

ThinkForward (UK)

(A Charitable Company Limited by Guarantee)

Annual report and financial statements

For the year ended 31st August 2022

Company registration no: 08318590

Registered charity no: 1152862

ThinkForward (UK)

Reference and administrative details for the year ended 31st August 2022

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)
Jill Baker
Vanessa Morphet
Robert Craig
Asi Panditharatna
Kathryn Jack
Keith MacDonald
Daniel Easterbrook
Sally Cartwright
Matthew Tate (appointed 12th October 2021)

Chief Executive

Ashley McCaul

Principal Office:	337 City Road London EC1V 1LJ
Independent Auditor:	Moore Kingston Smith LLP Floor 6 9 Appold Street London EC2A 2AP
Primary Banker:	NatWest Holborn Circus 1 Hatton Garden London EC1P 1DU
Primary Solicitors:	Travers Smith LLP 10 Snow Hill London EC1A 2AL

ThinkForward (UK)

Table of contents

Chair and Chief Executive's report	4
Trustees' report	
1) Objectives, activities & performance	6
2) Public benefit	8
3) Financial review & reserves	9
4) Remuneration policy	10
5) Key risks and uncertainties	11
6) Fundraising policy	12
7) Information Governance	12
8) Future Plans	13
9) Structure, governance & management	13
10) Trustees' responsibility statement	14
Independent auditor's report	16
Statement of financial activities	21
Balance sheet	22
Statement of cashflows	23
Notes to the financial statements	24

ThinkForward (UK)

Chair and Chief Executive's report

2021/22 proved to be the year in which ThinkForward needed to navigate a new post-pandemic reality. The organisation survived the pandemic in good health; we strove to meet the even greater levels of need of our beneficiaries, and we finally returned to face-to-face delivery of our services. We are proud of both the young people with whom we work and our hard-working front-line team who demonstrated that they could navigate this new reality with aplomb.

The pandemic required us to change how we delivered our services and has had some other longer-term effects on the organisation. We are recording high levels of safeguarding cases demonstrating the negative impacts of interruptions to routine and schooling on the wellbeing of our young people. Our partner schools are under increasing staffing and budgetary pressures, inhibiting some of them from investing in our long-term programmes. The interruptions to our delivery programmes due to the pandemic also resulted in some gaps in our evaluation data. Like many organisations, we have been impacted by the global phenomenon of relatively high employee turnover due to a number of staff taking stock and looking for change following the intensity of working through the pandemic.

We have responded to these challenges positively over the past year. Our safeguarding processes, protocols, reporting and staff training have all been reviewed and refreshed. We have introduced some organisational restructuring and we now have a new executive team to support the chief executive who led the organisation almost single-handed for much of the year. We have implemented new evaluation studies for our two main programmes. We have a renewed focus on our relationships with our external partners, especially schools. We are building new external relationships with our corporate partners; in one case the commissioning of a pilot project to work on job creation opportunities for our young people. We have reviewed our 5-year strategy in the light of the very limited opportunity for growth over the period of the pandemic.

We successfully won an application to the Greater London Authority to work with young black men in London who have been excluded from mainstream education. This commission is a demonstration of our expertise in using coaching to support the most vulnerable young people in society.

Youth engagement remains a core aspect of our operation. Our young trustees continue to bring valuable lived experience to bear on our board meetings. Our youth advisory board continues to support decision making on new delivery strategies and practices.

Our loyal funders continue to provide us with remarkable support, many of whom have exacting standards for due diligence and reporting. The year ahead brings its own challenges with the impact of the cost-of-living crisis that we expect to have a disproportionately negative impact on our young people, but we are committed to continuing to support them all. The crisis will also have an impact on our school and funding partners. We are optimistic that we can navigate this new reality and are determined to continue to deliver high quality coaching programmes to our impressive community of young people.

Charlie Green, Chair

Ashley McCaul, Chief Executive

ThinkForward (UK)

Trustees' report for the year ended 31st August 2022

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 2022 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).

Objectives, activities and performance

Five-year strategy

We made progress on our five-year strategy developed in 2020, revising and streamlining our goals and objectives following two years of sustained income but without the growth originally anticipated early in the pandemic. Our growth target has been revised to £4m by the end of 2025, and our impact and sustainability goals remain the same; to understand what works, optimise delivery and promote our approach to coaching young people; to reduce the cost per young person participating in our programmes and to secure multi-year funding. We believe our strategy is fit for purpose enabling ThinkForward to mature into a stronger organisation, well equipped to empower young people to have the better and brighter futures they deserve.

The four strategic objectives underpinning our five-year strategy have been revised:

- 1. Refine the FutureMe programme – our core programme delivered in schools**
 - Maintain programme over the last three years of the strategic plan
 - Develop new adaptations of FutureMe
 - Introduce efficiencies and improved accessibility through digital enablement
- 2. Refine and expand our programmes for young people with SEND**
 - Use external evaluation to create a replacement for DFN-MoveForward by the end of the Social Impact Bond
 - Introduce efficiencies and improved accessibility through digital enablement
- 3. Become a capability partner**
 - Deliver SEND job creation pilots and pick out learnings for future offerings
- 4. Become a thought leader**
 - Publish insights from findings of evaluations and data insights to support core programmes

Vision

That every young person is empowered to gain the confidence, independence, and skills they need for a better and brighter future.

Mission

ThinkForward delivers unique, personalised coaching programmes for young people at a key stage in their lives, enabling them to overcome the challenges they face and make a successful transition into work. Every young person takes part in workplace activities to develop their life goals and readiness for work. We raise the voices of our young people and support employers to provide fair access to opportunities.

Equity, Diversity and Inclusion Manifesto

We aim to create an environment where all can thrive. We will lead from the front by placing equity, diversity and inclusion at the heart of all we do as an employer, in our work with young people, and within our sphere of influence. We value creativity, productivity, good decision-making and reputation, and we know that good equity, diversity and inclusion practices will build these.

We are working to create a world where our young people are more likely to thrive and the absence of uniformity is considered a strength. We want learning and challenging the status quo to be considered progressive, and where people's ethnicity, gender, age, sexual orientation, religious beliefs, disabilities, learning abilities or socio-economic origins are not the defining characteristics of their potential for success.

Programme Delivery

Our two main programmes, FutureMe and DFN-MoveForward both continue to account for the majority of our focus and numbers of beneficiaries. FutureMe is delivered in Nottinghamshire, Kent and London and through a combination of one-to-one coaching, workplace activities and youth participation opportunities, young people gain the confidence, independence, and skills they need to make successful school to work transitions and secure a brighter future. DFN-MoveForward supports young people in London, Kent and the West Midlands who have mild to moderate learning disabilities and is delivered under a social impact bond.

In 2021/22 we introduced a pilot programme to focus on young black students who are more likely to be excluded from school than white British students, and young black men who experience high unemployment rates. Future Leaders is funded by the Greater London Authority and supports young black men in alternative provisions in London to make a successful transition into a post-16 destination, overcome the barriers they may face such as a lack of networks, social capital and soft skills, and prepare them to be ready to find a fulfilling career.

Impact

We track the outcomes of our young people who graduate from all of our programmes. For FutureMe we follow up with our young people for a year so we can build up a sustained picture of their progress. We know that of the young people who left the programme in 2022, 82% were in education, employment or training (EET) in the three-month period after graduating (September – November 2022). Of these, 55% were in employment, 14% were in education and 14% were in employment and education.

These are fantastic achievements for our young people, many of whom face significant challenges in their lives, in a very difficult economic and social environment.

In 2022 the DFN-MoveForward programme worked with 190 young people with additional needs across London, Kent and the West Midlands.

The aim of the programme is to prepare young people to get ready for sustainable paid employment and then support them to find a job. We're delighted that nine MoveForward young people started a paid job of more than 16 hours a week in 2022.

These results are possible thanks to the blend of coaching and employability activities that young people take part in. Our coaches held 7,480 one-to-one coaching sessions and there were 3,158 group work attendances and 2,811 employer event attendances.

Youth engagement

Youth participation has become an integral part of our programme promise, with more than a hundred young people working with us as ambassadors and youth board members from all of our programmes.

Our Jack Petchey intern who started in March 2021 was given a permanent position as a Communication Officer in 2022 working closely with our Youth Engagement officer.

Our two young trustees continue to bring valuable lived experience to bear on our board meetings. We were delighted to be awarded the London Youth Silver Quality Mark in recognition of our youth participation work.

Public benefit

The objects of ThinkForward are to help young people to have better and brighter futures by enabling them to develop the confidence, independence, and skills, they need to participate in society as autonomous, mature and responsible individuals. All our charitable activities benefit the public by their nature. We work to prevent young people becoming unemployed and enable them to contribute more fully to society. Our services are free at point of delivery for each 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

Income for the year was £2.38 million which was a strong achievement given the pressures across the sector and in the economy overall. We are very grateful to all our loyal and generous supporters who continue to believe in the importance of supporting our work.

Our income is made up predominantly of grants and donated income from a mix of funders including charitable trusts and foundations, corporate businesses and individuals. The grant-giving bodies which entrust their funds in ThinkForward work to exacting principles and criteria and use the highest levels of rigour to select their fundees. We are proud to be recipients of their grants. The schools with which we work also continue to contribute to each programme for which we thank them.

In the year to August 2022, we delivered a surplus of £0.13m (2021: £0.04m) with expenditure totalling £2.25 million (2021: £2.42 million). To ensure we deliver the highest-quality programme, we invest over 80% of expenditure on our highly qualified staff. Our operations and support costs (including salaries) account for just over 22% of expenditure.

ThinkForward's balance sheet shows total net assets of £1.08 million at August 2022 (August 2021: £0.95 million) of which £0.97 million was unrestricted (August 2021 - £0.92 million).

Last year trustees designated £13,515 of funds in support of the organisational and infrastructure development which now stands at £6,837, equal to the net book value of fixed assets.

