months of operating and close-down costs.

As of 31st August 2024, reserves stood at £164,167, which is below the target range and currently provides 2 months of operating costs. We have further restricted reserves of £31,918. The Board of Trustees has reviewed the situation and implemented plans to increase our unrestricted reserves over the coming year, with the goal of bringing the organisation back within the desired range outlined in our reserves policy.

Fundraising & Partnerships

ReachOut is fortunate to have a wide range of supporters who fund and support our work in a variety of different ways. Overall, 2023/24 was a more challenging year for fundraising than in any recent year and we fell short of raising the full amount that we hoped. Like many other charities we are finding that grants from trusts and foundations are proving more difficult to secure in a hugely competitive and difficult environment. That said, many of our friends and supporters continue to recognise the importance of the work being done by ReachOut. Our community events continue to be a growing area for the charity and, whilst we fell short of our initial targets, we were delighted to welcome several new corporate supporters.

As in previous years, the majority of our funding 79% (2023/24 - 82%) came from grants from trusts and foundations and corporate partnerships, a mixture of project and unrestricted funding. We are deeply grateful to our long-term supporters, including the Henry Smith Foundation, Garfield Weston Foundation, Fidelity Foundation, Swire Charitable Trust, AKO Foundation, and John Lyons Charity, as well as those new to supporting us this year, such as the 4814 Trust, Westminster Foundation, and Football for Change, to name just a few.

Our partnerships with companies continue to be crucial to our work in so many ways. Alongside providing significant number of mentors and valuable workplace experiences which greatly enhance our programmes, partnerships with companies also generate vital funds for the charity through sponsorship, donations and payment for services. We are committed to cultivating mutually beneficial, long-term partnerships with companies which best serve the interests of the young people we support. We are grateful for the continued support of many of our longstanding corporate partners including Aegis London, Bregal Investments, Blackrock, Bloomberg, Quadrant Estates, James Hambro, Macquarie, Wellington Management Ltd, The Pokémon Company International, EDF, Simkins and Tibra Capital. We are excited to welcome new partners including Howden, Fiecon, Salesforce, Deloitte Digital Futures and Barclays Private Bank.

ReachOut Youth

Report of the Trustees **for the Year Ended 31 August 2024**

In addition to the above, an important part of our funding mix comes from contributions from schools, individuals and community events. This year we had our highest ever number of runners in the Hackney Half Marathon and raised more than in any previous year. Our Network Development Group (NDG) continued its valuable activities. This is a group of senior volunteers charged with expanding our network of individual and corporate contacts. A highlight of the year was the successful networking event organised with the NDG and hosted at Clays (indoor virtual clay-pigeon shooting) for new corporate partners and supporters.

All our fundraising activities are carried out by our in-house fundraising team, overseen by the charity's leadership. The Charity is registered with the Fundraising Regulator and our fundraising activities are in line with the Code of Fundraising Practice and our own ethical fundraising policy.

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We are enormously grateful to everyone who has supported ReachOut this year.

Principal risks and uncertainties

The Trustees are responsible for ensuring key risks faced by ReachOut are managed and adequate mitigating measures are implemented. How we proactively identify and manage our risks is recorded in the Risk Register and reviewed biannually at board meetings.

Key risks for ongoing attention:

Safeguarding - The Trustees are aware the principal risk for the Charity is concerned with the safeguarding of the young people it aims to support, and as such, this is always considered when risks are discussed. ReachOut's Safeguarding & Child Protection Policy is reviewed annually by the Trustees which sets out procedures and controls to mitigate the associated risks. Our Designated Safeguarding Leads ensure safeguarding reporting and recording procedures are followed and that concerns are flagged and communicated rapidly and securely. All staff and volunteers are screened and vetted, and we deliver continually updated safeguarding training to volunteers. Staff undergo annual refresher training, and we liaise with schools regarding at risk young people.

Funding - To mitigate the funding risks, we continue to diversify our funding streams across trusts and foundations, government grants, schools, corporate donations and community fundraising. Through our strategic review, we are also building on our offers for schools and education, third sector organisations and partnership working which we look to test and implement in the next financial year.

Loss of key personnel - Through progression and succession planning, we strengthened the Board towards the end of the last financial year with six new appointments including a new Chair and Treasurer. We have also increased the skillset and experience within the senior management team with the appointment of a new CEO and the new position of Head of Finance & Corporate Services. We have also this year, structured our sub-committees and we will be looking to add external members to these committees early in the new financial year.

Volunteer and Project Leader recruitment and retention - Recruiting adequate numbers of volunteers and Project Leaders remains a high risk for ReachOut as they are integral to our delivery. Without them, there could be a negative impact on our beneficiaries. This risk is continuously monitored and plans are implemented to minimise this risk.

Cyber & Digital - With the current trends and risks associated with cyber-attacks, we have onboarded a 3rd party IT support provider, and we will be working towards obtaining cyber essentials accreditation early in the new financial year.

ReachOut Youth

Report of the Trustees for the Year Ended 31 August 2024

PLANS FOR THE FUTURE

Since October 2023, ReachOut has undertaken a comprehensive strategic review of the organisation, our impact, our operational model, our learnings and insight and the environment we operate in. This work has been undertaken by a strategy working group comprising trustees, members of the executive, and staff members from various departments, bringing a range of expertise, lengths of service, and lived experience to the process.

To enable us to reach our strategic ambitions, ReachOut needs to adapt how we work, enhancing both the outputs and experience for everyone connected to the organisation, while improving the quality of work for our committed team. Once we have a clearer understanding of our future operating model, following the early testing in the next financial year, we will need to build the team and people plan to support the delivery of our ambitions.

Externally, the funding landscape has never been more challenging. Many charities, including some larger and more well-known than ReachOut, have folded. Despite recent government changes, we don't anticipate a swift turn around in the impact of the last decade. Within this fundraising climate, with higher demand on fewer funds, we must find ways to gain greater control and predictably over our income.

Ahead of the strategy launch in 2025/2026, there are some things we have already implemented.

We've examined the school and wider youth engagement ecosystem, assessing the needs of young people and the critical role of early intervention in developing skills, behaviours, and raising aspirations. Early support not only boosts young people's confidence when choosing their GCSEs but empowers them to take full advantage of other opportunities available to them. This is also where we've had the greatest impact over the years.

With this in mind, we are now focusing our support on 9-14-year-olds who go to school in the 20% most deprived UK communities (using the IDACI metric - Income Deprivation Affecting Children Index) - the age group who will benefit most from our interventions.

- The young people we support are in Year 5 - Year 9 (ages 9-14) where key socio-emotional skills development happens (neuroplasticity)
- Teachers select young people who would benefit from building character and fit two or more of our evidence-based referral criteria:
 - being in receipt of pupil premium funding,
 - experiencing or at risk of poverty,
 - have had adverse childhood experiences,
 - face other risk factors such as experience of school exclusion.
- We are moving from a focus on character strengths which was a self-developed model and not fully understood by the wider sector, to developing socio-emotional skills, working with the Centre for Youth Impact to develop a robust evidence-based framework for our projects. This ensures that we are strengthening our evidenced based approach and using validated measures,
- Ahead of launching our full strategy next year, we are evaluating our thinking to ensure any changes implemented are data informed and not based on assumptions.
- Our tests look at economy of scale, for example the length of projects and the ratios of mentors and mentees, as well as a feasibility study for a new partnership model. This model aims to expand our reach and impact by empowering schools to independently deliver ReachOut programmes.

Our strategic approach is designed to create a focused, targeted and ambitious future for ReachOut, whilst preserving the essence and success of the last 20 years. We know that there are areas yet to be explored, and the focus next year will be to test these hypotheses and operational models through robust methodologies, effective sample sizes, and valuable expertise and insight.

Going concern

ReachOut has an appropriate level of reserves, a strong network of supporters and a clear case for support with current and prospective funders. Although the deficit incurred in the current year wasn't expected to the level experienced, we remain within reach of the charity's Reserves Policy as described on page 9 of this report. The level of reserves at the year-end stood at £164,167 and is budgeted to be £329,000 at the end of the 2024/25 financial year. This year end position is within our reserves target range of £239,246 and £478,492 which provides mitigation controls of 3 to 6 months of operating and/or close down costs and would provide us just over 4 months of operational reserves.

ReachOut Youth

Report of the Trustees **for the Year Ended 31 August 2024**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 29 November 2002 and registered as a charity on 12 March 2003. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

There are three committees of the Board, Programmes & Impact, Finance, Audit & Risk and the Remuneration & Nominations Committee.

Responsibility for day-to-day operations and the leadership of the staff and volunteer team is delegated to the Senior Management Team. The team is responsible for all day-to-day decisions affecting the charity. Decisions of a strategic or directional nature, including the employment of the senior staff, remain the responsibility of the Trustees, as laid out in our Delegation of Executive Powers. The Trustees are ultimately responsible for setting and approving the remuneration of the CEO. Remuneration for the wider team is delegated to the CEO and the process agreed with the Finance, Audit & Risk Committee and the Remuneration & Nominations Committee is approved by the Trustees as part of the annual budget process. The charity has no subsidiaries or related parties.

All Trustees give their time voluntarily and receive no benefits from the charity. £186 of expenses were claimed by the Trustees in this financial year.

Related parties and relationships with other organisations

Within the year, there was one related party transaction from trustee, Tom Edmunds of £750. This payment was a donation for his company, Edmunds Elder, to take part in the annual ReachOut Charity Cup football fundraising event.

Remuneration policy for key management personnel

Our approach to pay is to provide fair and appropriate remuneration packages for our people to ensure we can attract and retain people with the skills and experience to deliver the Charity's objectives. We aim to be competitive in the marketplace from which we draw our people and review this regularly through benchmarking exercises.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

04604379 (England and Wales)

Registered Charity number

1096492

Registered office

8-10 Grosvenor Gardens
London
SW1W 0DH

Trustees

Professor Simon Hepburn
Marion Baker
James Browne
Tom Edmunds
Steven McCann
Deepa Mistry
Owen Standen
Nigel Terrington
Mona Vadher
Zeynab Yusuf (resigned 2.7.24)

ReachOut Youth
Report of the Trustees
for the Year Ended 31 August 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Company Secretary

Ben Hilton

Key Management Personnel

Ben Hilton, Chief Executive Officer (appointed 9th October 2023)

Jo Amand, Head of Finance and Operations (appointed 10th January 2024)

Alice Cleary, Head of Programmes & Impact (appointed 20th November 2023)

James Williams, Head of Marketing and Partnerships (resigned 30th September 2024)

Alice Memminger, Interim Chief Executive Officer (In post from 20th February 2023 to 6th October 2023)

Frank Harasiwka, Head of Finance & Corporate Services (resigned 9th February 2024)

Network Development Group

Steven McCann (Chair)

Jash Radia

Luke Louca

Alex Martin

Tom Warren

Bankers

RBS

Drummond House

Redheughs Ave

Edinburgh

EH12 9RH

The Co-operative Bank

PO Box 250

Skelmersdale

WN8 6WT

Solicitors

Morgan, Lewis & Bockius

Condor House

5-10 St. Paul's Churchyard

London

EC4M 8AL

Menzies LLP

Lynton House

7-12 Tavistock Square

London

WC1H 9LT

GBH Law Ltd

7-8 Innovation Place

Douglas Drive

Godalming

GU7 1JX

Auditor

Sayer Vincent LLP

Chartered Accountants and Statutory Auditors

110 Golden Lane

London

EC1Y 0TG

ReachOut Youth

Report of the Trustees
for the Year Ended 31 August 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of ReachOut Youth for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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 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
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records 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.

In so far as the trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 31st August 2024 was nine.

Auditor Sayer Vincent LLP was reappointed as the charitable company's auditor during the year and as part of good governance, we will review the market to test competitiveness and service ahead of the next annual audit.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by order of the board of trustees on^{12th February 2025}..... and signed on its behalf by:

.....
Professor Simon Hepburn - Trustee

.....
Deepa Mistry - Trustee

Report of the Independent Auditors to the Members of
ReachOut Youth

Opinion

We have audited the financial statements of ReachOut Youth (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities, balance sheet, statement of cash flows and 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 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 August 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 ReachOut Youth'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 other information comprises the information included in the trustees' annual report, 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.

Opinions 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Report of the Independent Auditors to the Members of
ReachOut Youth

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the 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 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.

Report of the Independent Auditors to the Members of
ReachOut Youth

Our responsibilities for the audit of the financial statements

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate the risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Report of the Independent Auditors to the Members of
ReachOut Youth

Use of our report

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

.....

Joanna Pittman (Senior statutory auditor)

Date: 28 February 2025

For and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, London, EC1Y 0TL

ReachOut Youth

Statement of Financial Activities
for the Year Ended 31 August 2024

	Notes	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	500,568	210,484	711,052	812,601
Charitable activities	4				
Charitable Activities		70,157	136,923	207,080	477,133
Investment income	3	2,507	-	2,507	3,507
Other income		<u>1,032</u>	<u>-</u>	<u>1,032</u>	<u>-</u>
Total		<u>574,264</u>	<u>347,407</u>	<u>921,671</u>	<u>1,293,241</u>
 EXPENDITURE ON					
Raising funds	5	285,663	-	285,663	233,673
Charitable activities	6				
Charitable Activities		205,306	315,489	520,795	1,143,865
ReachOut Club		211,369	-	211,369	-
ReachOut Academy		<u>187,458</u>	<u>-</u>	<u>187,458</u>	<u>-</u>
Total		<u>889,796</u>	<u>315,489</u>	<u>1,205,285</u>	<u>1,377,538</u>
 NET INCOME/(EXPENDITURE)		(315,532)	31,918	(283,614)	(84,297)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>479,699</u>	<u>-</u>	<u>479,699</u>	<u>563,996</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>164,167</u></u>	<u><u>31,918</u></u>	<u><u>196,085</u></u>	<u><u>479,699</u></u>

The notes form part of these financial statements

ReachOut Youth (Registered number: 04604379)

Balance Sheet
31 August 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Tangible assets	12	3,192	-
CURRENT ASSETS			
Debtors	13	95,862	95,468
Cash at bank		<u>197,691</u>	<u>542,608</u>
		293,553	638,076
CREDITORS			
Amounts falling due within one year	14	(100,660)	(158,377)
NET CURRENT ASSETS		<u>192,893</u>	<u>479,699</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		196,085	479,699
NET ASSETS		<u>196,085</u>	<u>479,699</u>
FUNDS	17		
Unrestricted funds		164,167	479,699
Restricted funds		<u>31,918</u>	<u>-</u>
TOTAL FUNDS		<u>196,085</u>	<u>479,699</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 12th February 2025..... and were signed on its behalf by:

.....
Professor Simon Hepburn - Trustee

.....
Deepa Mistry - Trustee

ReachOut Youth

Cash Flow Statement
for the Year Ended 31 August 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	19	(343,368)	(72,656)
Interest paid		<u>(45)</u>	<u>-</u>
Net cash used in operating activities		<u>(343,413)</u>	<u>(72,656)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(4,011)	-
Interest received		<u>2,507</u>	<u>3,507</u>
Net cash (used in)/provided by investing activities		<u>(1,504)</u>	<u>3,507</u>
 Change in cash and cash equivalents in the reporting period		 (344,917)	 (69,149)
Cash and cash equivalents at the beginning of the reporting period		<u>542,608</u>	<u>611,757</u>
 Cash and cash equivalents at the end of the reporting period		 <u>197,691</u>	 <u>542,608</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 August 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Schools income is recognised in the academic year to which it relates.

Interest receivable

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

Expenditure and irrecoverable VAT

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified under the following activity headings:

Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Expenditure on charitable activities includes the costs of delivering services and activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on projects undertaken, of the amount attributable to each activity.

Support and governance costs are reallocated to each of the activities on the following basis which is an estimate, based on projects undertaken, of the amount attributable to each activity

- ReachOut Club	53%	(2023: 47%)
- ReachOut Academy	47%	(2023: 50%)
- ReachOut Plus	0%	(2023: 3%)

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

1. ACCOUNTING POLICIES - continued

Donations of gifts, services and facilities

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets these criteria is charged to the fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme with NEST and currently contributes 2% of qualifying earnings.

Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £300. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures	5% reducing balance
- Equipment	33% reducing balance

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

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

Creditors and provisions

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

ReachOut Youth

Notes to the Financial Statements - continued for the Year Ended 31 August 2024

1. ACCOUNTING POLICIES - continued

Going concern

ReachOut has an appropriate level of reserves, a strong network of supporters and a clear case for support with current and prospective funders. Although the deficit incurred in the current year wasn't expected to the level experienced, we remain within reach of the charity's Reserves Policy as described on page 9 of this report. The level of reserves at the year-end stood at £164,167 and is budgeted to be £329,000 at the end of the 2024/25 financial year. This year end position is within our reserves target range of £239,246 and £478,492 which provides mitigation controls of 3 to 6 months of operating and/or close down costs and would provide us just over 4 months of operational reserves.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Statutory Information

ReachOut Youth is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office is 8-10 Grosvenor Gardens, London, SW1W 0DH.

