

ThinkForward (UK)

(A Charitable Company Limited by Guarantee)

Annual report and financial statements

For the year ended 31st August 2020

**Company registration no: 08318590
Registered charity no: 1152862**

ThinkForward (UK)

Reference and administrative details for the year ended 31 August 2020

ThinkForward (UK), a company limited by guarantee, registered on 5 December 2012, company registration number 08318590 (England and Wales). Registered as a charity on 15 July 2013, charity registration number 1152862 (England and Wales).

Trustees

Charlie Green (chair)
Matthew Grinnell (resigned 28th November 2019)
Barbara Storch (resigned 30th January 2020)
David Vaughan
Jill Baker
Vanessa Morphet (appointed 30th January 2020)
Robert Craig (appointed 30th July 2020)
Asi Panditharatna (appointed 30th July 2020)
Kathryn Jack (appointed 30th July 2020)
Keith MacDonald (appointed 30th July 2020)
Daniel Easterbrook (appointed 10th November 2020)
Sally Cartwright (appointed 10th November 2020)

Chief Executive

Ashley McCaul

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Auditor:	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Primary Banker:	NatWest Holborn Circus 1 Hatton Garden London EC1P 1DU
Primary Solicitors:	Travers Smith LLP 10 Snow Hill London EC1A 2AL

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ThinkForward (UK)

Chair and chief executive's report

Much like many other organisations' experience of 2019/20, it was one of the most challenging operational years in our history. When the Covid-19 pandemic hit in March 2020 and the UK was forced into a national lockdown, we moved our entire operations to digital/remote working. It is through this lens that we celebrate our achievements during these unprecedented times.

During the early phase of lockdown, we were fortunate to secure funds to invest in training our coaches to deliver our service remotely and we adapted our ways of working accordingly. Our coaches, who are normally based in schools and the community, were unable to deliver a face-to-face service during lockdown. They moved swiftly to supporting both our young people and their parents with phone calls and practical support during this time of significantly heightened vulnerability. We are incredibly proud of how much our young people and their parents valued our presence during that period.

Our coaches were also able to support our partner schools by extending their safeguarding capacity, increasing the level of engagement of our young people and sharing best practices.

We have continued to take significant steps forward in measuring our impact over the last year. This began with appointing a new Head of Impact and over the course of the year we have reviewed our existing practices in order to drive a step-change in our ability to understand, measure and articulate our impact.

Our approach to improving impact measurement has been threefold. First, we have made impact measurement and communication a pivotal component of the new organisational strategy. This includes plans to revisit our theory of change and pursue external evaluation over the coming years, so we can articulate more clearly the value we deliver and the differences we make to our stakeholders. Secondly, we have built systems that capture our data effectively using appropriate measures for relevant impacts. This has included reviewing our impact and performance dataset and developing our Customer Relationship Management (CRM) system to refine our dataset, improve usability and develop better data quality assurance processes. Finally, we have focused on building ways to connect staff to our impact and performance data, putting the right information in the hands of the right team members at the right time, thereby building a culture of data confidence and evidence-based decision-making.

This has also been a year in which we have thought deeply about the development of our people. We want to improve our ability to recruit and retain talent and for our staff to believe that ThinkForward is "a great place to work". To that end, we have improved our approach to staff engagement by appointing an internal staff engagement group to support the development of a talent strategy. To further underpin the work of this group, we have introduced a staff engagement platform, Peakon. This allows us to regularly test the temperature of the organisation and measure how our staff feel on a range of issues, enabling us to respond quickly to any challenges as they arise. This has been invaluable in supporting our staff and improving our productivity through what has been a very challenging time.

Through our strategic relationship with Impetus, we were fortunate to access pro bono support from Bain and Company to develop our new five-year strategy over the summer

months. The process was an intensive, root and branch review of the organisation that has helped us develop and inform a plan for our future direction.

Over the next five years we have ambitions to grow our reach to at least 1,500 young people and to double our turnover by accessing multi-year statutory funding. We will innovate and develop personalised models of our programmes to meet specific needs, always built around our core coaching methodologies. We also aim to increase our influence, convincing others of the power and efficacy of our approach in creating meaningful and sustained change in the lives of young people who most need our support.

We would like to extend our personal thanks to two of our trustees, Barbara Storch and Matt Grinnell, who have been with ThinkForward since its inception and whose wisdom, counsel and considerable contributions to its development have been invaluable. In line with our new strategy, we are delighted to welcome six new trustees, including an alumna of our programmes, to the board. We believe we have an exciting new mix of skills which will enhance our ability to deliver on our ambitious five-year plan.

During the summer months, the issue of race equality was raised in our consciousness as an organisation as well as globally. With the guidance and support of our board we have committed to several actions to address issues of race inequality which may occur in the lives of our young people, our staff and within our sphere of influence.

Through securing specialist support, we have begun a meaningful programme of work which will help us to produce a detailed equality, diversity and inclusion strategy, to support and amplify the voices of our black young people, to help us to achieve more diverse leadership throughout the organisation, be an anti-racist organisation in all of our dealings and develop a strong understanding and practice of allyship.

This year has been a year like no other. We continue to provide a service to our young people thanks to the commitment, support and partnership we continue to receive from our funders, employers, schools and importantly, our staff.

This year, we feel that we have not only survived but thrived, which would not have been possible without the support, enthusiasm and belief of the ThinkForward community.

Charlie Green, chair

Ashley McCaul, chief executive

ThinkForward (UK)

Trustees' report for the year ended 31 August 2020

The board of trustees of ThinkForward (UK) are pleased to present their annual trustees' report together with the audited financial statements of the charity for the year ended 31 August 2020 which are also prepared to meet the requirement for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS102) (Effective 1 January 2015).

Objectives, Activities and Performance

The vision

To prevent the next generation of youth unemployment in areas of the UK that most need our support.

The mission

To provide long-term personalised coaching to young people at the highest risk of unemployment, to enable them to transition into sustained work.

The need

In the UK, prior to Covid-19, approximately 800,000 young people were not in education, employment or training (NEET), representing 11.6% of 16-24-year-olds. This figure is expected to increase substantially over the next two years as a consequence of the Covid-19 pandemic. Industries where young people are typically employed have been hardest hit including hospitality, retail and tourism. Over the summer of 2020 under 25s were the age group most likely to be furloughed. They made up the highest proportion of those losing their jobs and nearly a third of new universal credit claims were from this age range. In addition, apprenticeships starts have nearly halved with this drop being even greater in the under 19s category.

Disadvantaged young people are twice as likely to be NEET and young people with Special Educational Needs and Disabilities (SEND) are three times as likely to be NEET. Both these groups are also significantly more likely to be excluded from school either temporarily or permanently. Research highlights a lack of services that intervene early and take a long-term approach to supporting young people.