Financial security and sustainability

As the first academic year of returning to more normal face-to-face work with our young people ended following the pandemic, we started to witness other pressures on the charity sector increase due to the cost-of-living crisis. Our beneficiaries are particularly vulnerable and the need to continue to support them intensifies. ThinkForward has successfully demonstrated the value and importance of its programmes to all its stakeholders, as evidenced by commitments of funding from new funders early in the new financial year. Our staff continue to adapt to the needs of our beneficiaries and schools.

The support we continue to receive from all stakeholders who believe in our work gives our trustees the confidence in our five-year strategy. We recognise the difficult economic environment will make our targets tough to reach in the next financial year but we have faith in our funders who recognise the value of an evidence-based, long-term programme with demonstrable impact.

Reserves policy

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, having considered:

- The reasons the charity needs reserves
- The potential impact of external factors outside the charity's control
- The level of reserves the trustees believe the charity needs
- How the charity is going to establish the levels of reserves required
- The time required for reorganisation in the event of a downturn in income
- How to protect ongoing work programmes
- How to allow the charity to meet its working capital requirements
- How the policy and reserves will be monitored and reviewed.

The Charity needs reserves in order to protect the continuity of operations during periods of economic and social uncertainty, through peaks and troughs of funding cycles and to maintain core activities as individual projects finish and new projects start. In addition to such operational reserves, where possible, a fund of accumulated reserves allows the Charity to invest appropriately in new strategic initiatives.

ThinkForward had free reserves of £0.97m (2021: £0.91m) and a cash position of £1.09m (2021: £1.41m) at the balance sheet date.

Free reserves at 31 August 2022 of £0.97m equate to approximately four months' operating expenditure. The trustees have calculated that between £0.6m and £1m, equating to between three and five months of current annual operating expenditure is needed to meet the above requirements and our current reserves total is within that range.

Our 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.

Staff pay is reviewed annually by the board of trustees and is based on comparisons with similar organisations using industry standard benchmarking.

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. A risk framework is reviewed by the board to include all key financial, governance, safeguarding, operational, external, regulatory and compliance risks.

Of key significance for ThinkForward are the policies, processes, plans and reviews for safeguarding the vulnerable children and families with whom we work. Safeguarding is reviewed at every board meeting, six times each year, with incidents, status and plans for mitigation on each agenda. The charity has a framework of consents, controls, policies and reviews to mitigate the associated risks. These are reviewed and updated by the finance, risk and audit committee 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 deliver continually updated safeguarding training for staff multiple times each year.

Going concern

The trustees have continued to review 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. Trustees have made this assessment for a period of at least one year from the date of the approval of the financial statements.

The executive team, with the support of the board, has continually assessed delivery models, staffing, funding arrangements and financial controls and put contingency plans in place to make sure that ThinkForward remains focused on its strategy and vision. 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 adequate cash levels and have a track record of securing funds.

There have been and there will continue to be many financial impacts due to external factors outside our control including the current cost-of-living crisis and the fallout from the pandemic. We have retained the increased internal scrutiny of our financial health, staff wellbeing and risk management to ensure we understand how our operation is performing. Our regular staff satisfaction surveys give us clear guidance on areas for focus to improve staff wellbeing and safety and give the executive team confidence that the measures taken means the staff team will continue to operate successfully over the next 12 months.

The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue in existence for the foreseeable future. Trustees are of the opinion that ThinkForward will have sufficient resources to meet its liabilities as they become due. 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 funder 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. 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 grant giving bodies, corporate supporters, commissioners, major donors and schools. 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 takes several factors into account which could affect its future financial performance. Macro factors such as the general economic, political and social situation, and micro factors such as the capacity and capability to raise funds.

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 by the board or trustees. 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

ThinkForward's future plans are detailed in its published five-year strategy and outlined in the Activities section above. The forward plans are currently on track and, taking risk mitigation into account, trustees are confident in the executive team's ability to deliver the plans as defined.

Over the next five years our priorities will include:

- Understand where our current coaching model is working best and adapt for future programmes
- Develop deeper insight to support programme adaptation and position ThinkForward as a thought leader
- Ensure that we have a sustainable funding model to support our business plan
- Invest in support infrastructure to provide transparency and enable growth.

Structure, governance and management

ThinkForward UK ("ThinkForward") is a registered charity registered on 15 July 2013 and a company limited by guarantee incorporated on 5 December 2012. 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.

Our young trustees continue to provide a vital youth voice at the most senior decision-making level. They support the operation of a youth board which gathers the views of our young people to ensure our young trustees are able to voice these at board level and throughout the organisation.

Trustees are encouraged to visit our programmes and meet key members of staff in order to gain a good understanding of ThinkForward's work. They are 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 strategic plan and 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 meets bi-monthly.

There are three sub-committees to the ThinkForward Board; the Finance, Audit & Risk Committee (FRAC), the Development Committee and the Programme Delivery Committee. The purpose of these committees is to ensure in-depth review and oversight of critical parts of our activities. Collectively, they seek to ensure that the specific areas of focus are led, where possible, by trustees.

Decisions made by staff are made according to the levels of delegated authority defined in the charity's policies and procedures according to roles and commensurate levels of

authority. The executive team currently comprises of the Chief Executive, Deputy Chief Executive, Director of Development and Director of Programmes, who meet weekly.

The trustees receive no remuneration for their services as trustees but are reimbursed for appropriate travel and expenses in performance of the work of the charity.

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.

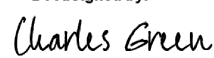
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the ThinkForward website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

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 23 March 2023 and signed on their behalf by:

DocuSigned by:

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Charlie Green, Chair

4/11/2023

Date

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 2022 which the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for

the other information contained within the annual 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.

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 course of 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 themselves. 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 14, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not

detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Adam Fullerton (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Floor 6

9 Appold Street

London

EC2A 2AP

Date: 24 April 2023

ThinkForward (UK)**Statement of financial activities (incorporating an income and expenditure account)****For the year ended 31 August 2022**

		Year ended 31 Aug 2022			Year ended 31 Aug 2021		
	Note	Restricted £	Unrestricted £	Total £	Restricted £	Unrestricted £	Total £
Income:							
Donations and legacies	2a	695,592	897,874	1,593,466	677,626	1,019,345	1,696,971
Charitable Activities	2b	102,275	680,300	782,575	169,502	593,948	763,450
Total income		797,867	1,578,174	2,376,041	847,128	1,613,293	2,460,421
Expenditure:							
Raising funds	3	-	225,279	225,279	-	258,845	258,845
Charitable activities	3	711,892	1,309,004	2,020,896	931,660	1,232,385	2,164,045
Total expenditure	3	711,892	1,534,283	2,246,175	931,660	1,491,230	2,422,890
Net movement in funds for year	4, 5	85,975	43,891	129,866	(84,532)	122,063	37,531
Funds at the start of the year	12	24,097	924,523	948,620	108,629	802,460	911,089
Funds at the end of the year	12	110,072	968,414	1,078,486	24,097	924,523	948,620

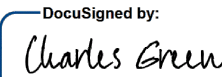
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 12 to the financial statements.

The notes on pages 24 to 32 form an integral part of these Financial statements.

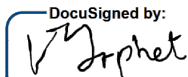
ThinkForward (UK)**Balance sheet****As at 31 August 2022**

		As at 31 Aug 2022 £	As at 31 Aug 2021 £
	Note		
Fixed assets			
Tangible fixed assets	7	6,837	13,515
Current assets			
Debtors	8	381,974	164,973
Cash at bank and in hand		1,088,920	1,414,267
		1,470,894	1,579,240
Creditors: amounts due within one year	9	(187,913)	(451,138)
Net current assets		1,282,981	1,128,102
Total assets less current liabilities		1,289,818	1,141,617
Creditors: amounts due after more than one year	10	(211,332)	(192,997)
Net assets	11	1,078,486	948,620
Funds			
Restricted funds	12	110,072	24,097
Unrestricted funds			
Designated Funds	12	6,837	13,515
General Funds	12	961,577	911,008
Total unrestricted funds		968,414	924,523
Total funds		1,078,486	948,620

The financial statements for ThinkForward (UK), Company registration number 08318590, Charity registration number 1152862 for the year ended 31 August 2022 were approved by the Board on 23 March 2023

DocuSigned by:

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Charlie Green
Trustee

DocuSigned by:

 F54FAD8C1D554FF.....

Vanessa Morphet
Trustee

The notes on pages 24 to 32 form an integral part of these Financial statements.

ThinkForward (UK)**Statement of cashflows****For the year ended 31 August 2022**

	Note	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Net cash (outflow)/inflow from operating activities	(a)	(201,347)	516,030
Cashflow from investing activities			
Additions to tangible fixed assets and intangible fixed assets		-	(14,170)
Cashflow from financing activities			
Social Impact Bond loan repayment		(100,000)	(100,000)
Social Impact Bond interest		(24,000)	(32,088)
(Decrease)/Increase in cash		(325,347)	369,772
Cash and Cash Equivalents at the beginning of the reporting period		1,414,267	1,044,495
Cash and Cash Equivalents at the end of the reporting period		1,088,920	1,414,267

(a) Reconciliation of surplus (deficit) to net cash flow from operating activities

	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Net income for the reporting period	129,866	37,531
Depreciation	6,678	13,471
Interest on SIB loan	24,000	32,088
Decrease/(Increase) in debtors	(217,001)	446,051
(Decrease) in creditors	(144,890)	(13,111)
Net cash (outflow)/inflow from operating activities	(201,347)	516,030

(b) Analysis of changes in net debt

	Brought forward 1 Sep 2021 £	Cash flow movements £	Carried forward 31 Aug 2022 £
Cash at bank and in hand	1,414,267	(325,347)	1,088,920
SIB loan	(316,997)	105,665	(211,332)
	1,097,270	(219,682)	877,588

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2022

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:

The Finance, Risk and Audit Committee continue to meet regularly and report to the Board. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue in existence for the foreseeable future. Trustees are of the opinion that ThinkForward will have sufficient resources to meet its liabilities as they become due. The accounts have therefore been prepared on the basis that the charity is a going concern.

