



Impetus 2021 Annual accounts

Annual report and consolidated
financial statements for the year
ended 31 December 2021

Impetus – The Private Equity Foundation (Impetus) is a company limited
by guarantee (number 08460519) and a registered charity (number 1152262).



Reference and administrative details



Impetus – The Private Equity Foundation (Impetus) is a company limited by guarantee (number 08460519) and a registered charity (number 1152262).

TRUSTEES

Henneke Smits, Chair

Louis Elson (Resigned December 2021)

Bill Benjamin

Filippo Cardini

Charles Edwards

Lisa Stone

Simon Turner

Shani Zindel

Robert Ramseur

Rohan Haldea

Vanessa Mayden

Natasha Porter

Joseph Schull (Appointed December 2021)

Chief Executive Officer: Eleanor Harrison OBE

Registered Office: Golden Cross House
8 Duncannon Street
London, WC2N 7JF

Auditors: Haysmacintyre LLP
10 Queen Street Place
London, EC4R 1AG

Primary Banker: NatWest
127-128 High Holborn
London, WC1V 6PQ

Investment Managers: Goldman Sachs International
Plumtree Court
25 Shoe Lane
London, EC4A 4AU

Reference and administrative details.....	2
Contents.....	3
Chair’s report.....	4
Chief Executive Officer’s report.....	5
Objectives and activities.....	7
Supporting our charity partners to deliver.....	13
Co-investment and partnerships.....	19
Influencing the Government agenda.....	20
Youth Endowment Fund.....	21
Financial review.....	23
Structure, governance and management.....	27
Donors	31
Statement of Trustees’ responsibilities.....	33
Independent auditor’s report to the members of Impetus.....	34
Consolidated and charity statement of financial activities for the year ended 31 December 2021	37
Consolidated cashflow statement for the year ended 31 December 2020	40
Notes to the financial statements	41

Chair's report

As the year began, the effect of school closures, the missed opportunities to gain those valuable first steps into work, and the impact on the wellbeing and motivation of young people of lost time was all too clear. But even in these challenging times there was hope. Our charities remained resolute to help young people from disadvantaged backgrounds to achieve in school, work and life.

At Impetus, we were more determined than ever, working alongside our charity partners to support them to deliver more and better outcomes for the young people they serve. Impetus was founded on the principle of not just funding charities but working shoulder to shoulder alongside them to help them learn, grow and prosper. Our team had to adapt and adapt again while delivering our strategic aims, working with many more partners and growing our portfolio to significantly increase our reach and impact.

We have been generously supported by our donors. We celebrated the opportunity to meet again in person, raising a record breaking £1.5m at our Transforming Lives Dinner. I am personally grateful for our donors who weathered the storm with us, and I am delighted to welcome new donors to join us in tackling the challenges ahead.

This year our strategy took flight. We began our work with five leading charities in our Engage Fund, delivered in partnership with the Henry Smith Charity. Working together we are supporting these charities to tackle the negative effects of the high rates of school exclusion and the unacceptably poor outcomes in credible GCSE results from alternative provision.

We also welcomed our first two charities to the Connect Fund. This fund is focussed on tackling the employment gap faced by young people from ethnic minority and socio-economic disadvantaged backgrounds, to promote systemic change towards a more racially equitable society. As part of this fund and our commitment to race equity we went further, launching the Impetus Leadership Academy. The Academy will support talent from ethnic minority backgrounds in the UK youth sector to progress into senior leadership roles, and contribute to the national conversation on issues facing young people from ethnic minority backgrounds in the UK. This commitment is held strongly by the Board, and we too looked at how we can better benefit from the insight and inspiration of a more diverse team.

The value of partnerships and collaborations, introducing more co-investments and exploring new funding streams, is at the heart of the ethos of Impetus. We will continue to forge ahead finding new ways to bring to life our value of meaningful collaboration with supporters, charity partners and decision makers.

Today our mission is more urgent than ever. Our strategy for the coming three years is clear: to grow our impact while delivering sustainably. Working with others to channel more resources to where they will do the most good, for the greatest number of young people from disadvantaged backgrounds, is crucial if we are to achieve the scale of change that we want to see.

Hanneke Smits, Chair

Chief Executive Officer's report

I joined Impetus as our new CEO in the middle of the COVID-19 Pandemic. It's easy to forget how difficult those times were for all of us. We were living in an uncertain world. Young people from disadvantaged backgrounds were losing their jobs, losing their chance to prove their academic ability in the exam hall and, worst of all, often losing their hope for the future.

Too many young people from disadvantaged backgrounds continue to face the long tail of this crisis. Even as we seek to catch up these lost opportunities to learn, work and connect, rebuilding livelihoods and restoring hopefulness, we face a much deeper post-pandemic challenge.

The disadvantage gap in education and employment, which was exacerbated by the pandemic, has resettled to pretty much where it was before lockdown – but with much higher numbers of young people now sadly classified as disadvantaged. In fact, it has remained as stark through recession and recovery for over a decade. For young people in long-term poverty, the disadvantage gap in education has failed to improve since 2011. Despite record levels of participation in full-time education, overall unemployment at its lowest since the 1970s and record vacancies, **1 in 8 young people** are still outside learning or work. We must do more and do better to address this or we are doomed to repeat it for another decade.

Unless we change how we work as funders, the charities we support will not be able to meet this post pandemic challenge.

Our unique position has given us the freedom to stand by our charity partners and the flexibility to collaborate with like-minded organisations to explore new solutions to long-term problems.

We have moved swiftly to form new, bold partnerships including the **Connect Fund**, to help decrease the employment gap faced by young people from ethnic minority, disadvantaged backgrounds, and promote systemic change towards a more racially equitable society. We also launched the **Engage Fund** with the Henry Smith Charity to help reduce permanent school exclusions and improve the quality of alternative provision.

We hosted the **Fair Access Coalition** of charities focussed on increasing the number of young people from underrepresented groups in higher education. Together we opposed plans to introduce a system of Post Qualification Admissions that would mean many more young people from disadvantaged backgrounds not accessing the support they need to go to university.

We continued to grow and develop the **Youth Endowment Fund** during the year; providing both the needed group support and freedom to help the Youth Endowment Fund to focus on its mission to establish what works in reducing youth violence and deliver evidence-based change. We disbursed £17.5m to projects during the year and 43 evaluations are now being conducted. The Youth Endowment Fund Toolkit was also launched during the year, providing free, clear and accessible summaries of current evidence on what works for academics, practitioners and policy makers alike. Please do look at the Youth Endowment Fund Charitable Trust Annual Report and Accounts for further detail.

We have put our organisation on a stable footing so that we can continue our promise to the charities we support. We see our inclusivity and diversity as our strength, so we are taking forward the recommendations of our **Race Equity Taskforce** in every part of our organisation.

We have sought to be more transparent as a funder, running an open grant round for the first time.

And we have been together again. We have hosted our much-loved fundraising events like the Transforming Lives Dinner and Triathlon and held new ones like our Real Estate event. We have brought together our charity partner CEOs for peer learning forums. We have held team days to agree our vision and values.

All this has meant that this year we have grown at an unprecedented pace. We have driven significant rise in our income. We have built the size and strength of our charity portfolio. We have deepened our influence with decision makers. Most importantly, we have helped more young people from disadvantaged backgrounds achieve more and better outcomes in education and employment.

We know that the path to change is hard, which is why we provide long term, unrestricted funding and embedded support to our charities that helps them to build powerful leadership teams, learn how to measure their impact and deliver truly impact led organisations. We know that to deliver lasting, systemic change we need to build on our trusted relationships with decision makers in Government and elsewhere, setting out bold, evidence-led proposals.

As we face the post pandemic challenge together, we have an opportunity to pause and reflect on how we work as funders to bring about lasting change in the outcomes for young people from disadvantaged backgrounds. There is much to learn, and we will try - and fail at times. But we believe that if we can succeed, we can build a movement that can make sure that every young person can achieve in school, work and life.

Eleanor Harrison OBE, Chief Executive

2021 Trustees' report

The Trustees, who are also the directors of the charitable company, are pleased to present their annual report on the work of Impetus and the Group in 2021 and its plans for 2022, together with the financial statements for the year ended 31 December 2021.

Objectives and activities

Impetus is a registered charity and a company limited by guarantee. Our governing document is the Memorandum and Articles of Association incorporated on 23 March 2013. Impetus has a wholly owned trading subsidiary, PEF Trading Limited. It is also the sole corporate trustee of The Youth Endowment Fund Charitable Trust, which is a registered charity in England and Wales, number 1185413.

We support young people from disadvantaged backgrounds to help them succeed in education, employment and life by finding, funding and building the most promising charities, working in partnership with other funders to back effective interventions, and influencing government and the wider sector to back effective support.

We are focused on delivering better outcomes for young people in:

- Age-expected SATS at 11
- GCSE English and Maths by age 19
- University access for underrepresented groups
- Sustained employment
- Reduced youth offending (delivered through the Youth Endowment Fund)

The following report focuses on our work to improve education and employment outcomes.

Our work to reduce youth offending is covered in detail in the Annual Report of the Youth Endowment Fund Charitable Trust.

The ambition in our 2020-2023 strategy is to significantly increase our impact and influence in the sector whilst delivering improved sustainability. Ultimately, it is about helping more young people from disadvantaged backgrounds achieve more and better education and employment outcomes.

We aim to do this by:

- Growing our charity portfolio to 30 charities whilst sharpening our core investment model and outcomes framework.
- Investing in partnerships with both public and private funders to drive more funding to effective interventions.
- Continuing to grow our policy influence; with a key commitment to engaging the expertise, insights and voices of our portfolio charities in our research and influencing work.
- Better integrating our investment and policy work to drive more and better education and employment outcomes both within our portfolio charities and beyond.
- Delivering a happy, inclusive, productive and sustainable organisation where people thrive.

Our objectives for 2021

We set ourselves the following priorities for 2021:

- Launching two new funds on school exclusions and race equity and youth employment and adding new charities to grow our reach, outcomes and influence in areas of identified need.
- Critically assessing our impact to date through our model; the priority areas of support and new emerging needs for charities as the external environment evolves for the third sector. This is needed to ensure we continue to grow our impact efficiently and effectively.
- Being a valued critical friend, hands on supporter and champion of quality at scale in our partnerships in the Youth Employment Group, National Tutoring Programme and Fair Access Coalition; ensuring that young people from disadvantaged backgrounds remain the priority of government in terms of education catch up and employment support.
- Testing, iterating and cementing new ways of working internally to maximise the learning, insights and expertise between our policy and investment teams.
- Both diversifying and deepening our donor relationships. We will deliver a new fundraising strategy in 2021 and engage with our wonderful supporters in growing our income to support more young people with our proven model.

Our year in impact

10 M

Grown our income to
£10m+ (including pro-bono).

25+

Brought in over 25 new
donors this year for our work;
covering core fundraising,
co-investment and the
new Connect Fund.

New Investments

Made 8 new
investments and
1 reinvestment.

