

COMPANY REGISTRATION NUMBER: 11011652
CHARITY REGISTRATION NUMBER: 1183046

GENERATION: YOU EMPLOYED, UK

Company Limited by Guarantee

FINANCIAL STATEMENTS

31 DECEMBER 2020

MEADOWS & CO LIMITED

Chartered Accountants & Statutory Auditor
Headlands House
1 Kings Court
Kettering Parkway
Kettering
NN15 6WJ

GENERATION: YOU EMPLOYED, UK

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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GENERATION: YOU EMPLOYED, UK**COMPANY LIMITED BY GUARANTEE****TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT)****YEAR ENDED 31 DECEMBER 2020**

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 December 2020.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Generation: You Employed, UK
Charity registration number	1183046
Company registration number	11011652
Principal office and registered office	One, High Street Egham Surrey TW20 9HJ

THE TRUSTEES

Dame V Y Hunt	
Mr A Ratcliffe	
Dr M Mourshed	
Mr S Atcha MBE DL	
Mrs AY Bentinck MBE	
Mr K A Bone	
Ms E Olumide	(Appointed 27 November 2020)
Mr C Shaw	(Appointed 27 November 2020)

CHIEF EXECUTIVE OFFICER	Michael Houlihan
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ACCOUNTANTS	Isosceles Finance One High Street Egham TW20 9HJ
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AUDITOR	Meadows & Co Limited Chartered Accountants & Statutory Auditor Headlands House 1 Kings Court Kettering Parkway Kettering NN15 6WJ
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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) (continued)

YEAR ENDED 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Generation UK is a company limited by guarantee, governed by its memorandum and articles of association dated 13 October 2017. It registered as a charity with the Charity Commission in July 2019. Directors are appointed by the board and there are currently six directors.

The trustees who have served during the year and since the year-end are set out on page 1. The power to appoint new trustees is exercised by a majority in number of existing trustees. Where there is a need for new trustees, this would be identified by the remaining trustees.

Trustees meet regularly during the year to agree the broad strategy and areas of activity for the charity. Trustees consider reserves and risk management policies and performance. The day-to-day administration of the charity lies with the Chief Operating Officer.

The trustees have examined the major strategic, business and operational risks which the charity faces and confirms that systems have been established to enable continuous monitoring of such risks so that appropriate steps can be taken to lessen these risks.

OBJECTIVES AND ACTIVITIES

Generation UK relieves unemployment in England and Wales through:

- (a) providing and promoting training and retraining;
- (b) facilitating access to work experience, apprenticeships and employment opportunities;
- (c) providing mentoring, guidance and advice; and
- (d) providing other support.

"a career-launching job for every young person"

Our Mission

We transform education to employment systems to prepare, place and support people into life-changing careers that would otherwise be inaccessible.

Our Vision

A meaningful career and sustained well-being for every person anywhere.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they set. The objectives are outlined above in the objectives and activities section of this report.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) (continued)

YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE

Youth unemployment is a two-sided problem. On one side more than 75 million young people were unemployed globally even before covid. The pandemic has greatly increased the level of unemployment across the globe, and in the UK.

On the other side of the equation is a business problem: 40% of employers say they can't find people to fill even entry-level jobs. Whilst many sectors have been hit hard by lockdowns, other sectors have seen a growth in demand for their services, increasing the need for entry-level talent even during the depths of lockdown.

Generation addresses this two-sided problem with a two-sided solution: we empower people to build thriving, sustainable careers at the same time as providing employers the highly skilled, motivated talent they need.

Through our solution Generation has now supported over 40,000 people across 14 countries.

Since 2019 that has included support for unemployed people in the UK. In our first year of operation as a UK charity we worked with 171 learners and supported 80% into employment.

In 2020 we supported 354 people with training, mostly through remote learning, and targeting in-demand skills in sectors resilient to the economic downturn, achieving a strong level of job outcomes whilst supporting learners on what may be a longer transition into employment. Over 2020, as the societal impact of covid became clear, we also revamped our approach and operation to adapt. This included securing significant investment from funders to support those impacted by covid, allowing us to scale up provision, creating more pathways for people into in-demand roles.

No one organisation can solve a problem of this magnitude alone, and our success is shared with our partners, learners and the employers we work with to co-design our skills based programmes. We have learned a great deal in the last three years and are committed to sharing what we learn with others, including the learning agendas of the UK government to inform the covid-response plan. This report captures some of those lessons, paints a picture of Generation in the United Kingdom, and outlines our impact.

The Seven-Step Approach

Generation has a seven-step approach that is the foundation for every single program we run, regardless of sector or profession. This consistency is key to how we deliver a high-quality, engaging program that leads to well-prepared employees.