- 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 2022

1. Accounting policies (continued)

- e) Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work.
- f) Support costs have been allocated in categories consistent with the management and operations of the organisation.
- g) Unrestricted funds are donations and other income receivable or generated for the objects of the charity.
- h) 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.
- i) 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.

- j) 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.
 - k) 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.
 - l) 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.
 - m) 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 8 and 9 for the debtor and creditor notes.
- n) The costs of short-term employee benefits are recognised as a liability and an expense.
 - o) 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 2022**

2. Income

	Year ended 31 Aug 2022	Year ended 31 Aug 2021
	Total	Total
	£	£
2a) Donations and grants from government and charitable foundations	847,120	1,269,542
Donations and grants from individuals and companies	<u>746,346</u>	<u>427,429</u>
Donations and legacies	<u>1,593,466</u>	<u>1,696,971</u>
2b) Charitable activities		
Charitable activities	<u>782,575</u>	<u>763,450</u>
Total income	<u>2,376,041</u>	<u>2,460,421</u>

- 2c)** 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 (2021: £6,000).

In the previous year ThinkForward received free legal and professional advice at an estimated value to the Charity of £5,000. This was included in the 2020/21 accounts as donation income and as a support cost.

ThinkForward (UK)**Notes to the financial statements****For the year ended 31 August 2022****3 (a). Total expenditure**

Current year	Activities undertaken directly £	Support costs £	Year ended 31 Aug 2022 £
Raising Funds			
Fundraising and events	178,076	47,203	225,279
Charitable activities			
Programme activities	1,552,095	462,801	2,014,896
Donated services	6,000	-	6,000
Total charitable activities	1,558,095	462,801	2,020,896
Total expenditure	1,736,171	510,004	2,246,175

Prior period - Year ended 31 Aug 2021	Activities undertaken directly £	Support costs £	Year ended 31 Aug 2021 £
Raising Funds			
Fundraising and events	207,464	51,381	258,845
Charitable activities			
Programme activities	1,685,943	467,103	2,153,045
Donated services	6,000	5,000	11,000
Total charitable activities	1,691,943	472,103	2,164,045
Total expenditure	1,899,406	523,484	2,422,890

3 (b). Activities undertaken directly

	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Staff costs	1,504,735	1,657,701
Donated services: Rent	6,000	6,000
Other costs	225,436	235,705
	1,736,171	1,899,406

3 (c). Support costs

Current year	Charitable activities £	Governance £	Year ended 31 Aug 2022 £
Staff costs	301,933	-	301,933
Other costs	188,410	19,661	208,071
	490,343	19,661	510,004

Prior period - Year ended 31 Aug 2021	Charitable activities £	Governance £	Year ended 31 Aug 2021 £
Staff costs	300,145	-	300,145
Donated services: Professional Services	5,000	-	5,000
Other costs	198,845	19,494	218,339
	503,990	19,494	523,484

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2022

4. Net income for the year

This is stated after charging:

	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Depreciation & amortisation	6,678	13,471
Auditors' remuneration:		
▪ audit - current year	<u>19,260</u>	<u>18,000</u>

5. Staff costs

Staff costs were as follows:

	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Salaries and wages	1,567,486	1,717,969
Social security costs	177,320	173,024
Pension contributions	60,720	66,855
Termination payments for redundancies	<u>1,142</u>	<u>-</u>
	<u>1,806,668</u>	<u>1,957,848</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 2022 Number	Year ended 31 Aug 2021 Number
£60,000 - £70,000	-	1
£90,001 - £100,000	1	1

No emoluments were paid to any trustee director during the period (2021: £nil). Travel expenses of £134 (2021: £nil) were reimbursed to one trustee (2021: nil) during the year.

All redundancy costs incurred within the year were fully paid at the year end.

Key management personnel include the CEO and Executive Team comprising of 4 roles (2021: 4) in total. The total employee benefits, in respect of the charity's key management personnel for the year was £259,264 (2021: £306,345).

Staff numbers

The average number of employees (headcount) during the period was 45 (2021: 47).

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 2022****7. Tangible fixed assets**

	Fixtures & fittings	Office & computer equipment	Year ended 31 Aug 2022
	£	£	£
Cost			
At 1 September 2021	44,020	35,594	79,614
Disposals in year	(44,020)	(18,378)	(62,398)
At the end of the year	-	17,216	17,216
Depreciation			
At the start of the year	44,020	22,079	66,099
Charge for the year	-	6,678	6,678
Disposals in year	(44,020)	(18,378)	(62,398)
At the end of the year	-	10,379	10,379
Net Book Value			
At the end of the year	-	6,837	6,837
At the start of the year	-	13,515	13,515

8. Debtors

	As at 31 Aug 2022	As at 31 Aug 2021
	£	£
Trade debtors	4,000	-
Accrued income	347,921	140,263
Other debtors	15,109	12,146
Prepayments	14,944	12,564
	381,974	164,973

9. Creditors: amounts due within one year

	As at 31 Aug 2022	As at 31 Aug 2021
	£	£
Trade and other creditors	17,230	60,172
Tax and social security	44,513	46,948
Accruals	96,170	158,729
SIB Loan	-	124,000
Deferred income (see below)	30,000	61,289
	187,913	451,138
Deferred income		
Balance brought forward	61,289	140,000
Amount released to income	(61,289)	(140,000)
Amount deferred in year	30,000	61,289
Deferred income carried forward	30,000	61,289

ThinkForward (UK)**Notes to the financial statements****For the year ended 31 August 2022****10. Creditors: amounts due after more than one year**

	As at 31 Aug 2022 £	As at 31 Aug 2021 £
Big Issue Invest Social Impact Loan	<u>211,332</u>	<u>192,997</u>

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 were made in December 2020 and 2021. A repayment of £100,000 will be made in December 2023 with a final repayment in March 2024.

11. Analysis of net assets between funds at 31 Aug 2022

	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	-	6,837	6,837
Net current assets	110,072	1,172,909	1,282,981
Long term liabilities	-	(211,332)	(211,332)
	<u>110,072</u>	<u>968,414</u>	<u>1,078,486</u>

Analysis of net assets between funds at 31 Aug 2021

	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	-	13,515	13,515
Net current assets	24,097	718,011	742,108
Long term liabilities	-	192,997	192,997
	<u>24,097</u>	<u>924,523</u>	<u>948,620</u>

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2022

12. Movements in funds

Year ended 31 Aug 2022	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
Restricted ThinkForward (UK)					
Credit Suisse EMEA Foundation	-	100,000	(100,000)	-	-
Pears Foundation	-	50,000	(50,000)	-	-
Fidelity UK Foundation	-	152,500	(42,428)	-	110,072
Intermediate Capital Group PLC	-	75,000	(75,000)	-	-
DHL UK Foundation	-	50,000	(50,000)	-	-
Reta Lila Howard Foundation	-	40,000	(40,000)	-	-
State Street	-	52,868	(52,868)	-	-
Other restricted funds	24,097	277,499	(301,596)	-	-
Designated Funds					
Fixed assets fund	13,515	-	(6,678)	-	6,837
Total General Fund	911,008	1,578,174	(1,527,605)	-	961,577
Total funds	948,620	2,376,041	(2,246,175)	-	1,078,486
Year ended 31 Aug 2021	At the start of the period £	Income £	Expenditure £	Transfers £	At the end of the period £
Restricted ThinkForward (UK)					
Big Lottery Community Fund	50,000	100,000	(150,000)	-	-
Credit Suisse EMEA Foundation	-	105,000	(105,000)	-	-
Garfield Weston Foundation	-	100,000	(100,000)	-	-
Pears Foundation	-	50,000	(50,000)	-	-
Richard Oldfield	-	50,000	(50,000)	-	-
Other restricted funds	58,629	442,128	(476,660)	-	24,097
Designated Funds					
5 year strategy	105,560	-	(76,614)	(28,946)	-
Fixed assets fund	-	-	-	13,515	13,515
Total unrestricted general	696,900	1,613,293	(1,414,615)	15,431	911,008
Total funds	911,089	2,460,421	(2,422,889)	-	948,620

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 designated fixed asset fund represents the net book value of the fixed assets. 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 skills building which is essential to the successful implementation of our plans. £76,614 of the designated funds were spent in the financial year 2020/21 and the balance of £28,946 was transferred back to general funds.

Restricted Funds

The charity receives restricted income from a large number of donors for the purposes of continuing its charitable activities for its main programme, FutureMe in Kent, London and Nottingham. 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 5% or more of the total value of restricted funds).

ThinkForward (UK)**Notes to the financial statements****For the year ended 31 August 2022**

13. Members' liability

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.

14. Operating lease commitments

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

	As at 31 Aug 2022 £	As at 31 Aug 2021 £
Expiring within 1 year	43,725	33,375
Expiring between 2 and 5 years	82,470	-
	<u>126,195</u>	<u>33,375</u>

15. Related party transactions

The charity received donations of £77,475 during the year (2021: £77,500) from trustees. At the year end £nil was outstanding (2021: £nil).

During the previous year the charity gave a retirement gift to one trustee to the value of £309. No gifts were made in the current year.

During the year the charity incurred training expenses of £255 for two Trustees (2021: £1,140) and £42 for Trustee refreshments (2021: £45).