In response to this need we partnered with 23 schools and colleges across London, Nottingham, Kent and the West Midlands providing coaches to deliver individualised and group-based support to 1086 young people in the last year.

Objectives 2019-20

The organisation has set the following strategic goals for the period 2018-2020:

- Learn what works, build a best in class programme, and prove its impact
- Build strong partnerships across education, government and employers
- Build a strong learning organisation that invests in and develops its people

- Work towards becoming financially sustainable and resilient

Impact

In 2019-20 we continued a strong focus on impact across the organisation. We recruited a Head of Impact to build on this work and embed an impact-led approach at ThinkForward. We leveraged our improved data collection and accuracy of activity reporting, to develop interactive dashboards which support impact led decision-making at all levels of the organisation. We aim to ensure all our young people experience a high-quality and consistent programme. We continue to identify gaps in our knowledge and refine our impact reporting. We are developing standardised ways of capturing outcomes data to make it easier to demonstrate our impact. This includes quarterly tracking of the Education, Employment and Training (EET) status of all our post-16 cohorts up to one year after they graduate from our programme.

Partnerships

We continue to focus on school relationship management and have developed standardised termly impact reporting templates to showcase success and highlight progress made. Developing the wider partnership ecosystem has been prioritised and we have strengthened some strategic partnerships with local authorities as well as delivery partners such as Project Search, in part through collaborating on potential new projects. We also secured a new capability partnering contract in Warwickshire to support the local authority in raising the standards of supported internship provision across the county.

We continue to add to the number of employers with whom we partner, and we have joined relevant local networks to expand joint working across our regions. We have focused on securing national partnerships to support all our regions, such as DHL and Microsoft. We have also developed new partnerships that will support us to offer Covid-safe workplace exposures – such as environmental/outdoor businesses.

People

We have skilled staff who deliver accredited coaching training in-house to ensure high-quality and consistent coaching across our programmes. Through our appraisal process we identify training and development needs across the organisation. We have invested significantly in our coaches this year, in part with funding support from the Paul Hamlyn Foundation to address emerging training needs in response to Covid-19. A number of coaches have undertaken higher level coaching accreditations, and we have supported staff to develop soft skills alongside increased support for mental wellbeing.

Our appraisal process has been refreshed to emphasise training and development with a clear focus on developing progression pathways for staff, both within and without ThinkForward.

Finance

We have built on our successes last year by gaining further new funders (our income grew by 7%) and securing the majority of our renewal funders in 2019-20. Our Social Impact Bond (SIB) outcomes contract performed well and exceeded targets up until the onset of Covid-19. As we have grown over the last three years, we have been able to share our central costs across more regions, improving efficiency and the value for money of the programme.

Communications

Our success also relies on us being able to communicate our work and achievements in a clear and compelling way. To this end, and with the development of the MoveForward

programme alongside the ThinkForward programme, we launched a brand and messaging review in late 2019. To do this we consulted with a cross-section of key stakeholders, young ambassadors for the programmes and staff. This will conclude with refreshed branding, messaging, and a refreshed website in 2021.

During the year, our work and the inspirational young people on our programmes received external recognition. Most notably one of our young people in Nottingham won the Creative Excellence Award at the Nottinghamshire Live Education Awards. We also featured on the Social Mobility Awards Roll of Honour alongside our funder and volunteer partner Ardian, in recognition of our commitment to improving social mobility. As part of Coronavirus Community Heroes, nine young people were nominated by their coaches for their roles on the frontline or supporting their community during the pandemic.

Impact of Covid-19 in 2019/20

Half-way through our financial year the Covid-19 pandemic hit and this has, of course, impacted us in many ways. We knew it was important to keep delivering to our young people, they need our support now, more than ever. We're proud that no staff were furloughed and the whole staff team worked together to adapt our delivery and continue our support, offering coaching over the phone and online as well as increasing parental engagement to support vulnerable families.

On the ThinkForward programme, in the six months to August 2020 we delivered over 3,500 one-to-one sessions and nearly 3,600 parental engagement sessions via phone calls and online. We also piloted virtual ready for work activities and continue to develop this offer for the coming year.

We know that for many families our support was vital, some parents told us they felt we were the only support they had during lockdown. Our coaches adapted to respond to the emerging needs of our young people and delivery has been flexed to maximise access and engagement. Still, the lack of face-to-face sessions has been difficult for many young people and we have been unable to deliver our full range of ready for work activities and support as employers adjust to Covid-19 restrictions in their workplaces.

As part of our regular check calls with our post-16s and prior year graduating cohort we have asked questions about the impact of lockdown on our young people. We know they are most worried about their futures, their families and their own mental wellbeing. We also know that after friends and family, their ThinkForward coach is the person they are most likely to turn to for support. Nearly half of the young people we spoke to had been furloughed. Nearly one third didn't have access to a computer or device.

We worked hard to address new needs. The fundraising team and business partnership managers secured over 150 devices for our young people with the support of our partners, and our Kent coaches secured over £15,000 to purchase essential items for their young people. We have also supported young people to make appropriate referrals for mental health support and secured funds to extend coaching training and support,

We are also reviewing and reflecting on how to integrate digital tools in our work. In many ways we were well set up to respond to the workplace changes and challenges of Covid-19. We already work in the cloud on Microsoft 365 alongside our Civi CRM database. We were able to rapidly deploy tools to support staff internally and also facilitate virtual delivery with our young people. Our thinking on digital has evolved to

be more than a Covid-19 response and we are now piloting several digital interventions that extend and complement our programme offer.

An important consideration has also been the wellbeing of our own staff. Delivering a full service during lockdown was intensive at times. Just prior to lockdown we had instigated anonymous online monthly staff engagement surveys and these allowed us to understand the needs and concerns of our staff and respond in real time. We increased our internal comms and touchpoints across the organisation, developing online socialisation opportunities and ensuring managers checked in regularly with their teams. We promoted our Employee Assistance Programme and shared resources to support wellbeing and working from home. We provided appropriate equipment for staff for use in their homes and increased our flexible working offer to support staff managing home life commitments.

Framing all this was concern over the financial implications of the pandemic. We have worked with our funders to adjust agreed outputs and delivery focus over the year to ensure the needs of our young people are met. A large proportion of our income is unrestricted which gave us flexibility to respond appropriately to changing circumstances. Most of our income for the year was secured by March 2020 and a number of funders made commitments sooner than usual to ensure we had some certainty on income streams. We only generate a small part of our income from direct fundraising to the public which protected us from some of the immediate impacts of the pandemic.