1. Jobs and Employer Engagement from the start
2. Recruit Students based on intrinsics, effort and employment standards for the profession
3. 4-12 weeks of technical, behavioural, mindset and professional presence skill training
4. Social Support services and mentorship
5. A Community that follows into the workplace
6. Return on Investment for employers
7. Data at the centre of everything we do.

Our Programmes & Partners

Our programmes in the UK over 2020 focussed largely on the technology sector, with employers

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) (continued)

YEAR ENDED 31 DECEMBER 2020

continuing to recruit for in-demand skills in cloud, data, and software engineering, even during lockdown. Programmes in other sectors such as Hospitality, Retail and Healthcare were paused for 2020.

Demand for our programmes in the technology sector remained strong, partly as a result of industry shifts accelerated by covid. The much discussed digital skills gap faced by the UK represents an enormous opportunity to support large numbers of people into life-changing jobs. Technology teams are also looking for vehicles such as Generation to fulfil their agenda of widening participation of underrepresented groups and increasing diversity.

Against this backdrop the demand for Generation programmes has grown, with a network of over 100 employer partners now recruiting from us, including repeat hiring from the likes of Sainburys, FT and Infinity Works.

We also saw significantly increased support from our network of funders, including corporate social responsibility partners such as Blackrock and Verizon, as well as funding from the UK government and European Social Funds.

Our Impact

In 2020, 44% of our participants had been eligible for free school meals, 77% were Black, Asian, or minority ethnic, and 28% of our learners had been unemployed for longer than six months. In total over 2020 we supported 354 learners, with over 90% course completion rate, and supported people into jobs with an average starting salary of c.£25,000.

FINANCIAL REVIEW

Generation's financial result for the year was a surplus of £20,705 (2019: £223,419). At the year end total reserves amounted to £243,854 (2019: £223,149) and comprised unrestricted reserves of £86,917 (2019: £147,051) and restricted reserves to be expensed on a specific purpose of £156,937 (2019: £79,098).

Reserves policy

The Trustees have reviewed the reserves policy and agree that a figure of approximately £363k would be an appropriate level of free reserves. The current level of reserves is below this and this is representative of the fact that the organisation was investing in scaling up during the latter half of 2020. Significant funding has been received after the year end to increase programme provision in 2021 and as a result the level of reserves post year end has increased and is more in line with policy.

As the organisation grows the reserves policy will be reviewed to ensure it is still appropriate.

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YEAR ENDED 31 DECEMBER 2020

Impact of Covid-19 pandemic

Cash flow and reserves have been closely monitored during the pandemic.

Whilst most programmes could be shifted seamlessly to remote delivery, Covid-19 did reduce the number of programmes we were able to run, and the corresponding level of job outcomes. The original budget was to support 800 people during 2020, but the actual number for the year was 354. Job placement rates were also impacted. Both of these factors have had a knock-on effect in terms of income from employers which is estimated to be £1m lower than anticipated in 2020 as a result of Covid-19.

Conversely, Generation has been successful in securing Government funding that was mobilised to support more training provision across the UK in late 2020. Much of the effect of this flows through into 2021, including Department for Education covid response funding for programmes in Greater Manchester and the West Midlands. The total value is £380k between October 2020 and March 2021.

As an additional measure to address risks stemming from coronavirus, the Trustees approved a loan under the Coronavirus Business Interruption Loan Scheme (CBILS) in August 2020. The loan is for £250,000 over 3 years with Social Investment Business (SIB) with a repayment holiday for the first 12 months. The loan is for the purpose of maintaining services to meet increased demand as a result of a longer term covid response.

PLANS FOR FUTURE PERIODS

Strategy for 2020

2020 was a tumultuous year, requiring immediate reaction to adjust to remote working and training, amongst other challenges. The societal impact, with far greater numbers of unemployed people, as well as a changing recruitment landscape, also required longer term recalibration. This included three pillars that shaped our 2021 strategy.

The first was a forensic evaluation of the employment landscape, and full-orientation of our programmes to target in-demand sectors and professions. This included ramping up programmes in data, cloud, and software engineering, as well as launching new programmes to target in-demand professions including Customer Support and IT support, as well as resuming programmes to support the NHS as it moves back into recruitment mode.

The second pillar of our strategy was to align with like-minded organisations intent on making a significant contribution to the fall-out from covid. This included expanded partnerships and funding from existing partners, as well as new contracts in support of UK government initiatives.

The third pillar is to ensure each element of our delivery model continues to serve our learners in a remote world. Whilst student feedback and learning outcomes remained very strong over 2020, we see a number of opportunities to continue to increase and improve provision.