ThinkForward (UK)

(A Charitable Company Limited by Guarantee)

Annual report and financial statements

For the year ended 31st August 2022

Company registration no: 08318590

Registered charity no: 1152862

ThinkForward (UK)

Reference and administrative details for the year ended 31st August 2022

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)
Jill Baker
Vanessa Morphet
Robert Craig
Asi Panditharatna
Kathryn Jack
Keith MacDonald
Daniel Easterbrook
Sally Cartwright
Matthew Tate (appointed 12th October 2021)

Chief Executive

Ashley McCaul

Principal Office:	337 City Road London EC1V 1LJ
Independent Auditor:	Moore Kingston Smith LLP Floor 6 9 Appold Street London EC2A 2AP
Primary Banker:	NatWest Holborn Circus 1 Hatton Garden London EC1P 1DU
Primary Solicitors:	Travers Smith LLP 10 Snow Hill London EC1A 2AL

ThinkForward (UK)

Table of contents

Chair and Chief Executive's report	4
Trustees' report	
1) Objectives, activities & performance	6
2) Public benefit	8
3) Financial review & reserves	9
4) Remuneration policy	10
5) Key risks and uncertainties	11
6) Fundraising policy	12
7) Information Governance	12
8) Future Plans	13
9) Structure, governance & management	13
10) Trustees' responsibility statement	14
Independent auditor's report	16
Statement of financial activities	21
Balance sheet	22
Statement of cashflows	23
Notes to the financial statements	24

ThinkForward (UK)

Chair and Chief Executive's report

2021/22 proved to be the year in which ThinkForward needed to navigate a new post-pandemic reality. The organisation survived the pandemic in good health; we strove to meet the even greater levels of need of our beneficiaries, and we finally returned to face-to-face delivery of our services. We are proud of both the young people with whom we work and our hard-working front-line team who demonstrated that they could navigate this new reality with aplomb.

The pandemic required us to change how we delivered our services and has had some other longer-term effects on the organisation. We are recording high levels of safeguarding cases demonstrating the negative impacts of interruptions to routine and schooling on the wellbeing of our young people. Our partner schools are under increasing staffing and budgetary pressures, inhibiting some of them from investing in our long-term programmes. The interruptions to our delivery programmes due to the pandemic also resulted in some gaps in our evaluation data. Like many organisations, we have been impacted by the global phenomenon of relatively high employee turnover due to a number of staff taking stock and looking for change following the intensity of working through the pandemic.

We have responded to these challenges positively over the past year. Our safeguarding processes, protocols, reporting and staff training have all been reviewed and refreshed. We have introduced some organisational restructuring and we now have a new executive team to support the chief executive who led the organisation almost single-handed for much of the year. We have implemented new evaluation studies for our two main programmes. We have a renewed focus on our relationships with our external partners, especially schools. We are building new external relationships with our corporate partners; in one case the commissioning of a pilot project to work on job creation opportunities for our young people. We have reviewed our 5-year strategy in the light of the very limited opportunity for growth over the period of the pandemic.

We successfully won an application to the Greater London Authority to work with young black men in London who have been excluded from mainstream education. This commission is a demonstration of our expertise in using coaching to support the most vulnerable young people in society.

Youth engagement remains a core aspect of our operation. Our young trustees continue to bring valuable lived experience to bear on our board meetings. Our youth advisory board continues to support decision making on new delivery strategies and practices.

Our loyal funders continue to provide us with remarkable support, many of whom have exacting standards for due diligence and reporting. The year ahead brings its own challenges with the impact of the cost-of-living crisis that we expect to have a disproportionately negative impact on our young people, but we are committed to continuing to support them all. The crisis will also have an impact on our school and funding partners. We are optimistic that we can navigate this new reality and are determined to continue to deliver high quality coaching programmes to our impressive community of young people.

Charlie Green, Chair

Ashley McCaul, Chief Executive

ThinkForward (UK)

Trustees' report for the year ended 31st August 2022

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 2022 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).

Objectives, activities and performance

Five-year strategy

We made progress on our five-year strategy developed in 2020, revising and streamlining our goals and objectives following two years of sustained income but without the growth originally anticipated early in the pandemic. Our growth target has been revised to £4m by the end of 2025, and our impact and sustainability goals remain the same; to understand what works, optimise delivery and promote our approach to coaching young people; to reduce the cost per young person participating in our programmes and to secure multi-year funding. We believe our strategy is fit for purpose enabling ThinkForward to mature into a stronger organisation, well equipped to empower young people to have the better and brighter futures they deserve.

The four strategic objectives underpinning our five-year strategy have been revised:

- 1. Refine the FutureMe programme – our core programme delivered in schools**
 - Maintain programme over the last three years of the strategic plan
 - Develop new adaptations of FutureMe
 - Introduce efficiencies and improved accessibility through digital enablement
- 2. Refine and expand our programmes for young people with SEND**
 - Use external evaluation to create a replacement for DFN-MoveForward by the end of the Social Impact Bond
 - Introduce efficiencies and improved accessibility through digital enablement
- 3. Become a capability partner**
 - Deliver SEND job creation pilots and pick out learnings for future offerings
- 4. Become a thought leader**
 - Publish insights from findings of evaluations and data insights to support core programmes

Vision

That every young person is empowered to gain the confidence, independence, and skills they need for a better and brighter future.

Mission

ThinkForward delivers unique, personalised coaching programmes for young people at a key stage in their lives, enabling them to overcome the challenges they face and make a successful transition into work. Every young person takes part in workplace activities to develop their life goals and readiness for work. We raise the voices of our young people and support employers to provide fair access to opportunities.

Equity, Diversity and Inclusion Manifesto

We aim to create an environment where all can thrive. We will lead from the front by placing equity, diversity and inclusion at the heart of all we do as an employer, in our work with young people, and within our sphere of influence. We value creativity, productivity, good decision-making and reputation, and we know that good equity, diversity and inclusion practices will build these.

We are working to create a world where our young people are more likely to thrive and the absence of uniformity is considered a strength. We want learning and challenging the status quo to be considered progressive, and where people's ethnicity, gender, age, sexual orientation, religious beliefs, disabilities, learning abilities or socio-economic origins are not the defining characteristics of their potential for success.

Programme Delivery

Our two main programmes, FutureMe and DFN-MoveForward both continue to account for the majority of our focus and numbers of beneficiaries. FutureMe is delivered in Nottinghamshire, Kent and London and through a combination of one-to-one coaching, workplace activities and youth participation opportunities, young people gain the confidence, independence, and skills they need to make successful school to work transitions and secure a brighter future. DFN-MoveForward supports young people in London, Kent and the West Midlands who have mild to moderate learning disabilities and is delivered under a social impact bond.

In 2021/22 we introduced a pilot programme to focus on young black students who are more likely to be excluded from school than white British students, and young black men who experience high unemployment rates. Future Leaders is funded by the Greater London Authority and supports young black men in alternative provisions in London to make a successful transition into a post-16 destination, overcome the barriers they may face such as a lack of networks, social capital and soft skills, and prepare them to be ready to find a fulfilling career.

Impact

We track the outcomes of our young people who graduate from all of our programmes. For FutureMe we follow up with our young people for a year so we can build up a sustained picture of their progress. We know that of the young people who left the programme in 2022, 82% were in education, employment or training (EET) in the three-month period after graduating (September – November 2022). Of these, 55% were in employment, 14% were in education and 14% were in employment and education.

These are fantastic achievements for our young people, many of whom face significant challenges in their lives, in a very difficult economic and social environment.

In 2022 the DFN-MoveForward programme worked with 190 young people with additional needs across London, Kent and the West Midlands.

The aim of the programme is to prepare young people to get ready for sustainable paid employment and then support them to find a job. We're delighted that nine MoveForward young people started a paid job of more than 16 hours a week in 2022.

These results are possible thanks to the blend of coaching and employability activities that young people take part in. Our coaches held 7,480 one-to-one coaching sessions and there were 3,158 group work attendances and 2,811 employer event attendances.

Youth engagement

Youth participation has become an integral part of our programme promise, with more than a hundred young people working with us as ambassadors and youth board members from all of our programmes.

Our Jack Petchey intern who started in March 2021 was given a permanent position as a Communication Officer in 2022 working closely with our Youth Engagement officer.

Our two young trustees continue to bring valuable lived experience to bear on our board meetings. We were delighted to be awarded the London Youth Silver Quality Mark in recognition of our youth participation work.

Public benefit

The objects of ThinkForward are to help young people to have better and brighter futures by enabling them to develop the confidence, independence, and skills, they need to participate in society as autonomous, mature and responsible individuals. All our charitable activities benefit the public by their nature. We work to prevent young people becoming unemployed and enable them to contribute more fully to society. Our services are free at point of delivery for each 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

Income for the year was £2.38 million which was a strong achievement given the pressures across the sector and in the economy overall. We are very grateful to all our loyal and generous supporters who continue to believe in the importance of supporting our work.

Our income is made up predominantly of grants and donated income from a mix of funders including charitable trusts and foundations, corporate businesses and individuals. The grant-giving bodies which entrust their funds in ThinkForward work to exacting principles and criteria and use the highest levels of rigour to select their fundees. We are proud to be recipients of their grants. The schools with which we work also continue to contribute to each programme for which we thank them.

In the year to August 2022, we delivered a surplus of £0.13m (2021: £0.04m) with expenditure totalling £2.25 million (2021: £2.42 million). To ensure we deliver the highest-quality programme, we invest over 80% of expenditure on our highly qualified staff. Our operations and support costs (including salaries) account for just over 22% of expenditure.

ThinkForward's balance sheet shows total net assets of £1.08 million at August 2022 (August 2021: £0.95 million) of which £0.97 million was unrestricted (August 2021 - £0.92 million).

Last year trustees designated £13,515 of funds in support of the organisational and infrastructure development which now stands at £6,837, equal to the net book value of fixed assets.

Financial security and sustainability

As the first academic year of returning to more normal face-to-face work with our young people ended following the pandemic, we started to witness other pressures on the charity sector increase due to the cost-of-living crisis. Our beneficiaries are particularly vulnerable and the need to continue to support them intensifies. ThinkForward has successfully demonstrated the value and importance of its programmes to all its stakeholders, as evidenced by commitments of funding from new funders early in the new financial year. Our staff continue to adapt to the needs of our beneficiaries and schools.