113,500 to 177,500

The number of disadvantaged young people
supported by Impetus portfolio charities grew
from 113,500 to 177,500.

Our year in impact

- Our portfolio charities have continued to improve their impact on disadvantaged young people's lives. For example:
 - In 2021 80% of the young people supported by our partner charity Action Tutoring achieved GCSE grades 4 in English and Maths compared to 62% in 2017.
 - Our partner charity ThinkForward increased the number of young people they supported into education, training or employment by 10% compared to 2017 (55% to 65%).
 - Our partner charity The Access Project increased the number of young people securing a university place by 14% (53% to 67%).
- Alongside this we influenced critical policy discussions and funding decisions on the reform of access to higher education, the impact of the COVID-19 pandemic on young people's employment opportunities and the investment in catch up for lost learning at school, including:
 - Protecting widening participation funding and opposing new university entrance schemes that would disadvantage young people from underrepresented groups. This benefitted more than 5,000 young people not accessing university.
 - Making the case for the youth provisions of the Plan for Jobs, including the Kickstart scheme which will benefit more than 100,000 unemployed young people to be helped into work.
 - Supporting the design and delivery of the National Tutoring Programme, benefitting more than 100,000 children in receipt of Pupil Premium.

City Gateway supports Mukadim to get back to work

Impetus have been supporting City Gateway since 2014, investing £2.1m in core funding and £940,000 in non-financial support to help them thrive despite the difficult circumstances.

Mukadim lost his job during the first COVID lockdown. The job market was at its toughest and he didn't know how apply for opportunities. After a series of rejections, he gave up.

Mukadim learnt about City Gateway online. He was supported remotely by a personal Employability Coach who taught him how to develop his CV, write a cover letter and adapt both to meet the requirements of a job description.

Six months on, Mukadim was able to secure a job through the Kickstart scheme working as an administrator and Early Years Assistant. He now works at Marks & Spencer in the evening and is hoping to save enough to set up his own company.

Supporting our charity partners to deliver

At the core of our work are the charities we find, fund and build.

We have made strong progress towards our goal of investing in 25-27 charities by the end of 2022, starting 2021 with 13 charities in the portfolio and finishing the year with 20, with total grant funding of £3.5m which includes our co-investment grant. As part of our continued co-investment partnerships, grants of £1.55m were made to 8 charities.

Following a year of investment in internal performance management, we ran a robust annual portfolio review session in November, looking at outcomes, reach, the value we add, and allocation of resources. We found that our whole portfolio is performing well – with growth in reach, outcomes and financial sustainability across the board. For example, our Direct Fund charities have seen a 24% average annual growth in reach since entry into the portfolio.

Total outcomes for our core charities have also increased significantly. Through a combination of new investments and growth of existing charities, we significantly increased our reach in 2021 from 113,500 young people to 177,500.

In 2021, we introduced two new funds, the Engage Fund and the Connect Fund. The Engage Fund distributed £460,000 to five charities and the Connect Fund distributed £80,000 to two charities during the period. We also started the pipeline work for three new investments in social and emotional learning for attainment with our first open grant round alongside our ongoing intense capacity building support with every charity in our portfolio.

**"The level of support and
commitment to delivering outcomes
to our young people is unparalleled"**

**Response from a portfolio charity CEO
(in our anonymous survey)**

Challenge and support to grow with impact:

The Tutor Trust

The Tutor Trust provides tutoring support to young people from disadvantaged backgrounds - particularly in deprived areas in the North of England, who are falling behind at school. Their work helps these young people to achieve national standards of reading and writing and to pass their GCSEs. Tutoring is one of the best approaches to increasing outcomes for young people from disadvantaged backgrounds: evidence shows that 15 hours of tutoring has a statistically significant impact on a young person's attainment.

The organisation has grown reach significantly through the National Tutoring Programme from around 2,000 young people in 2019 to 6,000 young people in 2022. With growth came challenges in ensuring that every young person receives the full 15 hours of tutoring that is intended.

We worked with the Head of Impact to develop an impact plan with the right KPIs for session attendance and amounts of tutoring. We helped the team to setup impact dashboards to better track and monitor KPIs and individual school progress so they could see the difference they were making and adjust their plans to deliver the greatest impact. Through our day to day support we provided constructive challenge to CEO and Board to prioritise tracking and monitoring of KPIs and embed the work of the Head of Impact in delivery.

Tutor Trust provides small group (1:3) and 1:1 tutoring to young people in schools across the North of England, helping those from more disadvantaged communities to achieve their potential at school. Their support helps these young people to achieve national standards in Maths, English and Science, supporting them throughout the year, especially in advance of GCSEs and SATs. Tutoring is one of the best approaches to improving outcomes for young people from disadvantaged backgrounds: Evidence shows that 12 hours of tutoring has a statistically significant impact on a young person's attainment.

The organisation has grown its reach significantly through the National Tutoring Programme, from supporting around 2,500 young people in the academic year 2019/2020 to over 6,500 in 2021/2022. With growth came increasing challenges to ensure that every young person received the full 12 hours of tutoring. This challenge was magnified by the disruption of programmes and high rates of school absence during the Covid-19 pandemic.

We worked with the Director of Impact to develop an impact plan with the right KPIs for session attendance and amounts of tutoring. We helped the team to set up impact dashboards to better track and monitor KPIs and individual school progress so they could see the difference they were making and adjust their plans to deliver the greatest impact. Through our day-to-day support we provided constructive challenge to the CEO and Board to prioritise tracking and monitoring of KPIs and embed the work of the Director of Impact in delivery.

We also worked with the CEO and Board of Tutor Trust to ensure all tutoring was sold in 15-hour blocks, to make certain, allowing for absences, that the majority of tutees achieved a minimum of 12 hours of tutoring support, which is proven to have the greatest impact.

Peer Learning

Through regular peer learning forums we worked with our charity partners to help them focus on achieving impact and achieve measurable and lasting change. We held:

4 Impact Forums - including evaluation in COVID times.

“Our qualitative data collection will be a big focus next year. Impetus can help by sharing best practice on processes for collecting qualitative data and also best practice for analysing this information.” - Impact forum attendee (in our anonymous survey)

3 CEO Forums - including topics such as pitching for funding.

“Impetus led by example, through sharing the hard work it has already done on this agenda. Impetus and others shared really honestly about the dynamics and difficulties of making progress on this complex and sensitive agenda. It was a frank and fruitful discussion.” - CEO forum attendee (in our anonymous survey)

1 Communications Forum - focused on communicating impact.

“Understanding the motivations of both the impact team and the comms team will really help ensure that the impact data itself and communicating impact data align.”

- Communications forum attendee (in our anonymous survey)

Value added to our charity partners

Since Impetus and its predecessors were established, we've raised £149.7m of value towards our mission (excluding the £200m Home Office grant in respect of the Youth Endowment Fund). This includes the donation and investment income we've secured, the pro-bono services donated to us and our portfolio of charities, and the additional funds the charities have been able to raise with our support.

The table below shows the cumulative value that we generated for our charities by the end of 2021 and how much we generated in 2021. The difference between the £6.3m of value raised towards our mission and the £13m on the full value basis in the table below is leverage, which is income raised by our charity partners due to their relationship with Impetus, and co-investment funds paid directly to charity partners. Both income streams do not pass through Impetus, but are received by the charities directly, and therefore cannot be recognised on a statutory basis.

In accordance with accounting standards, pro-bono services donated that are recognised in the financial statements, ('statutory basis' in the table below), only include those services provided by an individual or entity as part of their trade or profession.

The 'full value' basis in the table includes additional funds raised for charities. These are included in the accounts of those charities and not Impetus' financial statements.

£'000s	2021	Since inception
Grants to Charities	3,496	54,188
Pro-bono services donated to charities	991	31,080
Value of Impetus Team	1,875	28,592
Value to Charities (Statutory basis)	6,362	113,860
Co-Investment support to charities not through Impetus	140	1,617
Leverage	6,542	34,229
Value to Charities (Full value basis)	13,044	149,706

"There is no doubt in my mind that we are where we are today and have achieved the growth and impact we have in large part due to our very powerful partnership with Impetus" –

**Response from a portfolio charity CEO
(in our anonymous survey)**

Co-investment and partnerships

Through the Youth Employment Group, we have continued to play a vital role in putting youth employment at the forefront of the Government response to the pandemic. We regularly engage with the Departments for Education, Work and Pensions and the Treasury, and have played a key role in shaping the Plan for Jobs, including the Kickstart scheme and Youth Hubs. With the support of the Westminster Foundation, we have supported seven subgroups of interested organisations, focusing on the critical issues facing the groups of young people most affected by shocks to the labour market. The subgroups made significant progress informing national policy positions, driving sector consensus and commissioning new research to deepen understanding of the persistent barriers that young people face.

Through the Fair Access Coalition, which we convene with our portfolio charities and other key players, we engaged the regulator the Office for Students, and hosted a roundtable with young people discussing widening participation with the new Chair. We also increased our engagement with the Department for Education, through our thoughtful and timely engagement in the post qualifications assessment debate.

We made considerable progress towards delivering our strategic aim of convening like-minded funders on the issues of school exclusions, alternative provision and race equity in employment.

Having launched our new Engage Fund with the Henry Smith Charity, we welcomed 5 new charities in June 2021 working across the spectrum of reducing internal exclusions, supporting teachers and improving the quality of alternative provision. Engage aims to tackle the rising number of school exclusions and improve outcomes for young people in alternative provision, including the shocking statistic that only 6.5% of young people who sit their GCSEs in alternative provision get English and Maths GCSEs, compared to 65% in state schools.

Our co-investment in this fund means we are now reaching 44,500 young people at risk of exclusion or in alternative provision. We have worked with our new charities to align their work to our impact approach and identify a shared agenda for influencing the wider system.

We achieved our ambition of establishing a new fund focussed on race equity in employment and launched the Connect Fund with partners. The Connect Fund sits within our broader work on race equity and diversity and aims to help decrease the employment gap faced by young people from ethnic minority, disadvantaged backgrounds and promote systemic change towards a more racially equitable society. We welcomed our first two charities MAMA Youth and Career Ready into this fund and started our work to build and scale their effective, impact-led employment programmes.

Addressing systemic racism through the work we support

In August 2020, following the Black Lives Matter movement and the killing of George Floyd, we started a Race Equity Taskforce internally to look at every aspect of our organisation and our work from a race equity lens, and identify recommendations for improvement. Those recommendations were unanimously approved by our Board in March 2020. You can find out more about our work at: www.impetus.org.uk/race-equity-diversity

We sought funding partners to launch a new fund focused on race equity and youth employment and are delighted to now be working with The Centrebridge Foundation, Allan and Gill Gray Philanthropy, The Towerbrook Foundation, Sainsbury's and Bain and Company on this work. Our Youth Jobs Gap research highlighted that young people from ethnic minority backgrounds are twice as likely to be unemployed as their white counterparts in the UK. Our Connect Fund aims to look strategically at what works in reducing the employment gap and how to use that evidence to influence funders and employers.