Geographically, we will focus our operations on key UK regions where we have built out teams, and strategic relationships with partners, specifically Greater London, Greater Manchester, West Midlands, and new programmes launching in Leeds City Region. Over 2021 we will also evaluate opportunities to launch programmes in new regions in 2022. Over 2020 the UK team also established Generation Ireland as a corporate entity, which will henceforth be supported by the Generation UK entity who have broadened 'UK & Ireland' remit. This Irish operation will be led by a local team who have been recruited and overseen by the Generation Ireland Board, whilst supported by the UK&I central team and UK Board.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) (continued)

YEAR ENDED 31 DECEMBER 2020

TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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TRUSTEES' ANNUAL REPORT (INCORPORATING THE DIRECTOR'S REPORT) (continued)

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The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 17 May 2021 and signed on behalf of the board of trustees by:



Dame V Y Hunt
Trustee

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERATION: YOU EMPLOYED, UK

YEAR ENDED 31 DECEMBER 2020

OPINION

We have audited the financial statements of Generation: You Employed, UK (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We draw your attention to note 3 in the financial statements, which indicates that the Charity is satisfied that it is appropriate to prepare the financial statements on the going concern basis.

The Charity continues to actively review the ongoing and future potential impact of coronavirus and has adapted the way it operates to ensure that delivery of its services continue both safely and effectively, whilst remaining financially viable.

Other than as noted above, we have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

GENERATION: YOU EMPLOYED, UK**COMPANY LIMITED BY GUARANTEE****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERATION: YOU EMPLOYED,
UK (continued)****YEAR ENDED 31 DECEMBER 2020****OTHER INFORMATION**

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

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERATION: YOU EMPLOYED, UK (continued)

YEAR ENDED 31 DECEMBER 2020

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

We have undertaken high level reviews of the results and position of the charity for the year in question, and have considered the effects of the industry and wider economy on the company.

We have made enquiries of management regarding the charity's own risk assessment procedures and any identified irregularities, including fraud, identified in the year.

We have used our knowledge and understanding of the charity's business, including the remuneration of key management personnel, to assess how and where irregularities, including fraud, might arise and we have planned our testing using a risk based approach. We have considered the potential for irregularities, including fraud, in all our testing but have also carried out specific testing to comply with the ISA (UK) requirements regarding management override of controls.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERATION: YOU EMPLOYED,
UK (continued)**

YEAR ENDED 31 DECEMBER 2020

- 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 purpose of expressing an opinion on the effectiveness of the 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 charity'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 charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

USE OF OUR REPORT

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Kelland FCA (Senior Statutory Auditor)

For and on behalf of
Meadows & Co Limited
Chartered Accountants & Statutory Auditor
Headlands House
1 Kings Court
Kettering Parkway
Kettering
NN15 6WJ

17 May 2021

GENERATION: YOU EMPLOYED, UK**COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL ACTIVITIES**
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**YEAR ENDED 31 DECEMBER 2020**

			2020		2019
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	1,114,065	1,459,497	2,573,562	1,388,751
Charitable activities	6	95,450	—	95,450	202,650
Investment income	7	370	—	370	30
Total income		<u>1,209,885</u>	<u>1,459,497</u>	<u>2,669,382</u>	<u>1,591,431</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	88,001	22,686	110,687	102,320
Expenditure on charitable activities	9,10	1,182,018	1,355,972	2,537,990	1,265,962
Total expenditure		<u>1,270,019</u>	<u>1,378,658</u>	<u>2,648,677</u>	<u>1,368,282</u>
Net income and net movement in funds		<u>(60,134)</u>	<u>80,839</u>	<u>20,705</u>	<u>223,149</u>
Reconciliation of funds					
Total funds brought forward		147,051	76,098	223,149	—
Total funds carried forward		<u>86,917</u>	<u>156,937</u>	<u>243,854</u>	<u>223,149</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

GENERATION: YOU EMPLOYED, UK**COMPANY LIMITED BY GUARANTEE****STATEMENT OF FINANCIAL POSITION****31 DECEMBER 2020**

	Note	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible fixed assets	15		30,794		4,092
CURRENT ASSETS					
Debtors	16	413,479		155,220	
Cash at bank and in hand		519,562		356,398	
		<u>933,041</u>		<u>511,618</u>	
CREDITORS: amounts falling due within one year	17	<u>509,413</u>		<u>292,561</u>	
NET CURRENT ASSETS			<u>423,628</u>		<u>219,057</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			454,422		223,149
CREDITORS: amounts falling due after more than one year	18		<u>210,568</u>		<u>—</u>
NET ASSETS			<u>243,854</u>		<u>223,149</u>
FUNDS OF THE CHARITY					
Restricted funds			156,937		76,098
Unrestricted funds			<u>86,917</u>		<u>147,051</u>
Total charity funds	20		<u>243,854</u>		<u>223,149</u>

