

The Youth Endowment Fund Charitable Trust
Annual report and financial statements

For the period from 01 January to 31 December 2020

Charity number: 1185413

Reference and Administrative Details

The Youth Endowment Fund Charitable Trust is a registered charity (number 1185413). It was established on 10 April 2019 and registered by the Charity Commission on 20 September 2019.

Impetus – The Private Equity Foundation ('Impetus') is the sole corporate trustee of the Youth Endowment Fund. Impetus is a company limited by guarantee (number 08460519) and a registered charity (number 1152262).

The directors of Impetus are:

Hanneke Smits, Chair
Louis Elson
Bill Benjamin
Filippo Cardini
Charles Edwards
Rohan Haldea
Vanessa Maydon
Natasha Porter
Robert Ramsauer
Lisa Stone
Simon Turner
Shani Zindel

Chair of The Youth Endowment Fund Committee: Sir Kevan Collins

YEF Executive Director: Jon Yates

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London, EC4R 1AG

Auditor: Haysmacintyre LLP
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127-128 High Holborn
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2 Putney Hill
London, SW15 6AB

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Plumtree Court
25 Shoe Lane
London, EC4A 4AU

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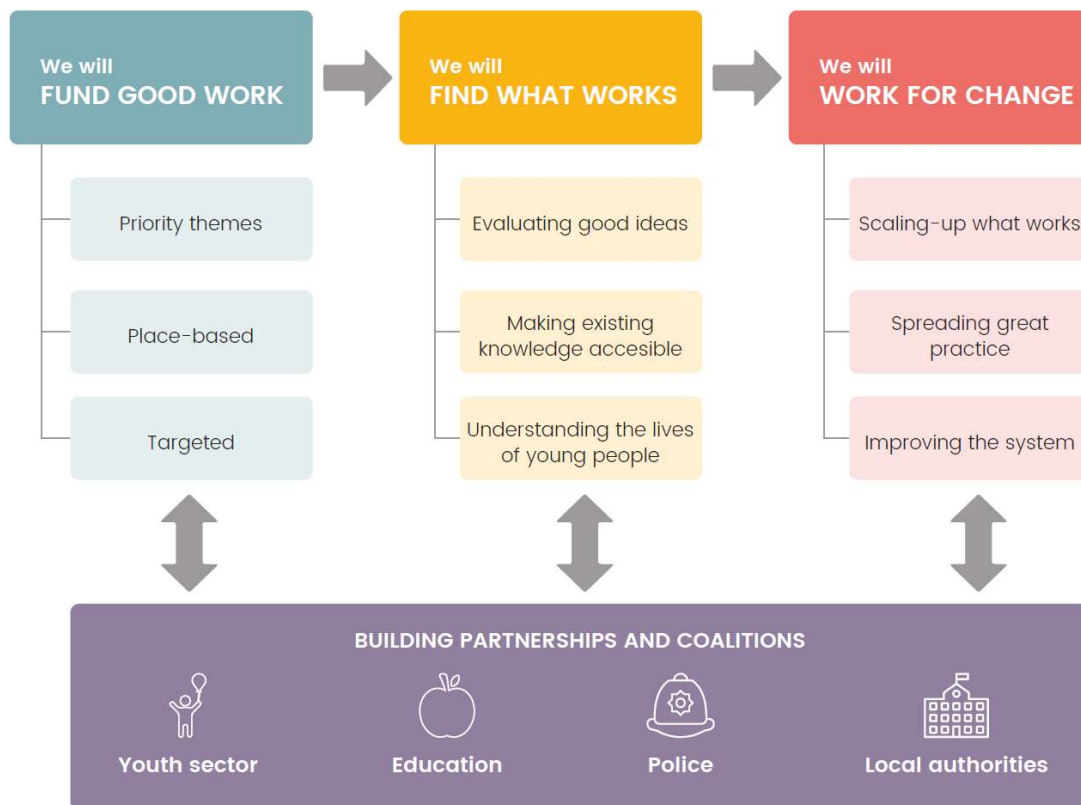
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The trustees are pleased to present their annual report on the work of The Youth Endowment Fund (YEF) in 2020 and its plans for 2021, together with the financial statements for the year ended 31 December 2020.

Objectives and Activities

The Youth Endowment Fund exists to prevent children from becoming involved in violence. Our vision is 'A world where no child or young person becomes involved in violence'. Our mission is 'To find what works and build a movement to put this knowledge into practice.' Our strategy commits us to doing this by delivering on three highly interlinked tasks as detailed in our strategy.



Our primary objective in 2020 was to ensure YEF operated as an effective entity to deliver on these three tasks, it supported the youth sector in particular during the COVID pandemic and it readied itself for an uplift in activity in 2021 as the pandemic receded.

In total we set ourselves four objectives:

- Strengthen our Foundations.
- Build our core capabilities.
- Deliver our existing rounds and support the youth sector.
- Build evidence.