We also kicked off our Impetus Leadership Academy, made possible with the generous support of Bank of America, with a brilliant cohort of 12 emerging leaders from ethnic minority backgrounds working in the UK youth sector. Over the course of the programme, we will be running a series of workshops and other activities to further develop and build their skills.

Influencing the Government agenda

Educational attainment

We supported the Education Endowment Foundation (EEF) to roll out the first year of the National Tutoring Programme (NTP). The programme supported over 200,000 young people, despite the challenges of further school closures. Alongside our partners Nesta we provided capacity building support to the 33 tuition partners. Thanks to the enthusiasm for tutoring, the Government committed over a billion pounds to fund up to 6 million tutoring courses.

In the debate about post-pandemic catch-up, the proposal to lengthen the school day became popular within Government and sector. Our research found that across everything we measured, including levels of deprivation, attainment and the attainment gap between young people from disadvantaged backgrounds and their better-off peers, the relationship between the length of the day and the outcomes wasn't clear cut. We argued that much more research, on a much bigger scale, was needed.

Access to higher education

We have been pleased to see the potential move to a system of post-qualifications admissions rejected in favour of reforms that will have greater impact on fair access, something we campaigned for over the course of the last year.

Sustained employment

Following our urging, the Government extended the Kickstart scheme in Q4, providing 6 month paid work placements for young people who have been out of education, employment or training for more than 6 months. Over 100,000 young people have started placements so far.

Working together to deliver an impact model for Youth Hubs

Working in partnership with the West Midlands Combined Authority (WMCA) and the department for Work and Pensions (DWP), we delivered a series of theory of change workshops for the new Youth Hub in Birmingham. Youth Hubs are a new government youth employment initiative, aiming to bring together a range of services to give young people joined up support outside the jobcentre. By adapting our model, we've produced a Blueprint for what the service should look like, with lessons for Government to take forward to the 150 other Youth Hubs across the country.

Securing the resources to deliver

With the support of existing and new donors we secured over £8 million in philanthropy income in 2021, bringing in 88 new donors this year, alongside all our event supporters, for core fundraising, co-investment and our Connect Fund.

We were pleased to be able to return to in person events, hosting our Transforming Lives Dinner at the Natural History Museum, bringing 400 people together for the first time since 2019 under the banner of 'making up for lost time'. In that one evening we raised a record breaking £1.5m. We also held our Triathlon in person again, bringing together more than 300 people and raising over £450k.

Our pro-bono programme delivered £1.72m of value to Impetus and our portfolio charities, finding ways to adapt practices to online working when necessary. We increased the number of Impetus donors to our supply of pro-bono supporters, including support in marketing and communications, as well as the usual strategy, business planning, financial due diligence and mentoring that we rely on to drive impact with our charities.

Youth Endowment Fund

Impetus is the sole corporate Trustee of The Youth Endowment Fund (YEF) and therefore their accounts are consolidated with Impetus core in the Impetus group accounts. The Youth Endowment Fund (YEF) exists to prevent children from becoming involved in violence. The Fund's vision is 'a world where no child or young person becomes involved in violence' with a mission to find what works and build a movement to put this knowledge into practice.

Our primary objective in 2021 was to ensure YEF had the resources, governance, strategic clarity and personnel to deliver on this mission. To avoid duplication, details on the Youth Endowment Fund are included in the annual report and financial statements produced for The Youth Endowment Fund Charitable Trust which is a registered charity (number 1185413).

Our People and Operations

We made a welcome return to the office in 2021, finding a new home in central London and bringing together our team and our partners face to face after a prolonged period of remote working.

To bring our team back together we ran interactive 'Values Sessions' in Q3 and 4 discussing existing and aspirational values that matter to staff that can be key guiding principles in how we work, behave and thrive. We also ran a series of creative away days, which gave us time to reconnect and learn together as a team.

We put in place systems to support a hybrid working approach, ensuring staff had the necessary equipment to successfully work from home as well as the office support to run hybrid meetings.

We continued to be dedicated to attracting the best talent to Impetus through our pay policy and flexible working arrangements alongside a robust performance management process and improvements to our learning and development offer.

Conscious of our responsibilities to the safety of young people we undertook safeguarding training as an organisation.

Our focus areas for 2022

Looking ahead to 2022 we are keeping our focus on our longer-term strategy while learning and growing as an organisation. We have set ourselves the following goals for 2022:

- Maintain our growth momentum on investment with a target of reaching 309,000 young people, with at least 60% of 2022 programme graduates achieving outcomes during the year.
- Deliver £7.4m in income by maintaining high donor retention, securing further income for the Connect Fund and continuing to diversify our unrestricted donor base.
- Through our policy work, shape the post-pandemic employment plan and protect Higher Education funding for young people from disadvantaged backgrounds.
- Roll out our new communications strategy to build our brand, with a focus on building awareness of our work and honing our messaging on our impact.
- Shape our culture and ways of working to act as "one Impetus" and develop an operating platform that is fit for growth.

Financial Performance

Impetus Group

Our income in 2021 was £21 million compared with £13 million in 2020, the substantial increase reflecting a £6.7m increase in donations and grant income across the group. The total group funds at the end of 2021 were £204m (2020: £202 million).

The main change to the balance sheet was an increase in group cash balances by £5 million and a decrease in investments to £2 million, reflecting the spend-down nature of the Home Office grant.

£'000s	2021	2020	Variance
Income	20,790	13,147	7,643
Expenditure	(28,106)	(24,939)	(3,167)
Net income/expenditure	(7,316)	(11,792)	4,476
Investment gains	9,190	9,527	(337)
Surplus/(deficit)	1,874	(2,265)	4,139

Balance Sheet	2021	2020	Variance
Fixed assets	147	5	142
Investments	192,170	194,221	(2,051)
Current assets	12,803	8,395	4,408
Creditors	(1,320)	(695)	(625)
Net Assets	203,800	201,926	1,874

Impetus (excluding the Youth Endowment Fund)

Our income in 2021 was £10.0 million (2020: £7.3 million). We received generous financial support from four main sources: individual donations, corporate sponsors, grant making trusts and foundations, and public funding. Grants and donations increased from £6.3 million to £8.1 million. We saw an increase in our income from fundraising events from £1.0 million to £1.9 million, largely due to a record breaking Transforming Lives Dinner fundraiser.

Our income includes the value our pro-bono experts contributed in the form of donated services. This was £1.72 million over the past year, compared to £1.75 million in 2020.

Our expenditure increased from £7.5 million to £8.0 million, reflecting the fact that we were able to convene much of our fundraising events in year, bringing in record levels of income, and we were able to increase our grant spend to charities by £300k.

Youth Endowment Fund

We received a £200 million grant from the Home Office in April 2019 which is to be spent over ten years to 2029. The grant was included in full in the income for 2019. The investment generated returns of £4.9 million in 2021 (2020: £4.8 million). The grant is treated as a restricted fund and at the year-end amounted to £195.6 million, with a small deficit of £12k on the unrestricted fund, which will be met by supplementary funding in 2022.

Expenditure in 2021 totalled £20.2 million, of which £14.0 million was on grants to interventions. Investment performance remained strong in 2021, however since the year end equities within the portfolio suffered from the impact of the geopolitical environment. Our exposure is well managed in order to deal with short term market fluctuations.

Reserves and reserves policy

Impetus (excluding the Youth Endowment Fund)

Impetus has healthy unrestricted reserves and a strong cash position at the balance sheet date. Our reserves policy, as initially approved by the Board in March 2014, entails:

- Minimum unrestricted funds being set as six months operating costs and the cash cost of any office lease commitment up until the break; and
- Unrestricted funds not being designated by the Trustees. Rather, a narrative is used to explain how unrestricted funds would be used against ongoing grant agreements and planned new investments.

Our unrestricted funds were £7.6 million as at 31 December 2021 (2020: £5.9 million). The minimum level of unrestricted reserves to comply with our reserves policy is £2.1 million (2020: £1.3 million).

However, given the longer-term nature of our investments, a proportion of our funds are earmarked at fulfilling future funding commitments to our charities' partners. The total value of grants to portfolio charities that are authorised but not accrued as expenditure at 31 December 2021 was £1.8 million (2020: £1.8 million).

These grants only become an obligation to Impetus if the charities achieve specific milestones. The authorised amount of £1.8 million relates to the current portfolio charities and excludes any amounts in respect of new investees or next phase investments yet to be approved by the Investment Committee. If all current grant agreements progress as planned, then the grants made in 2022 will be £1.3 million.

Our level of reserves is such that we can reduce them over the next few years (though remaining above the minimum level) as we continue to support more organisations, including through grants and funds, for a significant period in their journey to scaling impact.

In the longer-term, we will need to raise additional funds to fulfil our commitments and the strategy agreed by the Board in December 2019 is designed to increase our sustainability.

Youth Endowment Fund

The Impetus board, as sole Trustee, agreed a policy of holding minimum restricted funds in respect of the Home Office funded work equal to six months operating expenditure. The receipt of the Home Office at the outset of our work means that this policy is comfortably met.

Going concern including the impact of COVID-19

We consider that we have adequate financial reserves to continue to deliver our plans and that we have a reasonable expectation that we will have adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt the charity's ability to continue.

The continued impact of the pandemic across the world represented a significant event during the financial year. We have carried out a detailed assessment of the potential impact of COVID-19 over the period and revised our budget for 2021 and 2022 and projections for future years accordingly. We have also monitored the impact of the virus on the work and financial position of our portfolio of charities and we have reviewed our cash flow forecasts and monthly performance.

We have concluded that the going concern basis remains an appropriate basis of preparation for these financial statements. The virus will have contributed to some market volatility in the value of investments which have overall performed well during the period.

Investment policy for funds other than the Youth Endowment Fund

Given the need to be able to honour long-term commitments to the charities it funds, the Board has adopted a cautious investment strategy with funds received by Impetus for activities other than the Youth Endowment Fund invested in deposit accounts.

Investment policy and objectives for the Youth Endowment Fund

The grant from the Home Office was invested and has been managed by Goldman Sachs who were appointed after a competitive selection process. The investment objective is to achieve an average nominal return of 2%, net of management fees, over the life of the fund.

As at the 31 December 2021, of the total portfolio of £192.1 million, £118.7 million was invested in fixed income bonds and £67.1 million in equities. The performance of the managed fund against the target is most usefully measured over a longer period than was available in 2021. The Trustees consider that the portfolio performed well, taking advantage of the equities markets during the pandemic with a well-defined glide path to reduce equity risk post year-end.

To ensure that there are sufficient funds to cover planned grant giving and the costs of the partners in managing the YEF, the equivalent of six months forecast spending is held in cash and cash equivalents.

The investment portfolio has been divided into three sub-portfolios, each invested in different types of asset:

- Liquidity sub-portfolio - cash and cash equivalent investments.
- Mid-term sub-portfolio - investment grade government and corporate bonds.
- Growth sub-portfolio - global equities.