The support we continue to receive from all stakeholders who believe in our work gives our trustees the confidence in our five-year strategy. We recognise the difficult economic environment will make our targets tough to reach in the next financial year but we have faith in our funders who recognise the value of an evidence-based, long-term programme with demonstrable impact.

Reserves policy

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, having considered:

- The reasons the charity needs reserves
- The potential impact of external factors outside the charity's control
- The level of reserves the trustees believe the charity needs
- How the charity is going to establish the levels of reserves required
- The time required for reorganisation in the event of a downturn in income
- How to protect ongoing work programmes
- How to allow the charity to meet its working capital requirements
- How the policy and reserves will be monitored and reviewed.

The Charity needs reserves in order to protect the continuity of operations during periods of economic and social uncertainty, through peaks and troughs of funding cycles and to maintain core activities as individual projects finish and new projects start. In addition to such operational reserves, where possible, a fund of accumulated reserves allows the Charity to invest appropriately in new strategic initiatives.

ThinkForward had free reserves of £0.97m (2021: £0.91m) and a cash position of £1.09m (2021: £1.41m) at the balance sheet date.

Free reserves at 31 August 2022 of £0.97m equate to approximately four months' operating expenditure. The trustees have calculated that between £0.6m and £1m, equating to between three and five months of current annual operating expenditure is needed to meet the above requirements and our current reserves total is within that range.

Our 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.

Staff pay is reviewed annually by the board of trustees and is based on comparisons with similar organisations using industry standard benchmarking.

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. A risk framework is reviewed by the board to include all key financial, governance, safeguarding, operational, external, regulatory and compliance risks.

Of key significance for ThinkForward are the policies, processes, plans and reviews for safeguarding the vulnerable children and families with whom we work. Safeguarding is reviewed at every board meeting, six times each year, with incidents, status and plans for mitigation on each agenda. The charity has a framework of consents, controls, policies and reviews to mitigate the associated risks. These are reviewed and updated by the finance, risk and audit committee 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 deliver continually updated safeguarding training for staff multiple times each year.

Going concern

The trustees have continued to review 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. Trustees have made this assessment for a period of at least one year from the date of the approval of the financial statements.

The executive team, with the support of the board, has continually assessed delivery models, staffing, funding arrangements and financial controls and put contingency plans in place to make sure that ThinkForward remains focused on its strategy and vision. 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 adequate cash levels and have a track record of securing funds.

There have been and there will continue to be many financial impacts due to external factors outside our control including the current cost-of-living crisis and the fallout from the pandemic. We have retained the increased internal scrutiny of our financial health, staff wellbeing and risk management to ensure we understand how our operation is performing. Our regular staff satisfaction surveys give us clear guidance on areas for focus to improve staff wellbeing and safety and give the executive team confidence that the measures taken means the staff team will continue to operate successfully over the next 12 months.

The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue in existence for the foreseeable future. Trustees are of the opinion that ThinkForward will have sufficient resources to meet its liabilities as they become due. 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 funder 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. 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 grant giving bodies, corporate supporters, commissioners, major donors and schools. 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 takes several factors into account which could affect its future financial performance. Macro factors such as the general economic, political and social situation, and micro factors such as the capacity and capability to raise funds.

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 by the board or trustees. 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

ThinkForward's future plans are detailed in its published five-year strategy and outlined in the Activities section above. The forward plans are currently on track and, taking risk mitigation into account, trustees are confident in the executive team's ability to deliver the plans as defined.

Over the next five years our priorities will include:

- Understand where our current coaching model is working best and adapt for future programmes
- Develop deeper insight to support programme adaptation and position ThinkForward as a thought leader
- Ensure that we have a sustainable funding model to support our business plan
- Invest in support infrastructure to provide transparency and enable growth.

Structure, governance and management

ThinkForward UK ("ThinkForward") is a registered charity registered on 15 July 2013 and a company limited by guarantee incorporated on 5 December 2012. 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.

Our young trustees continue to provide a vital youth voice at the most senior decision-making level. They support the operation of a youth board which gathers the views of our young people to ensure our young trustees are able to voice these at board level and throughout the organisation.

Trustees are encouraged to visit our programmes and meet key members of staff in order to gain a good understanding of ThinkForward's work. They are 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 strategic plan and 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 meets bi-monthly.

There are three sub-committees to the ThinkForward Board; the Finance, Audit & Risk Committee (FRAC), the Development Committee and the Programme Delivery Committee. The purpose of these committees is to ensure in-depth review and oversight of critical parts of our activities. Collectively, they seek to ensure that the specific areas of focus are led, where possible, by trustees.

Decisions made by staff are made according to the levels of delegated authority defined in the charity's policies and procedures according to roles and commensurate levels of

authority. The executive team currently comprises of the Chief Executive, Deputy Chief Executive, Director of Development and Director of Programmes, who meet weekly.

The trustees receive no remuneration for their services as trustees but are reimbursed for appropriate travel and expenses in performance of the work of the charity.

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.

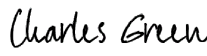
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the ThinkForward website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

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 23 March 2023 and signed on their behalf by:

DocuSigned by:

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Charlie Green, Chair

4/11/2023

Date

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 2022 which the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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 Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for

the other information contained within the annual 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.

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 course of 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 themselves. 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 14, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not

detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Adam Fullerton (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Floor 6

9 Appold Street

London

EC2A 2AP

Date: 24 April 2023

ThinkForward (UK)**Statement of financial activities (incorporating an income and expenditure account)****For the year ended 31 August 2022**

	Note	Restricted £	Unrestricted £	Year ended 31 Aug 2022 Total £	Restricted £	Unrestricted £	Year ended 31 Aug 2021 Total £
Income:							
Donations and legacies	2a	695,592	897,874	1,593,466	677,626	1,019,345	1,696,971
Charitable Activities	2b	102,275	680,300	782,575	169,502	593,948	763,450
Total income		797,867	1,578,174	2,376,041	847,128	1,613,293	2,460,421
Expenditure:							
Raising funds	3	-	225,279	225,279	-	258,845	258,845
Charitable activities	3	711,892	1,309,004	2,020,896	931,660	1,232,385	2,164,045
Total expenditure	3	711,892	1,534,283	2,246,175	931,660	1,491,230	2,422,890
Net movement in funds for year	4, 5	85,975	43,891	129,866	(84,532)	122,063	37,531
Funds at the start of the year	12	24,097	924,523	948,620	108,629	802,460	911,089
Funds at the end of the year	12	110,072	968,414	1,078,486	24,097	924,523	948,620

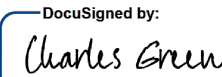
All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 12 to the financial statements.

The notes on pages 24 to 32 form an integral part of these Financial statements.

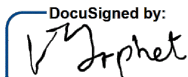
ThinkForward (UK)**Balance sheet****As at 31 August 2022**

		As at 31 Aug 2022 £	As at 31 Aug 2021 £
	Note		
Fixed assets			
Tangible fixed assets	7	6,837	13,515
Current assets			
Debtors	8	381,974	164,973
Cash at bank and in hand		1,088,920	1,414,267
		1,470,894	1,579,240
Creditors: amounts due within one year	9	(187,913)	(451,138)
Net current assets		1,282,981	1,128,102
Total assets less current liabilities		1,289,818	1,141,617
Creditors: amounts due after more than one year	10	(211,332)	(192,997)
Net assets	11	1,078,486	948,620
Funds			
Restricted funds	12	110,072	24,097
Unrestricted funds			
Designated Funds	12	6,837	13,515
General Funds	12	961,577	911,008
Total unrestricted funds		968,414	924,523
Total funds		1,078,486	948,620

The financial statements for ThinkForward (UK), Company registration number 08318590, Charity registration number 1152862 for the year ended 31 August 2022 were approved by the Board on 23 March 2023

DocuSigned by:

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Charlie Green
Trustee

DocuSigned by:

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Vanessa Morphet
Trustee

The notes on pages 24 to 32 form an integral part of these Financial statements.

ThinkForward (UK)**Statement of cashflows****For the year ended 31 August 2022**

	Note	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Net cash (outflow)/inflow from operating activities	(a)	(201,347)	516,030
Cashflow from investing activities			
Additions to tangible fixed assets and intangible fixed assets		-	(14,170)
Cashflow from financing activities			
Social Impact Bond loan repayment		(100,000)	(100,000)
Social Impact Bond interest		(24,000)	(32,088)
(Decrease)/Increase in cash		(325,347)	369,772
Cash and Cash Equivalents at the beginning of the reporting period		1,414,267	1,044,495
Cash and Cash Equivalents at the end of the reporting period		1,088,920	1,414,267

(a) Reconciliation of surplus (deficit) to net cash flow from operating activities

	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Net income for the reporting period	129,866	37,531
Depreciation	6,678	13,471
Interest on SIB loan	24,000	32,088
Decrease/(Increase) in debtors	(217,001)	446,051
(Decrease) in creditors	(144,890)	(13,111)
Net cash (outflow)/inflow from operating activities	(201,347)	516,030

(b) Analysis of changes in net debt

	Brought forward 1 Sep 2021 £	Cash flow movements £	Carried forward 31 Aug 2022 £
Cash at bank and in hand	1,414,267	(325,347)	1,088,920
SIB loan	(316,997)	105,665	(211,332)
	1,097,270	(219,682)	877,588

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2022

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:

The Finance, Risk and Audit Committee continue to meet regularly and report to the Board. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue in existence for the foreseeable future. Trustees are of the opinion that ThinkForward will have sufficient resources to meet its liabilities as they become due. The accounts have therefore been prepared on the basis that the charity is a going concern.

- 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 2022

1. Accounting policies (continued)

- e) Expenditure on raising funds relate to the costs incurred by the charitable company in raising funds for the charitable work.
- f) Support costs have been allocated in categories consistent with the management and operations of the organisation.
- g) Unrestricted funds are donations and other income receivable or generated for the objects of the charity.
- h) 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.
- i) 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.

