

Company number: 4604379
Charity number: 1096492

ReachOut Youth

Report and financial statements
For the year ended 31 August 2023

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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.

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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
	95,468	58,229

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
	158,377	105,990

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	479,699	–	479,699

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	563,996	–	563,996

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	
	118,938	13,922

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.