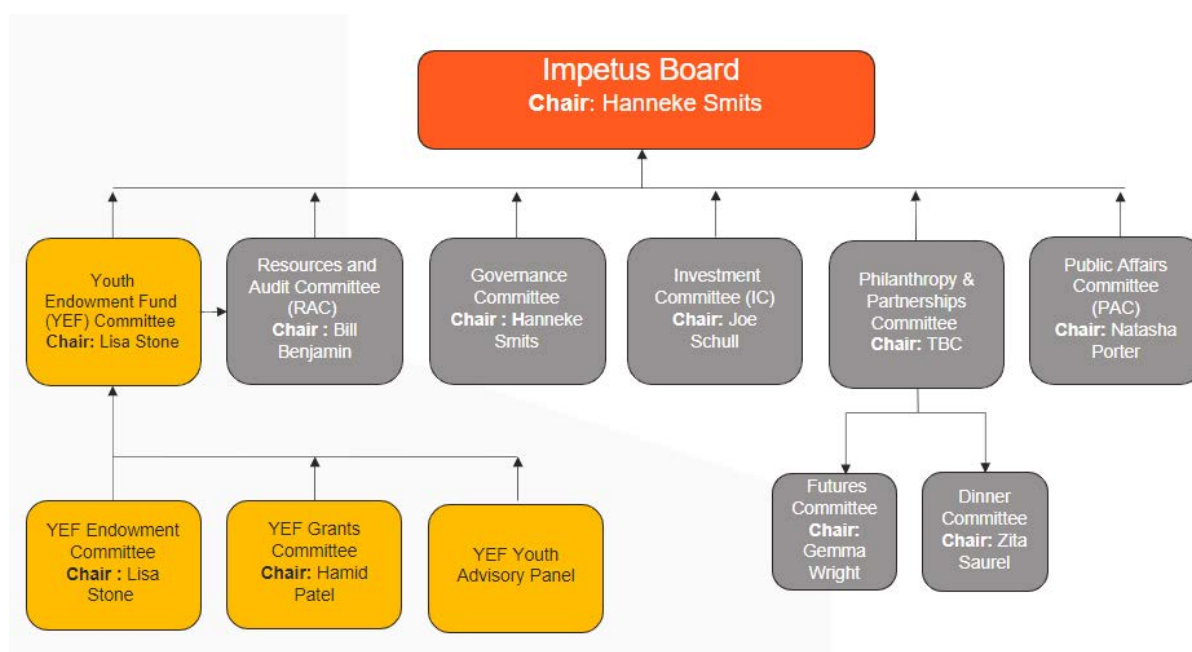
The balance between the three portfolios will vary over time in line with the fund's planned cash flows and the need to limit the level of capital risk within the portfolio.

To limit currency risk in the portfolio, cash and cash equivalent investments are only invested in sterling instruments. Bond investments are in sterling or hedged back into sterling. Hedging of non-sterling currency exposure arising from overseas equity investments is permitted but not required.

The fund managers are required to integrate consideration of environmental, social and governance (ESG) issues into their investment process in a thoughtful manner and actively engage with companies to improve their ESG practices and policies. Given the Fund's social objectives, the Trustee considers it inappropriate to invest in certain companies whose activities have a clearly negative social impact. No direct or indirect investment is therefore permitted in companies whose principal activity is in tobacco and alcohol manufacturing, armaments and controversial weapons, gambling, adult entertainment, and high interest rate lending.

The focus during this year has been on building out the investment portfolio as market opportunities presented themselves whilst being mindful of the impact of Brexit, the continued impact of COVID-19 and the revised expenditure forecasts for the fund. Post year end the portfolio was impacted by ongoing geo-political events, including the war in Ukraine. The investment committee alongside the investment managers reviewed the state of the portfolio ensuring the investment strategy remains prudent and protects the charity's investment.

Structure, governance and management



Governance and management

Impetus is a charitable company registered with the Charities Commission (Charity number 1152262) registered in 2013 under its Memorandum and Articles (governing document). The governing body of the charity is the Board of Trustees which, as of 31 December 2021, comprised 12 members who are listed on page 2.

There was one Trustee appointment and one resignation in 2021. The governing body also meets as the sole corporate Trustee of The Youth Endowment Fund, a registered charitable trust.

The appointment of a new Trustee takes place after due consideration from both parties. This is vital to ensuring a good strategic fit for the Board and the prospective Trustee. Over time, new Trustees meet our charities to gain a good understanding of our work. New Trustees are also briefed on their obligations under charity and company law, the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and the financial performance of the charity. During their induction, they meet members of staff and other Trustees whom they had not previously met. Trustees attend training events where these facilitate the undertaking of their role.

Trustees are typically elected for three-year periods and may be re-elected for a further three-year period. The Chair conducts an annual appraisal of the Board's performance and composition and the functioning of its committees, and a designated Trustee conducts a review of the Chair's role and performance.

The Board sets strategy and reviews policy. Day-to-day responsibility is delegated to the Chief Executive Officer, who works closely with the Chair. During 2021, the Board met five times. There were five committees reporting to the Impetus Board in 2021: Investment, Governance, Resources and Audit, Public Affairs, and the Youth Endowment Fund Committee. The Youth Endowment Fund Committee has two further sub committees, the Grants and Evaluation Committee and the Endowment Investment Committee.

The committees ensure in-depth review and oversight of our activities. They ensure that the specific areas of focus are led, where possible, by Trustees. Trustees are aware of and comply with the duty to act in the public benefit in accordance with section 17 of the Charities Act 2011.

Investment Committee

The Committee is responsible for ensuring that Impetus manages well a balanced portfolio that helps us deliver our mission. The committee scrutinises individual investment proposals and recommends for Board ratification the charities that should enter, progress through and exit the portfolio. The committee also reviews how each charity is progressing through our Outcomes Framework in the semi-annual Charity Review as well as its progress against funding milestones.

Governance Committee

The Committee has a strategic role in defining the role of the Board as well as how the Board interacts with its committees. It also directs the Trustee recruitment process and Trustee responsibilities. The committee is responsible for conducting the Chair evaluation as well as advising on Trustee and Board development.

Resources and Audit Committee

The Committee is responsible for reviewing and monitoring all financial and operational aspects of Impetus and reports to the Board on such matters, including financial risk management and people. Due to the size and nature of the organisation, the committee considers that an internal audit function is not required. The committee also helps ensure that Impetus maintains and develops relationships with its donors, co-investors and supporters in order for Impetus and its charities to receive the funding, pro-bono and other relevant support to achieve its overall mission and strategy.

Public Affairs Committee

The Committee supports Impetus in defining and achieving our public affairs goals. The committee reviews our public affairs strategy to ensure it is aligned with our organisational mission, and achievable in terms of the external landscape. Committee members also review research and publications in draft to help ensure our public work is high-quality, and relevant to those we are seeking to reach and influence. Annually, the committee review progress against the public affairs KPIs, to assess performance and impact.

The Youth Endowment Fund

Impetus acts as the sole corporate Trustee through its board of Trustees. Impetus established The Youth Endowment Fund Charitable Trust Committee as a committee of its board. The Committee has delegated responsibility for the management of the Youth Endowment Fund and compliance with, and implementation of the Home Office Grant Agreement. Impetus has the following matters reserved to it, receiving recommendations from the Committee on each matter:

- The overall strategy for the charity and the grants strategy or any material changes thereto.
- A budget and business plan for the charity within the framework set by the Home Office Grant Agreement and Partnership Agreement.
- The appointment or termination of appointment of Committee members and the YEF Executive Director; individual grants or material changes to existing grants with a value in excess of £10 million, including those made from Supplementary Funding.
- The terms of any partnerships with other funders, where their funding is in excess of £10 million.
- The Investment Policy and the appointment of investment managers.

The Committee has two sub-committees, The Grants and Evaluation Committee and The Endowment Investment Committee.

The Youth Endowment Fund - The Grants and Evaluation Committee

The Grants and Evaluation Committee provides oversight and scrutiny of grants to Project Implementation Partners and agreements with independent evaluators. It makes recommendations in respect of individual grants, monitors grants awarded and produces reports for the YEF Committee.

The Youth Endowment Fund - The Endowment Investment Committee

The Endowment Investment Committee has delegated responsibility for the investment management of the Youth Endowment Fund. The Trustees consider that the portfolio performed well, taking advantage of the equities markets during the pandemic with a well-defined glide path to reduce equity risk post year-end.

Remuneration arrangements for key management personnel

The Trustees consider the Impetus board and the senior management team to be the key management personnel for reporting purposes. In 2020, the senior management team at Impetus (excluding the YEF Charitable Trust) comprised the Chief Executive Officer, Director of Public Affairs, Portfolio Director, Director of Philanthropy and Partnerships, Director of Strategy and Impact and the Chief Operating Officer.

Trustees receive no remuneration. Employee pay is set by reference to an upper quartile salary benchmark which is established using a salary survey for the sector which Impetus subscribes to. The remuneration is agreed by the Resources and Audit Committee with a recommendation from the Chair in respect of the Chief Executive Officer.

Fundraising

We do not use external professional fundraisers and did not receive any complaints about our fundraising activities. We fundraise by soliciting donations from organisations and individuals. We also organise fundraising events including those where individuals fundraise directly for us. We are registered with the Fundraising Regulator and pay its annual levy and comply with its Code of Fundraising Practice.

Safeguarding

Impetus is committed to protecting our staff, volunteers, partner organisations and the people we work with alongside the interests of the young people we support and who benefit from the grants we make. Our safeguarding policies and procedures set out clear expectations of our staff and charity partners ensuring we effectively manage our risk, whilst setting out clear accountability mechanisms.

We have a dedicated senior safeguarding lead and our Board receive any necessary safeguarding updates. All staff are made aware of our safeguarding policies and procedures during their induction, combined with training sessions during the year. We continue to support and work with our Charity partners to ensure the risks surrounding safeguarding are monitored and managed effectively.

Risk and internal control

The Trustees are responsible for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Assisted by the executive and the Resources and Audit Committee, the Board regularly reviews and assesses the major risks to which Impetus is exposed. Movements against risks are reviewed at Board meetings with mitigating actions and controls discussed.