- j) 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.
 - k) 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.
 - l) 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.
 - m) 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 8 and 9 for the debtor and creditor notes.
- n) The costs of short-term employee benefits are recognised as a liability and an expense.
 - o) 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 2022**

2. Income

	Year ended 31 Aug 2022	Year ended 31 Aug 2021
	Total	Total
	£	£
2a) Donations and grants from government and charitable foundations	847,120	1,269,542
Donations and grants from individuals and companies	<u>746,346</u>	<u>427,429</u>
Donations and legacies	<u>1,593,466</u>	<u>1,696,971</u>
2b) Charitable activities		
Charitable activities	<u>782,575</u>	<u>763,450</u>
Total income	<u>2,376,041</u>	<u>2,460,421</u>

- 2c)** 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 (2021: £6,000).

In the previous year ThinkForward received free legal and professional advice at an estimated value to the Charity of £5,000. This was included in the 2020/21 accounts as donation income and as a support cost.

ThinkForward (UK)**Notes to the financial statements****For the year ended 31 August 2022****3 (a). Total expenditure**

Current year	Activities undertaken directly £	Support costs £	Year ended 31 Aug 2022 £
Raising Funds			
Fundraising and events	178,076	47,203	225,279
Charitable activities			
Programme activities	1,552,095	462,801	2,014,896
Donated services	6,000	-	6,000
Total charitable activities	1,558,095	462,801	2,020,896
Total expenditure	1,736,171	510,004	2,246,175

Prior period - Year ended 31 Aug 2021	Activities undertaken directly £	Support costs £	Year ended 31 Aug 2021 £
Raising Funds			
Fundraising and events	207,464	51,381	258,845
Charitable activities			
Programme activities	1,685,943	467,103	2,153,045
Donated services	6,000	5,000	11,000
Total charitable activities	1,691,943	472,103	2,164,045
Total expenditure	1,899,406	523,484	2,422,890

3 (b). Activities undertaken directly

	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Staff costs	1,504,735	1,657,701
Donated services: Rent	6,000	6,000
Other costs	225,436	235,705
	1,736,171	1,899,406

3 (c). Support costs

Current year	Charitable activities £	Governance £	Year ended 31 Aug 2022 £
Staff costs	301,933	-	301,933
Other costs	188,410	19,661	208,071
	490,343	19,661	510,004

Prior period - Year ended 31 Aug 2021	Charitable activities £	Governance £	Year ended 31 Aug 2021 £
Staff costs	300,145	-	300,145
Donated services: Professional Services	5,000	-	5,000
Other costs	198,845	19,494	218,339
	503,990	19,494	523,484

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2022

4. Net income for the year

This is stated after charging:

	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Depreciation & amortisation	6,678	13,471
Auditors' remuneration:		
▪ audit - current year	<u>19,260</u>	<u>18,000</u>

5. Staff costs

Staff costs were as follows:

	Year ended 31 Aug 2022 £	Year ended 31 Aug 2021 £
Salaries and wages	1,567,486	1,717,969
Social security costs	177,320	173,024
Pension contributions	60,720	66,855
Termination payments for redundancies	<u>1,142</u>	<u>-</u>
	<u>1,806,668</u>	<u>1,957,848</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 2022 Number	Year ended 31 Aug 2021 Number
£60,000 - £70,000	-	1
£90,001 - £100,000	1	1

No emoluments were paid to any trustee director during the period (2021: £nil). Travel expenses of £134 (2021: £nil) were reimbursed to one trustee (2021: nil) during the year.

All redundancy costs incurred within the year were fully paid at the year end.

Key management personnel include the CEO and Executive Team comprising of 4 roles (2021: 4) in total. The total employee benefits, in respect of the charity's key management personnel for the year was £259,264 (2021: £306,345).

Staff numbers

The average number of employees (headcount) during the period was 45 (2021: 47).

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 2022****7. Tangible fixed assets**

	Fixtures & fittings	Office & computer equipment	Year ended 31 Aug 2022
	£	£	£
Cost			
At 1 September 2021	44,020	35,594	79,614
Disposals in year	(44,020)	(18,378)	(62,398)
At the end of the year	-	17,216	17,216
Depreciation			
At the start of the year	44,020	22,079	66,099
Charge for the year	-	6,678	6,678
Disposals in year	(44,020)	(18,378)	(62,398)
At the end of the year	-	10,379	10,379
Net Book Value			
At the end of the year	-	6,837	6,837
At the start of the year	-	13,515	13,515

8. Debtors

	As at 31 Aug 2022	As at 31 Aug 2021
	£	£
Trade debtors	4,000	-
Accrued income	347,921	140,263
Other debtors	15,109	12,146
Prepayments	14,944	12,564
	381,974	164,973

9. Creditors: amounts due within one year

	As at 31 Aug 2022	As at 31 Aug 2021
	£	£
Trade and other creditors	17,230	60,172
Tax and social security	44,513	46,948
Accruals	96,170	158,729
SIB Loan	-	124,000
Deferred income (see below)	30,000	61,289
	187,913	451,138
Deferred income		
Balance brought forward	61,289	140,000
Amount released to income	(61,289)	(140,000)
Amount deferred in year	30,000	61,289
Deferred income carried forward	30,000	61,289

ThinkForward (UK)**Notes to the financial statements****For the year ended 31 August 2022****10. Creditors: amounts due after more than one year**

	As at 31 Aug 2022 £	As at 31 Aug 2021 £
Big Issue Invest Social Impact Loan	<u>211,332</u>	<u>192,997</u>

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 were made in December 2020 and 2021. A repayment of £100,000 will be made in December 2023 with a final repayment in March 2024.

11. Analysis of net assets between funds at 31 Aug 2022

	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	-	6,837	6,837
Net current assets	110,072	1,172,909	1,282,981
Long term liabilities	-	(211,332)	(211,332)
	<u>110,072</u>	<u>968,414</u>	<u>1,078,486</u>

Analysis of net assets between funds at 31 Aug 2021

	Restricted funds £	Unrestricted funds £	Total £
Tangible fixed assets	-	13,515	13,515
Net current assets	24,097	718,011	742,108
Long term liabilities	-	192,997	192,997
	<u>24,097</u>	<u>924,523</u>	<u>948,620</u>

ThinkForward (UK)

Notes to the financial statements

For the year ended 31 August 2022

12. Movements in funds

Year ended 31 Aug 2022	At the start of the year £	Income £	Expenditure £	Transfers £	At the end of the year £
Restricted ThinkForward (UK)					
Credit Suisse EMEA Foundation	-	100,000	(100,000)	-	-
Pears Foundation	-	50,000	(50,000)	-	-
Fidelity UK Foundation	-	152,500	(42,428)	-	110,072
Intermediate Capital Group PLC	-	75,000	(75,000)	-	-
DHL UK Foundation	-	50,000	(50,000)	-	-
Reta Lila Howard Foundation	-	40,000	(40,000)	-	-
State Street	-	52,868	(52,868)	-	-
Other restricted funds	24,097	277,499	(301,596)	-	-
Designated Funds					
Fixed assets fund	13,515	-	(6,678)	-	6,837
Total General Fund	911,008	1,578,174	(1,527,605)	-	961,577
Total funds	948,620	2,376,041	(2,246,175)	-	1,078,486
Year ended 31 Aug 2021	At the start of the period £	Income £	Expenditure £	Transfers £	At the end of the period £
Restricted ThinkForward (UK)					
Big Lottery Community Fund	50,000	100,000	(150,000)	-	-
Credit Suisse EMEA Foundation	-	105,000	(105,000)	-	-
Garfield Weston Foundation	-	100,000	(100,000)	-	-
Pears Foundation	-	50,000	(50,000)	-	-
Richard Oldfield	-	50,000	(50,000)	-	-
Other restricted funds	58,629	442,128	(476,660)	-	24,097
Designated Funds					
5 year strategy	105,560	-	(76,614)	(28,946)	-
Fixed assets fund	-	-	-	13,515	13,515
Total unrestricted general	696,900	1,613,293	(1,414,615)	15,431	911,008
Total funds	911,089	2,460,421	(2,422,889)	-	948,620

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 designated fixed asset fund represents the net book value of the fixed assets. 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 skills building which is essential to the successful implementation of our plans. £76,614 of the designated funds were spent in the financial year 2020/21 and the balance of £28,946 was transferred back to general funds.

Restricted Funds

The charity receives restricted income from a large number of donors for the purposes of continuing its charitable activities for its main programme, FutureMe in Kent, London and Nottingham. 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 5% or more of the total value of restricted funds).

ThinkForward (UK)**Notes to the financial statements****For the year ended 31 August 2022**

13. Members' liability

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.

14. Operating lease commitments

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

	As at 31 Aug 2022 £	As at 31 Aug 2021 £
Expiring within 1 year	43,725	33,375
Expiring between 2 and 5 years	82,470	-
	<u>126,195</u>	<u>33,375</u>

15. Related party transactions

The charity received donations of £77,475 during the year (2021: £77,500) from trustees. At the year end £nil was outstanding (2021: £nil).

During the previous year the charity gave a retirement gift to one trustee to the value of £309. No gifts were made in the current year.

During the year the charity incurred training expenses of £255 for two Trustees (2021: £1,140) and £42 for Trustee refreshments (2021: £45).

ThinkForward (UK)

Post-Audit Management Report
Year Ended 31 August 2022

Post-Audit Management Report – ThinkForward (UK)

We have completed the audit of ThinkForward (UK) for the year ended 31 August 2022 and expect to issue an unqualified audit opinion.

This report covers the findings from our audit, the scope of which was communicated to you prior to commencing the work. It includes some recommendations for improving the accounting and internal control systems as well as highlighting some future developments that may be of interest to the Finance, Risk and Audit Committee (FRAC).

We hope that the recommendations are practical and are able to be implemented. We would be grateful if you could discuss the points as a board and will welcome a written response. Please extend our thanks to Robert Posner and Laura Culbert for all their help with the audit.