2. DONATIONS AND LEGACIES

2024 Income from donations and legacies (current year)

	Unrestricted £	Restricted £	2024 Total £
Individual Fundraising	67,641	-	67,641
Community Fundraising	53,304	-	53,304
Total community	120,945	-	120,945
Bloomberg	12,141	-	12,141
Bregal Investments	45,140	-	45,140
Howden Group Services	70,000	-	70,000
Other corporates	142,429	-	142,429
Total corporates	269,710	-	269,710
Fidelity	-	85,474	85,474
Garfield Weston Foundation	-	40,000	40,000
The Henry Smith Charitable Trust	-	61,310	61,310
The AKO Foundation	50,000	-	50,000
Society of the Holy Child Jesus	-	15,000	15,000
The 4814 Trust	15,000	-	15,000
Other trusts	11,000	8,700	19,700
Total trusts	76,000	210,484	286,484
Total gifts	466,655	210,484	677,139
Gift Aid	8,913	-	8,913
Donated services	25,000	-	25,000
	500,568	210,484	711,052

Individual funders have been listed where they make contributions equal to or greater than £25,000, or where they requested to be named.

Donated services represents amounts received during the year in relation to professional communications and marketing work. These amounts have been calculated based on what the charity would have paid for these services, had they not been provided pro-bono.

ReachOut Youth

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

2. DONATIONS AND LEGACIES - continued

2023 Income from donations and legacies (prior year)

	Unrestricted £	Restricted £	2023 Total £
Individual Fundraising	40,432	-	40,432
Community Fundraising	94,826	-	94,826
Total community	<u>135,258</u>	<u>-</u>	<u>135,258</u>
 Bloomberg	-	10,000	10,000
Bregal Investments	43,750	-	43,750
The Pokemon Company	79,842	-	79,842
Other corporates	167,957	11,264	179,221
Total corporates	<u>291,549</u>	<u>21,264</u>	<u>312,813</u>
 Fidelity	-	26,341	26,341
Garfield Weston Foundation	-	40,000	40,000
The Henry Smith Charitable Trust	-	56,990	56,990
The AKO Foundation	100,000	-	100,000
Society of the Holy Child Jesus	-	20,000	20,000
Swire Charitable Trust	-	25,000	25,000
Other trusts	63,196	30,502	93,698
Total trusts	<u>163,196</u>	<u>198,833</u>	<u>362,029</u>
 Total gifts	590,003	220,097	810,100
Donated services	2,500	-	2,500
	<u>592,503</u>	<u>220,097</u>	<u>812,600</u>

3. INVESTMENT INCOME

	2024 £	2023 £
Interest receivable	<u>2,507</u>	<u>3,507</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2024 £	2023 £
Grants	<u>207,080</u>	<u>477,133</u>
Activity Charitable Activities		

ReachOut Youth

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

4. INCOME FROM CHARITABLE ACTIVITIES - continued

2024 Income from charitable activities (current year)

	Unrestricted £	Restricted £	2024 Total £
Wellington Management UK	-	35,000	35,000
Other	-	18,600	18,600
Total trusts	-	53,600	53,600
Schools and other	-	-	-
Sub-total for ReachOut Club	-	53,600	53,600
Tibra	-	11,000	11,000
Swire Charitable Trust	-	25,000	25,000
Other	-	43,878	43,878
Total trusts	-	79,878	79,878
Schools and other	-	-	-
Sub-total for ReachOut Academy	-	79,878	79,878
Deloitte Digital Connect	-	3,445	3,445
Sub-total for Deloitte Digital Connect	-	3,445	3,445
Schools and other	70,157	-	70,157
Total income from charitable activities	70,157	136,923	207,080

Individual funders have been listed where they make contributions equal to or greater than £25,000, or where they have requested to be named.

ReachOut Youth

Notes to the Financial Statements - continued for the Year Ended 31 August 2024

4. INCOME FROM CHARITABLE ACTIVITIES - continued

2023 Income from charitable activities (prior year)

	Unrestricted £	Restricted £	2023 Total £
Wellington Management UK	-	50,000	50,000
The Constable Educational Trust	-	100,000	100,000
Total trusts	-	150,000	150,000
Total schools and other	44,850	-	44,850
HSBC	-	23,141	23,141
Sub-total for ReachOut Club	44,850	173,141	217,991
Tibra	-	20,000	20,000
Jack Petchey Foundation	-	50,000	50,000
St. James' Place Foundation	-	30,000	30,000
The Clothworkers' Foundation	-	50,000	50,000
Richer Sounds	-	10,000	10,000
Total trusts	-	160,000	160,000
Total schools and other	45,600	-	45,600
HSBC	-	23,142	23,142
Sub-total for ReachOut Academy	45,600	183,142	228,742
Jack Petchey Foundation	-	30,400	30,400
Total trusts	-	30,400	30,400
Total schools and other	-	-	-
Sub-total for ReachOut Plus	-	30,400	30,400
Total income from charitable activities	90,450	386,683	477,133

Grants received, included in the above, are as follows:

	2024 £	2023 £
Grants	207,080	477,133

5. RAISING FUNDS

Raising donations and legacies

	2024 £	2023 £
Staff costs	230,331	205,791
Fundraising costs	42,588	25,397
Travel expenses	1,085	2,485
Recruitment and other staff costs	11,428	-
	<u>285,432</u>	<u>233,673</u>

Other trading activities

	2024 £	2023 £
Trustees' expenses	186	-
Interest payable and similar charges	45	-
	<u>231</u>	<u>-</u>
Aggregate amounts	<u>285,663</u>	<u>233,673</u>

ReachOut Youth

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 7) £	Totals £
Charitable Activities	<u>520,794</u>	<u>398,827</u>	<u>919,621</u>
	<u>520,794</u>	<u>398,827</u>	<u>919,621</u>

7. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
ReachOut Club	189,094	633	21,642	211,369
ReachOut Academy	<u>167,706</u>	<u>561</u>	<u>19,191</u>	<u>187,458</u>
	<u>356,800</u>	<u>1,194</u>	<u>40,833</u>	<u>398,827</u>

Management

	2024 £	2023 £
Wages	143,736	79,159
Social security	14,549	8,013
Pensions	2,886	1,589
Insurance	4,924	4,507
Rent, light and heat	91,533	-
Telephone	18,519	15,808
Postage and stationery	5,336	1,671
Advertising and marketing	5,000	-
Sundries	4,395	4,372
Computer and website costs	18,221	9,758
Recruitment and other staff costs	14,649	16,548
Travel	12,000	1,194
Staff entertainment	2,733	-
Communication costs	17,500	-
Depreciation of tangible assets	<u>819</u>	<u>-</u>
	<u>356,800</u>	<u>142,619</u>

Finance

	2024 £	2023 £
Bank charges	<u>1,194</u>	<u>1,148</u>

Governance costs

	2024 £	2023 £
Auditor's remuneration	12,620	10,200
Accountancy fees	12,856	-
Legal and professional fees	<u>15,357</u>	<u>78,416</u>
	<u>40,833</u>	<u>88,416</u>

ReachOut Youth

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2024	2023
	£	£
Auditors' remuneration	12,620	10,200
Depreciation - owned assets	<u>819</u>	<u>-</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2023: £Nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £Nil).

Trustees' expenses

Trustee expenses of £169 (2023: £Nil) were incurred for travel by one trustee and expenses of £17 (2023: £Nil) were incurred for trustee meetings.

10. STAFF COSTS

	2024	2023
	£	£
Wages and salaries	811,091	883,984
Social security costs	66,757	73,234
Employer's contribution to defined contribution pension schemes	17,062	18,880
Consultancy fees	-	55,180
Termination payments	<u>3,428</u>	<u>7,640</u>
	<u>898,338</u>	<u>1,038,918</u>

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

	2024	2023
	No.	No.
Raising funds	5.9	5.8
ReachOut Club	12.7	16.4
ReachOut Academy	12.5	15.5
ReachOut Plus	-	1.1
Support	<u>3.4</u>	<u>3.2</u>
	<u>34.5</u>	<u>42.0</u>

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024	2023
	No.	No.
Raising funds	7.6	7.0
ReachOut Club	35.0	20.1
ReachOut Academy	35.3	47.4
ReachOut Plus	-	7.1
Support	<u>6.6</u>	<u>6.5</u>
	<u>84.5</u>	<u>88.1</u>

ReachOut Youth

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

10. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	2023 No.
£70,001 - £80,000	<u>1</u>	<u>-</u>

The total employee benefits including employer's national insurance and pension contributions of the key management personnel were £253,987 (2023: £160,778).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	592,504	220,097	812,601
Charitable activities			
Charitable Activities	90,450	386,683	477,133
Investment income	<u>3,507</u>	<u>-</u>	<u>3,507</u>
Total	<u>686,461</u>	<u>606,780</u>	<u>1,293,241</u>
EXPENDITURE ON			
Raising funds	233,673	-	233,673
Charitable activities			
Charitable Activities	<u>537,085</u>	<u>606,780</u>	<u>1,143,865</u>
Total	<u>770,758</u>	<u>606,780</u>	<u>1,377,538</u>
NET INCOME/(EXPENDITURE)	(84,297)	-	(84,297)
RECONCILIATION OF FUNDS			
Total funds brought forward	563,996	-	563,996
TOTAL FUNDS CARRIED FORWARD	<u>479,699</u>	<u>-</u>	<u>479,699</u>

12. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
Additions	<u>4,011</u>
DEPRECIATION	
Charge for year	<u>819</u>
NET BOOK VALUE	
At 31 August 2024	<u>3,192</u>
At 31 August 2023	<u>-</u>

ReachOut Youth

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2024**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	79,482	83,417
Other debtors	13,734	-
Prepayments and accrued income	<u>2,646</u>	<u>12,051</u>
	<u>95,862</u>	<u>95,468</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	12,436	8,971
Social security and other taxes	15,541	15,666
Other creditors	4,528	183
Accruals and deferred income	<u>68,155</u>	<u>133,557</u>
	<u>100,660</u>	<u>158,377</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	86,688	33,192
Between one and five years	<u>163,325</u>	<u>85,746</u>
	<u>250,013</u>	<u>118,938</u>

The lease on the former London office was terminated during the year. A new licence agreement was signed in February 2024 for office space in London. This licence period began in July 2024 for a total of 36 months, with an option to break the licence with 3-months prior written notice.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2024 Total funds £	2023 Total funds £
Fixed assets	3,192	-	3,192	-
Current assets	218,135	75,418	293,553	638,076
Current liabilities	<u>(57,160)</u>	<u>(43,500)</u>	<u>(100,660)</u>	<u>(158,377)</u>
	<u>164,167</u>	<u>31,918</u>	<u>196,085</u>	<u>479,699</u>

17. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	At 31.8.24 £
Unrestricted funds			
General fund	479,699	(315,532)	164,167
Restricted funds			
Central Cost	-	31,320	31,320
ReachOut Academy	<u>-</u>	<u>598</u>	<u>598</u>
	<u>-</u>	<u>31,918</u>	<u>31,918</u>
TOTAL FUNDS	<u>479,699</u>	<u>(283,614)</u>	<u>196,085</u>

ReachOut Youth

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

17. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	574,264	(889,796)	(315,532)
Restricted funds			
Central Cost	210,484	(179,164)	31,320
ReachOut Club	53,600	(53,600)	-
ReachOut Academy	79,878	(79,280)	598
Deloitte	3,445	(3,445)	-
	<u>347,407</u>	<u>(315,489)</u>	<u>31,918</u>
TOTAL FUNDS	<u><u>921,671</u></u>	<u><u>(1,205,285)</u></u>	<u><u>(283,614)</u></u>

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	563,996	(84,297)	479,699
TOTAL FUNDS	<u><u>563,996</u></u>	<u><u>(84,297)</u></u>	<u><u>479,699</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	686,461	(770,758)	(84,297)
Restricted funds			
Central Cost	220,097	(220,097)	-
ReachOut Club	173,141	(173,141)	-
ReachOut Academy	183,142	(183,142)	-
ReachOut Plus	30,400	(30,400)	-
	<u>606,780</u>	<u>(606,780)</u>	<u>-</u>
TOTAL FUNDS	<u><u>1,293,241</u></u>	<u><u>(1,377,538)</u></u>	<u><u>(84,297)</u></u>

ReachOut Youth

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

17. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.22 £	Net movement in funds £	At 31.8.24 £
Unrestricted funds			
General fund	563,996	(399,829)	164,167
Restricted funds			
Central Cost	-	31,320	31,320
ReachOut Academy	-	598	598
	-	31,918	31,918
TOTAL FUNDS	<u>563,996</u>	<u>(367,911)</u>	<u>196,085</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,260,725	(1,660,554)	(399,829)
Restricted funds			
Central Cost	430,581	(399,261)	31,320
ReachOut Club	226,741	(226,741)	-
ReachOut Academy	263,020	(262,422)	598
ReachOut Plus	30,400	(30,400)	-
Deloitte	3,445	(3,445)	-
	954,187	(922,269)	31,918
TOTAL FUNDS	<u>2,214,912</u>	<u>(2,582,823)</u>	<u>(367,911)</u>

18. RELATED PARTY DISCLOSURES

The charity received a £750 gift (2022: £2,000) from Edmond's Elder, where one of the charity's trustees is a founding director. This related to the entrance fee for participation in a charity football tournament, the Charity Cup.

19. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(283,614)	(84,297)
Adjustments for:		
Depreciation charges	819	-
Interest received	(2,507)	(3,507)
Interest paid	45	-
Increase in debtors	(394)	(37,239)
(Decrease)/increase in creditors	<u>(57,717)</u>	<u>52,387</u>
Net cash used in operations	<u>(343,368)</u>	<u>(72,656)</u>

ReachOut Youth

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank	<u>542,608</u>	<u>(344,917)</u>	<u>197,691</u>
	<u>542,608</u>	<u>(344,917)</u>	<u>197,691</u>
Total	<u><u>542,608</u></u>	<u><u>(344,917)</u></u>	<u><u>197,691</u></u>

21. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 4604379
Charity number: 1096492

ReachOut Youth

Report and financial statements
For the year ended 31 August 2023

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Trustees' annual report

For the year ended 31 August 2023

Company number 4604379
Country of Incorporation United Kingdom

Charity number 1096492
Country of Registration England and Wales

Registered office & operational address Unit 0.2
244-254 Cambridge Heath Road
LONDON
E2 9DA

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

Professor Simon Hepburn (Chair, appointed 25th July 2023)
Marion Baker
James Browne
Tom Edmonds
Steven McCann (appointed 25th July 2023)
Deepa Mistry (appointed 25th July 2023)
Owen Standen (appointed 25th July 2023)
Nigel Terrington (appointed 25th July 2023)
Mona Vadher (appointed 25th July 2023)
Zeynab Yusuf
Nimesh Patel (resigned 27th April 2023)
Edmund Lehmann (resigned 27th April 2023)

Company Secretary Kevin McCarthy (Resigned 31st August 2023)

Key management Personnel

Ben Hilton, Chief Executive Officer (appointed 9th October 2023)
Alice Cleary, Head of Programmes & Impact (appointed 20th November 2023)
James Williams, Head of Marketing and Partnerships
Frank Harasiwka, Head of Finance & Operations (appointed 18th May 2023)
Bejal Shah, Chief Executive Officer (resigned 13th January 2023)
Alice Memminger, Interim Chief Executive Officer (In post from 20th February 2023 to the 6th October 2023)
Joy Upchurch, Head of Delivery (resigned 24th November 2023)

Network Development Group Melanie Moore (Chair)
Alex Martin
Jenna Buckland
Luke Louca

Trustees' annual report

For the year ended 31 August 2023

Bankers

RBS
Drummond House
Redheughs Ave
Edinburgh
EH12 9RH

The Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

Solicitors

Morgan, Lewis & Bockius
Condor House
5-10 St. Paul's Churchyard
London
EC4M 8AL

Menzies LLP
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

GBH Law Ltd
7-8 Innovation Place
Douglas Drive
Godalming
GU7 1JX

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
110 Golden Lane
LONDON
EC1Y 0TG

The Trustees present their report and financial statements for the year ended 31 August 2023.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Our Purpose

ReachOut is a national mentoring and education charity, rooted in local communities. Working in under-resourced areas, we support young people to grow in character and confidence, sparking change in themselves and society.

Our Vision

For every young person to be equipped with the skills and behaviours to go on to lead good, happy and successful lives.