The five most significant risks identified by the Board post our current mitigation strategies are:

Risk	Mitigation
The post COVID-19 environment continues to have a significant impact on our work and our charity partners.	We have been working with our charity partners throughout the pandemic and to date, the majority of our charities are on track to achieve growth targets with no significant financial risks, with many charities performing strongly. This continues to be monitored closely.
We cannot get to a sustainable, break-even budget and our new strategy is unsuccessful.	<p>We have agreed a new strategy involving new funds and have made progress with potential partners. Continued success with our co-investment donors has increased our financial sustainability.</p> <p>We have reviewed our planning assumptions on revenue but recognise these are subject to a high degree of uncertainty, especially given the nature of our income streams.</p> <p>We made savings in 2021 and had a record level of donations in the final quarter, however this does not solve for our longer-term sustainability. We will continue to refine our model and target a break-even budget in the next three years.</p>
Insufficient influence with decision makers.	<p>We are building stronger networks.</p> <p>We've made improvements to how we communicate our strengths and the benefits of working with Impetus.</p> <p>Our influence on the policy side has been very strong during the pandemic including our work on the National Tutoring Programme and our leadership role in the Youth Employment Group.</p>
Investment model not as effective as planned.	<p>We use a comprehensive outcomes framework and portfolio dashboard to monitor our charities' progress.</p> <p>Our improved portfolio data (KPIs, Outcomes Framework and Dashboard) have improved our monitoring. We continue to work on how we interpret and use the data in partnership with our charity partners.</p>
Remote working undermines our ability to deliver our work	<p>Staff have appropriate equipment and software to work from home and feel fully supported. In 2021, we secured a new central London premises allowing staff to return to the office.</p> <p>Throughout 2022 we have been trialling a new hybrid working approach, which to date has been positively received.</p>

These risks are monitored by the Resources and Audit Committee which reviews risk movements and the various mitigation strategies in place to manage risks.

The Board believes these risks cannot be fully eliminated but they can be managed through looking to reduce their impact and the chance of their occurrence as part of the reviews.

Donors

Donating to Impetus comes with assurance that you are backing the best. We do all the hard work, so you don't have to. We find the best charities and help them become stronger organisations – changing the lives of the young people we all serve. We make your money go further by giving these charities dedicated Investment Team support and access to our world class pro-bono network; helping them to achieve better and more education and employment outcomes for more young people. We are extremely grateful for all the continued support and generosity we received from our donors, partners and our pro-bono support network.

We would like to thank the following donors for their generosity in helping us achieve our mission during 2021:

Advent International
Aon
Andrew Sillitoe & Joy Tadaki
Apax Foundation
Ares Management
Bain & Company
Bain Capital
Bank of America
BC Partners
Beechbrook Capital
Bjorn Saven IK Investment Partners Ltd
Blackstone
Blake & Sevda Kleinman
Bruno Schroder Trust
BVCA
Carlyle
CD&R
Centerbridge Foundation
Chatham Financial
Chris Field & Jodi Anderson-Field
Cinven
CVC
David Higgins
Dechert LLP
Deep & Trishna Shah
Dwight & Kirsten Poler
Eastdil Secured
Eden McCallum
Evercore

Evercore
Exponent
Financial Times
Francois Aguerre
Goldman Sachs
Goodwin
Growth Capital Partners
Guillaume Cassou
Hanneke Smits
Hellman & Friedman
Hg
Inflexion Private Equity
James McCaffrey
James Seppala
Janet Brooks
Johannes Huth
Joseph Schull & Anna Yang
JP Morgan
Karen & Liam Krehbiel
Kirkland & Ellis
Kohlberg Kravis Roberts & Co LLP
Latham & Watkins
Laurent S Haziza
Lionel & Florence Assant
Lisa Stone
Livingbridge
Lockhart Capital Management LLP
Louis G. Elson
Lulu and Ed Siskind

Minton Charitable Trust
Nadim El Gabbani & Vanessa Karlo
Nic & Jenny Humphries
Nikos Stathopoulos
Nomura International plc
OxfordSM
Patrick Healy
PJT Partners
PwC
Rede Partners
Robert Ramsauer
Rohan & Sunaina Haldea
Rothschild & Co
Royal Bank of Canada
Samir Amichi
Sidley Austin LLP
State Street

Stephen & Gitte Dawson
Stefan & Ellen Goetz
TA Associates
Terra Firma Capital Partners
The AIM Foundation
The Henry Smith Charity
The Stone Family Foundation
The Westminster Foundation
THM Partners LLP
Tilney, Smith & Williamson
Triple Point
TowerBrook
Tuixen Foundation
Warburg Pincus
Weil, Gotshal & Manges (London) LLP
Wol Kolade

Statement of Trustees' responsibilities

The Trustees (who are the directors of the charitable company) are responsible for preparing the Trustees' 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group 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 judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards 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 company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 the group 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 Impetus website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the Trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

The Trustees' report, incorporating the directors' report was approved by the Trustees on 21 June 2021 and signed on their behalf by the Chair. In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Hanneke Smits, Chair

Independent auditor's report to the members of Impetus

Opinion

We have audited the financial statements of Impetus – The Private Equity Foundation for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Chair's Report, the Chief Executive Officer's Report and the Trustees' Report. 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

6

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' 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 by the parent charitable company; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a strategic report.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 25, 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 groups and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to trust law requirements over the use of restricted funds, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011, and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to recognition of voluntary income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual descriptions and entries posted at unusual times; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 12 August 2022

10 Queen Street Place
London
EC4R 1AG

Consolidated statement of financial activities for the year ended 31 December 2021

	Note	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Income:							
Donations and grants	2a	8,614,933	5,346,255	13,961,188	2,242,185	5,018,029	7,260,214
Events and fundraising activities	2b	-	1,856,467	1,856,467	-	1,004,483	1,004,483
Investment	2c	4,940,903	373	4,941,276	4,821,860	29,531	4,851,391
Other	2d	-	30,637	30,637	-	30,492	30,492
Total income		13,555,836	7,233,732	20,789,568	7,064,045	6,082,535	13,146,580
Expenditure:							
Raising funds	3a	-	846,221	846,221	-	744,659	744,659
Charitable activities	3a	22,570,512	4,688,935	27,259,447	18,416,245	5,777,660	24,193,905
Total expenditure		22,570,512	5,535,156	28,105,668	18,416,245	6,522,319	24,938,564
Net expenditure		(9,014,676)	1,698,576	(7,316,100)	(11,352,200)	(439,784)	(11,791,984)
Transfers between funds		11,732	(11,732)	-	-	-	-
Net gains on investments	10	9,190,475	-	9,190,475	9,527,482	-	9,527,482
Net movement in funds		187,531	1,686,844	1,874,375	(1,824,718)	(439,784)	(2,264,502)
Reconciliation of funds:							
Funds at the start of the year	14	195,988,860	5,936,790	201,925,650	197,813,578	6,376,574	204,190,152
Funds at the end of the year	14	196,176,391	7,623,634	203,800,025	195,988,860	5,936,790	201,925,650

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.

The notes that follow form an integral part of these financial statements.

Charity statement of financial activities for the year ended 31 December 2021

	Note	Restricted £	Unrestricted £	2021 Total £	Restricted £	Unrestricted £	2020 Total £
Income:							
Donations and grants	2a	2,736,433	5,346,255	8,082,688	1,242,185	5,018,029	6,260,214
Events and fundraising activities	2b	-	1,856,467	1,856,467	-	1,004,483	1,004,483
Investment	2c	-	373	373	-	29,531	29,531
Other	2d	-	79,373	79,373	-	30,636	30,636
Total income		2,736,433	7,282,468	10,018,901	1,242,185	6,082,679	7,324,864
Expenditure:							
Raising funds	3e	-	846,221	846,221	-	744,659	744,659
Charitable activities	3e	2,430,165	4,688,935	7,119,100	994,956	5,777,525	6,772,481
Total expenditure		2,430,165	5,535,156	7,965,321	994,956	6,522,184	7,517,140
Net expenditure		306,268	1,747,312	2,053,580	247,229	(439,505)	(192,276)
Transfers between funds		11,732	(11,732)	-	-	-	-
Net movement in funds		318,000	1,735,580	2,053,580	247,229	(439,505)	(192,276)
Reconciliation of funds:							
Funds at the start of the year		247,229	5,936,791	6,184,020	-	6,376,296	6,376,296
Funds at the end of the year		565,229	7,672,371	8,237,600	247,229	5,936,791	6,184,020

The notes that follow form an integral part of these financial statements.

Consolidated and charity balance sheets as at 31 December 2022

	Note	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Intangible fixed assets	9(b)	142,393	-	-	-
Tangible fixed assets	9(a)	4,959	5,318	4,959	5,318
Investments	10	192,170,308	194,220,703	1	1
		192,317,660	194,226,021	4,960	5,319
Current assets					
Debtors	11	1,119,587	1,691,040	1,318,283	966,324
Cash at bank and in hand		11,682,958	6,703,378	7,943,018	5,452,260
		12,802,545	8,394,418	9,261,301	6,418,584
Creditors: amounts due within one year	12	(1,320,180)	(694,789)	(1,028,661)	(239,883)
Net current assets		11,482,365	7,699,629	8,232,640	6,178,701
Net assets	13	203,800,025	201,925,650	8,237,600	6,184,020
Funds					
Restricted funds	14	196,176,391	195,988,860	565,229	247,229
Unrestricted funds	14	7,623,634	5,936,790	7,672,371	5,936,791
Total funds		203,800,025	201,925,650	8,237,600	6,184,020

The financial statements for Impetus, (company registration number 08460519 and charity registration number 1152262), for the year ended 31 December 2021 were approved and authorised for issue by the Board on 21 June 2022.

Hanneke Smits
Trustee

Lisa Stone
Trustee

The notes that follow form an integral part of these financial statements.

Consolidated cash flow statement for the year ended 31 December 2021

	Note	2021 £	2020 £
Net cash from operating activities	(a)	(11,046,845)	(16,768,049)
Cash flows from investing activities:			
Dividends and interest from investments		4,940,659	4,851,391
Purchase of software and equipment		(155,104)	(5,925)
Proceeds from sale of investments		16,181,529	145,890,329
Purchase of investments		(4,940,659)	(135,297,978)
Net cash used in investing activities		16,026,425	15,437,817
Change in cash and cash equivalents in the year		4,979,580	(1,330,232)
Cash and cash equivalents at the beginning of the year		6,703,378	8,033,610
Cash and cash equivalents at the end of the year		11,682,958	6,703,378

(a) Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	1,874,375	(2,264,502)
(Gains) on investments	(9,190,475)	(9,527,482)
Dividends and interest from investments	(4,940,659)	(4,851,391)
Loss on disposal of fixed assets	7	-
Depreciation and amortisation	13,063	3,561
Decrease/(Increase) in debtors	571,453	(134,750)
Increase in creditors	625,391	6,515
Net cash used in operating activities	(11,046,845)	(16,768,049)

The charity has no debt, so no analysis of net debt is presented.

The notes that follow form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) Second Edition effective 1 January 2019 and the Companies Act 2006.

Impetus - The Private Equity Foundation is a company, number 08460519, limited by guarantee and incorporated in England and Wales. Its registered office is at Golden Cross House, 8 Duncannon Street, London, WC2N 4JF.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements of the wholly owned subsidiary, PEF Trading Limited, have been consolidated with those of the charity on a line by line basis. The financial statements of The Youth Endowment Fund Charitable Trust have also been consolidated in the accounts of the group.

The charity is the sole corporate trustee of The Youth Endowment Fund Charitable Trust (YEF), a registered charity number 1185413. The activities of the subsidiary charity, YEF, have been included as a restricted funds in the accounts of the group.