The ThinkForward programme

ThinkForward believes all young people deserve to have the space and opportunity to thrive. We know there is work to do to level the playing field and give fairer access to opportunities for personal growth and development to all young people. We work with our partner schools to identify young people most at risk of becoming NEET. Our participants are supported to develop new skills and plan for their futures, raise their aspirations and cultivate self-belief. The experiences and work exposures they can access with us prepare them to move into work after they finish education. Everything we do is centred around giving young people the autonomy and self-confidence they need to be successful so that they have control over their lives and futures.

We do this through a programme of long-term one-to-one coaching, where young people build a trusted relationship with their coach over the five years they are in education (from age 13-18), and through a targeted programme of employability activities. Young people on the programme develop key life skills, experience insights into the world of work, and learn how to overcome the barriers that keep them from succeeding in school and later life. They develop career goals and action plans to enable a successful transition into work.

Our young people have experienced many adverse events in their lives and approximately two thirds of our current ThinkForward cohort reside in postcodes linked to the bottom 20% on the IDACI index (Income deprivation affecting children index). Around half qualify for free school meals and a third are young people with SEND.

Programme Promise

We have codified our programme offer and work to ensure all our young people are engaged and accessing the full programme as far as possible. They benefit from our

unique approach, combining one-to-one coaching and group work aimed at developing key skills and peer relationships alongside a wealth of ready for work activities. These activities include insight days, work experience, business mentoring and skills workshops.

Our engagement with parents is an important element of our approach, helping to sustain the young person's involvement with the programme and drawing caregivers into their child's plans and aspirations. Over lockdown, our parental engagement increased by around 60%, demonstrating the significant support we extended to our families at a really difficult time.

Programme Promise - for each young person annually						
	Y9	Y10	Y11	Y12	Y13	Total
One-to-one coaching sessions	8	9	7	9	9	42
Group coaching sessions	14	12	8	0	0	34
Ready for work activities	6	10	8	9	5	38
Parental engagement	7	6	6	6	6	31

Programme evolution

Our aim in 2019/20 was to better evidence and grow our impact. The coaching toolkit, alongside improved data systems and processes has driven improved consistency in the delivery of our programme promise. the minimum offer to young people, over the past year. The number of young people on ThinkForward receiving 75% or more of the programme promise has more than doubled, and the number of young people receiving 100% has tripled when comparing recorded coaching sessions in autumn term 2018 with recorded sessions in spring term 2020.

We have developed and implemented a digital coaching toolkit, which is informing the practice of our ThinkForward coaches, supporting circa 900 young people enrolled on the ThinkForward programme annually. The toolkit has also been used as a template for the programme design of DFN-MoveForward, our coaching and employability programme for young people with mild to moderate learning disabilities.

Our Impact

Our graduating cohort of young people in 2019-20 have secured great outcomes, especially within the context of the impact of Covid-19. We're really proud of how hard they have worked and their achievements. After graduation, the EET rate (in Education, Employment or Training) for known outcomes was 83% (2019 83%) with nearly three fifths in paid work and the remainder in continuing education.

Half of our graduates were entitled to free school meals and around one third had special educational needs. Approximately 80% of our graduating cohort reside in postcodes linked to the bottom 30% on the IDACI index. Many of our young people have experienced multiple risk factors and they have worked hard to progress and make positive life choices.

Nottingham

All elements of our programme promise delivery were on track prior to the impact of Covid-19. There was excellent feedback from students and employers on the ready for work interventions offered. Notable business partners who support us are KPMG, SDL Group, the NHS and HMRC (two of Nottingham's biggest employers).

During Covid-19 the team stepped up to bring in extra support for families including food vouchers, signposting to foodbanks, free school meal vouchers and sibling support. Parents have been vocal in the appreciation of this additional offer.

Very strong regional relationships have been developed. One school relationship has led to a partnership supporting our digital aspirations, and others have brought in new funding to ThinkForward. A particular success was working with Capital One to secure more than 100 Chromebooks for students, including 77 for ThinkForward young people.

A Nottingham student has recently been elected to the ThinkForward board after an open recruitment process.

In the coming year there will be a focus on extended local relationship building, including with the local authority. There will also be a focus on supporting our post-16s who are particularly affected by Covid-19.

Kent

There was strong participation in our youth engagement offer with 30 students across five schools attending sessions this year. The ready for work offer prior to Covid-19 also reached large numbers of additional students in each of our schools, not only the core coached ThinkForward cohorts, thus extending our reach and impact locally.

Coaches directly applied for and secured hardship funds exceeding £15,000 to pay for essential equipment and other needs for many of their young people in Kent.

We are working with a new school in Kent, Dover Christ Church Academy, for 2020/21 with the strong probability of a further school being added in the coming year.

London

Young people from the London cohort who graduated in August 2019 maintained an 85% plus EET rate throughout the year to August 2020. The first follow up of the London 2020 graduating cohort has also demonstrated an 85% plus EET rate. The London team are really proud of the achievements of their young people.

Over 97% of 2020 graduates had completed their ready for work passports, ensuring all the elements needed for applying for jobs were in place. Nearly 90% of young people in Years 12 and 13 benefited from having their CV reviewed by professionals in our network.

In London we are gearing up for an enhanced partnership with one of our existing schools, City of London Academy Highbury Grove, which will allow us to deliver and test our offer to an extended pool of Y10 and Y11 students as part of a pre-apprenticeship preparation year.

The DFN-MoveForward programme

DFN-MoveForward is a school to work employability programme. It supports young people aged 14-25 with mild to moderate learning disabilities to develop the aspirations, qualifications and skills they need to realise their potential and gain paid employment. The programme adapts the ThinkForward template to meet the needs of students with additional needs, ensuring long-term, differentiated support. Participants will gain the financial, social and wellbeing benefits associated with improved self-belief and sustained employment. The project includes the engagement of parents, staff at mainstream and special schools and colleges and local authorities. Multi-stakeholder engagement is at the heart of the project which will drive systemic change:

parents/carers will increase their aspirations for their children and schools and employers will have increased capacity to support young people more effectively.

We are two years into a five-year funded outcomes-based contract backed by a social investment loan. The project's strategic partner, The DFN Charitable Foundation, is the commissioner and we have match funding from the government's Life Chances Fund. The social investment is secured through Big Issue Invest. We will support more than 300 young people in London, Kent and the West Midlands over the lifetime of the project. We are in negotiations with to extend the project to a further 80 young people in Dudley.

In 2019-20 we worked with 177 young people across seven education settings. Our retention rate was over 97%. In August 2020, 67% of the young people supported were in education, 21% on supported internship, 8% in paid work and only 4% were NEET. Around 40 young people secured supported internship places which began in September 2019, with around 25 of those continuing into 2020/21 to make up for time lost during lockdown. We have strong employer relationships including Credit Suisse, HS2, EY, HSBC, STEM Ambassadors, Fusion, National Grid and Network Rail. We have nearly 30 job ready young people who we're supporting to access work during 2020/21.