Our Mission

ReachOut is a mentoring charity working with children in disadvantaged communities to raise aspirations and help them grow in character and competence. We improve self-confidence and develop numeracy, literacy and communication skills, whilst reinforcing our core values of Fairness, Good Judgement, Self-Control and Staying Power. We do this through one-to-one mentoring with positive role models and team activities, to promote leadership, trust and responsibility.

How our activities deliver public benefit

The Trustees review the aims, objectives and activities of the charity each year. The Impact Report together with this report summarise the achievements of the charity and the outcomes of its work during the reporting period. The Trustees are pleased to report the success of the key activities of the charity with benefits delivered to those groups of people that the charity has been set-up to help, in line with its stated purpose.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

In the opinion of the Trustees we have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Policies to further the charity's objects

The income and property of the charity from whatever source derived are applied solely towards the promotion of its objects as set out above. No portion thereof is paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the company.

Trustees' annual report

For the year ended 31 August 2023

We are very grateful to all our funders, large and small, as well as our individual donors who are not named here, for their decision to donate to ReachOut and help us pursue our objectives. Their confidence in us is very much appreciated.

Mentoring Programmes for young people aged 9-18

Our core programmes use long-term, one-to-one mentoring to support young people to develop character and confidence, leading to improved outcomes through key transition points during school and beyond. Led by paid staff who support our volunteer mentors throughout, the weekly after-school sessions are tailored for each of our three age groups and include both one-to-one and group activities. Young people also benefit from insightful and inspiring work experiences and talks given by our network of mentors, corporate supporters and other partners.

- **ReachOut Club: Primary school pupils Year 5-6 (aged 9 – 11)**

Academic and character-building activities to boost academic confidence and support the transition to secondary school.

- **ReachOut Academy: Secondary school pupils Year 7-11 (aged 11 – 16)**

Academic and character-building activities to support the period through adolescence and prepare young people for future success.

- **ReachOut+: Year 12-13 pupils (aged 16 – 18)**

Supporting young people with the transition post-GCSEs, exploring career options and pathways.

For all age groups, young people are referred by their teachers at our partner schools, which are located in underserved areas where high numbers of young people are in receipt of Pupil Premium.

Youth Participation

Youth involvement and participation has continued to be a priority for the organisation, ensuring that young people can make meaningful contributions to shape our work to best benefit themselves and ReachOut.

Each project group had the opportunity to elect 2 'Mentee Reps' to represent their group by collecting feedback to support organisational decisions. From this cohort, these 'mentee reps' had the additional opportunity to apply to be part of our Youth Panel in London or Manchester. 16 young people became youth panellists and attended five in-person meetings across the year, where they received training, spoke to senior staff members to learn about the running of the organisation and provide feedback, and chose a ReachOut strategic objective to build a project on that fed into ReachOut's organisational actions.

Our Mentors

We aim to recruit a diverse pool of mentors who bring different skills, interests and experiences to our young people. Our mentors are a mixture of working professionals, who mostly volunteer at our Academy or RO+ programmes, and students from local universities, who mostly volunteer at our Club programmes.

Project Leaders

Our mentoring sessions are facilitated by Project Leaders, and sessional staff members who are recruited, trained and given extensive ongoing support by ReachOut's core staff team. The Project Leader role is an excellent opportunity for those interested in youth work, teaching and other related professions to develop their skills and experience. We are proud that many of our core staff team have previously been Project Leaders with ReachOut in the past.

Activities for young people aged over 18:

ReachOut Futures (formerly the ReachOut LevelUp Experience)

ReachOut Futures is a unique volunteering programme connecting university students with companies looking for motivated and diverse talent. ReachOut Futures rewards university students who volunteer as mentors on ReachOut's programmes with career and employment opportunities. These include employability workshops on topics such as money management, effective presenting and interview skills; industry insight days where students are introduced to life in various professional industries; as well as the opportunity to apply for internships and work experience placements with ReachOut's corporate partners.

Career Mentoring

As well as running in-school mentoring for young people under 18, we also deliver a programme of mentoring connecting ReachOut Futures student participants, alumni of our programmes and ReachOut sessional staff with experienced, working people from our corporate partners and wider network. Career mentors receive training from ReachOut and then meet with their mentees to have regular conversations that cover career advice, interview preparation, building confidence and leadership skills, networking and goal-setting.

Alumni Engagement

We aim to stay connected with young people who have taken part in ReachOut programmes. This year, working with Future First, we launched an online platform where young people can connect, stay up to date with ReachOut news and find training, work experience and mentoring opportunities.

Achievements and performance

In 2022/23, we delivered more afterschool projects than ever before and reached the largest number of young people in ReachOut's history:

Programmes for Young People aged 9-18

2022/23 Delivery	Number of Projects Delivered	Places for young people
Programme		
ReachOut Club London	18	216
ReachOut Club Manchester	12	144
ReachOut Club Liverpool	9	108
Total ReachOut Club	39	468
ReachOut Academy London	18	288
ReachOut Academy Manchester	17	272
ReachOut Academy Yorkshire	1	16
ReachOut Academy Liverpool	1	16
Total ReachOut Academy	37	592
ReachOut+ London	4	64
Total ReachOut+	4	64
Total	80	1,124

- We provided placements for 1,124 young people, with 713 attending ten or more sessions. On average, mentees attended 81% of registered sessions
- At least 53% of young people we worked with were eligible for Pupil Premium which includes those on Free School Meals
- In total, we provided almost 25,000 hours of programme delivery
- We ran over 200 Work Experience Visits and Career Talk experiences over the course of the year
- We trained 952 volunteer mentors, of whom 797 were placed and volunteered on our school programmes in 2022/23. This compares to 738 in 2021/22. 125 were returning mentors from previous years.

Activities with young people over 18

- In 2022/23 129 university students from participating universities volunteered on our programmes.
- We paired 64 students, Project Leaders and staff, alumni and other young people in our network to take part in career mentoring (up from 45 last year)
- At least 13 student participants of the ReachOut Futures programme took part in career development and work experience opportunities.
- 63 Alumni were registered on our new networking platform and received access to training, mentoring and career development opportunities.

Trustees' annual report

For the year ended 31 August 2023

- In 2022/23, 67 Project Leaders were trained and supported to deliver effective and safe mentoring sessions and provided with a range of opportunities for professional development including career mentoring.

Impact measurement

Working with evaluation specialists (Impact Box), we have developed a bespoke system for tracking our impact, including start and end-of-year surveys with teachers, mentors, mentees and parents. This is supplemented by information received from schools surrounding young people's engagement, attitude to learning and academic attainment.

Some highlights from 2022/23 were:

- Teachers reported an increase in academic confidence for 65% of mentees, an 8% increase on 2021-22 and 7% increase on 2018-19
- 87% of ROA/RO+ mentees reported that ReachOut had helped think about options available after school, compared to 47% in 2021-22
- 73% of mentees felt they'd improved their social confidence, up 5% from last year and a key priority post-COVID.
- Emotional regulation and self-control has been mentioned by schools as a particular challenge post-COVID; mentees and mentors scored their improvement here highly at 74% and 84% respectively (this mentor score is a 5% increase on 2021-22)
- Teachers say 75% of young people improved their overall Character Strengths (Self Control, Good Judgement, Staying Power and Fairness) over the course of the year, with particularly strong results on Staying Power
- Over 7 in 10 mentees say they improved each of their four Character Strengths. Their mentors are even more positive, reporting that 8 in 10 of their mentees improved each of their four-character strengths
- 97% of mentees say they enjoyed coming to ReachOut
- 88% of primary school students met expected standard in Maths and 84% in English
- All reported results from mentees are equivalent or improved on 2021-22

For a more detailed analysis of the charity's impact please see the impact reporting documents available for download on our website.

Financial review

Incoming resources increased this year to £1,293,240 against income of £1,053,289 in the previous year which we are extremely proud of within the economic environment we are operating in. Our plans to diversify our income sources through focused fundraising activities saw an increase in corporate partnerships and revenue of £175,531. Within the uplift in overall income, we saw an increase in community and individual income this year of £22,958 and we were able to increase our school income by £39,850 both because of the increased number of projects delivered and being able to secure increased contributions from individual schools, reflecting the priority schools placed on the impact ReachOut brings for their students.

Trustees' annual report**For the year ended 31 August 2023**

Changes in the mix of funding sources from the previous financial year can be seen below:

Principle Funding Sources	2022/23	2021/2022	2020/2021
Trusts & Foundations	54%	59%	60%
Corporates	28%	25%	27%
Schools	7%	5%	2%
Community and Individual	11%	11%	5%
Government	0%	0%	6%

Outgoing expenditure rose to £1,377,537 from £1,147,711 leading to a planned net deficit of £84,297. Running this level of loss was a strategic approach to draw down reserves allowing us to increase the level of provision for the young people we are here for and to invest in through improving systems and infrastructure to support our sustainability plans for future years.

We managed to create efficiencies within both delivery costs and cost to raise funds which led to similar total costs to the previous year, despite the increase in output. The main variances within the expenditure profile were the increase in staffing capacity and expertise, which saw an increase in costs of £89,736. During the year, we also moved to new London offices to improve our infrastructure and working conditions. This led to an increase in costs of £45,314 when incorporating the rent increase and general costs to move. The other main variance from the previous year was the uplift in travel expenses due to the return to continued back-to-normal activities following the lockdown restrictions. There was also a slight uplift in recruitment fees with the current challenges to attract talent. In addition, our expenditure also saw an increase of £74,152 in our legal and professional fees which were to support restructuring necessary to create a strong senior team with new CEO and Corporate Services function

Reserves

The charity's policy is to hold reserves for the purpose of protecting the work of the charity in the short term, should funding targets not be met or if the charity needs to cease or curtail its activities. The reserves policy is reviewed annually where specific factors affecting the level of continuity, restructuring and dissolution funds are looked at with changes being made as necessary.

The charity target reserves level has been set with effect from 30th November 2023 which provides mitigation controls of 3 to 6 months of operating and close-down costs which provides reserves levels between £319,779 and £639,599. As of 31st August 2023, unrestricted reserves were £479,699, which is within this range and we had no restricted reserves. The Board of Trustees will review options to invest and draw down appropriate levels of reserves to support the charity over future financial years should the need arise.

Fundraising

ReachOut is fortunate to have a wide range of supporters who fund and support our work in a variety of different ways. Overall, 2022/23 was a strong year for ReachOut where we raised more funding than in any previous year. In a difficult economic climate and highly competitive

Trustees' annual report

For the year ended 31 August 2023

fundraising environment, we are fortunate that many of our friends and supporters recognise the importance of the work being done by ReachOut in addressing the multiple challenges faced by young people.

Again, this year, the majority of our funding 82% came from grants from trusts and foundations and corporate partnerships; a mixture of project and unrestricted funding. We are deeply grateful to our long-term trust supporters as well as those who are new to supporting us this year.

Our partnerships with companies continue to be crucial to our work in so many ways. Alongside providing large numbers of our mentors and valuable workplace experiences which greatly enhance our programmes, partnerships with companies also generate vital funds for the charity through sponsorship, donations and payment for services. We work hard to develop mutually beneficial, long-term partnerships with companies which best serve the interests of the young people we support. We are delighted that many of our longstanding corporate partners continued to support our work during the year including Kroll, Bregal Investments, Blackrock, Bloomberg, Macquarie, Quadrant Estates, Wellington Management Ltd, The Pokemon Company International, Simkins and Tibra Capital. We also welcomed new partners including James Hambro, AXA XL, CBRE and Aegis.

In addition to the above, an important part of our funding mix comes from contributions from schools, individuals and community events. School payments comprise a growing portion of our funding, which reflects the value that teachers and school contacts place on our programmes for their pupils. Hundreds of supporters took part in events including the Hackney Half Marathon as well as our own events – The ReachOut Raise and The Charity Cup - raising hugely valuable unrestricted funding for our work. Our Network Development Group continued its valuable activities this year. This is a group of senior volunteers charged with expanding our network of individual and corporate contacts.

All our fundraising activities are carried out by our in-house fundraising team, overseen by the charity's leadership. The Charity is registered with the Fundraising Regulator and our fundraising activities are in line with the Code of Fundraising Practice and our own ethical fundraising policy. We are committed to protecting vulnerable people in all our activities. We do not use any professional fundraising organisations and did not receive any complaints about our fundraising activities during the year.

We are enormously grateful to everyone who has supported ReachOut this year.

Principal risks and uncertainties

The Trustees are responsible for ensuring key risks faced by ReachOut are managed and adequate mitigating measures are implemented. How we proactively identify and manage our risks is recorded in the Risk Register and reviewed biannually at board meetings.

Trustees' annual report

For the year ended 31 August 2023

Key risks for ongoing attention:

Safeguarding - The Trustees are aware the principal risk for the Charity is concerned with the safeguarding of the young people it aims to support, and as such, this is always considered when risks are discussed. ReachOut's Safeguarding & Child Protection Policy is reviewed annually by the Trustees which sets out procedures and controls to mitigate the associated risks. Our Designated Safeguarding Leads ensure safeguarding reporting and recording procedures are followed and that concerns are flagged and communicated rapidly and securely. All staff and volunteers are screened and vetted, and we deliver continually updated safeguarding training to volunteers. Staff undergo annual refresher training and we liaise with schools regarding at risk young people.

Funding - To mitigate the funding risks, we continue to diversify our funding streams across trusts and foundations, government grants, schools, corporate donations and community fundraising. We are also funding our work further in advance, meaning we have more lead time to solve problems and seek additional funders should issues arise.

Loss of key personnel – Through progression and succession planning, we have strengthened the Board this financial year with six new appointments including a new Chair and Treasurer. We have also increased the skillset and experience within the senior management team with the appointment of a new CEO and the new position of Head of Finance & Corporate Services.

Volunteer and Project Leader recruitment and retention – Recruiting sufficient numbers of volunteers and Project Leaders remains a high risk for ReachOut as they are integral to our delivery and the impact on our beneficiaries. This is being continuously monitored and plans are implemented to minimise this risk.

Cyber & Digital – With the current trends and risks associated with cyber-attacks, we have approved the onboarding of a 3rd party IT support provider and we will be working towards obtaining cyber essentials accreditation over the coming year.

Plans for the future

It is clear that the strong need for ReachOut's work continues. The young people we exist to support have been disproportionately affected by the pandemic and now the cost-of-living crisis, and the educational, economic and social inequalities between them and their more privileged peers have sadly continued to worsen. Our holistic approach to mentoring allows young people to feel empowered and take ownership of their lives and futures, to see their potential and to believe in themselves.

In 2021, we set out a 3-year strategic plan for growth to meet this need, with the following priorities:

- Increasing our reach
- Deepening our impact
- Sustainable income generation
- Organisational development

Trustees' annual report

For the year ended 31 August 2023

- Equality, Diversity and Inclusion

In 2022/23 we were successful in delivering on many aspects of this plan and had our most successful year ever in terms of reach. Unfortunately, the economic and funding climate has presented challenges to the charity's ongoing steady growth. Following uncertainty caused by the closure and changing priorities of several of our funders combined with inflation, to safeguard the financial strength of the charity we took the difficult decision to reduce staff headcount and provision going into the 2023/24 school year. Specifically, this means that we plan to deliver between 55 and 66 after-school mentoring projects (down from 80 in 2022/23). We continue to work in all three of our main centres - London, Manchester and Liverpool – and have prioritised continuing working with schools where we have longstanding relationships and where identified need is especially high.

Towards the end of this financial year we are pleased that we have strengthened the lived experience, diversity and skills of the Board and the Senior Management team. These changes were in response to an overall governance review which identified gaps we were keen to address and provides assurance that we have the expertise in place for our future plans.

Key appointments include:

Chair - Simon is the Chief Executive Officer at The Security Institute and a Visiting Professor at Aston University in Birmingham. He has also worked as a Director at Academies Enterprise Trust (AET) and City Year UK, an Assistant Director at The Children's Society, and as a Trustee Board Member at ACEVO.

Treasurer - Deepa is a Senior Finance professional, Trustee and NED in the Not-for-profit sector, STEM Ambassador, mother of three and a leaseholder affected by dangerous cladding as found on Grenfell. As CEO of Building Safety Crisis LTD Deepa is heavily involved in the Building Safety Remediation Scheme legislation with Government and winner of the Women in Fire Safety Awards 2022 for Education. She was a Finalist for Brunel University's Alumni of the Year 2023 and Highly Commended Fire Industry Woman of the Year 2023. She aims to make the residential environment safer for all; regardless of race, gender and social background.

CEO - Ben joins ReachOut from Dame Kelly Holmes Trust where he's worked for 9 and a half years, most recently as their CEO and before that as Director of Programmes and Head of Young People Programmes. Alongside this, Ben has volunteered mentoring young offenders and worked in youth services supporting employers to recruit young people into careers.