These financial statements were approved by the board of trustees and authorised for issue on 17 May 2021, and are signed on behalf of the board by:



Dame V Y Hunt
Trustee

GENERATION: YOU EMPLOYED, UK**COMPANY LIMITED BY GUARANTEE****STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	20,705	223,149
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	8,018	237
Other interest receivable and similar income	(370)	(30)
Interest payable and similar charges	11,729	77
Accrued (income)/expenses	(2,554)	153,746
<i>Changes in:</i>		
Trade and other debtors	(258,259)	(83,688)
Trade and other creditors	179,974	67,283
Cash generated from operations	(40,757)	360,774
Interest paid	(11,729)	(77)
Interest received	370	30
Net cash (used in)/from operating activities	(52,116)	360,727
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(34,720)	(4,329)
Net cash used in investing activities	(34,720)	(4,329)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	250,000	—
Net cash from financing activities	250,000	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	163,164	356,398
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	356,398	—
CASH AND CASH EQUIVALENTS AT END OF YEAR	519,562	356,398

The notes on pages 15 to 24 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is One, High Street, Egham, Surrey, TW20 9HJ.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' issued in October 2019, 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 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

Generation maintains an annual budget for income and costs, which at this point extends through to December 2021 and a 12-month cash flow forecast which extends to April 2022.

The 2021 budget outlines a plan with sufficient capital to support the planned expansion, whilst operating with reserves in line with the company's reserves policy. Much of the funding required to support expansion is now already secured.

Generation also continues to submit additional funding applications, which will likely result in additional capital for existing and new provisions, again providing more cash cover.

As such, we conclude that it is appropriate to prepare the accounts on the going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

3. ACCOUNTING POLICIES (continued)

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

GENERATION: YOU EMPLOYED, UK

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

3. ACCOUNTING POLICIES (continued)

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - 33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Foreign currency

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

GENERATION: YOU EMPLOYED, UK

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

3. ACCOUNTING POLICIES (continued)

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

4. LIMITED BY GUARANTEE

The company is limited by guarantee. The sole member of the Charity has agreed to contribute to the assets in the event of a deficiency on winding up of an amount not exceeding £1.

5. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
DONATIONS			
In kind contributions from donor	726,100	–	726,100
GRANTS			
Corporate and Business Grants	214,515	512,928	727,443
Foundation and Trust Grants	–	111,459	111,459
Individual Grants	7,734	–	7,734
Government grants	–	835,110	835,110
OTHER DONATIONS AND LEGACIES			
Other income	165,716	–	165,716
	<u>1,114,065</u>	<u>1,459,497</u>	<u>2,573,562</u>

GENERATION: YOU EMPLOYED, UK

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

5. DONATIONS AND LEGACIES (continued)

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
DONATIONS			
In kind contributions from donor	668,889	–	668,889
GRANTS			
Corporate and Business Grants	437,830	173,837	611,667
Foundation and Trust Grants	3,000	36,922	39,922
Individual Grants	68,273	–	68,273
Government grants	–	–	–
OTHER DONATIONS AND LEGACIES			
Other income	–	–	–
	<u>1,177,992</u>	<u>210,759</u>	<u>1,388,751</u>

Generation: You Employed, UK is grateful to the McKinsey UK for the donated services it has received in respect of salaries, rent and other services during the year totalling £726,100 (2019: £668,889).

6. CHARITABLE ACTIVITIES

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Employer income	<u>95,450</u>	<u>95,450</u>	<u>202,650</u>	<u>202,650</u>

7. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest receivable	<u>370</u>	<u>370</u>	<u>30</u>	<u>30</u>

8. COSTS OF RAISING DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Costs of raising donations and legacies - Grants receivable	<u>88,001</u>	<u>22,686</u>	<u>110,687</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Costs of raising donations and legacies - Grants receivable	<u>92,250</u>	<u>10,070</u>	<u>102,320</u>

GENERATION: YOU EMPLOYED, UK**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****9. EXPENDITURE ON CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Overheads	801,307	195,277	996,584
Support costs	380,711	1,160,695	1,541,406
	<u>1,182,018</u>	<u>1,355,972</u>	<u>2,537,990</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Overheads	497,101	—	497,101
Support costs	644,270	124,591	768,861
	<u>1,141,371</u>	<u>124,591</u>	<u>1,265,962</u>

10. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Overheads	996,584	1,361,454	2,358,038	1,163,260
Governance costs	—	179,952	179,952	102,702
	<u>996,584</u>	<u>1,541,406</u>	<u>2,537,990</u>	<u>1,265,962</u>

11. NET INCOME

Net income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	8,018	237
Foreign exchange differences	<u>(914)</u>	<u>—</u>

12. AUDITORS REMUNERATION

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>7,350</u>	<u>5,350</u>

GENERATION: YOU EMPLOYED, UK

COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

13. STAFF COSTS

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2020	2019
	£	£
Wages and salaries	1,158,561	300,902
Employer contributions to pension plans	25,105	3,678
Staff costs, provided as Benefits in Kind	293,347	620,889
	<u>1,477,013</u>	<u>925,469</u>

The company has direct employees and also benefits from the secondment of individuals employed by McKinsey UK.

The average head count of employees during the year was 19 (2019: 8). The average number of full-time equivalent employees during the year is analysed as follows:

	2020	2019
	No.	No.
Management	2	1
Programme delivery	17	7
	<u>19</u>	<u>8</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2020	2019
	No.	No.
£70,000 to £79,999	—	1
£80,000 to £89,999	1	—
£220,000 to £229,999	1	—
	<u>2</u>	<u>1</u>

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £220,000 (2019: £75,513).

14. TRUSTEE REMUNERATION AND EXPENSES

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

One trustee claimed and had their travelling expenses reimbursed of £43 (2019: £190)

GENERATION: YOU EMPLOYED, UK**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****15. TANGIBLE FIXED ASSETS**

	Plant and machinery £
Cost	
At 1 January 2020	4,329
Additions	34,720
At 31 December 2020	39,049
Depreciation	
At 1 January 2020	237
Charge for the year	8,018
At 31 December 2020	8,255
Carrying amount	
At 31 December 2020	30,794
At 31 December 2019	4,092

16. DEBTORS

	2020 £	2019 £
Trade debtors	356,294	118,720
Prepayments and accrued income	8,611	7,000
Other debtors	48,574	29,500
	413,479	155,220

17. CREDITORS: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	39,432	—
Trade creditors	59,923	22,114
Amounts owed to group undertakings	149,664	8,020
Accruals and deferred income	222,724	225,278
Social security and other taxes	37,670	37,149
	509,413	292,561

18. CREDITORS: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	210,568	—

GENERATION: YOU EMPLOYED, UK**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****19. PENSIONS AND OTHER POST RETIREMENT BENEFITS****Defined contribution plans**

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £25,105 (2019: £3,678).

20. ANALYSIS OF CHARITABLE FUNDS**Unrestricted funds**

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
General funds	<u>147,051</u>	<u>1,209,885</u>	<u>(1,270,019)</u>	<u>86,917</u>

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
General funds	<u>—</u>	<u>1,380,672</u>	<u>(1,233,621)</u>	<u>147,051</u>

Restricted funds

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Restricted Funds	<u>76,098</u>	<u>1,459,497</u>	<u>(1,378,658)</u>	<u>156,937</u>

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
Restricted Funds	<u>—</u>	<u>210,759</u>	<u>(134,661)</u>	<u>76,098</u>

The application of the above reserves is restricted to the charitable objectives of this Company.

GENERATION: YOU EMPLOYED, UK**COMPANY LIMITED BY GUARANTEE****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	30,794	–	30,794
Current assets	711,927	221,114	933,041
Creditors less than 1 year	(445,236)	(64,177)	(509,413)
Creditors greater than 1 year	(210,568)	–	(210,568)
Net assets	86,917	156,937	243,854

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	4,092	–	4,092
Current assets	432,604	79,014	511,618
Creditors less than 1 year	(289,645)	(2,916)	(292,561)
Creditors greater than 1 year	–	–	–
Net assets	147,051	76,098	223,149

22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2020 £	Cash flows £	At 31 Dec 2020 £
Cash at bank and in hand	356,398	163,164	519,562
Debt due within one year	–	(39,432)	(39,432)
Debt due after one year	–	(210,568)	(210,568)
	356,398	(86,836)	269,562

23. PERSONS WITH SIGNIFICANT CONTROL

The immediate parent undertaking is Generation: You Employed, Inc., a Charity incorporated in the US, by virtue of its sole membership of the company.

The parent's principal purpose is to empower young people to build thriving, sustainable careers through delivery of education and training developed with potential employers. Control is exercised by the parent through appointing its own Chief Executive Officer as a director and trustee of Generation: You Employed, UK.

The consolidated accounts that include this charity can be obtained from 1616 H. Street NW Suite 820 Washington, DC 20006.