Prior to Covid-19 we were financially ahead of target on outcomes but the impact of the pandemic has reduced our ability to deliver employability outcomes this year. Most of our employer partners were unable to host ready for work events and for the last six months of our financial year all access to our young people was virtual. We have piloted digital interventions and we're developing our business mentoring offer to enable full virtual delivery leading to an accredited qualification. In the six months from April 2020 we delivered 575 one-to-one sessions (via phone calls or online), 436 hours of ready for work activities, 104 hours of group delivery and had nearly 1,400 contacts with parents.

We have a strong relationship with DFN-Project SEARCH which offers supported internships. We're also developing a partnership with Best Buddies International, which brings together students from mainstream and SEND schools to work together on a social action project as well as delivering a supported employment service.

Youth engagement

We have implemented a framework for youth participation, embedding it in our programme. Youth participation has become an integral part of our programme promise, with more than a hundred young people joining as ambassadors and youth board members. The programme has been supported by a newly created full-time post of national youth participation and insights officer as well as a programme communications officer, and is delivered by our business partnerships managers.

The youth participation framework has clear stepping-stones for the development of young people from peer leadership through to shared decision making and co-design of our programme. There has been a shift in increasing our commitment to a more user-centred programme which focuses on raising young people's voices. An example of this is young people supporting us to co-design our values and feed into our brand and messaging review. Our youth participation programme has now been running across ThinkForward for the second consecutive year, and this year also saw some DFN-MoveForward young people join as ambassadors. The programme empowers young people to develop their peer leadership, consult with and represent their peers.

Fourteen young people have stepped up to our youth board to represent their peers and community, and co-design our youth board and ambassador programmes. We have interviewed and recruited two young trustees for ThinkForward's board of trustees, who will work with the youth board to represent young people's voices in our governance. One of these young people is a Nottingham ThinkForward alumni.

Public benefit

The objects of ThinkForward are to help advance the lives of young people by providing support and activities which develop their skills, capacities and capabilities, enabling them to participate in society as autonomous, mature and responsible individuals. All our charitable activities benefit the public by their nature, because we work to prevent young people becoming NEET, enabling them to participate and contribute more fully to society, as opposed to being marginalised and excluded. Our services are free at point of delivery (for the young person) and we support a wide range of young people of different ages, backgrounds and abilities.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Financial review

Our fundraising successes last year have contributed to an increase in our income of 7%. We have continued to secure new funders and renew a large number of existing funders in the current period. This was accomplished through our fundraising team's efforts, supported by strong leadership from the executive team. For every £1 we spent on fundraising costs we raised £4.78 in income (£7.68 2019), a not unexpected reduction in the current climate. We calculate this on the basis of total renewed and new fundraised income secured in the financial year of £1,450,942 (2019: £1,947,425), including income of £543,174 (2019: £949,833) that will not be received until future years as part of multi-year commitments to which we do not have entitlement to recognise in these financial statements. The sequencing of grant renewals meant that in 2020 we had fewer large (c.£100k per year) renewals compared to 2019. New funding secured in 2020 was also predominantly for one year, with the proviso that future funding would be considered, this was in part due to the impact of Covid on grant giving. In 2020 we invested in a one-year role to support the set-up of the fundraising team on the organisation's CRM system alongside other work.

Our income of £2.6 million (2019 - £2.4 million) is made up predominantly of grants and donated income from a mix of funders including individuals, corporates and charitable trusts. The increase is predominantly from an increase in donations from corporate foundations, many secured via our partnership with the Epic Foundation. We also secured programme contributions from all but one of our schools in 2019-20.

In the year to August 2020 we delivered a surplus of £135k, with expenditure totalling £2.45 million (2019 - £2.37 million). More than 80% of our costs are for staff which ensures we deliver a quality programme - we have invested in roles to oversee programme evaluation and impact, as well as youth engagement, instilling a culture of continuous improvement across the organisation. Our operations and support costs account for just over 21% of expenditure (2019 also 21%).

Working across 23 schools and colleges we supported 1,086 young people in 2019/20. On average at any one time we had 946 young people on the programme which indicates an average annual cost per place of £2,589 (2019 total £2,494).

This year the trustees agreed to designate funds of £105,560 in support of the organisational and infrastructure development we have identified as essential in the first year of our new strategic period, if we are to achieve the objective's we have set for ourselves. This will include investment in developing our digital capabilities, staff training and development, as well as ensuring our operational policies and processes are as robust as possible (further information on our new strategy is included in the section Future Plans).

Reserves policy

ThinkForward has free reserves of £0.68m (2019: £0.73m) and a cash position of £1.04m (2019: £0.88m) at the balance sheet date.

The finance risk & audit committee, on behalf of the board of trustees, conducts an annual review of the level of free reserves (being unrestricted reserves less non-current assets) in the general fund by considering risks associated with the various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the level of free reserves that are sufficient:

- To allow time for reorganisation in the event of a downturn in income
- To protect ongoing work programmes
- To allow the charity to meet its working capital requirements

Free reserves at 31 August 2020 of £0.68m equate to approximately three and a half month's expenditure. The trustees have calculated that between £0.6m and £1m, equating to three and five months of current annual expenditure is needed to meet the above requirements and our current reserves total is within that range. In addition, any planned spend in relation to the designated funds of £105,560 at 31 August 2020 would be deferred or cancelled in the event that the trustees believe that our free reserves will fall outside the target range. Trustees monitor current and forecast reserve levels at each meeting.

Our high cash levels give further reassurance that we are in a strong financial position.

Remuneration policy

ThinkForward is committed to paying staff a fair and appropriate salary, to ensure we can attract and retain people with the skills and abilities to deliver our objectives. Our approach is guided by the following principles:

- We provide a total reward package which recognises contribution to the achievement of our aims
- Our reward offering will be competitive in the marketplace from which we draw the people we need
- The reward decisions we make will be based on an objective assessment of performance and of our organisational needs

We have committed to an external review of our current remuneration policy in 2020/21 with a view to reviewing and implementing affordable recommended improvements.

Key risks and uncertainties with plans and strategies for managing those risks

The trustees are responsible for ensuring that there is an effective system for the management of the risks faced by ThinkForward and have implemented a broad range

of risk management processes considered adequate for the organisation's needs and to minimise risk. We proactively manage our risks and have identified some key areas for ongoing attention;

Safeguarding

Since the charity works with vulnerable children and families, safeguarding is considered the greatest inherent risk in our work. The charity has a framework of consents, controls, policies and reviews to mitigate the associated risks. These are reviewed and updated at least annually. Our focus on training and supervision is key to ensuring good practice. A dedicated team supports safeguarding processes with a reporting system which ensures that concerns are flagged, and information communicated rapidly and securely. We delivered updated safeguarding training for staff in 2019-20 and do so every year. We also undertook an extensive review and update of our safeguarding policy which was signed off by trustees in December 2019. The board reviews safeguarding data at every meeting.