Going concern

The accounts are prepared on the going concern basis as the trustees expect that the activities will continue for the foreseeable future and Impetus has healthy reserves and a strong cash position at the balance sheet date. There are no material uncertainties that call into doubt the charity's ability to continue in operational existence.

- b) Income is included in full in the statement of financial activities once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants to Impetus are recognised in full in the statement of financial activities in the year in which they are receivable, or in the case of grants with associated eligibility criteria, in the year in which those criteria are satisfied.

Where entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the income is recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions, recognition of income is deferred.

- c) Donated services and facilities are recognised as income and expenditure in the financial statements when companies or individuals offer their professional expertise on a pro bono basis. The value of these donated services and facilities is an estimated figure based upon the valuation the professional individual or organisation places upon the time, services and facilities they have provided to Impetus. Individuals offering their time to work in areas where they are not undertaking their profession are classified as volunteers and their time is not quantified in the accounts, but is disclosed in the trustees' report. All of these amounts are treated as unrestricted donations.
- d) Expenditure is recognised on an accruals basis, inclusive of any VAT which cannot be recovered. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is allocated to the particular activity where the cost relates exclusively and directly to that activity. In addition, an allocation of salary and overhead costs of the central function is made and is apportioned based upon staff estimates of time spent on each activity (including the time of the executives who offer their services on a pro bono basis).

Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work. This includes an allocation of salary and overhead costs of the central function and is apportioned based upon staff estimates of time spent on fundraising activity.

- e) Grants payable to charities are charged in the year when the offer is conveyed to the investee charity except in those cases where the offer is conditional, which is typical of investee charities of Impetus. Funding is usually offered over a period of up to five years, which is reviewed on a regular basis throughout the funding relationship. Continued funding is conditional upon the charities meeting specified milestones. Conditional grants are recognised as expenditure when the conditions are fulfilled. If the conditions have not been met at the year end, the grants are disclosed as a future commitment but are not shown as expenditure.

Grants payable to interventions by the YEF are charged in the year in which they are disbursed to the intervention. Continued funding is conditional on the interventions meeting specified milestones. Conditional grants are recognised as expenditure when the conditions are fulfilled. If the conditions have not been met at the year end, the grants are disclosed as a future commitment but are not shown as expenditure.

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies (continued)

- f) The group's financial instruments all qualify as basic financial instruments in accordance with section 11 of FRS102 and are recognised on the following bases:
- i. Investments in subsidiaries are measured at cost less provision for impairment.
 - ii. Other investments are measured at market value at the balance sheet date.
 - iii. Cash and cash equivalents represent bank balances and deposits held in sterling.
 - iv. Debtors, including Gift Aid receivable, are measured at the transaction price less any provision for doubtful debts.
 - v. Trade creditors are measured at the transaction price.
- g) Items of equipment and software are capitalised where the purchase price or the cost of the capital project 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.
- h) Depreciation and amortisation 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:
- | | |
|-----------------------|-------------|
| Computer equipment | Three years |
| Computer software | Ten years |
| Office equipment | Four years |
| Fixtures and fittings | Five years |
- i) Short term deposits represent cash on deposit.
- j) Unrestricted funds are donations and other income receivable or generated for the objects of the charity.
- k) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is matched to the restricted funds, together with a fair allocation of overheads and support costs, if appropriate.
- l) The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the group to the fund. The group has no liability under the scheme other than for the payment of those contributions.
- Pension contributions are also made on behalf of eligible employees and are paid into personal pension schemes as nominated by the employee and contributions pass through the SOFA as incurred.
- m) Transactions in foreign currencies are translated into sterling at the rates of exchange current at the date of the transaction. Foreign currency monetary assets and liabilities in the balance sheet are translated into sterling at the rates of exchange ruling at the end of the year. Resulting exchange gains and losses are taken to the statement of financial activities.
- n) Leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease. The charity has no finance leases.
- o) The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The key judgment which has had the most significant effect on amounts recognised in the financial statements relates to the recognition and measurement of Donated Services (see note 1(c)).

Notes to the financial statements for the year ended 31 December 2021

2. Total income

a) Donations and grants

	Group 2021 Total £	Group 2020 Total £	Charity 2021 Total £	Charity 2020 Total £
Grant from the Home Office for the Youth Endowment Fund	-	1,000,000	-	-
Other grants	7,383,049	644,803	1,960,549	644,803
Donated services	2,179,817	1,746,812	1,723,817	1,746,812
Income for Engage and Connect Funds	1,109,622	-	1,109,622	-
Cash donations from individuals and companies	3,288,700	3,868,599	3,288,700	3,868,599
Donations and grants	13,961,188	7,260,214	8,082,688	6,260,214

Donations and events income received from Trustees for the charity totalled £371,176 (2020: £293,592).

b) Events and fundraising activities

Fundraising events	1,856,467	1,004,483	1,856,467	1,004,483
--------------------	-----------	-----------	-----------	-----------

c) Investment

Interest receivable	617	46,154	373	29,531
Fixed income bonds	4,326,504	4,141,221	-	-
Global equities	614,155	664,016	-	-
Investment income	4,941,276	4,851,391	373	29,531

d) Other income

Contract income	30,637	30,492	30,637	30,636
Capacity building	-	-	48,736	-
	30,637	30,492	79,373	30,636

Total income	20,789,568	13,146,580	10,018,901	7,324,864
---------------------	-------------------	-------------------	-------------------	------------------

Donated services represent pro bono services and facilities received by Impetus and the Youth Endowment Fund (YEF). These services relate both to work performed for Impetus or the YEF, and for our portfolio charities and are included as expenditure under note 3.

e) Additional funds raised for portfolio charities

Additional funds raised for charities are donations made directly to the portfolio charities where Impetus was instrumental in obtaining those funds. These amounts are not included in Impetus's own financial statements nor those of the group.

	2021 Total £	2020 Total £
Total additional funds generated by Impetus for portfolio charities	6,542,102	5,802,992

Notes to the financial statements for the year ended 31 December 2021

3 (a). Total expenditure - Group

Note for the current year

	Grant funding £	Activities undertaken directly £	Support costs £	Group total 2021 £
	Note 4	Note 3(b)	Note 3(c)	
Raising funds				
Fundraising and events	-	-	846,221	846,221
Charitable activities				
Supporting charities	-	3,468,873	2,265,006	5,733,879
Evaluation and research	-	1,895,581	-	1,895,581
Grants payable (note 4)	17,450,170	-	-	17,450,170
Donated services	-	1,446,932	732,885	2,179,817
Total charitable activities	17,450,170	6,811,386	2,997,891	27,259,447
Total expenditure	17,450,170	6,811,386	3,844,112	28,105,668

Note for the prior year

	Grant funding £	Activities undertaken directly £	Support costs £	Group total 2020 £
Raising funds				
Fundraising and events	-	-	744,659	744,659
Charitable activities				
Supporting charities	-	2,859,068	1,840,353	4,699,421
Evaluation and research	-	1,249,464	-	1,249,464
Grants payable (note 4)	16,498,208	-	-	16,498,208
Donated services	-	1,483,392	263,420	1,746,812
Total charitable activities	16,498,208	5,591,924	2,103,773	24,193,905
Total expenditure	16,498,208	5,591,924	2,848,432	24,938,564

3 (b). Activities undertaken directly - Group

	Group 2021 £	Group 2020 £
Staff costs	2,940,814	1,503,059
Programme costs paid to Youth Endowment Fund delivery partners	18,994	1,119,223
Evaluation and research	1,895,581	1,249,464
Consultancy costs	272,372	-
Office costs	167,748	199,014
Depreciation	1,473	1,679
Donated services	1,446,932	1,483,392
Other costs	67,472	36,093
	6,811,386	5,591,924

3 (c). Support costs - Group

	Raising funds £	Charitable activities £	Total 2021 £	Raising funds £	Charitable activities £	Total 2020 £
Staff costs	497,646	843,191	1,340,837	548,388	566,210	1,114,598
Office costs	72,987	149,072	222,059	114,583	277,318	391,901
Depreciation	647	755	1,402	967	916	1,883
Donated services	-	732,885	732,885	-	263,420	263,420
Fundraising events costs	254,887	-	254,887	69,669	-	69,669
Investment management fee	-	594,134	594,134	-	562,517	562,517
Other costs	20,054	677,854	697,908	11,052	433,392	444,444
	846,221	2,997,891	3,844,112	744,659	2,103,773	2,848,432

Included within support costs above are governance costs totalling £105,801 (2020: £61,709).

Notes to the financial statements for the year ended 31 December 2021

3 (d). Pro bono income and expenditure - Group and Charity

Donated services are analysed as income and expenditure within the financial statements. The split of donated services across portfolio charities and other activities is as follows:

	2021 £	2020 £
Unrestricted		
Support to portfolio charities	990,932	1,483,392
Support to Impetus for portfolio work	658,402	124,833
Support to Impetus Youth Endowment Fund	74,483	138,587
	456,000	-
Total donated services	2,179,817	1,746,812

3 (e). Total expenditure - Charity

Note for the current year

	Grant funding £	Activities undertaken directly £	Support costs £	Total 2021 £
		Note 3(f)	Note 3(g)	
Raising funds				
Fundraising and events	-	-	846,221	846,221
Charitable activities				
Supporting charities	-	1,292,031	604,074	1,896,105
Grants payable (note 4)	3,499,178	-	-	3,499,178
Donated services	-	990,932	732,885	1,723,817
Total charitable activities	3,499,178	2,282,963	1,336,959	7,119,100
Total expenditure	3,499,178	2,282,963	2,183,180	7,965,321

Note for the prior year

	Grant funding £	Activities undertaken directly £	Support costs 0	Total 2020 £
Raising funds				
Fundraising and events	-	-	744,659	744,659
Charitable activities				
Supporting charities	-	1,170,546	657,367	1,827,913
Grants payable (note 4)	3,197,756	-	-	3,197,756
Donated services	-	1,483,392	263,420	1,746,812
Total charitable activities	3,197,756	2,653,938	920,787	6,772,481
Total expenditure	3,197,756	2,653,938	1,665,446	7,517,140

3 (f). Activities undertaken directly - Charity

	2021 £	2020 £
Staff costs	1,055,338	933,894
Office costs	167,748	199,014
Depreciation	1,473	1,679
Donated services	990,932	1,483,392
Other costs	67,472	35,959
	2,282,963	2,653,938

3 (g). Support costs - Charity

	Raising funds £	Charitable activities £	Total 2021 £	Raising funds £	Charitable activities £	Total 2020 £
Staff costs	497,646	465,377	963,023	548,388	470,723	1,019,111
Office costs	72,987	85,151	158,138	114,583	108,552	223,135
Depreciation	647	755	1,402	967	916	1,883
Donated services	-	732,885	732,885	-	263,420	263,420
Fundraising events costs	254,887	-	254,887	69,669	-	69,669
Other costs	20,054	52,791	72,845	11,052	77,176	88,228
	846,221	1,336,959	2,183,180	744,659	920,787	1,665,446

Included within support costs above are governance costs totalling £88,403 (2020: £47,309).