Alongside our senior appointments, ReachOut is proud that we continue to recruit talent from within, from mentees to mentors, mentors to project leaders and project leaders to full-time staff within the core team. As well as internal appointments, we have also invested in 3rd Party HR Support through WorkNest and we will be onboarding IT and Accountancy 3rd Party support in the next financial year.

Trustees' annual report

For the year ended 31 August 2023

We continue to work on our other strategic priorities. Specific initiatives being undertaken in the 2023/24 year include:

- Improving delivery quality across all of our projects through a) increasing the salary and calibre of sessional Project Leader staff b) expanding volunteer recruitment and improving volunteer training/selection c) expanding and developing the curriculum
- Providing more opportunities for young people to feed into strategic and operational decision-making
- Investing in the development of diverse income streams including new corporate partnerships, major donor relationships and fundraising events
- Increasing the profile of the charity across all key audiences, with specific reference to the 20th Anniversary of ReachOut becoming a charity
- Investing in the core staff team and infrastructure to provide a solid operational basis for the charity

In 2023/24, working with diverse stakeholders and partners and building on what has been achieved to date, we plan to carry out a strategic review of the charity's activities which will set a new ambition and direction for the charity in the coming years.

Going concern

ReachOut has an appropriate level of reserves, a strong network of supporters and a clear case for support with current and prospective funders. The deficit incurred in the current year was anticipated and planned for in accordance with the charity's Reserves Policy as described on page 9 of this report. The level of reserves at the year-end stood at £479,699 and is budgeted to be £466,540 at the end of the 2023/24 financial year. This is within our reserves of 3 to 6 months of operating and close-down costs.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 29 November 2002 and registered as a charity on 12 March 2003. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Responsibility for day-to-day operations and the leadership of the staff and volunteer team is delegated to the Senior Management Team. The team is responsible for all day-to-day decisions affecting the charity. Decisions of a strategic or directional nature, including the employment of the senior staff, remain the responsibility of the Trustees, as laid out in our Delegation of Executive Powers. The Trustees are ultimately responsible for setting and approving the remuneration of senior management. Remuneration is approved by the Trustees as part of the annual budget process. The charity has no subsidiaries or related parties.

Trustees' annual report

For the year ended 31 August 2023

A minimum of two trustees will be nominated members of the charity at the Annual General Meeting and therefore become persons of significant control. At the time of founding, ReachOut's membership was separated from Trusteeship, as a separate membership and trustee cohort was envisaged by the Charity's founders. Today, the members of the charity are a subset of the current Trustee board. As membership is addressed only irregularly to minimise administration, it tends to be the case that the longer-serving Trustees are also members. The additional complication and ambiguity of 'membership' are to be reviewed in the next financial year.

This financial year, following a thorough skills and governance audit and succession cycle, we have strengthened the Board of Trustees by recruiting six new members to the Board. This includes the appointment of a new Chair and Treasurer, and diversifying the skills and experiences of our overall governance structure.

We ensure trustees complete all ReachOut relevant training and are DBS checked once they are appointed to the Board.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were claimed by the Trustees in this financial year.

Related parties and relationships with other organisations

The charity received £2,500 gift in kind from Edmond's Elder where one of the charity's trustees is a founding director. (2022: £2,000) The gift is related to marketing work.

Remuneration policy for key management personnel

Our approach to pay is to provide fair and appropriate remuneration packages for our people to ensure we can attract and retain people with the skills and experience to deliver the Charity's objectives. We aim to be competitive in the marketplace from which we draw our people and review this regularly through benchmarking exercises.

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of ReachOut Youth for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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 incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

Trustees' annual report

For the year ended 31 August 2023

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
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records 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.

In so far as the trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and 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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 31st August 2023 was 10.

Auditor Sayer Vincent LLP was reappointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The Trustees' annual report has been approved by the Trustees on 12 April 2024 and signed on their behalf by

Simon Hepburn
Chair of Trustees

Deepa Mistry
Trustee

Independent auditor's report

To the members of

ReachOut Youth

Opinion

We have audited the financial statements of ReachOut Youth (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and 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 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 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 ReachOut Youth'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.

Independent auditor's report

To the members of

ReachOut Youth

Other information

The other information comprises the information included in the trustees' annual report, 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.

Opinions 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the 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 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 the financial statements

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

To the members of

ReachOut Youth

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

15 April 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

ReachOut Youth

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2023

		Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
	Note						
Income from:							
Donations	2	592,503	220,097	812,600	408,133	66,050	474,183
Charitable activities							
ReachOut Club	3	44,850	173,141	217,991	21,000	252,702	273,702
ReachOut Academy	3	45,600	183,142	228,742	29,600	254,379	283,979
ReachOut Plus	3	–	30,400	30,400	–	19,755	19,755
Other income		–	–	–	1,449	–	1,449
Investment income		3,507	–	3,507	221	–	221
Total income		686,460	606,780	1,293,240	460,403	592,886	1,053,289
Expenditure on:							
Raising funds	4	242,989	–	242,989	198,023	–	198,023
Charitable activities							
ReachOut Club	4	253,594	276,587	530,181	207,485	167,008	374,493
ReachOut Academy	4	273,625	293,191	566,815	106,467	402,159	508,626
ReachOut Plus	4	549	37,003	37,552	42,850	23,719	66,569
Total expenditure		770,757	606,780	1,377,537	554,825	592,886	1,147,711
Net income for the year and net movement in funds	5	(84,297)	–	(84,297)	(94,422)	–	(94,422)
Reconciliation of funds:							
Total funds brought forward		563,996	–	563,996	658,418	–	658,418
Total funds carried forward		479,699	–	479,699	563,996	–	563,996

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

As at 31 August 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	10	-	-	-	-
			-		-
Current assets:					
Debtors	11	95,468		58,229	
Cash at bank and in hand		542,608		611,757	
		638,076		669,986	
Liabilities:					
Creditors: amounts falling due within one year	12	(158,377)		(105,990)	
Net current assets			479,699		563,996
Total net assets	13		479,699		563,996
The funds of the charity:	14				
Restricted income funds			-		-
Unrestricted income funds:					
General funds		479,699		563,996	
Total unrestricted funds			479,699		563,996
Total charity funds			479,699		563,996

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

Approved by the trustees on 12 April 2024 and signed on their behalf by

Simon Hepburn
Chair of Trustees

Deepa Mistry
Trustee

Statement of cash flows

For the year ended 31 August 2023

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

	2023 £	2022 £
Net income (expenditure) for the reporting period (as per the statement of financial activities)	(84,297)	(94,422)
Increase in debtors	(37,239)	(54,522)
Increase in creditors	52,387	46,473
Net cash provided by operating activities	<u>(69,149)</u>	<u>(102,471)</u>

	Note	2023 £	£	2022 £	£
Cash flows from operating activities					
Net cash provided by operating activities			<u>(69,149)</u>		<u>(102,471)</u>
Cash flows from investing activities:					
Net cash (used in) investing activities			<u>-</u>		<u>-</u>
Change in cash and cash equivalents in the year			(69,149)		(102,471)
Cash and cash equivalents at the beginning of the year			<u>611,757</u>		<u>714,228</u>
Cash and cash equivalents at the end of the year			<u>542,608</u>		<u>611,757</u>

1 Accounting policies

a) Statutory Information

ReachOut Youth is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is Unit 0.2, 244–254 Cambridge Heath Road, E2 9DA

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

ReachOut has a good level of reserves, a growing network of supporters and a clear case for support with current and prospective funders. The deficit incurred in the current year was anticipated and planned for in accordance with the charity's Reserves Policy as described on page 9 of this report. The level of reserves at the year-end stood at £479,699 and are budgeted to be £466,540 at the end of the 2023/24 financial year. The reserves represent approximately 4.5 months of expenditure. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Schools income is recognised in the academic year to which it relates.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on projects undertaken, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on projects undertaken, of the amount attributable to each activity

- | | | |
|--------------------|-----|-------------|
| • ReachOut Club | 47% | (2022: 37%) |
| • ReachOut Academy | 50% | (2022: 57%) |
| • ReachOut Plus | 3% | (2022: 6%) |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-------------|----------------------|
| • Fixtures | 5% reducing balance |
| • Equipment | 33% reducing balance |

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

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

o) Creditors and provisions

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The charity operates a defined contribution scheme with NEST and currently contributes 2% of qualifying earnings.

Notes to the financial statements

For the year ended 31 August 2023

2 Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Individual Fundraising	40,432	–	40,432	26,156	–	26,156
Community Fundraising	94,826	–	94,826	86,144	–	86,144
Total community	135,258	–	135,258	112,300	–	112,300
Bloomberg	–	10,000	10,000	–	–	–
Bregal Investments	43,750	–	43,750	40,611	–	40,611
ECI Partners	–	–	–	23,437	–	23,437
The Pokemon Company	79,842	–	79,842	37,068	–	37,068
Other corporates	167,957	11,264	179,221	66,917	5,400	72,317
Total corporates	291,549	21,264	312,813	168,033	5,400	173,433
Four Acre Trust	–	–	–	–	45,000	45,000
Fidelity	–	26,341	26,341	–	–	–
Garfield Weston Foundation	–	40,000	40,000	40,000	–	40,000
The Henry Smith Charitable Trust	–	56,990	56,990	–	5,990	5,990
The AKO Foundation	100,000	–	100,000	50,000	–	50,000
Society of the Holy Child Jesus	–	20,000	20,000	–	–	–
Swire Charitable Trust	–	25,000	25,000	25,000	–	25,000
Other trusts	63,196	30,502	93,698	10,800	9,660	20,460
Total trusts	163,196	198,833	362,029	125,800	60,650	186,450
Total gifts	590,003	220,097	810,100	406,133	66,050	472,183
Donated services	2,500	–	2,500	2,000	–	2,000
	592,503	220,097	812,600	408,133	66,050	474,183

Individual funders have been listed where their donation is equal to or exceeds £25,000 or where the donor requested to be named.

Donated services represents an amount received during the year for professional design work. These amounts have been calculated based on what the charity would pay for these services were they not provided pro-bono.

Notes to the financial statements

For the year ended 31 August 2023

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
BBC Children in Need	-	-	-	-	36,332	36,332
Four Acre Trust	-	-	-	-	11,212	11,212
The Henry Smith Charitable Trust	-	-	-	-	20,149	20,149
Wellington Management UK	-	50,000	50,000	-	35,000	35,000
The Constable Educational Trust	-	100,000	100,000	-	100,000	100,000
Other Trusts	-	-	-	-	39,877	39,877
Total Trusts	-	150,000	150,000	-	242,570	242,570
Total schools and other	44,850	-	44,850	21,000	-	21,000
HSBC	-	23,141	23,141	-	-	-
Other corporates	-	-	-	-	-	-
Sub-total for ReachOut Club	44,850	173,141	217,991	21,000	242,570	263,570
The Henry Smith Charitable Trust	-	-	-	-	30,706	30,706
Tibra	-	20,000	20,000	-	25,000	25,000
Jack Petchey Foundation	-	50,000	50,000	-	65,100	65,100
St. James' Place Foundation	-	30,000	30,000	-	30,000	30,000
The Clothworkers' Foundation	-	50,000	50,000	-	50,000	50,000
Richer Sounds	-	10,000	10,000	-	-	-
Other trusts	-	-	-	-	36,486	36,486
Total trusts	-	160,000	160,000	-	254,379	254,379
Total schools and other	45,600	-	45,600	29,600	-	29,600
HSBC	-	23,142	23,142	-	-	-
Other corporates	-	-	-	-	10,132	10,132
Sub-total for ReachOut Academy	45,600	183,142	228,742	29,600	264,511	294,111
Four Acre Trust	-	-	-	-	1,700	1,700
Jack Petchey Foundation	-	30,400	30,400	-	15,000	15,000
The Henry Smith Charitable Trust	-	-	-	-	3,055	3,055
Total trusts	-	30,400	30,400	-	19,755	19,755
Total schools and other	-	-	-	-	-	-
Sub-total for ReachOut Plus	-	30,400	30,400	-	19,755	19,755
Total income from charitable activities	90,450	386,683	477,133	50,600	526,836	577,436

Individual funders have been listed where they make contributions equal to or greater than £25,000, or where they requested to be named.

4a Analysis of expenditure (current year)

	Charitable activities							
	Cost of raising funds £	ReachOut Club £	ReachOut Academy £	ReachOut Plus £	Governance costs £	Support costs £	2023 Total £	2022 Total £
Staff costs (Note 6)	205,791	347,368	370,986	26,012	12,385	76,376	1,038,918	949,182
Direct project costs	–	29,526	33,059	1,549	–	–	64,134	67,253
Rent, light and heat	–	35,005	39,196	1,836	–	–	76,037	49,721
Travel expenses	2,485	6,277	6,703	470	–	1,194	17,129	4,536
Miscellaneous office costs	9,316	–	–	–	4,658	32,606	46,580	27,582
Recruitment and other staff costs	–	1,004	874	–	14,400	2,148	18,426	11,680
Legal and professional fees	–	–	–	–	–	88,416	88,416	14,264
Fundraising costs	25,397	–	–	–	–	–	25,397	21,493
Donated services (Note 2)	–	2,500	–	–	–	–	2,500	2,000
	242,989	421,680	450,818	29,867	31,443	200,740	1,377,537	1,147,711
Support costs	–	93,807	100,289	6,644	–	(200,740)		–
Governance costs	–	14,694	15,708	1,041	(31,443)	–	–	–
Total expenditure 2023	242,989	530,181	566,815	37,552	–	–	1,377,537	
Total expenditure 2022	198,023	374,493	508,626	66,569	–	–		1,147,711

ReachOut Youth

Notes to the financial statements

For the year ended 31 August 2023

4b Analysis of expenditure (prior year)

	Charitable activities						
	Cost of raising funds £	ReachOut Club £	ReachOut Academy £	ReachOut Plus £	Governance costs £	Support costs £	2022 Total £
Staff costs (Note 6)	165,743	281,409	368,137	52,634	5,740	75,519	949,182
Direct project costs	–	25,894	36,533	4,826	–	–	67,253
Rent, light and heat	–	14,164	23,146	1,069	–	11,342	49,721
Travel expenses	2,071	–	–	–	–	2,465	4,536
Miscellaneous office costs	5,769	–	–	–	3,477	18,336	27,582
Recruitment and other staff costs	572	610	929	92	–	9,477	11,680
Legal and professional fees	375	412	628	62	–	12,787	14,264
Fundraising costs	21,493	–	–	–	–	–	21,493
Donated services (Note 2)	2,000	–	–	–	–	–	2,000
	198,023	322,489	429,373	58,683	9,217	129,926	1,147,711
Support costs	–	48,559	74,004	7,363	–	(129,926)	–
Governance costs	–	3,445	5,250	522	(9,217)	–	–
Total expenditure 2022	198,023	374,493	508,626	66,569	–	–	1,147,711

Notes to the financial statements

For the year ended 31 August 2023**5 Net income for the year**

This is stated after charging :

	2023 £	2022 £
Operating lease rentals:		
Property	76,036	52,058
Auditor's remuneration (excluding VAT):		
Audit	8,350	7,650
	<u>8,350</u>	<u>7,650</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	883,984	854,794
Consultancy Fees	55,180	2,871
Termination Payments	7,640	–
Social security costs	73,234	73,368
Employer's contribution to defined contribution pension schemes	18,880	18,149
	<u>1,038,918</u>	<u>949,182</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2023 No.	2022 No.
£60,000 to £69,999	–	1
	<u>–</u>	<u>1</u>

The total employee benefits including employers' national insurance and pension contributions of the key management personnel were £160,778 (2022 : £163,742).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2022: £nil).

7 Staff numbers

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

	2023 No.	2022 No.
Raising funds	5.8	4.6
ReachOut Club	16.4	9.8
ReachOut Academy	15.5	14.8
ReachOut Plus	1.1	1.5
Support	3.2	1.3
	42.0	32.0

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023 No.	2022 No.
Raising funds	7.0	4.6
ReachOut Club	20.1	26.8
ReachOut Academy	47.4	40.8
ReachOut Plus	7.1	4.0
Support	6.5	1.3
	88.1	77.5

8 Related party transactions

The charity received £2,500 gift in kind from Edmond's Elder where one of the charity's trustees is a founding director. (2022: £2,000) The gift related to marketing work.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Fixtures and fittings £	Total £
Cost		
At the start of the year	-	-
Disposals	-	-
At the end of the year	-	-
Depreciation		
At the start of the year	-	-
Disposals	-	-
At the end of the year	-	-
Net book value		
At the end of the year	-	-
At the start of the year	-	-

All of the above assets are used for charitable purposes.