In the context of Covid-19 we intensified our focus on safeguarding, due to lockdown and ongoing restrictions placing increased pressure on families. We played a key role by extending the safeguarding capacity of our schools. We reviewed all our young people to identify those who were most vulnerable and increased the regularity of check-ins with them. We liaised with schools where we could not get in touch with young people to ensure an appropriate response.

Service Delivery

The ongoing and ever-changing Covid-19 restrictions continue to have an impact on our programme delivery. We have maintained high levels of one-to-one virtual contacts with young people (via coaching and check-in sessions) and parents (via parental engagement calls), however, limited in-person contact over the summer (which may happen again over the winter), makes the delivery of group coaching and ready for work sessions extremely difficult. Being unable to deliver our full programme at optimum levels over a long period of time may impact on our outcomes and longer-term impact.

We are addressing this in a number of ways. Even during lockdown, where staff were comfortable to do so, face-to-face sessions were delivered in Covid-secure school environments with some of our most vulnerable young people. It's anticipated that even during heightened restrictions over the winter, schools will remain at least partially open. We will continue to ensure we can support our students in person where it's safe to do so. We are also piloting a digital ready for work offer in partnership with some of our supportive employers. We intend to continue to develop this as a permanent component of our offer, thus extending the geographical and career ranges our sessions can support.

Impact

Our programme is preventative, long-term and targeted to young people with complex life experiences. This can make it challenging to measure our impact. We constantly strive to improve evidence of our impact and have made strong progress over the last two years; appointing a dedicated Head of Impact role, investing in our database, upskilling delivery staff and refining our data collection processes to embed a focus on data and impact across the organisation from the delivery front lines all the way up to the trustees. Continuing this work will be a vital part of our new strategy as we seek to articulate the full value of our intensive and unique approach to supporting young people with the greatest need.

Financial security and sustainability

Financial risks to the charity reflect the uncertainties of the economic climate and strains in the education sector. School budgets are under ever more pressure with central government funding being devolved to schools. Covid-19 has intensified pressure on schools to respond to the needs of students, and more students need support. The effects of the pandemic are also ongoing and we can only make predictions about the medium and long-term impact. Flux in financial markets may affect the size of funds available from both corporate foundations and trusts who often rely on a combination of profits and investment income. Many funders are putting new funding on hold as they reassess priorities and support existing grantees.

We also know the pandemic is disproportionately affecting young people, especially their future employment prospects. Our programme can meet this need and it may be that a number of new funds will open that are well matched to our mission. ThinkForward is increasingly aligning its outcomes, research and evaluation to communicate impact and value for money. This will support us to access funding and support for our work.

More diverse sources of funding are being sought to reduce reliance on particular forms of income and we ensure funding applications make a contribution to central costs. We have identified government funding as a target area in our new strategy and we have already identified potential funds and partners who we are collaborating with to secure new income. We have made strong progress in diversifying income over the last two years (including the development of the DFN-MoveForward social outcomes contract) and securing some longer-term funding. We will continue to develop new income streams and prioritise sourcing statutory funding for the programme over the next two to five years.

School retention and engagement

This remains high risk for us due to the integration of our delivery within our partner schools. A loss of a school can mean a number of young people part way through our programme can no longer access our support. Sadly, one of our schools had to exit the programme this year. We have maintained support for the Y12 and Y13s in that school cohort. We continue to extend our ability to demonstrate the positive impact ThinkForward has in schools to showcase the value for money that we offer. We can support improvements in behaviour and attendance alongside reducing exclusions. Our young people develop improved self-regulation and contribute positively to school life. Our breadth of ready for work activities also support schools to meet their Ofsted requirements and Gatsby 8 benchmarks.

During lockdown, schools were impressed with our continuing delivery and saw it as a key support service for their most vulnerable students. We continued regular impact reporting across the spring and summer, showcasing the value of our support. Enhancing and improving our relationships with the schools we work in will be a key component of our new strategy.

Going concern

The trustees have reviewed the charity's current and future funding prospects in the light of the current economic and funding situation and have reassured themselves of the charity's ability to continue as a going concern. Our planning processes, including financial projections, have taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We hold high cash levels and have a track record of securing funds.

There will be many financial impacts due to Covid-19 restrictions and we have increased internal scrutiny of our financials, developing longer-term forecasts and scenario

modelling tools to plan for different outcomes. We know our work will become increasingly important in response to the ramifications of the pandemic on young people's employment prospects. This should open up new funding sources and lead to renewed understanding of the value of our work.

We believe that there are no material uncertainties that call into doubt the charity's ability to continue in existence. The accounts have therefore been prepared on the basis that the charity is a going concern.

Fundraising policy

Our approach to fundraising rests on positive supporter engagement in order to enable us to attract, steward and maintain support, but also to protect our reputation. Trustees and staff are aware of the need to protect the public, and especially vulnerable people, hence no cold calling, telephone or street fundraising is carried out, and no performance-related bonuses or inducements are made to staff or volunteers. We have limited income from direct donations from the public and these commitments come almost exclusively from those who are involved in our work in some way. Our income mainly comes from corporate supporters, major donors, schools and trusts. No professional fundraisers or commercial participators carried out any fundraising activities on behalf of the charity – we employ our fundraisers directly. No complaints have been made relating to fundraising for the charity in the last 12 months.

The charity is registered with the Fundraising Regulator (FR). We continue to monitor amendments to the Institute of Fundraising's Code of Fundraising Practice to make sure we comply with their fundraising practices and that our own operational policies are regularly updated. We are satisfied that we meet all current standards. ThinkForward adheres to Charity Commission guidelines, particularly CC20 (Charity fundraising: a guide to trustee duties). Trustees are aware of the commission's six fundraising principles and ensure adherence by charity staff: effective planning; supervision of fundraisers; protection of charity reputation, money and other assets; ensuring compliance with laws and regulations; following recognised standards; openness and accountability. Fundraising practices are monitored through a designated trustee who engages in regular oversight of the charity's Director of Fundraising and Communications and formally reports to the board. We ensure the charity's compliance with General Data Protection Regulation (GDPR), particularly with regard to the use of personal data for fundraising purposes.

Information governance

ThinkForward is a data controller in its own right. Close attention is paid to data protection risks across the whole organisation, as a reflection of our concern for our stakeholders, and for the reputation of the charity. We will continue to monitor compliance with legal requirements. We regularly review and update policies and procedures to reflect updated guidance on GDPR requirements and best practice.