If you have any concerns or questions arising from this report, please contact Adam Fullerton.

Yours faithfully,



Moore Kingston Smith LLP

Date: 13 March 2023

Contents

Audit Approach	4
Significant findings from the Audit	6
Operation of the Accounting and Internal Control Systems	7
Corrected Misstatements and reclassifications	10
Sector update	11
Other matters	17

This report has been prepared for the sole use of the FRAC of ThinkForward (UK) and must not be shown to any third parties without our prior consent. No responsibility is accepted by Moore Kingston Smith LLP towards any third party acting or refraining from action as a result of this report.

Audit approach – Risks

As outlined in our audit scoping report dated 13 September 2022 our audit approach is based on an assessment of the audit risk relevant to the individual financial statement areas. Areas of risk are categorised according to their susceptibility to material misstatement, whether through complexity of transactions or accounting treatment. For each area we calculated a level of testing and review sufficient to give comfort that the financial statements are free from material misstatement.

The following table lists any risks identified at the planning stage and during the course of the audit, our approach to mitigate the risk and our conclusions from completing this work.

Risk	Audit Approach	Conclusion
Income recognition The charity has multiple agreements for funding, some of which are grants and some of which are contracts. The charity also has income from the SIB that is payable based on performance/activities. A careful review of individual agreements is required to determine whether it is a grant or contract, restricted or unrestricted, performance related or time bound and therefore the correct accounting treatment.	We will sample test some agreements in the year to ensure they have been accounted for correctly in line with the Charity SORP.	We noted two items of income that were incorrectly classified as unrestricted when they were actually received for a specific, restricted purpose. This has been adjusted for in the financial statements. Based on our extended sample testing, we are satisfied these were isolated incidents. From our review of the grant agreements selected for testing we have gained assurance that income has been recognised in the correct period.
SIB accounting There is a risk that the Social Impact Bond (SIB) is not accounted for correctly and that insufficient disclosures are made in the financial statements.	Review the SIB contract in order to determine the appropriate accounting treatment and then ensure the correct accounting treatment been applied materially correctly. Review disclosures in the financial statements surrounding the SIB.	From our review of the SIB contract we have gained assurance that this has been recognised correctly and that appropriate disclosures have been made.

Audit approach – Risks (continued)

Risk	Audit Approach	Conclusion
Management override Given the small staff team there is a risk of management overriding controls.	We will document the systems and controls in place and evaluate them. We will perform a walkthrough test on each key system cycle. We will test a sample of miscellaneous payments to ensure controls have been followed. We will test a sample of any manual adjustments/journals to the accounting records.	No evidence of management override was found during our sample testing.

Significant findings from the audit

We are required under International Standards on Auditing to request you to correct all misstatements identified during our audit, with the exception of those that are clearly trivial.

Corrected misstatements and reclassifications

Included on page 10 are the corrected material misstatements and reclassifications identified during the course of our audit work which have been discussed and agreed with you.

Uncorrected immaterial misstatements and reclassifications

We did not identify any uncorrected immaterial misstatements or reclassifications that are not trivial as a result of our audit work

Observations concerning the operation of the accounting and control systems

We detail in the next section other matters concerning the operation of the accounting and control systems that we consider should be brought to your attention. The observations have been ranked in order of potential risk to the business. We have also included an assessment of the extent to which our previous recommendations have been implemented.

We look forward to receiving your responses on the points raised.

Due to the nature of an audit, we may not have identified all weaknesses within the accounting and internal control systems which may exist, and the contents of this section of our letter and any items disclosed in this report should not therefore be taken as a comprehensive list of such weaknesses.

Management Representation Letter

A draft of our proposed management representation letter has been sent to you under separate cover. All of the matters included in this letter on which we seek the Trustees' formal confirmation are in respect of routine matters except for:

- Paragraph 13 regarding the dilapidations provision
- Paragraph 14 regarding DFN income of £182,000
- Paragraph 15 regarding Life Chances income of £51,040

Operation of the accounting and internal control system

We are required to report to you in writing significant deficiencies in the internal control environment that we have identified during the course of our audit. These matters are limited to those which we have concluded are of sufficient importance to be reported to you. Our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We have categorised the internal deficiencies noted via a colour-scale rating system. The key to which follows:



We consider this to be of critical importance and would recommend that it is addressed as a matter of urgent priority



The control should be strengthened to enhance operational efficiency but we do not consider this to be an urgent priority



This is provided for either information only or we do not consider there to be a risk of material loss

Operating of the accounting and internal control system

Current year observation	Recommendation	Response
 Restricted/ Unrestricted Income Two items tested in our income sample testing had been incorrectly recognised as unrestricted income despite the agreements detailing specific uses for funds. It is important that correct fund accounting is applied to ensure funds are being spent in line with the funder's wishes.	Sage, as it is currently set up, does not allow fund accounting to be undertaken 'live' at the point transactions are entered so this analysis has to be done manually at year-end, which increases the risk of restricted items being missed. This flaw was noted by Robert at our planning meeting, hence the plan to implement a new system. We recommend that you ensure the new system is capable of fund accounting on a 'live' basis i.e as transactions occur and are entered.	The need for a new accounting system was identified in March 2022. This will be implemented by December 2022 and incorporates live fund accounting to accurately relate income to expenditure for all restricted funds.
 Duplicate Supplier payments It was identified that there were two duplicate payments made to suppliers during the year. The total was immaterial at approximately £3,900 and management noted the double payments, which arose due to the supplier issuing the invoices twice.	As you are implementing a new accounting system, we recommend investigating whether it is capable of identifying duplicate invoices. Many can now recognise when an invoice has already been paid as long as the invoice reference/number has been entered correctly.	Duplicate invoice reports can be run retrospectively.

Operating of the accounting and internal control system

	Current year observation	Recommendation	Response
	HMRC Payments We noted that the August 2022 PAYE and NIC costs due to HMRC were paid in October 2022 which is after the deadline of the 22nd of the following month.	This issue occurred due to the payroll provider not making prompt payment. We just note it for your attention, as late payments can result in penalties and interest charges.	The payroll provider has admitted this mistake.
	Big Give Income It was identified that donation income received via Big Give has been recognised net of fees charged from Big Give. The amount is trivial but technically the income should be grossed up and fees recognised as an expense.	We recommend that all income received via an agent are reviewed and any fees netted off income before it is passed to the charity are accounted for.	This is noted for future income which comes through a third party such as Big Give or Just Giving.

Operating of the accounting and internal control system

	Prior year observation	Recommendation	Implementation progress
	Pension deductions for staff: As notified to us by management, a pension issue related to employee contributions has been identified. Deductions should be made gross per the terms of scheme so the pension provider has historically not topped up the tax on contributions. This has been corrected in 2020/21 but no historical adjustment has yet been made for amounts owed.	There should be no liability to ThinkForward as a result of this. The individuals concerned would simply be owed some overpaid tax. The individuals could claim from HMRC via a tax return but we understand that from discussions with management that they intend to complete an exercise covering all relevant staff to assist them with this. We recommend this is done as soon as possible.	There is a plan in place to contact past employees of the situation, this is still in process.
	Contract Signatures As we have noted in previous years, not all income grant agreements/contracts that we reviewed had been signed had been signed. The following were missing signatures: • Life Chances Fund (agreement dates back to 2018) • CBRE Global Investors (signed by funder but not ThinkForward)	Wherever possible, signed income agreements should be obtained before any activity is undertaken by the charity to safeguard the charity's own position.	The Impetus multi year grant agreement provided this year was not signed. Point still relevant 2022 Response: DocuSign has been set up post year end to ensure all agreements are signed.

Corrected misstatements and reclassifications

		SOFA		B/S		Effect on surplus
		Dr	Cr	Dr	Cr	
Draft surplus						4,326
DR	Unrestricted income	52,868				(52,868)
CR	Restricted income- FutureMe Programme		52,868			52,868
<i>Being the reclassification of CAF income for Future me Programme restricted</i>						
DR	Unrestricted income	25,000				(25,000)
CR	Restricted income- FutureMe Programme		25,000			25,000
<i>Being the reclassification of unrestricted income from John Swire for Future me Programme</i>						
Post audit adjusting journal						
DR	Accrued income			133,040		-
CR	DFN Income		116,760			116,760
CR	Life Changes Income		16,280			16,280
<i>Being the adjustment for the approval of DFN approved grant</i>						
Adjusted surplus (SOFA)						137,366

Sector Updates

Fraud in the Charity Sector

Fraud in the charity sector is unfortunately at an all-time high, with recent estimations being a loss of £2.3bn annually to the UK Not for Profit sector (an increase of some £400m from estimates shared in previous years). Alongside our own Moore Kingston Smith specialists in this area, the sector is beginning to develop a suite of tools, guides and blogs which are worth a visit to ensure your Charity is aware of the key fraud considerations, potential pitfalls and suggested controls:

The Fraud Advisory Panel (a registered charity and independent voice of the anti-fraud community) - <https://www.fraudadvisorypanel.org/>

10 questions every Trustee should ask about Fraud and suggested policies - <https://www.gov.uk/guidance/protect-your-charity-from-fraud>

The National Cyber Security Centre - <https://www.ncsc.gov.uk/news/advice-thwart-devastating-cyber-attacks-small-charities>

Action Fraud for reporting - <https://www.actionfraud.police.uk/>

This area is notoriously fast moving, with new areas of attempted fraud arising daily, but some of the prevalent current frauds and potential controls to protect your charity from these, include:

“Supplier mandate fraud”

Contact is made from a “supplier” employee who is noting (either by phone or official headed notepaper) a change of bank details. The bank details are fraudulent.

Control to mitigate the risk – review and approval of all standing data supplier

changes and calls to confirm BEFORE updates processed.