11 Debtors

	2023 £	2022 £
Trade debtors	83,417	21,300
Accrued Income	–	20,000
Prepayments	12,051	16,929
	<u>95,468</u>	<u>58,229</u>

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	8,971	1,900
Taxation and social security	15,666	22,237
Pension	183	3,497
Accruals	14,688	10,656
Deferred income	118,869	67,700
	<u>158,377</u>	<u>105,990</u>

Deferred income comprises grant income received in the year but which has a time bound criteria not met at the balance sheet date.

13a Analysis of net assets between funds (current year)

	General Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	–	–	–
Net current assets	479,699	–	479,699
Net assets at the end of the year	<u>479,699</u>	<u>–</u>	<u>479,699</u>

13b Analysis of net assets between funds (prior year)

	General Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	–	–	–
Net current assets	563,996	–	563,996
Net assets at the end of the year	<u>563,996</u>	<u>–</u>	<u>563,996</u>

14a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
ReachOut Club	–	173,141	(173,141)	–	–
ReachOut Academy	–	183,142	(183,142)	–	–
ReachOut Plus	–	30,400	(30,400)	–	–
Central cost grants	–	220,097	(220,097)	–	–
Total restricted funds	–	606,780	(606,780)	–	–
Unrestricted funds:					
General funds	563,996	686,460	(770,757)	–	479,699
Total unrestricted funds	563,996	686,460	(770,757)	–	479,699
Total funds	563,996	1,293,240	(1,377,537)	–	479,699

14b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
ReachOut Club	–	242,570	(242,570)	–	–
ReachOut Academy	–	264,511	(264,511)	–	–
ReachOut Plus	–	19,755	(19,755)	–	–
Central cost grants	–	66,050	(66,050)	–	–
Total restricted funds	–	592,886	(592,886)	–	–
Unrestricted funds:					
General funds	658,418	460,403	(554,825)	–	563,996
Total unrestricted funds	658,418	460,403	(554,825)	–	563,996
Total funds	658,418	1,053,289	(1,147,711)	–	563,996

Purposes of restricted funds

The funds for ReachOut Club are utilised to provide mentoring programmes to primary school children (year 5/6) from a partner school.

The funds for ReachOut Academy are utilised to provide mentoring programmes to secondary school children (years 7 to 11) from a partner school.

The funds for ReachOut Plus are utilised to provide mentoring programmes to young people over the age of 16 from partner schools and local authorities.

The Central cost grants are restricted funds that cover the salary cost of members of the Senior Management Team.

Notes to the financial statements

For the year ended 31 August 2023

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	2023	2022
	£	£
Leases		
Less than one year	33,192	13,922
Between 1 and 5 years	85,746	
	<u>118,938</u>	<u>13,922</u>

There is a 5 year lease on the London office until March 2027, however this includes a 4 month break clause. A one month notice agreement exists with the landlord of the Manchester office accommodation which was updated on the 2/1/2024.

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 4604379
Charity number: 1096492

ReachOut Youth

Report and financial statements
For the year ended 31 August 2022

Contents

For the year ended 31 August 2022

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Reference and administrative information

For the year ended 31 August 2022

Company number 4604379
Country of Incorporation United Kingdom

Charity number 1096492
Country of Registration England and Wales

Registered office & operational address Unit 0.2
244-254 Cambridge Heath Road
LONDON
E2 9DA

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

Edmund Lehmann (Chairman, Person of Significant Control)
Marion Baker (Person of Significant Control)
David Fass (resigned as of 30/06/22)
Nimesh Patel
Zeynab Yusuf
James Browne
Tom Edmonds (as of 16/11/21)

Company Secretary Kevin McCarthy

Key management Personnel Bejal Shah, Chief Executive Officer (resigned as of 13/01/23)
Alice Memminger, Interim Chief Executive Officer (as of 06/02/23)
Joy Upchurch, Head of Delivery
James Williams, Head of Marketing and Partnerships (as of 01/10/21)

Network Development Group Melanie Moore (Chair)
Steve McCann
Alex Martin
Jenna Buckland
Luke Louca

Bankers RBS
Drummond House
Redheughs Ave
Edinburgh
EH12 9RH

The Co-operative Bank
PO Box 250
Skelmersdale

Reference and administrative information

For the year ended 31 August 2022

WN8 6WT

Solicitors

Morgan, Lewis & Bockius
Condor House
5-10 St. Paul's Churchyard
London
EC4M 8AL

Menzies LLP
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

GBH Law Ltd.
7-8 Innovation Place
Douglas Drive
Godalming
GU7 1JX

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

The Trustees present their report and financial statements for the year ended 31 August 2022.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Our Mission

ReachOut is a mentoring charity working with children in disadvantaged communities to raise aspirations and help them grow in character and attainment.

We improve self-confidence and develop Numeracy, Literacy and Communication, whilst reinforcing our core character strengths of Fairness, Self-Control, Good Judgement and Staying Power.

We do this through one-to-one mentoring with positive role models and team activities, to promote leadership, trust and responsibility.

How our activities deliver public benefit

The Trustees review the aims, objectives and activities of the charity each year. The Impact Report together with this report summarise the achievements of the charity and the outcomes of its work during the reporting period. The Trustees are pleased to report the success of the key activities of the charity with benefits delivered to those groups of people that the charity has been set-up to help, in line with its stated purpose.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

In the opinion of the Trustees we have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Policies to further the charity's objects

The income and property of the charity from whatever source derived are applied solely towards the promotion of its objects as set out above. No portion thereof is paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the company.

We are very grateful to all our funders, large and small, as well as our individual donors who are not named here, for their decision to donate to ReachOut and help us pursue our objectives. Their confidence in us is very much appreciated.

Mentoring Programmes

Our mentoring programmes use long term, one-to-one mentoring to support young people to develop character and confidence, leading to improved outcomes through key transition points during school and beyond. Led by paid staff who support our volunteer mentors throughout, the weekly after school sessions are tailored for each of our three age groups and include both one-to-one and group activities.

- **ReachOut Club:** Primary school pupils Year 5-6 (aged 9 – 11)
Academic and character-building activities to boost academic confidence and support the transition to secondary school.
- **ReachOut Academy:** Secondary school pupils Year 7-11 (aged 11 – 16)
Academic and character-building activities to support the period through adolescence and prepare young people for future success.
- **ReachOut+:** Year 12-13 pupils (aged 16 – 18)
Supporting young people with the transition post-GCSEs, exploring career options and pathways.

For all age groups, young people are referred by their teachers at our partner schools which are located in areas of economic and social disadvantage.

In 2021/22, we delivered the highest number of projects, reaching the highest number of young people in ReachOut's history:

2021/22 Delivery	Number of Projects Delivered	Places for young people
Programme		
ReachOut Club London	20	240
ReachOut Club Manchester	9	108
ReachOut Club Liverpool	5	60
Total ReachOut Club	34	408
ReachOut Academy London	18	288
ReachOut Academy Manchester	14	224
ReachOut Academy Yorkshire	2	24
ReachOut Academy Nottingham	2	24
Total ReachOut Academy	36	576
ReachOut+ London	3	48
Total ReachOut+	3	48
Total	73	1032

Youth Participation

Youth Participation has continued to be a priority for us to ensure that our beneficiaries can make meaningful contributions to our work to benefit themselves and ReachOut.

Each group had the opportunity to elect 2 'Mentee Reps' to take part in our youth council. These young people were provided with training, and attended meetings where they shared their peers' views on ReachOut's activities.

Our Mentors

We aim to recruit a diverse pool of mentors who bring different skills, interests and experiences to our young people. Our mentors are a mixture of working professionals, who mostly volunteer at our Academy or RO+ programmes, and students from local universities, who mostly volunteer at our Club programmes.

833 mentors volunteered on our programmes in 2021/22, 179 of whom were returning mentors from previous years.

Leadership Development Programme

Our mentoring sessions are facilitated by Project Leaders, sessional staff members who are recruited onto our Leadership Development Programme. In 2021/22, 87 Project Leaders were trained and supported to deliver effective and safe mentoring sessions and provided with a range of opportunities for professional development including career mentoring.

ReachOut Level Up Experience

Our ReachOut Level Up Experience grew in 2021/22, with 195 university students from participating universities volunteering on our programmes.

46 of these students engaged with the corporate opportunities on offer, with 28 students benefiting from a career mentor from one of our corporate partners, and 13 students applying for additional opportunities. Other students participated in activities like workshops.

Career Mentoring

We continued to provide Career Mentoring to both Project Leaders and 'Level Uppers'. We supported 47 people:

- 19 Projects Leaders in London
- 28 'Level Uppers'

Career Mentors came from a range of backgrounds and industries and provided support with careers advice, interview preparation, building confidence and leadership skills, networking and goal-setting.

Achievements and performance

Mentee Attendance

	2021/22	2020/21	2019/20
ROA Average number of mentees attending per session	8.8	7.8	11.0
ROC Average number of mentees attending per session	9.5	7.7	8.7
RO+ Average number of mentees attending per session	5.0		

Mentees attending per session increased in 2021/22 as capacity with the return to majority in-person delivery.

For further impact information please see our 2021/22 impact report available on our website.

<https://www.reachoutuk.org/wp-content/uploads/2023/03/Read-our-202021-Impact-Report.png>

Financial review

Incoming resources increased this year to £1,053,289. We saw a significant increase in Community and Individual income this year. School funding saw a general increase however this was mainly due to the increased number of projects run. Changes in the mix of funding sources from the last financial year can be seen below:

Principle Funding Sources	2021/2022	2020/2021
Trusts & Foundations	59%	60%
Corporates	25%	27%
Schools	5%	2%
Community and Individual	11%	5%
Government	0%	6%

Outgoing expenditure rose to £1,147,711. This was primarily due to the increase in staff and overall delivery. Overall, this resulted in a net deficit of £94,422.

Reserves

The charity's policy is to hold reserves for the purpose of protecting the work of the charity in the short term, should funding targets not be met or if the charity should need to cease or curtail its activities. The reserves policy is reviewed annually where specific factors affecting the level of continuity, restructuring and dissolution funds are looked at with changes being made as necessary.

The charity target reserves level based on 2022/23 budget as of May 2022 was set at £486k. As of 31st August 2022 general reserves were £563,996, which is above this target. The Board of Trustees have put in place a plan to invest and draw down reserves in excess of our target to support future growth of the charity over future financial years.

Fundraising

ReachOut is lucky to have a wide range of committed supporters who fund and support our work in a variety of different ways.

Overall, 2021/22 was another strong year for ReachOut. In a difficult economic climate, we are fortunate that our friends and supporters recognise the importance of the work being done by ReachOut in addressing the multiple challenges faced by young people.

Again this year, the majority of our funding (58%) came from grants from trusts and foundations; a mixture of project and unrestricted funding. We are deeply grateful to our long-term trust supporters as well as those who are new to supporting us this year.

Our partnerships with companies continue to be crucial to our work in so many ways. Alongside providing large numbers of our mentors and valuable workplace experiences which greatly enhance our programmes, partnerships with companies also generate vital funds for the charity through sponsorship, donations and payment for services. We work hard to develop mutually beneficial, long-term partnerships with companies which best serve the interests of the young people we support. We are delighted that many of our longstanding corporate partners continued to support our work during the year including Kroll, Bregal Investments, Blackrock, Bloomberg, Macquarie, The Pokemon Company International, Simkins and Tibra Capital. We also welcomed new partners including Richer Sounds, ECI Partners and Aegis London.

In addition to the above, a very important part of our funding mix comes from contributions from schools, individuals and community events. School payments comprise a growing portion of our funding, which reflects of the value that they place on our programmes for their pupils. This year was another challenging year for community events following the disruption caused by the pandemic. Nevertheless, hundreds of supporters took part in events including the Hackney Half Marathon, Great Manchester Run, Royal Parks Half Marathon as well as our own events – The ReachOut Raise and The Charity Cup, raising hugely valuable unrestricted funding for our work.

An exciting development this year was the launch of our new Network Development Group. This is a group of senior volunteers charged with expanding our network of individual and corporate contacts. The group meets quarterly and is chaired by Melanie Moore from Macquarie. This year we also launched our new "Friends of ReachOut" Giving Club for individuals giving over £2,500 per year (or £200 per month). Both the NDG and Friends of ReachOut are part of our plans to engage new high-level supporters – vital for the future financial resilience of the charity.

All our fundraising activities are carried out by our in-house fundraising team, overseen by the charity's leadership. The Charity is registered with the Fundraising Regulator and our fundraising activities are in line with the Code of Fundraising Practice and our own ethical fundraising policy. We are committed to protecting vulnerable people in all our activities. We do not use any professional fundraising organisations and did not receive any complaints about our fundraising activities during the year.

We are enormously grateful to everyone who has supported ReachOut this year.

Principal risks and uncertainties

The Trustees are responsible for ensuring key risks faced by ReachOut are managed and adequate mitigating measures are implemented. How we proactively identify and manage our risks is recorded in the Risk Register and reviewed biannually at board meetings.

Key risks for ongoing attention:

Safeguarding - The Trustees are aware the principal risk for the Charity is concerned with the safeguarding of the young people it aims to support, and as such, this is always taken into account when risks are discussed. ReachOut's Safeguarding & Child Protection Policy is reviewed annually by the Trustees which sets out procedures and controls to mitigate the associated risks. Our Designated Safeguarding Leads ensure safeguarding reporting and recording procedures are followed and that concerns are flagged and communicated rapidly and securely. All staff and volunteers are screened and vetted, and we deliver continually updated safeguarding training to volunteers. Staff undergo annual refresher training and we liaise with schools regarding at risk young people.

Funding - In order to mitigate the funding risks, we continue to diversify our funding streams across trusts and foundations, government grants, schools, corporate donations and community fundraising. We are also funding our work further in advance, meaning we have more lead time to solve problems and seek additional funders should issues arise.

Loss of key personnel – Through progression and succession planning, we are ensuring that we are constantly developing staff internally so that they are ready to step into more senior roles if required. Through our volunteer and sessional staff pool, we have a pipeline of junior delivery staff. We have also worked hard to ensure that staff across the organisation feel valued and supported by investing in training, as well as through reward and recognition.

Volunteer and Project Leader recruitment and retention – Recruiting sufficient numbers of volunteers and Project Leaders remains a high risk for ReachOut as they are integral to our delivery and the impact on our beneficiaries. This is being continuously monitored and plans implemented to minimise this risk.

Plans for the future

The need for our work is greater than ever. The young people we exist to support have been disproportionately affected by the pandemic, and the inequalities between them and their peers worsened. Our holistic approach to mentoring allows young people to feel empowered and take ownership of their lives and futures, to see their potential and believe in it.

Trustees' annual report

For the year ended 31 August 2022

In 2021, we set out a 3-year strategic plan for growth to meet this need, with the following priorities:

- Increasing our reach
- Deepening our impact
- Sustainable income generation
- Organisational development
- Equality, Diversity and Inclusion

In 2021/22 we successfully delivered the first year of this strategic plan. Targets for Year 2 of the plan were reviewed taking into account the economic climate and we are pleased to continue growing to reach even more young people across our locations.

Going concern

ReachOut has a healthy level of reserves, a growing network of supporters and a clear case for support with current and prospective funders. This, coupled with the appointment of a new Senior Management Team and the adoption of a new strategic plan, puts the organisation in a stable position with a platform for future sustainable growth. This gives the Trustees a reasonable expectation that the charity has the resources required to continue operations for the next 12 months from the date of signing. Therefore, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 29 November 2002 and registered as a charity on 12 March 2003. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Responsibility for day-to-day operations and the leadership of the staff and volunteer team is delegated to the Senior Management Team. The team is responsible for all day-to-day decisions affecting the charity. Decisions of a strategic or directional nature, including the employment of the senior staff, remain the responsibility of the Trustees, as laid out in our Delegation of Executive Powers. The Trustees are ultimately responsible for setting and approving remuneration of senior management. Remuneration is approved by the Trustees as part of the annual budget process. The charity has no subsidiaries or related parties.

A minimum of two trustees will be nominated members of the charity at the Annual General Meeting and therefore become persons of significant control. At time of founding, ReachOut's membership was separated from Trusteeship, as a separate membership and trustee cohort was envisaged by the Charity's founders. Today, the members of the charity are a subset of the current Trustee board. As membership is addressed only irregularly in order to minimise administration, it tends to be the case that the longer serving Trustees are also members.

Trustees' annual report

For the year ended 31 August 2022

The recruitment of Trustees takes place through contacts within the current Board and wider recommendation from other stakeholders, including schools, volunteers and funders. Appointments are made by a vote of the existing members. In the last year, we reviewed the expertise of the board and identified gaps in finance, senior experience in education/young people and marketing. In November 2021, we recruited one new trustee to fill the marketing expertise gap and are working to fill the remaining areas.

We ensure trustees complete all ReachOut relevant trainings and are DBS checked once they are appointed to the board.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were claimed by the Trustees in this financial year.

Related parties and relationships with other organisations

There were no related party transactions during the year.