Future plans

Over the summer of 2020 we collaborated to develop a new five-year strategy. We were ably supported with pro bono expertise from Bain & Company and consulted widely with key stakeholders. These included current and potential funders, schools, our staff, young people on our programmes and strategic partners.

Undertaking this in the throes of lockdown was complicated, yet it was important to adjust our plans in response to the pandemic and do this in a thoughtful planned way. The rigorous process challenged our assumptions and set a clear direction for the next

five years alongside an agile approach that supports an adjustment to plans as the longer-term impacts of Covid-19 unfold.

Over the next five years our priorities will include:

- Evaluating our programmes externally
- Growing our reach through increasing the number of young people we work with
- Piloting adaptations of our existing programmes using a test and learn approach
- Developing our digital capabilities both internally and as part of our offer
- Continuing to build strong strategic partnerships across education, government and employers
- Further developing our role as a thought leader in our field and supporting other organisations to develop evidence-based best practice

Key plans include:

- Continuing our impact work through improving the range and consistency of outcomes data, reviewing what the data is telling us about what is most effective and impactful in our approach, and developing external benchmarks against which to measure our performance.
- Working with external evaluators to clarify the social return on investment of our work as well as further evidencing our impact
- Reviewing our organisational structure and how that supports the development and nurturing of external partnerships of all kinds.
- Developing small pilots of programme adaptations to extend our offer and support development of our knowledge of what works and how
- Developing a digital strategy which ensures we embed a digital approach across all strands of our organisational strategy, taking advantage of emerging technology and ensuring our ability to deliver in the face of ongoing Covid-19 restrictions
- Investing in our staff and organisation infrastructure to ensure strong foundations for growth
- Focusing on developing both longer-term and government funding to enable us to reach more young people.

Structure, governance and management

ThinkForward UK (“ThinkForward”) is a registered charity and a company limited by guarantee. The governing document is a Memorandum and Articles of Association.

The governing body of the charity is the board of trustees, members of whom are set out on page 2 of this report. The appointment of a new trustee to the ThinkForward board of trustees takes place after due consideration from both parties to ensure a good strategic fit for the board and the prospective trustee. In the last year we reviewed the skills of our board and identified gaps. In addition, two trustees retired. We recruited four new trustees this year to address skills gaps and also extend the diversity and breadth of experience of our board.

Soon after the year end we additionally appointed two new young trustees to increase youth voice at the most senior decision-making level. They will additionally support the operation of a shadow youth board (connected to all our regions) which will gather the views of our young people to ensure our young trustees are able to voice these at board level and throughout the organisation.

New trustees can visit the programme and meet key members of staff in order to gain a good understanding of ThinkForward’s work. We have adapted our approach this year

to support a virtual induction, this has also facilitated new trustees meeting a wider pool of staff and stakeholders more easily. They are also briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Trustees are eligible to attend appropriate external training events where these will facilitate the undertaking of their role.

The board sets strategy and reviews the programme's performance. Day-to-day responsibility is delegated to the chief executive, who works closely with the chair and trustees. The board usually meets bi-monthly and this increased to monthly over the spring and summer of 2020 to support our Covid-19 response. The move to virtual meetings will be retained – it increased attendance and participation of trustees.

There are three sub-committees to the ThinkForward board; the finance, audit & risk committee, the fundraising committee and the programme and evaluation committee. The purpose of these is to ensure in-depth review and oversight of critical parts of our activities. Collectively, these committees seek to ensure that the specific areas of focus are led, where possible, by trustees.

Trustees' responsibility statement

The trustees are responsible for preparing the report of the trustees 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 period that give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- State whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the charitable company, and to enable them to ensure that the financial statements comply with the Companies Act 2006.

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

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

The trustees' report is approved by the trustees on 10th November 2020 and signed on their behalf by:



Charlie Green, chair

Date 26 November 2020

Independent auditor's report to the members of ThinkForward (UK)

Opinion

We have audited the financial statements of (ThinkForward (UK) ('the company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 27 November 2020

ThinkForward (UK)

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

For the year ended 31 August 2020

				Year ended 31 Aug 2020 Total £			Year ended 31 Aug 2019 Total £
	Note	Restricted £	Unrestricted £		Restricted £	Unrestricted £	
Income:							
Donations and legacies	2a	879,662	865,927	1,745,589	688,342	770,538	1,458,880
Charitable Activities	2b	211,190	627,800	838,990	240,657	719,524	960,181
Total income		1,090,852	1,493,727	2,584,579	928,999	1,490,062	2,419,061
Expenditure:							
Raising funds	3	-	303,338	303,338	-	253,613	253,613
Charitable activities	3	982,223	1,163,615	2,145,838	928,999	1,186,548	2,115,547
Total expenditure	3	982,223	1,466,954	2,449,177	928,999	1,440,161	2,369,160
Net movement in funds for year	4, 5	108,629	26,773	135,402	-	49,901	49,901
Funds at the start of the year	13	-	775,687	775,687	-	725,786	725,786
Funds at the end of the year	13	108,629	802,460	911,089	-	775,687	775,687

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 13 to the financial statements.

The notes on pages 28 to 36 form an integral part of these Financial statements.

ThinkForward (UK)

Balance sheet

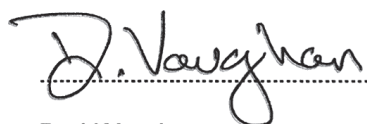
As at 31 August 2020

		As at 31 Aug 2020 £	As at 31 Aug 2019 £
	Note		
Fixed assets			
Tangible fixed assets	7	12,816	27,318
Intangible fixed assets	8	-	23,412
		12,816	50,730
Current assets			
Debtors	9	611,024	363,671
Cash at bank and in hand		1,044,495	879,459
		1,655,519	1,243,130
Creditors: amounts due within one year	10	(466,583)	(518,173)
Net current assets		1,188,936	724,957
Total assets less current liabilities		1,201,752	775,687
Creditors: amounts due after more than one year	11	(290,663)	-
Net assets	11	911,089	775,687
Funds			
Restricted funds	13, 14	108,629	-
Unrestricted funds	13		
Designated Funds	13	105,560	-
General Funds	13	696,900	775,687
Total unrestricted funds	13	802,460	775,687
Total funds		911,089	775,687

The financial statements for ThinkForward (UK), Company registration number 08318590, Charity registration number 1152862 for the year ended 31 August 2020 were approved by the Board on 10th November 2020.


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Charlie Green
Trustee


.....

David Vaughan
Trustee

The notes on pages 28 to 36 form an integral part of these Financial statements.