“Batch supplier duplication”

An example of an internal fraud – the details of a supplier are duplicated onto the system and the duplicate given the fraudulent parties bank details. “Real invoices” are paid twice, hidden in the batch run, once real and once fraudulent.

Controls to mitigate the risk – Approval of new suppliers and monthly management accounts reviews. The additional payment debit will need to be either to a balance sheet code or will be seen through an inflated expense code on the SOFA.

“Fraudulent staff/temp staff costs”

The fraudulent party continues to pay staff after they have left (using updated fraudulent bank details), enrolls ghost employees for payment or processes fake invoices through “busy” nominal codes such as temp staff costs.

Controls to mitigate the risk - This fraud is almost always discovered through a review of management accounts vs budgets. Preventive controls would include approval of staff detail changes and “lock down” on leavers details in a timely fashion.

Sector Updates

“Email takeover”

An internet based fraud that is expanding rapidly (and becoming more sophisticated). The finance team receive an email “from” the FD/CEO usually late afternoon, indicating they have forgotten to pay a key supplier and it should be paid immediately.

The email is fraudulent and so are the bank details given.

Controls to mitigate the risk – Communication by phone or face to face to confirm details. Do not allow payments to supplier details that do not match those saved on the standing data.

Sector Updates

Does your Charity have a bullying and harassment policy?

The Charity Commission published new guidance for Charities on 11 August 2022, clarifying the roles and responsibilities of charity trustees in relation to tackling bullying and harassment within Charities.

The Commission's guidelines included a specific recommendation that charities have welfare, discipline and whistleblowing policies for staff, including clear policies and procedures on bullying and harassment.

Bullying and harassment in the workplace can affect staff morale, allow unacceptable behaviours to take place and ultimately expose charities to the risk of employment tribunal claims.

Specific claims risks to charities for not taking appropriate action to eliminate bullying and harassment include:

- Employees resigning and claiming constructive unfair dismissal on the basis of the bullying and harassment and any failure by the charity to deal with it appropriately
- Discrimination claims if the bullying and harassment is on account of any characteristic that is protected by the Equality Act 2010 e.g., race, gender, disability, religious and philosophical beliefs
- Civil claims for personal injury (stress at work) and/or under the Protection from the Harassment Act 1997

There is a risk that any failure by charities to implement the Charity Commission's guidance could in itself be relied upon by employees to bolster any claims they may bring.

Charities should ensure that they have the recommended policies and procedures in place and provide regular training to staff about their obligations under these policies. This will help eliminate bullying, demonstrate commitment to doing so and also reduce any risk of claims and regulatory issues.

The policy should, at a minimum, set out the types of behaviour that could be bullying and harassment, explaining clearly the process for making allegations of such behaviour, the process that the company will follow upon receipt of such allegations and the potential consequences for workplace bullies.

What other policies should charities have in place?

There are other key policies and procedures that charities can implement in order to demonstrate their commitment to treating employees fairly and tackling bullying and harassment.

For example:

- A welfare policy
- A grievance policy
- A raising concerns policy relating to specific types of complaints that have a wider public interest
- A disciplinary policy

Sector Updates

- An equality and diversity policy

These policies, if well drafted, give both parties valuable information about their rights and responsibilities and also give a charity a useful action plan for how to handle any issues that might arise and any timescales that they need to comply with.

In addition, having these policies in place and ensuring that staff receive training on them may give the charity a defence to a claim that they are liable for the acts or omissions of an employee who 'goes rogue' and bullies or discriminates against an employee against company instructions.

These do not have to be standalone policies - they can be included in a Staff Handbook. It is recommended that you do not make them contractual to eliminate the risk of employees claiming that technical breaches of the policies e.g., a missed deadline for responding to a letter, is a breach of contract.

We recommend that charities audit their policies and procedures to ensure that all of the required and helpful policies are in place and updated regularly to comply with the most relevant legal developments.

Should you require any assistance with reviewing, drafting or updating your policies to help you eliminate bullying and harassment and reduce your claims risk, please contact your Audit Engagement Partner.

Sector Updates

Webinar Recordings – issues in the non-profit sector

We host a series of regular webinars, featuring our clients and contacts discussing important and current issues impacting on the charity sector. The webinar recordings can be accessed by clicking the following links or by going to:

[Through the crisis – Strategy](#)

[In the crisis – Governance](#)

[Post the crisis – Financial resilience](#)

[The future of the charity sector](#)

[Building a sustainable future through fundraising](#)

[The charity sector - Opportunities through technology](#)

[The Charity Governance Code refresh](#)

[Modern social activism – The changing face of philanthropy and charities](#)

[Partnerships, mergers and collaboration – What does the future hold post-pandemic?](#)

[Reserves – A pragmatic approach](#)

[Impact Measurement – defining the sector's role in society](#)

[Circular economy: is this the solution to global challenges?](#)

Impact of new auditing standards

Risk assessment

The revised auditing standard ISA (UK) 315 *Identifying and Assessing the Risks of Material Misstatement* will require all audit firms to reconsider their methodologies for risk identification and assessment. The aim of the changes is to drive better audit quality, through a focused approach to auditing identified risks and promoting a greater emphasis of professional scepticism.

We will be required to obtain a greater understanding of your IT systems. Reliance on IT has increased since this standard's last major overhaul and cloud computing and processing didn't exist at that time. The standard has been brought up to date and requires auditors to obtain a greater understanding of your IT systems, including general IT controls and information processing activities, identifying potential risks that these may pose. Our current plan will require the completion of a questionnaire prior to the commencement of the audit. Your responses will be reviewed and followed up, where applicable, during the planning phase of the assignment. Where your IT systems are complex and/or bespoke, our internal IT specialists are likely to be utilised to obtain the required level of understanding mandated by the updated standard.

The amendments bring together existing requirements for us, as your auditor, to obtain an understanding of your control activities. Our existing system notes will be the starting point for our discussions with you, as we have to distinguish between direct and indirect control activities. We will be updating and extending these to include journals, any transactions/balances/disclosures which we have identified as a significant audit risk.

Fraud

ISA (UK) 240 *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements* has also been modified. The revisions were implemented to address of concerns that auditors aren't doing enough to detect material fraud.

There is a greater onus on auditors to look for potential fraud, whilst exercising professional scepticism. We will be required to design and perform audit procedures in a manner that is not biased towards obtaining audit evidence that may be corroborative. Our audit procedures must be designed in such a way that they do not exclude audit evidence that may be contradictory. There will be changes to the audit testing we undertake on your audit.

A more interactive approach to assessing the risk of misstatement as a result of fraud will be needed. In addition to making enquiries of management, and when the composition is different, those charged with governance, the standard requires auditors to also discuss fraud with those within your organisation who respond to allegations of fraud raised by your employees or others. The scope of our discussions will extend to encompass the perceived risk of material fraud and any specific industry risks.

Other matters

Engagement & Independence

Our engagement objective was the audit of ThinkForward (UK).

We have implemented policies and procedures to meet the requirements of the Financial Reporting Council's (FRC) Ethical Standards. To this end we considered our independence and objectivity in respect of the audit for the period under review before commencing planning our audit and communicated with you on these matters in our audit scoping report dated 8 September 2022.

No other matters have come to our attention during the audit which we are required to communicate to you and the safeguards adopted were as described in our audit scoping report.

Qualitative aspects of accounting practices, accounting policies and financial reporting

Based on our audit work performed, we believe that the Trustees' Report and financial statements for the period under review comply with United Kingdom Accounting Standards, the Companies Act 2006 and Charities SORP FRS102.

During the course of our audit of the financial statements for the period under review, we did not identify any inappropriate accounting policies or practices.

Matters specifically required by other Auditing Standards to be communicated to those charged with governance

Other than as already explained in our Engagement Letter, Audit Scoping Report and this Post-Audit Management Report, there are no other specific matters to communicate as a result of our audit of the financial statements under review.

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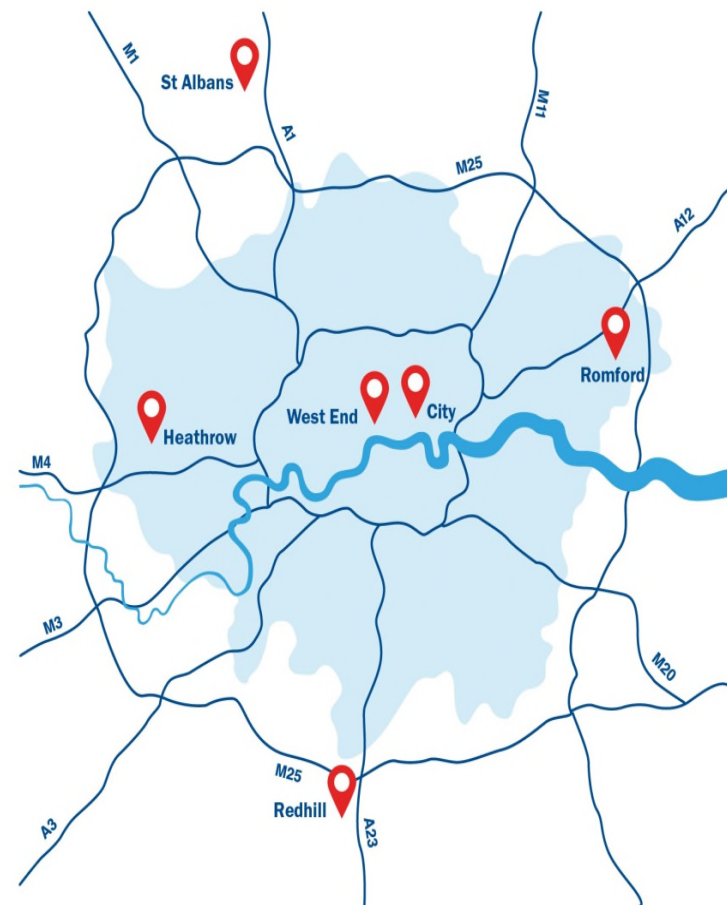
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