

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.

Trustees' annual report

For the year ended 31 August 2021

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

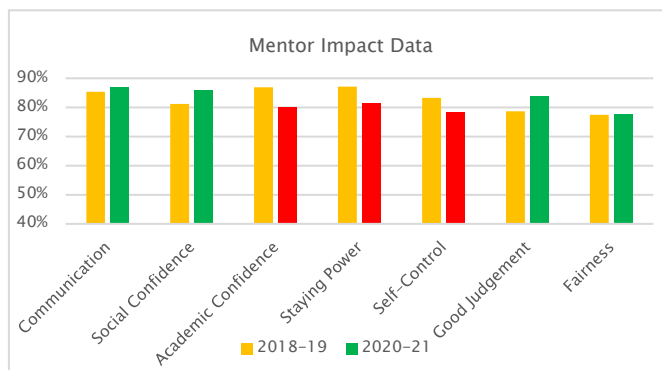
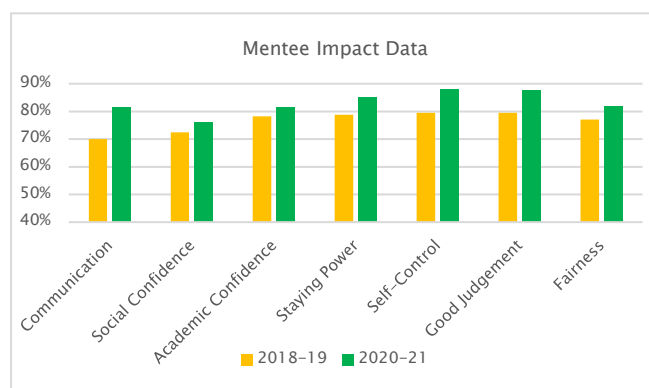
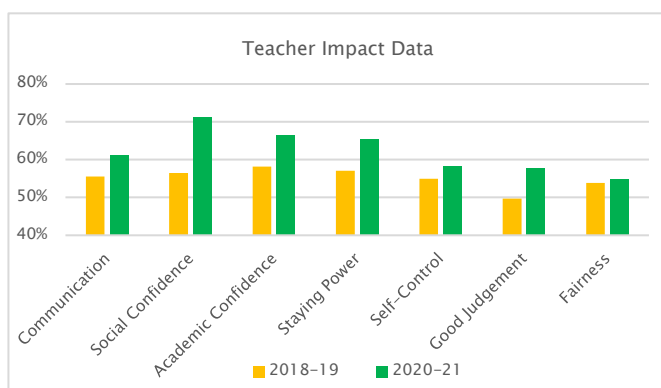
For the year ended 31 August 2021

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.

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.

Notes to the financial statements

For the year ended 31 August 2021

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>

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.