ThinkForward (UK)

Statement of cashflows

For the year ended 31 August 2020

	Note	Year ended 31 Aug 2020 £	Year ended 31 Aug 2019 £
Net cash (outflow)/inflow from operating activities	(a)	(231,918)	138,355
Cashflow from investing activities			
Additions to tangible fixed assets and intangible fixed assets		(3,046)	(4,827)
Cashflow from financing activities			
Social Impact Bond loan received		400,000	-
Increase/(Decrease) in cash		165,036	133,528
Cash and Cash Equivalents at the beginning of the reporting period		879,459	745,931
Cash and Cash Equivalents at the end of the reporting period		1,044,495	879,459
(a) Reconciliation of surplus (deficit) to net cash flow from operating activities			
		Year ended 31 Aug 2020 £	Year ended 31 Aug 2019 £
Net income for the reporting period		135,402	49,901
Depreciation		17,548	25,273
Amortisation of intangible assets		10,033	10,033
Write-off of intangible assets	13	13,379	-
(Increase) in debtors		(247,353)	(336,546)
(Decrease)/increase in creditors	13	(160,927)	389,694
Net cash (outflow)/inflow from operating activities		(231,918)	138,355

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2020

1. Accounting policies

- a) These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

Going Concern:

In response to the ongoing impact of COVID-19 we increased the frequency of trustee meetings and levels of information sharing between meetings. We fully revised and updated our risk register with a focus on the short, medium and long-term impacts of the pandemic. We developed a scenario model to plan for different outcomes and identified savings needed and where they would come from within each scenario. We worked with funders to adapt delivery and secure funds in advance to support forward planning. Our overall income levels for the Y/E 31/08/21 are expected to be in line with or higher than the preceding 12 months, this is monitored with monthly reforecasts and income planning at least 12 months ahead at all times. Based on this the trustees have concluded that there are no material uncertainties about the charity's ability to settle its debts as they fall due for at least 12 months following approval of these financial statements and accordingly the financial statements continue to be prepared on the going concern basis.

- 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 ThinkForward (UK) 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 or time-related conditions, 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 the incoming resource is deferred.

Income from outcomes-based contracts is recognised in line with the terms and conditions of the contract for services, after outcomes have been recorded on our database and contractually agreed forms of evidence have been collected and filed.

Where goods or services are provided to the Charity free of charge that would normally be purchased from suppliers, this contribution is recorded in the financial statements as both income and expenditure based on the estimated value to the Charity.

- c) 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.

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

Computer equipment	3 years
Office equipment	4 years
Fixtures and fittings	5 years

Items of equipment 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.

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2020

1. Accounting policies (continued)

- e) Costs directly attributable to the development of computer software are capitalised as intangible assets only when technical feasibility of the project is demonstrated, the charity has an intention and ability to complete and use the software and the costs can be measured reliably. Such costs include purchases of materials and services and payroll-related costs of employees directly involved in the project. Research costs are recognised as an expense when incurred.

These costs are amortised to the Statement of Financial Activities using the straightline method over 5 years, which is the shorter of their estimated useful lives and periods of contractual rights.

- f) Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work.
- g) Support costs have been allocated in categories consistent with the management and operations of the organisation.
- h) Unrestricted funds are donations and other income receivable or generated for the objects of the charity.
- i) 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.
- j) The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company 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.

- k) 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.
- l) Other 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.
- m) Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.
- n) The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 9 and 10 for the debtor and creditor notes.

- o) The costs of short-term employee benefits are recognised as a liability and an expense.
- p) In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2020

2. Income

	Year ended 31 Aug 2020 Total £	Year ended 31 Aug 2019 Total £
2a) Donations and grants from government and charitable foundations	1,552,125	1,228,154
Donations and grants from individuals and companies	<u>193,464</u>	<u>230,726</u>
Donations and legacies	<u><u>1,745,589</u></u>	<u><u>1,458,880</u></u>
2b) Charitable activities		
Charitable activities	<u><u>838,990</u></u>	<u><u>960,181</u></u>
Total income	<u><u>2,584,579</u></u>	<u><u>2,419,061</u></u>

- 2c) ThinkForward has received donations of new IT equipment including 76 chromebooks and 87 Raspberry Pis to be given to young people on the ThinkForward programme. The value of this gift is estimated to be £25,640. This has been included in the accounts as donation income and an expense (2019: £nil).

ThinkForward has received free legal and professional advice at an estimated value to the Charity of £15,900. This has been included in the accounts as donation income and as a support cost (2019: £14,400).

ThinkForward has received free training at an estimated value to the Charity of £1,800. This has been included in the accounts as donation income and as an expense (2019: £nil).

ThinkForward has been given free use of office space for the Nottingham regional team. The value of this gift is estimated to be £6,000 pa. This has been included in the accounts as donation income and an expense (2019: £6,000).

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2020

3 (a). Total expenditure

Current year	Activities undertaken directly £	Support costs £	Year ended 31 Aug 2020 £
Raising Funds			
Fundraising and events	236,554	66,784	303,338
Charitable activities			
Programme activities	1,651,170	445,328	2,096,498
Donated services	33,440	15,900	49,340
Total charitable activities	1,684,610	461,228	2,145,838
Total expenditure	1,921,165	528,012	2,449,177

Prior period - Year ended 31 Aug 2019	Activities undertaken directly £	Support costs £	Year ended 31 Aug 2019 £
Raising Funds			
Fundraising and events	194,522	59,091	253,613
Charitable activities			
Programme activities	1,648,779	446,368	2,095,147
Donated services	20,400	-	20,400
Total charitable activities	1,669,179	446,368	2,115,547
Total expenditure	1,863,701	505,459	2,369,160

3 (b). Activities undertaken directly

	Year ended 31 Aug 2020 £	Year ended 31 Aug 2019 £
Staff costs	1,703,923	1,649,283
Donated services: IT Equipment for Young People, Training & Rent	33,440	20,400
Other costs	183,802	194,018
	1,921,165	1,863,701

3 (c). Support costs

Current year	Charitable activities £	Governance £	Year ended 31 Aug 2020 £
Staff costs	287,039	-	287,039
Donated services: Professional Services	15,900	-	15,900
Other costs	208,417	16,656	225,073
	511,356	16,656	528,012

Prior period - Year ended 31 Aug 2019	Charitable activities £	Governance £	Year ended 31 Aug 2019 £
Staff costs	195,220	-	195,220
Other costs	297,039	13,200	310,239
	492,259	13,200	505,459

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2020

4. Net income for the year

This is stated after charging:

	Year ended 31 Aug 2020 £	Year ended 31 Aug 2019 £
Depreciation & amortisation	27,581	35,306
Auditors' remuneration:		
▪ audit - current year	16,200	13,200
▪ other services	6,750	2,400
	<u>6,750</u>	<u>2,400</u>

5. Staff costs

Staff costs were as follows:

	Year ended 31 Aug 2020 £	Year ended 31 Aug 2019 £
Salaries and wages	1,739,833	1,612,905
Social security costs	182,022	167,640
Pension contributions	68,482	63,958
	<u>1,990,337</u>	<u>1,844,503</u>

The number of employees earning £60,000 per annum or more (exclusive of employer pensions and employer National Insurance contributions) was:

	Year ended 31 Aug 2020 Number	Year ended 31 Aug 2019 Number
£60,000 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-

The pension payments for the above members of staff amounted to £6,626 (2019: £2,422).