Remuneration policy for key management personnel

Our approach to pay is to provide fair and appropriate remuneration packages for our people to ensure we can attract and retain people with the skills and experience to deliver the Charity's objectives. We aim to be competitive in the marketplace from which we draw our people and review this regularly.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of ReachOut Youth for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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 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
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

Trustees' annual report

For the year ended 31 August 2022

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records 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.

In so far as the trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and 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.

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2022 was 2. Two Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor Sayer Vincent LLP was reappointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The Trustees' annual report has been approved by the Trustees on 28 March 2023 and signed on their behalf by Edmund Lehmann and Nimesh Patel.

Edmund Lehmann
Chair of Trustees

Nimesh Patel
Trustee

Independent auditor's report

To the members of

ReachOut Youth

Opinion

We have audited the financial statements of ReachOut Youth (the 'charitable company') for the year ended 31 August 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and 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 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 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 ReachOut Youth'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.

Independent auditor's report

To the members of

ReachOut Youth

Other information

The other information comprises the information included in the trustees' annual report, 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.

Opinions 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the 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 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 the financial statements

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

To the members of

ReachOut Youth

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

DATE 29 March 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2022

		Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
	Note						
Income from:							
Donations	2	408,133	66,050	474,183	555,334	55,800	611,134
Charitable activities							
ReachOut Club	3	21,000	142,570	163,570	3,000	120,682	123,682
ReachOut Academy	3	29,600	364,511	394,111	17,950	342,461	360,411
ReachOut Plus	3	–	19,755	19,755	–	–	–
Other income		1,449	–	1,449	51	–	51
Investment income		221	–	221	51	–	51
Total income		460,403	592,886	1,053,289	576,335	518,943	1,095,278
Expenditure on:							
Raising funds	4	198,023	–	198,023	133,562	–	133,562
Charitable activities							
ReachOut Club	4	207,485	167,008	374,493	64,225	135,190	199,415
ReachOut Academy	4	106,467	402,159	508,626	113,461	383,753	497,214
ReachOut Plus	4	42,850	23,719	66,569	–	–	–
Total expenditure		554,825	592,886	1,147,711	311,248	518,943	830,191
Net income for the year and net movement in funds	5	(94,422)	–	(94,422)	265,087	–	265,087
Reconciliation of funds:							
Total funds brought forward		658,418	–	658,418	393,331	–	393,331
Total funds carried forward		563,996	–	563,996	658,418	–	658,418

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

As at 31 August 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	10		–	–	–
			–	–	–
Current assets:					
Debtors	11	58,229		3,707	
Cash at bank and in hand		611,757		714,228	
		669,986		717,935	
Liabilities:					
Creditors: amounts falling due within one year	12	(105,990)		(59,517)	
Net current assets			563,996		658,418
Total net assets	13		563,996		658,418
The funds of the charity:	14				
Restricted income funds			–		–
Unrestricted income funds:					
General funds		563,996		658,418	
Total unrestricted funds			563,996		658,418
Total charity funds			563,996		658,418

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

Approved by the trustees on 28 March 2023 and signed on their behalf by

Edmund Lehmann
Chair of Trustees

Nimesh Patel
Trustee

Statement of cash flows

For the year ended 31 August 2022

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

	2022 £	2021 £
Net income (expenditure) for the reporting period (as per the statement of financial activities)	(94,422)	265,087
Depreciation charges	–	779
Increase in debtors	(54,522)	2,700
Decrease in creditors	46,473	6,214
Net cash provided by operating activities	<u>(102,471)</u>	<u>274,780</u>

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net cash provided by operating activities		(102,471)		274,780	
Cash flows from investing activities:					
Net cash (used in) investing activities		–		–	
Change in cash and cash equivalents in the year		(102,471)		274,780	
Cash and cash equivalents at the beginning of the year		714,228		439,448	
Cash and cash equivalents at the end of the year		<u>611,757</u>		<u>714,228</u>	

1 Accounting policies

a) Statutory Information

ReachOut Youth is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is Unit 0.2, 244–254 Cambridge Heath Road, E2 9DA

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

ReachOut has a healthy level of reserves, a growing network of supporters and a clear case for support with current and prospective funders. This, coupled with the appointment of a new Senior Management Team and the adoption of a new strategic plan, puts the organisation in a stable position with a platform for future sustainable growth. This gives the Trustees a reasonable expectation that the charity has the resources required to continue operations for the next 12 months from the date of signing. Therefore, the Trustees continue to adopt the going concern basis in preparing the financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Schools income is recognised in the academic year to which it relates.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on projects undertaken, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on projects undertaken, of the amount attributable to each activity

- | | |
|--------------------|-----|
| • ReachOut Club | 37% |
| • ReachOut Academy | 57% |
| • ReachOut Plus | 6% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-------------|----------------------|
| • Fixtures | 5% reducing balance |
| • Equipment | 33% reducing balance |

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

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

o) Creditors and provisions

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The charity operates a defined contribution scheme with NEST and currently contributes 2% of qualifying earnings.

Notes to the financial statements

For the year ended 31 August 2022

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Individual Fundraising	26,156	–	26,156	23,448	–	23,448
Community Fundraising	86,144	–	86,144	24,752	–	24,752
Total community	112,300	–	112,300	48,200	–	48,200
Bloomberg	–	–	–	20,000	–	20,000
Bregal Investments	40,611	–	40,611	–	–	–
ECI Partners	23,437	–	23,437	–	–	–
Macquarie Group Foundation	–	–	–	50,000	–	50,000
The Pokemon Company	37,068	–	37,068	87,417	–	87,417
Other corporates	66,917	5,400	72,317	122,117	–	122,117
Total corporates	168,033	5,400	173,433	279,534	–	279,534
COVID-19 Job Retention Scheme	–	–	–	81,886	–	81,886
Total government	–	–	–	81,886	–	81,886
Four Acre Trust	–	45,000	45,000	–	–	–
Garfield Weston Foundation	40,000	–	40,000	40,000	–	40,000
The Henry Smith Charitable Trust	–	5,990	5,990	–	55,800	55,800
The AKO Foundation	50,000	–	50,000	50,000	–	50,000
The Prince Andrew Charitable Trust	–	–	–	100,000	–	100,000
Swire Charitable Trust	25,000	–	25,000	–	–	–
Other trusts	10,800	9,660	20,460	37,600	–	37,600
Total trusts	125,800	60,650	186,450	227,600	55,800	283,400
Total gifts	406,133	66,050	472,183	555,334	55,800	611,134
Donated services	2,000	–	2,000	–	–	–
	408,133	66,050	474,183	555,334	55,800	611,134

Individual funders have been listed where they account for more than 5% of total annual income, or where they requested to be named.

Donated services represents an amount received during the year for professional design work. These amounts have been calculated based on what the charity would pay for these services were they not provided pro-bono.

Notes to the financial statements

For the year ended 31 August 2022

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Total corporates	-	-	-	-	4,600	4,600
BBC Children in Need	-	36,332	36,332	-	35,832	35,832
Four Acre Trust	-	11,212	11,212	-	-	-
The Henry Smith Charitable Trust	-	20,149	20,149	-	-	-
TNL Community Fund	-	-	-	-	49,250	49,250
Wellington Management UK	-	35,000	35,000	-	25,000	25,000
Other Trusts	-	39,877	39,877	-	6,000	6,000
Total trusts	-	142,570	142,570	-	116,082	116,082
Total schools and other	21,000	-	21,000	3,000	-	3,000
Sub-total for ReachOut Club	21,000	142,570	163,570	3,000	120,682	123,682
Total community	-	-	-	-	13,600	13,600
Tibra Capital Foundation	-	25,000	25,000	-	-	-
Other corporates	-	10,132	10,132	-	23,337	23,337
Total corporates	-	35,132	35,132	-	23,337	23,337
Careers and Enterprise Company	-	-	-	-	61,749	61,749
Four Acre Trust	-	17,087	17,087	-	-	-
The Henry Smith Charitable Trust	-	30,706	30,706	-	-	-
Jack Petchey Foundation	-	65,100	65,100	-	54,500	54,500
St. James' Place Foundation	-	30,000	30,000	-	-	-
The Portal Trust	-	-	-	-	20,000	20,000
The Clothworkers' Foundation	-	50,000	50,000	-	50,000	50,000
The City Bridge Trust	-	-	-	-	50,000	50,000
The Constable Educational Trust	-	100,000	100,000	-	-	-
Other trusts	-	36,486	36,486	-	69,275	69,275
Total trusts	-	329,379	329,379	-	243,775	243,775
Total schools and other	29,600	-	29,600	17,950	-	17,950
Sub-total for ReachOut Academy	29,600	364,511	394,111	17,950	342,461	360,411
Four Acre Trust	-	1,700	1,700	-	-	-
Jack Petchey Foundation	-	15,000	15,000	-	-	-
The Henry Smith Charitable Trust	-	3,055	3,055	-	-	-
Total trusts	-	19,755	19,755	-	-	-
Total schools and other	-	-	-	-	-	-
Sub-total for ReachOut Plus	-	19,755	19,755	-	-	-
Total income from charitable activities	50,600	526,836	577,436	20,950	463,143	484,093

Individual funders have been listed where they account for more than 5% of total annual income, or where they requested to be named.

4a Analysis of expenditure (current year)

	Charitable activities							
	Cost of raising funds £	ReachOut Club £	ReachOut Academy £	ReachOut Plus £	Governance costs £	Support costs £	2022 Total £	2021 Total £
Staff costs (Note 6)	165,743	281,409	368,137	52,634	5,740	75,519	949,182	720,375
Direct project costs	–	25,894	36,533	4,826	–	–	67,253	28,455
Rent, light and heat	–	14,164	23,146	1,069	–	11,342	49,721	33,546
Travel expenses	2,071	–	–	–	–	2,465	4,536	(41)
Miscellaneous office costs	5,769	–	–	–	3,477	18,336	27,582	20,172
Recruitment and other staff costs	572	610	929	92	–	9,477	11,680	6,920
Legal and professional fees	375	412	628	62	–	12,787	14,264	17,470
Fundraising costs	21,493	–	–	–	–	–	21,493	3,294
Donated services (Note 2)	2,000	–	–	–	–	–	2,000	–
	198,023	322,489	429,373	58,683	9,217	129,926	1,147,711	830,191
Support costs	–	48,559	74,004	7,363	–	(129,926)	–	–
Governance costs	–	3,445	5,250	522	(9,217)	–	–	–
Total expenditure 2022	198,023	374,493	508,626	66,569	–	–	1,147,711	
Total expenditure 2021	133,562	199,415	497,214	–	–	–		830,191

ReachOut Youth

Notes to the financial statements

For the year ended 31 August 2022

4b Analysis of expenditure (prior year)

		Charitable activities				
	Cost of raising funds £	ReachOut Club £	ReachOut Academy £	Governance costs £	Support costs £	2021 Total £
Staff costs (Note 6)	128,132	140,268	340,272	6,844	104,859	720,375
Direct project costs		8,220	20,235	–	–	28,455
Rent, light and heat	–	8,334	15,078	–	10,134	33,546
Travel expenses	(52)	–	–	–	11	(41)
Miscellaneous office costs	228	–	–	3,179	16,765	20,172
Recruitment and other staff costs	498	–	363	–	6,059	6,920
Legal and professional fees	1,462	812	2,349	–	12,847	17,470
Fundraising costs	3,294	–	–	–	–	3,294
Donated services (Note 2)	–	–	–	–	–	–
	<u>133,562</u>	<u>157,634</u>	<u>378,297</u>	<u>10,023</u>	<u>150,675</u>	<u>830,191</u>
Support costs	–	39,175	111,500	–	(150,675)	–
Governance costs	–	2,606	7,417	(10,023)	–	–
Total expenditure 2021	<u>133,562</u>	<u>199,415</u>	<u>497,214</u>	<u>–</u>	<u>–</u>	<u>830,191</u>

Notes to the financial statements

For the year ended 31 August 2022

5 Net income for the year

This is stated after charging :

	2022 £	2021 £
Depreciation	-	779
Operating lease rentals:		
Property	52,058	28,421
Auditor's remuneration (excluding VAT):		
Audit	7,650	6,750
	<u>7,650</u>	<u>6,750</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	854,794	591,890
Consultancy Fees	2,871	52,072
Termination Payments	-	12,000
Social security costs	73,368	49,713
Employer's contribution to defined contribution pension schemes	18,149	14,700
	<u>949,182</u>	<u>720,375</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2022 No.	2021 No.
£60,000 to £69,999	1	-
	<u>1</u>	<u>-</u>

The total employee benefits including employers' national insurance and pension contributions of the key management personnel were £163,742 (2021: £134,985).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil).

7 Staff numbers

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

	2022 No.	2021 No.
Raising funds	4.6	3.7
ReachOut Club	9.8	4.2
ReachOut Academy	14.8	11.9
ReachOut Plus	1.5	–
Support	1.3	2.3
	32.0	22.0

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Raising funds	4.6	3.7
ReachOut Club	26.8	15.7
ReachOut Academy	40.8	44.7
ReachOut Plus	4.0	–
Support	1.3	2.3
	77.5	66.4

8 Related party transactions

The charity received £2k gift in kind from Edmond's Elder where one of the charity's trustees is a founding director. The gift related to marketing work.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Fixtures and fittings £	Total £
Cost		
At the start of the year	2,337	2,337
Disposals	(2,337)	(2,337)
At the end of the year	–	–
Depreciation		
At the start of the year	2,337	2,337
Disposals	(2,337)	(2,337)
At the end of the year	–	–
Net book value		
At the end of the year	–	–
At the start of the year	–	–

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 August 2022

11 Debtors

	2022 £	2021 £
Trade debtors	21,300	–
Accrued Income	20,000	–
Prepayments	16,929	3,707
	58,229	3,707

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,900	6,646
Taxation and social security	22,237	15,405
Pension	3,497	2,412
Accruals	10,656	8,590
Deferred income	67,700	26,464
	105,990	59,517

Deferred income comprises grant income received in the year but which has a time bound criteria not met at the balance sheet date.

13a Analysis of net assets between funds (current year)

	General Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	–	–	–
Net current assets	563,996	–	563,996
Net assets at the end of the year	563,996	–	563,996

13b Analysis of net assets between funds (prior year)

	General Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	–	–	–
Net current assets	658,418	–	658,418
Net assets at the end of the year	658,418	–	658,418

14a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
ReachOut Club	–	142,570	(142,570)	–	–
ReachOut Academy	–	364,511	(364,511)	–	–
ReachOut Plus	–	19,755	(19,755)	–	–
Central cost grants	–	66,050	(66,050)	–	–
Total restricted funds	–	592,886	(592,886)	–	–
Unrestricted funds:					
General funds	658,418	460,403	(554,825)	–	563,996
Total unrestricted funds	658,418	460,403	(554,825)	–	563,996
Total funds	658,418	1,053,289	(1,147,711)	–	563,996

14b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
ReachOut Club	–	120,682	(120,682)	–	–
ReachOut Academy	–	342,461	(342,461)	–	–
Central cost grants	–	55,800	(55,800)	–	–
Total restricted funds	–	518,943	(518,943)	–	–
Unrestricted funds:					
General funds	393,331	576,335	(311,248)	–	658,418
Total unrestricted funds	393,331	576,335	(311,248)	–	658,418
Total funds	393,331	1,095,278	(830,191)	–	658,418

Purposes of restricted funds

The funds for ReachOut Club are utilised to provide mentoring programmes to primary school children (year 5/6) from a partner school.

The funds for ReachOut Academy are utilised to provide mentoring programmes to secondary school children (years 7 to 11) from a partner school.

The funds for ReachOut Plus are utilised to provide mentoring programmes to young people over the age of 16 from partner schools and local authorities.

The Central cost grants are restricted funds that cover the salary cost of members of the Senior Management Team.

Notes to the financial statements

For the year ended 31 August 2022

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	2022 £	2021 £
Less than one year	13,922	2,539
	<u>13,922</u>	<u>2,539</u>

There is a 5 year lease on the London office until August 2027, however this includes a 4 month break clause.