Notes to the financial statements for the year ended 31 December 2021

4. Grants payable

Grants payable fall in three categories:

- paid to Impetus portfolio charities
- paid to Impetus research organisations
- paid to YEF research organisations
- paid to Youth Endowment Fund interventions

2021	2020
£	£
3,496,548	3,171,539
2,630	26,217
-	92,721
13,950,992	13,207,731
17,450,170	16,498,208

Grants paid to portfolio charities in the year were as follows:

	2021	2020
	£	£
Access Project	125,000	275,000
Action Tutoring	62,500	253,000
Ada	37,500	-
Career Ready	50,000	-
City Gateway	486,391	400,000
Dallaglio Rugby Works	196,391	150,000
EY Foundation	-	100,000
Football Beyond Borders	391,250	90,000
IntoUniversity	100,000	200,000
Magic Breakfast	-	54,171
Mama Youth	30,000	-
MCR Pathways	235,000	-
Olive Academies	75,000	-
Online Tutoring Programme	-	290,000
Power 2	-	50,000
Resurgo	283,267	419,535
The Difference	135,000	-
ThinkForward	154,000	29,000
Think for the Future	40,000	-
Transforming Lives for Good	75,000	-
Tutor Trust	245,000	190,000
Twenty Twenty	-	31,250
Venture Trust	206,250	293,750
Voice 21	180,000	25,000
West London Zone	388,999	320,833
Charity total	3,496,548	3,171,539

Grants paid to research organisations in the year were as follows:

	2021	2020
	£	£
Youth Jobs Gap	2,400	19,217
Other	230	7,000
Charity Total	2,630	26,217

Impetus adopts a three-stage approach to its portfolio investment in charities. The three stages are Focus, Build and Scale. The precise nature of the investment including term and amount invested is reviewed on a case by case basis by the Investment Committee. As a result, total annual payments to charities can vary significantly depending on the phase of the investment programme. At present, there are charities in the Focus, Build and Scale stages.

Continued funding of portfolio charities is conditional upon the charities meeting specified milestones. Conditional grants are recognised as expenditure when the conditions are fulfilled. If the conditions have not been met at the year end, the grants are noted as a future commitment but not shown as expenditure.

The total amount of grants authorised but not accrued as expenditure at 31 December 2021 was £1,846,250 (2020: £1,776,250). This amount relates to the charities listed above, but excludes any amounts in respect of new investees or next phase investments yet to be approved by the Investment Committee. If all current charity investees progress as envisaged, the phasing of future commitments is estimated as follows:

	£
2022	1,345,500
2023	446,750
2024	54,000
	1,846,250

Notes to the financial statements for the year ended 31 December 2021

4. Grants payable (cont'd)

Grants paid by the Youth Endowment Fund to interventions in the year were as follows:

	2021 £	2020 £
Achieving for Children	220,835	493,500
Artsworld Ltd.	127,422	-
ASSIST Trauma Care	318,089	183,124
Blackburn with Darwen Borough Council	301,237	-
Brandon Centre for Counselling and Psychotherapy for Young People	150,000	224,000
Centre for Youth Impact	150,000	-
Cleveland Fire Brigade (Authority)	-	50,000
Comic Relief	-	4,000,000
Empire Fighting Chance	355,264	209,766
Essex Boys and Girls Clubs	186,800	87,973
Family Psychology Mutual	440,585	77,841
Family Psychology Mutual CIC	251,336	-
Family Support	158,487	120,000
Fight for Peace International	-	50,000
FL Community Ltd.	126,641	-
High Trees Community Development Trust	102,653	-
Imperial College London	287,772	212,314
Leicestershire County Council	-	116,972
Life Skills Education Charity	271,650	253,650
LifeLine Community Projects	294,160	100,000
Lime Social Marketing Media & Communications Ltd	-	50,000
Lives Not Knives	575,000	344,000
London Borough of Lambeth	318,962	238,462
Media Academy Cymru	159,749	50,549
Mental Health Foundation	539,809	116,317
No Limits (South)	84,327	-
Nottingham City Council	-	72,414
Office of the Police and Crime Commissioner for Northumbria	-	51,402
Preston North End Community and Education Trust	-	54,094
RISE Mutual CIC	163,376	228,121
Roots of Empathy	77,687	101,907
SkyWay Charity	-	55,464
Solihull Metropolitan Borough Council	-	54,000
South London and Maudsley NHS Foundation Trust (SLaM)	1,908,482	1,174,929
South Tyneside Council	161,490	57,638
St Christopher's Fellowship	230,000	-
St Giles Trust	107,245	-
StreetGames UK	179,151	64,123
The Rugby Football League Limited	294,395	136,854
The Tavistock and Portman NHS Foundation Trust	383,156	285,000
The Titan Partnership	268,635	240,818
Volunteering Matters	92,760	-
Wakefield Council Youth Work Team	418,158	132,462
Young Devon	131,934	-
Youth Focus North East	122,634	-
Young Persons Advisory Service	159,377	-
Other grants paid below £50,000	3,831,734	3,520,037
Total	13,950,992	13,207,731

Grants paid to research organisations in the year were as follows:

	2021 £	2020 £
Campbell Collaboration	-	92,721

Only grants of £50,000 and above have been individually disclosed in the note above. To obtain the detail of the grants included within 'other' please contact Impetus at it's registered address.

The Youth Endowment Fund aims to prevent children and young people from getting caught up in crime and violence by making sure that those at most risk get the best possible support, as early as possible, to get on a positive path and succeed.

The total amount of grants authorised but not accrued as expenditure at 31 December 2021 was £27,917,000 (2020: £18,834,519). This amount relates to the organisations listed above. If all current interventions progress as envisaged, the phasing of future commitments is estimated as follows:

	2021 £	2020 £
2021	-	16,118,140
2022	12,376,000	2,256,379
2023	10,188,000	460,000
2024	5,353,000	-
	27,917,000	18,834,519

The above conditional grant commitments to organisations are underwritten by existing reserves (see note 14).

Notes to the financial statements for the year ended 31 December 2021

5. Net income/(expenditure) for the year

This is stated after charging:

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trustees' remuneration	-	-	-	-
Trustees' expenses	-	-	-	-
Depreciation and amortisation	13,063	3,561	2,875	3,561
Operating lease expenses	77,920	2,121	77,920	2,121
Auditors' remuneration for audit service	38,268	26,350	20,870	14,350

Directors and Officers insurance which covers the Trustees against any personal liability was provided at a cost of £4,546 (2020: £4,546).

6. Subsidiaries

6a. Investment in PEF Trading Limited

The investment of £1 in PEF Trading Limited (PEFTL) represents the whole of the issued ordinary share capital of a company incorporated in England and Wales on 13 February 2012. PEFTL engaged in miscellaneous trading activities connected to Impetus but has not traded since 2015.

	Year ended 31 Dec 2021 £	Year ended 31 Dec 2020 £
Administrative expenses	-	(134)
Net movement in funds	-	(134)
Ordinary share capital	1	1
Profit and loss account	-	-
Shareholders' funds represented by net assets	1	1

6b. The Youth Endowment Fund Charitable Trust

On 10 April 2019, The Youth Endowment Fund Charitable Trust was established with Impetus as its sole corporate trustee. YEF is a registered charity, number 1185413.

Summary financial results of the Youth Endowment Fund:

	Year ended 31 Dec 2021 £	Period ended 31 Dec 2020 £
Total income	10,819,403	5,821,860
Total expenditure	(20,189,083)	(17,421,289)
Gain on investments	9,190,475	9,527,482
Net movement in funds	(179,205)	(2,071,947)
Summary balance sheet as at 31 December 2021		
Investments	192,170,308	194,220,703
Intangible assets	142,393	-
Current assets	3,791,102	2,212,470
Creditors: amounts due within one year	(541,377)	(691,542)
Net assets	195,562,426	195,741,631
Restricted funds	195,472,426	195,741,631
	195,472,426	195,741,631

Notes to the financial statements for the year ended 31 December 2021

7. Staff costs

		Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Staff costs were as follows:	Salaries and wages	3,671,790	2,242,578	1,727,686	1,670,590
	Social security costs	421,460	268,167	202,249	201,534
	Pension contributions	188,401	106,912	88,425	80,881
		4,281,651	2,617,657	2,018,360	1,953,005

The salary breakdown by employee is shown in the table below (where applicable).

	Number of employees	
Salary band	2021	2020
£60,000 - £70,000	8	3
£70,000 - £80,000	1	-
£80,000 - £90,000	6	-
£90,000 - £100,000	-	5
£100,000 - £110,000	1	1
£110,000 - £120,000	1	-

The employer's pension contributions for staff earning more than £60,000 per annum amounted to £65,346 (2020: £37,442).

Employee benefits, (salary, bonus, employer NI and employer pension contributions), paid for the senior management team totalled £1,130,968 (2020: £951,627).

Staff numbers

The average weekly number of Charity and Group employees is shown below on a full-time equivalent and headcount basis:

	Group 2021	Group 2020	Charity 2021	Charity 2020
Full-time equivalents	70.3	40.6	32.5	32.8
Headcount	73	43	35	35

8. Taxation

There are no taxable profits arising within the subsidiary for the year ending 31 December 2021. Consequently Impetus has no liability to tax and no deferred tax.

9(a). Intangible fixed assets

	Software £	Group £
Cost		
At the start of the year	-	-
Additions in period	152,581	152,581
At the end of the year	152,581	152,581
Amortisation		
At the start of the year	-	-
Charge for the period	10,188	10,188
At the end of the year	10,188	10,188
Net book value		
At the end of the year	142,393	142,393
At the start of the year	-	-

The charity has no intangible fixed assets

Notes to the financial statements for the year ended 31 December 2021

9(b). Tangible fixed assets

	Fixtures and fittings £	Office and computer equipment £	Group & Charity Total £
Cost			
At the start of the year	148,261	151,970	300,231
Additions in period	-	2,523	2,523
Disposals in period	(94,016)	(139,093)	(233,109)
At the end of the year	54,245	15,400	69,645
Depreciation			
At the start of the year	148,261	146,652	294,913
Charge for the period	275	2,600	2,875
Depreciation on disposals	(94,291)	(138,811)	(233,102)
At the end of the year	54,245	10,441	64,686
Net book value			
At the end of the year	-	4,959	4,959
At the start of the year	-	5,318	5,318

10. Investments

	Group 2021 £	Group 2020 £
Market value at at 1 January 2021	194,220,703	195,285,572
Additions	-	130,476,118
Disposals	(15,579,512)	(145,487,384)
Dividends and interest reinvested	4,940,659	4,820,594
Investment management fees deducted from portfolio	(602,017)	(402,945)
Realised losses	(1,858,965)	281,914
Unrealised gains	11,049,440	9,245,568
Market value as at 31 December 2021	192,170,308	194,220,703

Listed and unlisted investments at the year end consist of amounts invested with Goldman Sachs for the Youth Endowment Fund. Impetus holds a £1 investment in PEF Trading Limited.