No emoluments (2019: £nil) and no expenses (2019: £nil) were paid to any trustee director during the period.

No termination payments in respect of redundancies were made in the year (2019: £4,988).

Key management personnel include the CEO and Executive Team comprising of 4 roles (2019: 3) in total. The total employee benefits, in respect of the charity's key management personnel for the year was £301,314 (2019: £236,425).

Staff numbers

The average number of employees (headcount) during the period was 47 (2019: 44).

6. Taxation

ThinkForward (UK) is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance ACT 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax 2010 or Section 2586 of the Chargeable Gains Act 1992, to the extent that such incomes or gains are applied exclusively to charitable purposes. Consequently ThinkForward (UK) has no liability to tax and no deferred tax.

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2020

7. Tangible fixed assets

	Fixtures & fittings £	Office & computer equipment £	Year ended 31 Aug 2020 £
Cost			
At 1 September 2019	44,020	51,625	95,645
Additions in year	-	3,046	3,046
At the end of the year	44,020	54,671	98,691
Depreciation			
At the start of the year	27,486	40,841	68,327
Charge for the year	8,804	8,744	17,548
At the end of the year	36,290	49,585	85,875
Net Book Value			
At the end of the year	7,730	5,085	12,816
At the start of the year	16,534	10,784	27,318

8. Intangible fixed assets

	Year ended 31 Aug 2020 £
Computer Software	
Cost	
At 1 September 2019	50,166
Disposals in year	(50,166)
At the end of the year	-
Amortisation	
At the start of the year	26,754
Charge for the year	10,033
Amortisation on disposals	(36,787)
At the end of the year	-
NBV At the end of the year	-
NBV At the start of the year	23,412

9. Debtors

	As at 31 Aug 2020 £	As at 31 Aug 2019 £
Accrued income	585,360	344,426
Other debtors	12,864	11,227
Prepayments	12,800	8,018
	611,024	363,671

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2020

10. Creditors: amounts due within one year

	As at 31 Aug 2020 £	As at 31 Aug 2019 £
Trade and other creditors	35,205	35,700
Tax and social security	74,800	50,734
Accruals	84,490	66,739
SIB Loan	132,088	-
Deferred income (see below)	140,000	365,000
	466,583	518,173
Deferred income		
Balance brought forward	365,000	-
Amount released to income	(265,000)	-
Amount deferred in year	40,000	365,000
Deferred income carried forward	140,000	365,000

11. Creditors: amounts due after more than one year

	£	£
Big Issue Invest Social Impact Loan	290,663	-

Loan funds of £400,000 were drawn down in December 2019 to fund delivery of DFN-MoveForward in advance of outcomes payments on the programme. Repayments of £100,000 plus interest to date will be made in December 2020, 2021 and 2023 with a final repayment in March 2024.

12. Analysis of net assets between funds at 31 Aug 2020

	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	-	12,816	12,816
Intangible fixed assets	-	-	-
Net current assets	108,629	498,982	607,611
Long term liabilities	-	290,663	290,663
	108,629	802,460	911,089

Analysis of net assets between funds at 31 Aug 2019

	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	-	27,318	27,318
Intangible fixed assets	-	23,412	23,412
Net current assets	-	724,957	724,957
Long term liabilities	-	-	-
	-	775,687	775,687

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2020

13. Movements in funds

Year ended 31 Aug 2020	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
Restricted ThinkForward (UK)					
Garfield Weston Foundation	-	100,000	(100,000)	-	-
Kent Community Foundation	-	205,000	(205,000)	-	-
Credit Suisse EMEA Foundation	-	105,000	(105,000)	-	-
Big Lottery Community Fund	-	100,000	(50,000)	-	50,000
Other restricted funds	-	580,852	(522,223)	-	58,629
Designated Funds	-	-	-	105,560	105,560
Total General Fund	775,687	1,493,727	(1,466,954)	(105,560)	696,900
Total funds	775,687	2,584,579	(2,449,177)	-	911,089

Year ended 31 Aug 2019	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
Restricted ThinkForward (UK)					
Garfield Weston Foundation	-	100,000	(100,000)	-	-
Fidelity UK	-	105,025	(105,025)	-	-
Credit Suisse EMEA Foundation	-	115,996	(115,996)	-	-
Big Lottery Community Fund	-	100,000	(100,000)	-	-
Other restricted funds	-	507,978	(507,978)	-	-
Total unrestricted general	725,786	1,490,062	(1,440,161)	-	775,687
Total funds	725,786	2,419,061	(2,369,160)	-	775,687

General Fund

The general fund represents the accumulated net surpluses of the charity which have neither been restricted by conditions imposed by donors, nor have been designated by the Board of Trustees for specific purposes.

Designated Funds

The trustees designated funds in 2020 for the purpose of supporting the implementation of our updated 5 year strategic plan (2020-2025). We assessed a need to invest in the development of organisational infrastructure including digital skill building which is essential to the successful implementation of our plans. All designated funds are expected to be spent in full in the financial year 2020/21. Further detail is outlined in the accompanying Trustees Annual Report.

Restricted Funds

The charity receives restricted income from a large number of donors and it is not practical to disclose the opening balances, movements, transfers, and closing balances on every individual restricted fund. Restricted funds are disclosed in aggregate except where the donor requires disclosure of a specific restricted fund and/or the funds are material (set at 7.5% or more of the total value of restricted funds).

14. Members'

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the Members is liable to contribute an amount not exceeding £10 towards the assets of the Company in the event of liquidation.

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2020

16. Operating lease commitments

The total minimum lease payments under non-cancellable operating leases are as follows:

	As at 31 Aug 2020 £	As at 31 Aug 2019 £
Expiring within 1 year	44,500	44,500
Expiring between 1 and 2 years	33,375	44,500
Expiring between 2 and 5 years	-	33,375
	<u>77,875</u>	<u>122,375</u>

17. Related party transactions

The charity received donations of £10,300 during the year (2019: £60,550) from trustees. At the year end £nil was outstanding (2019: £nil).

The charity received a donation of £50,000 during the year (2019: £nil) from the DHL Foundation. A ThinkForward trustee is also a trustee of this Foundation

During the year the charity gave a retirement gift to two trustees to the value of £456 (2019: £nil)