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

Accounts

Company number: 4604379
Charity number: 1096492

ReachOut Youth

Report and financial statements
For the year ended 31 August 2021

Contents

For the year ended 31 August 2021

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Reference and administrative information

For the year ended 31 August 2021

Company number 4604379
Country of Incorporation United Kingdom

Charity number 1096492
Country of Registration England and Wales

Registered office & operational address Ground Floor
26-28 Ramsgate Street
LONDON
E8 2NA

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

Edmund Lehmann	(Chairman, Person of Significant Control)
Marion Baker	(Person of Significant Control)
Mark Wakefield	(Resigned as of 26/05/21)
Shardae Carr	(Resigned as of 12/01/21)
David Fass	
Nimesh Patel	
Zeynab Yusuf	
James Browne	
Tom Edmonds	(as of 16/11/21)

Company Secretary Kevin McCarthy

Key management Personnel	Bejal Shah	Chief Executive Officer (as of 15/03/21)
	Peter Blackwell	Chief Executive Officer (resigned as of 30/11/20)
	Grusche Michelsen	Director of People (resigned as of 09/06/21)
	Joy Upchurch	Programmes Director (as of 09/08/21)
	James Williams	Head of Marketing and Partnerships (as of 01/10/21)

Bankers

RBS
Drummond House
Redheughs Ave
Edinburgh
EH12 9RH

The Co-operative Bank
PO Box 250
Skelmersdale
WN8 6WT

Reference and administrative information

For the year ended 31 August 2021

Solicitors

Mishcon de Reya
Africa House
70 Kingsway
London
WC2B 6AH

Morgan, Lewis & Bockius
Condor House
5-10 St. Paul's Churchyard
London
EC4M 8AL

Teacher Stern
37-41 Bedford Row
Holborn
London
WC1R 4JH

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditors
Invicta House
108-114 Golden Lane
LONDON
EC1Y 0TL

Trustees' annual report

For the year ended 31 August 2021

The Trustees present their report and financial statements for the year ended 31 August 2021.

Reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Our Mission

ReachOut is a mentoring charity working with children in disadvantaged communities to raise aspirations and help them grow in character and attainment.

We improve self-confidence and develop Numeracy, Literacy and Communication, whilst reinforcing our core character strengths of Fairness, Self-Control, Good Judgement and Staying Power.

We do this through one-to-one mentoring with positive role models and team activities, to promote leadership, trust and responsibility.

How our activities deliver public benefit

The Trustees review the aims, objectives and activities of the charity each year. The Impact Report together with this report summarise the achievements of the charity and the outcomes of its work during the reporting period. The Trustees are pleased to report the success of the key activities of the charity with benefits delivered to those groups of people that the charity has been set-up to help, in line with its stated purpose.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

In the opinion of the Trustees we have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission.

Policies to further the charity's objects

The income and property of the charity from whatever source derived are applied solely towards the promotion of its objects as set out above. No portion thereof is paid or transferred directly or indirectly by way of dividend, bonus or otherwise by way of profit to the members of the company.

We are very grateful to all our funders, large and small, as well as our individual donors who are not named here, for their decision to donate to ReachOut and help us pursue our objectives. Their confidence in us is very much appreciated.

Trustees' annual report

For the year ended 31 August 2021

Mentoring Programmes

Our mentoring programmes use long term, one-to-one mentoring to support young people to develop character and academic skills. Led by paid staff who support our volunteer mentors throughout, the weekly sessions are based around academic content and fun group activities, such as football and drama.

The below diagram shows how our programmes feed into each other:



In 2020/21 we ran ReachOut Club and Academy term-time one-to-one mentoring programmes, both offering weekly one and a half hour sessions to referred young people from partner schools:

- ReachOut Club (ROC) – Primary schools, for Year 5/6 pupils (aged 9 – 11)
- ReachOut Academy (ROA) – Secondary schools, for Year 7 – 11 pupils (aged 11 – 16)

For 2021 all our projects were run online, with our mentees accessing the sessions via computers in school or at home.

All our projects are delivered in schools in areas of economic and social disadvantage.

Programme	Number of Projects Delivered		Places for young people	
	2020/21	2019/20	2020/21	2019/20
ReachOut Club London	6	17	60	170
ReachOut Club Manchester	6	8	60	80
ReachOut Club Liverpool	2	3	20	30
Total ReachOut Club	14	28	140	280
ReachOut Academy London	18	21	216	336
ReachOut Academy Manchester	8	10	96	160
ReachOut Academy Yorkshire	2		24	
ReachOut Academy Milton Keynes	1		12	
Total ReachOut Academy	29	31	312	496
Total	43	59	452	776

We saw a decrease in the number of projects we were able to deliver in 2020/21 from 59 to 43. This was mostly due to the primary schools we were working with either being unable to provide facilities for young people to access the sessions or being unconvinced at the impact online sessions would be able to provide.

Youth Participation & 'ReachOut Voice'

Our work on youth participation was a huge achievement through 2020/21 and had significant positive impact on mentees. It will continue to be a priority ensuring that our beneficiaries can make meaningful contributions to our work to benefit themselves and ReachOut

ReachOut Voice, our youth council, engaged young people from across our locations and from both ReachOut Club and ReachOut Academy through the opportunity to become Mentee Representatives. As an elected representative of their project group, Mentee Reps were provided with training, and attended monthly meetings where they share their peers' views on ReachOut's activities.

Long term, we aim through youth participation to keep mentees engaged in our programmes for longer, so that as adults, they can continue to benefit from opportunities provided by ReachOut, act as ambassadors for the organisation, and even become future volunteer mentors or staff members.

ReachOut+

In building our 2021-24 strategy, we carried out a consultation with current and former mentees about what they want and need from our mentoring programme. Almost all those that participated, fed back that support post-age 16, at a time when they are/were considering their options for further education, career paths etc. was crucial.

Trustees' annual report

For the year ended 31 August 2021

Providing support for young people after they finish Year 11 has been built into our long term plans. A pilot programme for 16-19 year olds named ReachOut+ was started in July 2021 – 3 groups of young people:

- Former ReachOut Academy mentees aged 16-17
- Former ReachOut Academy mentees aged 18-19
- 16-19 year olds referred by Newham Borough Council, all Not in Education, Employment or Training (N.E.E.T)

ReachOut Level Up Experience

This Year, we continued our ReachOut Level Up Experience.

This innovative, social mobility programme is developing a growing network between our corporates and university partners which addresses the following priorities:

- Securing the best possible employability outcomes for university students, especially those from disadvantaged/BAME backgrounds
- Supporting businesses to recruit diverse, high-quality talent into their organisations
- Expanding high quality opportunities for university students to volunteer as mentors on the ReachOut Club programme

University students who complete the required number of hours volunteering, unlock exclusive access to horizon-expanding events, training and graduate opportunities with our corporate partners. For example, Pivot Power provided two "Level Uppers" with paid one month placements whilst Providence Equity offered two paid, six –week summer placements.

In the year in which they volunteer, 'Level Uppers' also have access to experienced Career Mentors to support their journeys beyond university, as well as a range of workshops and insight days delivered by our corporate partners.

38 Level Uppers took part in the programme during the year and we're delighted that a number of participants have gone on to take up high quality, competitive industry placements and positions with Level Up corporate partners.

Career Mentoring

In 2020/21, Career Mentoring was provided to both Project Leaders and 'Level Uppers'. We supported 64 people in total through this programme:

- 31 Projects Leaders in London
- 12 Project Leaders in the North-West
- 21 'Level Uppers'

Career Mentors came from a range of backgrounds and industries and provided support with careers advice, interview preparation, building confidence and leadership skills, networking and goal-setting.

Trustees' annual report

For the year ended 31 August 2021

We had excellent feedback from both mentees and mentors on their experiences this year:

"My mentee has just been great. She works in such a different industry to me and that brings a breath of positivity to everything. I love meeting her because she always comes prepared and with something for us to discuss. BUT she is also not scared to take advice and try. She also then tells me what works and what doesn't. This has really helped me work on a style I think would best help her."

"I have absolutely loved my career mentoring experience; Ben has truly gone above and beyond to support me including proofreading my applications, preparing me for interviews and obtaining incredible networking conversations, I could not have asked for more from this experience."

Our Mentors

We aim to recruit a diverse pool of mentors who bring different skills, interests and experiences to our young people. Many are working professionals and students from local universities.

	2020/21	2019/20	2018/19
No. Mentors	519	888	856
Returning Mentors	141	146	131
Returning Mentors %	27%	16%	15%

	2020/21	2019/20	2018/19
ROA Average number of mentors attending per session	9.4	10.1	8.2
ROC Average number of mentors attending per session	8.6	7.1	5.6

The ReachOut Level Up Experience has continued to improve our ability to successfully recruit university students to mentor on the ReachOut Club programme in London, with an increase in the average number attending, despite a decrease in average number of mentees.

We have had a lower number of mentors on average attend ROA sessions, but this was due to a decrease in mentees attending and not reflective of the commitment of our mentors.

Achievements and performance

Mentee Attendance

	2020/21	2019/20	2018/19
ROA Average number of mentees attending per session	7.8	11.0	9.5
ROC Average number of mentees attending per session	7.7	8.7	8.1

Mentees attending per session dropped in 2020/21 as project sizes were reduced to facilitate online delivery. While numbers per session dropped, mentee percentage attendance remained consistent showing there wasn't a problem incentivising our young people to attend the online sessions.

Trustees' annual report

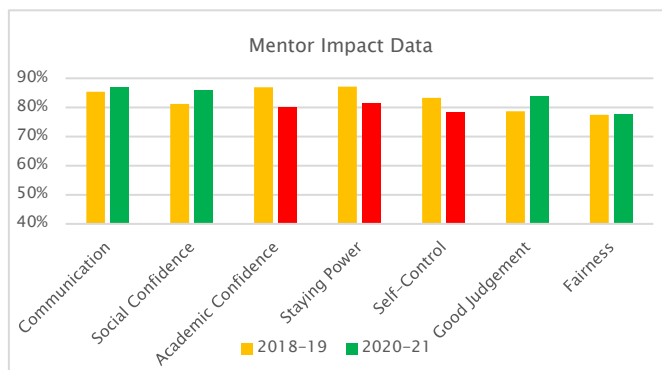
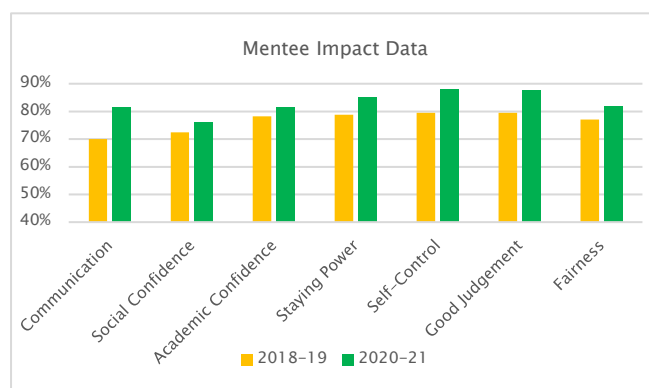
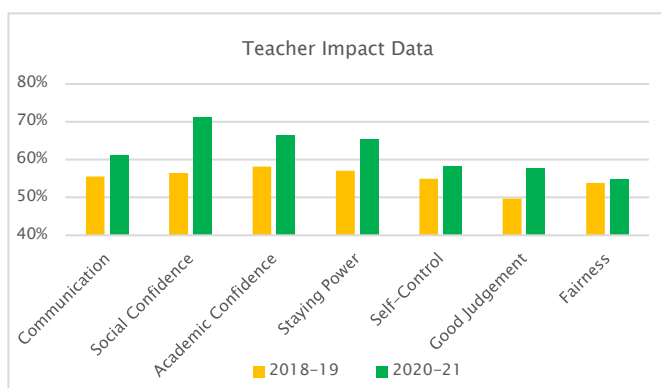
For the year ended 31 August 2021

Online vs. Offline Impact

In order to measure the impact of our first full year of online sessions against our previous offline sessions we've compared our impact data from 2020-21 to our last full year of offline delivery, 2018-19.

How we measure impact has been consistent for the last three years:

- Teacher impact is measured using start of project and end of project readings on a scale of 1-5 for all our metrics.
- Mentee and mentor impact is measured at the end of the project using a better-worse scale for all our metrics.



For almost all impact measures the online sessions appear to have been more impactful than previous offline sessions. In particular, teachers and mentees identified stronger positive uplift in mentees' communication skills and social confidence from this year's sessions, as well as higher than expected increases in the staying power, self-control and good judgement character strengths.

These results demonstrate that ReachOut has been able to deliver our programmes successfully within the online context. However, rather than being a result of online delivery per se, we believe that there are likely two linked factors which have contributed to improved results:

Trustees' annual report

For the year ended 31 August 2021

- The reduction in mentee and therefore mentor numbers allowed us to fill a greater number of places with experienced, returning mentors and to be more selective in the mentors recruited to support projects. This helped increase the quality of mentoring provided and contributed to increased positive impact for mentees
- In response to the needs of schools and young people during the pandemic, our curriculum and sessions placed proportionately more emphasis on mental health and discussion of societal issues, as opposed to academic activities. This is likely to have had a positive impact on how the sessions will have felt to our mentees.

Further qualitative and quantitative data from this academic year will be available on our Impact report and website from the end of March 2022.

Financial review

Incoming resources increased this year to £1,095,278, the first time the charity's income has risen above £1m. The proportion of income coming from Trusts and Foundations increased due to two large one-off grants. Changes in the mix of funding sources from the last financial year can be seen below:

Principle Funding Sources	2020/21	2019/20
Trusts & Foundations	60%	48%
Corporates	27%	35%
Schools	2%	3%
Community	5%	6%
Government	6%	8%

Outgoing expenditure fell to £830,191. This was primarily due to a number of our permanent staff leaving at the end of 2019/20 and not needing to be replaced due to the reduction in our project delivery over the year. Overall, this resulted in a net surplus of £265,087.

Reserves

The charity's policy is to hold reserves for the purpose of protecting the work of the charity in the short term, should funding targets not be met or if the charity should need to cease or curtail its activities. The reserves policy is reviewed annually where specific factors affecting the level of reserves are looked at, primarily contractual obligations for employees, with changes being made as necessary.

The charity aims to maintain between three and six months of full costs in reserve. As of 31st August 2021, general reserves were £660,764, which is slightly ahead of this target. The Board of Trustees have put in place a plan to invest and draw down reserves in excess of our target to support future growth of the charity over future financial years.

Fundraising

ReachOut is lucky to have a wide range of committed supporters who fund and support our work in a variety of different ways.

Overall, 2020/21 was again a record year for ReachOut's fundraising, despite the continuing disruption caused by the pandemic. This is perhaps a recognition of the importance of the work being done by ReachOut in addressing the challenges faced by young people.

Again this year, the majority of our funding (60%) came from grants from trusts and foundations.

Our partnerships with companies continue to be crucial to our work in so many ways. Alongside providing large numbers of our mentors and valuable workplace experiences which greatly enhance our programmes, partnerships with companies also generate vital funds for the charity through sponsorship, donations and payment for services. We work hard to develop mutually beneficial, long-term partnerships with companies which best serve the interests of the young people we support. We are delighted that many of our longstanding corporate partners continued to support our work during the year.

In addition to the above, we received a proportion of our funding from schools, individuals and community events. Several of our planned fundraising in-person events this year, such as the Hackney Half Marathon, were again partially disrupted by the pandemic. Where possible, we have carried over pre-paid places within challenge events to future years or have participated in virtual alternatives.

All our fundraising activities are carried out by our in-house fundraising team, overseen by the charity's leadership. Our fundraising activities are in line with the Code of Fundraising Practice and our own ethical fundraising policy. We are committed to protecting vulnerable people in all our activities. We do not use any professional fundraising organisations and did not receive any complaints about our fundraising activities during the year.

We are enormously grateful to everyone who has supported ReachOut this year.

Principal risks and uncertainties

The Trustees identify key risks to the quality of services, ongoing COVID-19 impact, financial health and reputation of the charity. Key risks are recorded in the Risk Register and reviewed bi-monthly at board meetings.

The Trustees are aware the principal risk for the Charity is concerned with the safeguarding of the young people it aims to support, and as such, is always taken into account when risks are discussed. We continue to manage safeguarding risks by screening all volunteer mentors before placing them on our projects, including application form, enhanced DBS disclosures, reference checks and compulsory training, including pass/fail safeguarding assessment. Volunteers are always supervised by ReachOut staff whilst volunteering with children and young people.

Trustees' annual report

For the year ended 31 August 2021

Permanent staff undergo annual refreshers on best practice in safeguarding through local authority safeguarding services and we liaise with schools regarding at risk young people.

In order to mitigate the funding risks, we continue to diversify our funding streams across trusts and foundations, government grants, schools, corporate donations and community fundraising. We also are funding our work further in advance, meaning we have more lead time to solve problems and seek additional funders should issues arise.

We have reduced the impact of key members of staff (Senior Management Team) leaving through succession planning, ensuring that we are constantly developing staff internally so that they are ready to step into more senior roles if required. While this has improved there is still a medium level of risk here. We have also worked hard to ensure that staff across the organisation feel valued and supported by investing in training such as Management and Insights training, as well as recognising their contributions through several events during the year.

Although ongoing COVID-19 presence has halted project delivery, the trustees are confident the staff team have developed a quality online offering for the young people that need it, and trust that the team will be doing everything possible going forward to safely resume regular offline delivery.