	Group 2021 £	Group 2020 £
Cash and cash equivalents	6,325,207	9,303,087
Fixed income bonds	118,717,261	127,322,935
Global equities	67,127,840	57,594,681
	192,170,308	194,220,703

11. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Accrued income	890,990	588,781	904,160	588,781
Gift Aid	43,750	63,000	43,750	63,000
Amount due from subsidiary charity	-	-	236,687	236,636
Other debtors	36,182	26,851	36,182	26,851
Prepayments	148,665	252,216	97,504	51,056
YEF delivery partners	-	760,192	-	-
	1,119,587	1,691,040	1,318,283	966,324

12. Creditors: amounts due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade and other creditors	254,501	180,232	146,894	50,436
Tax and social security	122,655	88,637	122,655	88,637
Accruals and deferred income	943,024	425,920	759,112	100,810
	1,320,180	694,789	1,028,661	239,883

Notes to the financial statements for the year ended 31 December 2021

13. Analysis of net assets between funds Note for the current year

Group

	Restricted funds £	Unrestricted funds £	Total 2021 £
Tangible and intangible fixed assets	142,393	4,959	147,352
Investments	192,170,308	-	192,170,308
Net current assets	3,863,690	7,618,675	11,482,365
	196,176,391	7,623,634	203,800,025

Charity

	Restricted funds £	Unrestricted funds £	Total 2021 £
Tangible fixed assets	-	4,959	4,959
Investments	-	1	1
Net current assets	565,229	7,667,411	8,232,640
	565,229	7,672,371	8,237,600

Note for the prior year

Group

	Restricted funds £	Unrestricted funds £	Total 2020 £
Tangible fixed assets	-	5,318	5,318
Investments	194,220,703	-	194,220,703
Net current assets	1,768,157	5,931,472	7,699,629
	195,988,860	5,936,790	201,925,650

Charity

	Restricted funds £	Unrestricted funds £	Total 2020 £
Tangible fixed assets	-	5,318	5,318
Investments	-	1	1
Net current assets	247,229	5,931,472	6,178,701
	247,229	5,936,791	6,184,020

Notes to the financial statements for the year ended 31 December 2021

14. Movements in funds Group

	At the start of the year £	Income £	Expenditure £	Net gains/ (losses) on investments £	Transfer between Funds £	At the end of the year £
Charity funds						
Restricted funds						
Portfolio charities	187,768	1,473,180	(1,672,680)	-	11,732	-
Engage Fund	-	350,000	(350,000)	-	-	-
Connect Fund	-	759,622	(253,854)	-	-	505,768
Online tuition pilot	-	153,631	(153,631)	-	-	-
Covid Response Fund	59,461	-	-	-	-	59,461
	<u>247,229</u>	<u>2,736,433</u>	<u>(2,430,165)</u>	<u>-</u>	<u>11,732</u>	<u>565,229</u>
Unrestricted funds						
Unrestricted general funds	5,936,790	7,233,732	(5,535,156)	-	(11,732)	7,623,634
Total Charity funds	<u>6,184,019</u>	<u>9,970,165</u>	<u>(7,965,321)</u>	<u>-</u>	<u>-</u>	<u>8,188,863</u>

Youth Endowment Fund restricted funds

Home Office grant	194,942,330	5,396,903	(18,394,057)	9,190,475	-	191,135,651
Centre of Excellence grant	811,776	4,000,000	(770,678)	-	-	4,041,098
#iwill and Co-operative grants	-	1,422,500	(975,612)	-	-	446,888
General YEF funds	(12,475)	-	-	-	-	(12,475)
Total YEF restricted funds	<u>195,741,631</u>	<u>10,819,403</u>	<u>(20,140,347)</u>	<u>9,190,475</u>	<u>-</u>	<u>195,611,162</u>
Total group funds	<u>201,925,650</u>	<u>20,789,568</u>	<u>(28,105,668)</u>	<u>9,190,475</u>	<u>-</u>	<u>203,800,025</u>

Note for the prior year Group

	At the start of the year £	Income £	Expenditure £	Net gains/ (losses) on investments £	Transfer between Funds £	At the end of the year £
Charity funds						
Restricted funds						
Portfolio charities	-	719,803	(532,035)	-	-	187,768
Online tuition pilot	-	290,000	(290,000)	-	-	-
Covid Response Fund	-	232,382	(532,035)	-	-	59,461
	<u>-</u>	<u>1,242,185</u>	<u>(1,354,070)</u>	<u>-</u>	<u>-</u>	<u>247,229</u>
Unrestricted funds						
Unrestricted general funds	6,376,296	6,082,535	(6,522,184)	144	-	5,936,791
Total Charity funds	<u>6,376,296</u>	<u>7,324,720</u>	<u>(7,876,254)</u>	<u>144</u>	<u>-</u>	<u>6,184,020</u>

Youth Endowment Fund restricted funds

Home Office grant	197,822,453	4,821,860	(17,229,465)	9,527,482	-	194,942,330
Home Office grant	-	1,000,000	(188,225)	-	-	811,775
General YEF funds	(8,875)	-	(3,600)	-	-	(12,475)
Total YEF restricted funds	<u>197,813,578</u>	<u>5,821,860</u>	<u>(17,421,290)</u>	<u>9,527,482</u>	<u>-</u>	<u>195,741,630</u>
Unrestricted trading subsidiary	278	-	(134)	(144)	-	-
Total unrestricted funds	<u>197,813,856</u>	<u>5,821,860</u>	<u>(17,421,424)</u>	<u>9,527,338</u>	<u>-</u>	<u>195,741,630</u>
Total group funds	<u>204,190,152</u>	<u>13,146,580</u>	<u>(24,938,564)</u>	<u>9,527,482</u>	<u>-</u>	<u>201,925,650</u>

Notes to the financial statements for the year ended 31 December 2021

Note for the current year Charity

	At the start of the year £	Income £	Expenditure £	Transfer between Funds £	At the end of the year £
Charity funds					
Restricted funds					
Portfolio charities	187,768	1,473,180	(1,672,680)	11,732	-
Engage Fund	-	350,000	(350,000)	-	-
Connect Fund	-	759,622	(253,854)	-	505,768
Online tuition pilot	-	153,631	(153,631)	-	-
Covid Response Fund	59,461	-	-	-	59,461
	<u>247,229</u>	<u>2,736,433</u>	<u>(2,430,165)</u>	<u>11,732</u>	<u>565,229</u>
Unrestricted funds					
Unrestricted general funds	5,936,791	7,282,468	(5,535,156)	(11,732)	7,672,371
Total Charity funds	<u>6,184,020</u>	<u>10,018,901</u>	<u>(7,965,321)</u>	<u>-</u>	<u>8,237,600</u>

Note for the prior year Charity

	At the start of the year £	Income £	Expenditure £	Net gains/ (losses) on investments £	Transfer between Funds £	At the end of the year £
Charity funds						
Restricted funds						
Portfolio charities	-	719,803	(532,035)	-	-	187,768
Online tuition pilot	-	290,000	(290,000)	-	-	-
Covid Response Fund	-	232,382	(172,921)	-	-	59,461
	<u>-</u>	<u>1,242,185</u>	<u>(994,956)</u>	<u>-</u>	<u>-</u>	<u>247,229</u>
Unrestricted funds						
Unrestricted general funds	6,376,296	6,082,535	(6,522,184)	144	-	5,936,791
Unrestricted trading subsidiary	278	-	(134)	(144)	-	-
Total Charity funds	<u>6,376,574</u>	<u>7,324,720</u>	<u>(7,517,274)</u>	<u>-</u>	<u>-</u>	<u>6,184,020</u>

Purposes of restricted funds

Portfolio charities: Impetus receives donations for specific domain areas, charities and for specific expenditure. These are treated as restricted donations with appropriate expenditure allocated against them.

Online tuition pilot: Impetus receives donations for the National Tutoring Programme, which aims to provide tutoring to disadvantaged pupils who have fallen behind due to the Covid-19 pandemic.

Covid Response fund: Impetus carried out a campaign at the height of the Covid-19 pandemic to provide additional assistance to our portfolio charities adversely affected by the pandemic.

Youth Endowment Fund: the grant from the Home Office and investment returns from it are used to fund interventions to prevent children and young people from getting caught up in crime and violence by making sure that those at most risk get the best possible support.

Youth Endowment Fund: supplementary funding secured in support of the YEF is used to support and fund interventions to prevent children and young people from getting caught up in crime and violence by making sure that those at most risk get the best possible support.

Centre of Excellence fund: The Youth Endowment Fund received an additional restricted grant from the Home Office in 2020 to create a 'Centre of Excellence'.

Supplementary income includes the #iwill and Co-op funds, formed in a joint partnership with YEF to create The Peer Action Collective (PAC). Together, the partners are investing £5.2 million to build a network of peer researchers to study the experience of youth violence and turn the learning into opportunities for young people to make their community a safer, fairer place.

Purposes of unrestricted funds

Unrestricted general funds of £7,623,634 (2020 - £5,936,791) will be used to support a significant proportion of conditional grant commitments made to charities of £1,846,250 (2020 - £1,776,250) per note 4.

Notes to the financial statements for the year ended 31 December 2021

15. Members' liability

Impetus 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. The charity has no parent or ultimate holding company.

16. Operating lease commitments

At 31 December 2021, the charity had commitments under operating leases of:

	Buildings £	Equipment £	2021 Total £	Equipment £	2020 Total £
Impetus					
Due within one year	151,597	1,766	153,363	1,768	1,768
Two to five years	-	1,766	1,766	3,535	3,535
	151,597	3,532	155,129	5,303	5,303
Youth Endowment Fund					
Due within one year	228,000	-	228,000	-	-
Two to five years	228,000	-	228,000	-	-
	456,000	-	456,000	-	-
Total group	607,597	3,532	611,129	5,303	5,303

17. Related party transactions

Amounts donated to Impetus by its Trustees are disclosed in note 2a.

Impetus has consolidated a subsidiary, PEF Trading Limited, in the Group financial statements. Note 6 discloses Impetus' investment in this subsidiary and the subsidiary's results to 31 December 2021.

Impetus pays salary and other costs on behalf of the Youth Endowment Fund which it recharges to the restricted fund at cost. It also charges the Youth Endowment Fund for time spent by Impetus staff on YEF matters, including capacity building. Amounts totalling £2,339,948 (2020: £708,603) were charged by Impetus to the Youth Endowment Fund during 2021. As at the 31 December 2021 the Youth Endowment Fund owed amounts totalling £236,687 (2020: £236,636) to Impetus.

There are no other related party transactions which require disclosure in the financial statements.

Thank you

All young people can succeed at school and
work with the right support

[Impetus.org.uk](https://impetus.org.uk)

[@ImpetusUK](https://twitter.com/ImpetusUK)

info@impetus.org.uk

1st Floor, Golden Cross House,
8 Duncannon St, London
WC2N 4JF