Plans for the future

We believe the need for our work is greater than ever. As an organisation we are in a position to build on our strengths, to reach more young people and provide even more positive outcomes for the communities we serve.

Following steady growth since 2017, and a year of innovation and adaptation since the COVID-19 pandemic, the charity has set out a new strategic plan for growth over the next three years.

We've built yearly targets within the strategy to achieve these goals with our main priorities being:

- Increasing our reach
- Deepening our impact
- Sustainable income generation
- Organisational development
- Equality, Diversity and Inclusion

These plans involve building on our existing programmes and base of stakeholders.

Going concern

ReachOut has a healthy level of reserves, a growing network of supporters and a clear case for support with current and prospective funders. This, coupled with the appointment of a new Senior Management Team and the adoption of a new strategic plan, puts the organisation in a stable

Trustees' annual report

For the year ended 31 August 2021

position with a platform for future sustainable growth. This gives the Trustees a reasonable expectation that the charity has the resources required to continue operations for the next 12 months from the date of signing. Therefore, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 29 November 2002 and registered as a charity on 12 March 2003. The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Responsibility for day-to-day operations and the leadership of the staff and volunteer team is delegated to the Senior Management Team. The team is responsible for all day-to-day decisions affecting the charity. Decisions of a strategic or directional nature, including the employment of the senior staff, remain the responsibility of the Trustees, as laid out in our Delegation of Executive Powers. The Trustees are ultimately responsible for setting and approving remuneration of senior management. Remuneration is approved by the Trustees as part of the annual budget process. The charity has no subsidiaries or related parties.

A minimum of three trustees will be nominated members of the charity at the Annual General Meeting and therefore become persons of significant control. At time of founding, ReachOut's membership was separated from Trusteeship, as a separate membership and trustee cohort was envisaged by the Charity's founders. Today, the members of the charity are a subset of the current Trustee board. As membership is addressed only irregularly in order to minimise administration, it tends to be the case that the longer serving Trustees are also members.

The recruitment of Trustees comes primarily through promotion from ReachOut's board of advisors. Nominations to the board of advisors comes from contacts within the current Board and wider recommendation from other stakeholders, including volunteers and funders. Appointments are made by a vote of the existing members.

We ensure trustees complete all ReachOut relevant trainings and are fully DBS checked once they are appointed to the board.

All Trustees give their time voluntarily and receive no benefits from the charity. No expenses were claimed by the Trustees in this financial year.

Related parties and relationships with other organisations

There were no related party transactions during the year.

Remuneration policy for key management personnel

Our approach to pay is to provide fair remuneration packages for talented people who can help the charity to maximise its impact. To do this we seek to balance the need to attract and retain high calibre individuals with a need to ensure value for money for the charity.

The pay of senior staff is reviewed annually. We believe our pay is in line with the industry and take opportunities to benchmark when possible.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of ReachOut Youth for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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 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
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records 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.

The Trustees are responsible for the maintenance and integrity of the corporate and 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.

Trustees' annual report

For the year ended 31 August 2021

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2021 was 2. Three Trustees are members of the charity, but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor Sayer Vincent LLP was reappointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report has been approved by the Trustees on 22 February 2022 and signed on their behalf by Edmund Lehmann and Nimesh Patel.

Edmund Lehmann
Chair of Trustees

Nimesh Patel
Trustee

Independent auditor's report

To the members of

ReachOut Youth

Opinion

We have audited the financial statements of ReachOut Youth (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and 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 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 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 ReachOut Youth'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.

Independent auditor's report

To the members of

ReachOut Youth

Other information

The other information comprises the information included in the trustees' annual report, 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.

Opinions 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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the 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 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 the financial statements

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

To the members of

ReachOut Youth

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

13 April 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

ReachOut Youth

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 August 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations	2	555,334	55,800	611,134	360,120	179,286	539,406
Charitable activities							
ReachOut Club	3	3,000	120,682	123,682	15,650	135,669	151,319
ReachOut Academy	3	17,950	342,461	360,411	19,000	288,760	307,760
Investment income		51	–	51	519	–	519
Total income		576,335	518,943	1,095,278	395,289	603,715	999,004
Expenditure on:							
Raising funds	4	133,562	–	133,562	210,572	–	210,572
Charitable activities							
ReachOut Club	4	64,225	135,190	199,415	104,480	219,933	324,413
ReachOut Academy	4	113,461	383,753	497,214	65,143	383,782	448,925
Total expenditure		311,248	518,943	830,191	380,195	603,715	983,910
Net income for the year and net movement in funds	5	265,087	–	265,087	15,094	–	15,094
Reconciliation of funds:							
Total funds brought forward		393,331	–	393,331	378,236	–	378,236
Total funds carried forward		658,418	–	658,418	393,331	–	393,331

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

As at 31 August 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	10		–		779
			–		779
Current assets:					
Debtors	11	3,707		6,407	
Cash at bank and in hand		714,228		439,448	
		717,935		445,855	
Liabilities:					
Creditors: amounts falling due within one year	12	(59,517)		(53,303)	
Net current assets			658,418		392,552
Total net assets	13		658,418		393,331
The funds of the charity:	14				
Restricted income funds			–		–
Unrestricted income funds:					
General funds		658,418		393,331	
Total unrestricted funds			658,418		393,331
Total charity funds			658,418		393,331

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

Approved by the trustees on 22 February 2022 and signed on their behalf by

Edmund Lehmann
Chair of Trustees

Nimesh Patel
Trustee

Statement of cash flows

For the year ended 31 August 2021

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

	2021 £	2020 £
Net income (expenditure) for the reporting period (as per the statement of financial activities)	265,087	15,094
Depreciation charges	779	2,453
Decrease in debtors	2,700	21,777
Decrease in creditors	6,214	(73,051)
Net cash provided by operating activities	274,780	(33,726)

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash provided by operating activities	15		274,780		(33,726)
Cash flows from investing activities:					
Net cash (used in) investing activities			-		-
Change in cash and cash equivalents in the year			274,780		(33,726)
Cash and cash equivalents at the beginning of the year			439,448		473,173
Cash and cash equivalents at the end of the year			714,228		439,448

1 Accounting policies

a) Statutory Information

ReachOut Youth is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address is Ground Floor, 26–28 Ramsgate Street, London, E8 2NA.

b) Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

ReachOut has a healthy level of reserves, a growing network of supporters and a clear case for support with current and prospective funders. This, coupled with the appointment of a new Senior Management Team and the adoption of a new strategic plan, puts the organisation in a stable position with a platform for future sustainable growth. This gives the Trustees a reasonable expectation that the charity has the resources required to continue operations for the next 12 months from the date of signing. Therefore, the Trustees continue to adopt the going concern basis in preparing the financial statements.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether ‘capital’ grants or ‘revenue’ grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation 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. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees’ annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Notes to the financial statements

For the year ended 31 August 2021

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on projects undertaken, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on projects undertaken, of the amount attributable to each activity

- ReachOut Club 26%
- ReachOut Academy 74%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures 5% reducing balance
- Equipment 33% reducing balance

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

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

o) Creditors and provisions

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

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The charity operates a defined contribution scheme with NEST and currently contributes 2% of qualifying earnings.

Notes to the financial statements

For the year ended 31 August 2021

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Total community	48,200	–	48,200	61,348	–	61,348
Bloomberg	20,000	–	20,000	30,000	20,000	50,000
Macquarie Group Foundation	50,000	–	50,000	–	–	–
The Pokemon Company	87,417	–	87,417	–	–	–
Other corporates	122,117	–	122,117	128,721	6,250	134,971
Total corporates	279,534	–	279,534	158,721	26,250	184,971
COVID-19 Job Retention Scheme	–	–	–	81,886	–	81,886
Total government	–	–	–	81,886	–	81,886
Four Acre Trust	–	–	–	–	72,513	72,513
Garfield Weston Foundation	40,000	–	40,000	–	–	–
The Henry Smith Charitable Trust	–	55,800	55,800	–	52,900	52,900
The AKO Foundation	50,000	–	50,000	–	–	–
The Prince Andrew Charitable Trust	100,000	–	100,000	–	–	–
Other trusts	37,600	–	37,600	53,681	27,623	81,304
Total trusts	227,600	55,800	283,400	53,681	153,036	206,717
Total gifts	555,334	55,800	611,134	355,636	179,286	534,922
Donated services	–	–	–	4,484	–	4,484
	555,334	55,800	611,134	360,120	179,286	539,406

Individual funders have been listed where they account for more than 5% of total annual income, or where they requested to be named.

Donated services represents amounts received during the year for legal advice. These amounts have been calculated based on what the charity would pay for these services were they not provided pro-bono.

Notes to the financial statements

For the year ended 31 August 2021

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Total corporates	–	4,600	4,600	–	11,334	11,334
BBC Children in Need	–	35,832	35,832	–	35,332	35,332
TNL Community Fund	–	49,250	49,250	–	–	–
Wellington Management UK	–	25,000	25,000	–	40,000	40,000
Other Trusts	–	6,000	6,000	–	49,003	49,003
Total trusts	–	116,082	116,082	–	124,335	124,335
Total schools and other	3,000	–	3,000	15,650	–	15,650
Sub-total for ReachOut Club	3,000	120,682	123,682	15,650	135,669	151,319
Total community	–	13,600	13,600	–	–	–
Macquarie Group Foundation	–	–	–	–	60,000	60,000
Bank of America	–	–	–	–	38,136	38,136
Other corporates	–	23,337	23,337	–	58,124	58,124
Total corporates	–	23,337	23,337	–	156,260	156,260
Careers and Enterprise Company	–	61,749	61,749	–	–	–
Jack Petchey Foundation	–	54,500	54,500	–	54,500	54,500
The Portal Trust	–	20,000	20,000	–	20,000	20,000
The Clothworkers' Foundation	–	50,000	50,000	–	50,000	50,000
The City Bridge Trust	–	50,000	50,000	–	–	–
Other trusts	–	69,275	69,275	–	8,000	8,000
Total trusts	–	243,775	243,775	–	132,500	132,500
Total schools and other	17,950	–	17,950	19,000	–	19,000
Sub-total for ReachOut Academy	17,950	342,461	360,411	19,000	288,760	307,760
Total income from charitable activities	20,950	463,143	484,093	34,650	424,429	459,079

Individual funders have been listed where they account for more than 5% of total annual income, or where they requested to be named.

4a Analysis of expenditure (current year)

	<u>Charitable activities</u>						
	Cost of raising funds £	ReachOut Club £	ReachOut Academy £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 6)	128,132	140,268	340,272	6,844	104,859	720,375	801,738
Direct project costs		8,220	20,235	–	–	28,455	59,155
Rent, light and heat	–	8,334	15,078	–	10,134	33,546	45,569
Travel expenses	(52)	–	–	–	11	(41)	2,714
Miscellaneous office costs	228	–	–	3,179	16,765	20,172	30,275
Recruitment and other staff costs	498	–	363	–	6,059	6,920	7,709
Legal and professional fees	1,462	812	2,349	–	12,847	17,470	15,397
Fundraising costs	3,294	–	–	–	–	3,294	16,870
Donated services (Note 2)	–	–	–	–	–	–	4,484
	<u>133,562</u>	<u>157,634</u>	<u>378,297</u>	<u>10,023</u>	<u>150,675</u>	<u>830,191</u>	<u>983,910</u>
Support costs	–	39,175	111,500	–	(150,675)	–	–
Governance costs	–	2,606	7,417	(10,023)	–	–	–
Total expenditure 2021	<u>133,562</u>	<u>199,415</u>	<u>497,214</u>	<u>–</u>	<u>–</u>	<u>830,191</u>	
Total expenditure 2020	<u>210,572</u>	<u>324,413</u>	<u>448,925</u>	<u>–</u>	<u>–</u>		<u>983,910</u>

ReachOut Youth

Notes to the financial statements

For the year ended 31 August 2021

4b Analysis of expenditure (prior year)

	Charitable activities					
	Cost of raising funds £	ReachOut Club £	ReachOut Academy £	Governance costs £	Support costs £	2020 Total £
Staff costs (Note 6)	193,702	180,093	287,058	2,739	138,146	801,738
Direct project costs	–	27,084	32,070	–	–	59,154
Rent, light and heat	–	15,138	16,760	–	13,671	45,569
Travel expenses	–	–	–	–	2,714	2,714
Miscellaneous office costs	–	–	–	4,825	25,450	30,275
Recruitment and other staff costs	–	–	–	–	7,709	7,709
Legal and professional fees	–	–	–	–	15,397	15,397
Fundraising costs	16,870	–	–	–	–	16,870
Donated services (Note 2)	–	–	–	4,484	–	4,484
	210,572	222,315	335,888	12,048	203,087	983,910
Support costs	–	96,380	106,707	–	(203,087)	–
Governance costs	–	5,718	6,330	(12,048)	–	–
Total expenditure 2020	210,572	324,413	448,925	–	–	983,910

5 Net income for the year

This is stated after charging :

	2021 £	2020 £
Depreciation	779	2,453
Operating lease rentals:		
Property	28,421	28,193
Auditor's remuneration (excluding VAT):		
Audit	7,800	6,600
	<u>7,800</u>	<u>6,600</u>

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	591,890	720,544
Consultancy Fees	52,072	–
Termination Payments	12,000	–
Social security costs	49,713	63,739
Employer's contribution to defined contribution pension schemes	14,700	17,455
	<u>720,375</u>	<u>801,738</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2021 No.	2020 No.
£60,000 to £69,999	–	1
	<u>–</u>	<u>1</u>

The total employee benefits including employers' national insurance and pension contributions of the key management personnel were £134,985 (2020: £172,412).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2020: £nil).

7 Staff numbers

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

	2021 No.	2020 No.
Raising funds	3.7	4.3
ReachOut Club	4.2	9.0
ReachOut Academy	11.9	10.0
Support	2.3	2.5
	22.0	25.8

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Raising funds	3.7	4.3
ReachOut Club	15.7	31.4
ReachOut Academy	44.7	34.8
Support	2.3	2.5
	66.4	73.0

8 Related party transactions

There are no donations from related parties which are outside the normal course of business.

9 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

	Fixtures and fittings £	Total £
Cost		
At the start of the year	2,337	2,337
Disposals	-	-
At the start and end of the year	2,337	2,337
Depreciation		
At the start of the year	1,558	1,558
Charge for the year	779	779
Disposals	-	-
At the end of the year	2,337	2,337
Net book value		
At the end of the year	-	-
At the start of the year	779	779

All of the above assets are used for charitable purposes.

11 Debtors

	2021 £	2020 £
Trade debtors	–	200
Prepayments	3,707	6,207
	<u>3,707</u>	<u>6,407</u>

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	6,646	4,358
Taxation and social security	15,405	20,707
Pension	2,412	3,233
Accruals	8,590	14,487
Deferred income	26,464	10,518
	<u>59,517</u>	<u>53,303</u>

Deferred income comprises grant income received in the year but which has a time bound criteria not met at the balance sheet date.

13a Analysis of net assets between funds (current year)

	General Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	–	–	–
Net current assets	658,418	–	658,418
Net assets at the end of the year	<u>658,418</u>	<u>–</u>	<u>658,418</u>

13b Analysis of net assets between funds (prior year)

	General Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	779	–	779
Net current assets	391,494	–	391,494
Net assets at the end of the year	<u>392,273</u>	<u>–</u>	<u>392,273</u>

14a Movements in funds (current year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
ReachOut Club	–	120,682	(120,682)	–	–
ReachOut Academy	–	342,461	(342,461)	–	–
Central cost grants	–	55,800	(55,800)	–	–
Total restricted funds	–	518,943	(518,943)	–	–
Unrestricted funds:					
General funds	393,331	576,335	(311,248)	–	658,418
Total unrestricted funds	393,331	576,335	(311,248)	–	658,418
Total funds	393,331	1,095,278	(830,191)	–	658,418

14b Movements in funds (prior year)

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
ReachOut Club	–	135,669	(135,669)	–	–
ReachOut Academy	–	288,760	(288,760)	–	–
Central cost grants	–	179,286	(179,286)	–	–
Total restricted funds	–	603,715	(603,715)	–	–
Unrestricted funds:					
General funds	378,236	395,289	(380,194)	–	393,331
Total unrestricted funds	378,236	395,289	(380,194)	–	393,331
Total funds	378,236	999,004	(983,910)	–	393,331

Purposes of restricted funds

The funds for ReachOut Club are utilised to provide mentoring programmes to primary school children (year 5/6) from a partner school.

The funds for ReachOut Academy are utilised to provide mentoring programmes to secondary school children (years 7 to 11) from a partner school.

The Central cost grants are restricted funds that cover the salary cost of members of the Senior Management Team.

15 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	2021 £	2020 £
Less than one year	2,539	2,539
	<u>2,539</u>	<u>2,539</u>

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.