To pursue these objectives, we pursued a number of activities which were designed to deliver on the overall objectives. Our performance has been strong overall in delivering these activities as shown in the below table:

Objective	Activities	Performance
Strengthen our Foundations	Strengthen our Diversity and Inclusion Foundation	We have established an internal Racial Equality, Diversity and Inclusion group which has commissioned a number of important reviews of our work. This has led to a new Theory of Power as well as revisions to our Evaluation Strategy. We have conducted a series of roundtables with leaders of Black led organisations. These have led to a series of commitments including the establishment of an Advisory Group and a ring-fenced fund for minority-led organisations. We have significantly diversified our team and our governance structure with approximately 38% of all staff coming from Black, Asian and Minority Ethnic backgrounds with 25% of staff identifying as Black.
	Strengthen our Funding Foundation	We have established a clear Supplementary Funding strategy which is on track for delivering the £15.5m of supplementary funding specified in the Grant Agreement.
	Strengthen our Strategy Foundation	We have established clear strategic plans across our work. This includes our capacity building strategy, our targeted projects strategy, our grant-making and evaluation strategy, our place-based strategy and our emerging change and impact strategy.
	Strengthen our Capacity Foundation	We have strengthened our capacity to deliver through significant recruitment strengthening throughout our teams. We have established a strong process of project management on our core projects. We have commissioned and on track to complete the build on a CRM System which will underpin all of our work.
	Strengthen our Culture Foundation	We have instituted a set of Values and Behaviours for all our work. We have made changes in the way in which we are structured and operate to empower staff and increase decision making clarity. We have built a strong induction process. The result has been a significant and striking increase in staff morale as seen in staff survey results. We are investing in management training.
Build our Core Capabilities	Build our Knowledge capability	We have established the foundations of our knowledge work so that we can ensure that we are at the cutting edge of identifying what works in reducing violence. We have designed a clear Outcomes Framework which identifies which intermediate outcomes are predictors and causes of later reductions in violence. We have produced a rigorous evaluation strategy. We have commissioned a systematic review of metrics so that we have the best quality metrics for measuring the impact of our work.

	Build our Trust and Influence capability	We have build significant stakeholder relationships during the year. This includes across the youth sector, education sector, police and social care sector. We will be looking to strengthen this further. We have invested significantly in our relationships across the UK government and with the Welsh Government. We have also built strong relationships within the black-led youth charity sector.
Deliver our Existing Rounds and Support the Youth Sector	Deliver our existing Rounds	We have maintained a strong focus on our existing grant rounds. During the Covid pandemic we renegotiated the majority of our Launch Grants and their evaluations to ensure that we are able to maximise the learning and impact of this work. We also continued to support our capacity building rounds.
	Support the Youth Sector	We have provided £6.5m of emergency support funding to the Youth Sector during the pandemic. We have also reviewed learnings from this work to provide insights to the Sector including on how best to support young people during a pandemic.
Build Evidence	Build the YEF Toolkit	We completed the Evidence and Gap Map, which is the largest repository of evidence on youth violence in the world. We are on track to convert this into the YEF Toolkit, which will be the UK's first single website that provides clear guidance of which interventions are most effective in reducing violence.
	Deliver Learning from our Funding Rounds	The evaluations of the Launch Grant Round have been effectively adjusted in the context of the pandemic to ensure that we are still able to maximise possible learnings. We have also brought learnings out of our COVID emergency fund (as noted above).
	Produce Research to inform our grant rounds	We have produced our first Grant Round Opportunity Report which summarises the available evidence and information on the sector that we intend our Thematic Funding Rounds to focus on. This has established a new way of working which will benefit us for all future Thematic Rounds.

Our approach to grant making

Our overall objective is to prevent children and young people from becoming involved in crime and violence by finding what works and building a movement to put this into practice. Our grant making exists to support this objective. We therefore seek to fund activities that we can evaluate and that we can use as a springboard for change. To achieve this we will prioritise our funding to meet these five requirements:

- **Impact:** Is there good reason to suggest that making changes in this area will reduce youth violence?
- **Learning:** Are evaluations likely to yield learning that we can turn into advice for practice or commissioners?

- **Potential:** Can we generate promising work to fund and evaluate?
- **Fundraising:** Will we be able to raise sufficient supplementary funding for this area of focus?
- **Scope to change practice:** Is it credible that we could deliver change things in this area?

Plans for Future Periods

Due to the successful strengthening of the foundation and capacity of the YEF in 2020, 2021/2 will be a time of significant delivery. We will focus on five main priorities for 2021/22. These are laid out fully in the below table:

Main priorities	Core activities for 2021/22
Deliver two Thematic Grant Rounds	Deliver our first Thematic Grant Round focused on finding the best ways to divert children from the criminal justice system. Deliver our second Thematic Grant Round focused on finding the best ways to support parents and carers of 5-14 year olds at risk of becoming involved in violence.
Launch our Place-based Work	Launch our Neighbourhood Fund with five local partnerships working to identify the most effective ways to empower local residents and local young people in reducing violence. Be ready to launch our first Agency Collaboration round focused on identifying the most effective ways that statutory agency collaboration can reduce violence.
Launch the YEF Toolkit	Launch the YEF Toolkit in June with significant interest and engagement in our key sectors.
Finalise our Change strategy	Finalise our change strategy with a clear plan in place for building the movement we need to deliver on our mission.
Deliver our Supplementary Funding goals	Deliver our goal of raising £15.8m within the financial year 2021/22.

Financial Review

Financial results

We received a £200m grant from the Home Office in April 2019 which is to be spent over the ten years to 2029. The grant is included in full in the income for 2019 and £4.8m of investment income was derived from it in 2020, in addition to a further £1m of additional income received during the year.

Expenditure in 2020 totalled £17.4m, of which £13.3m was on grants to interventions with a further £2.9m spend on activities we undertook directly.

Of the grant, £194m remained invested with Goldman Sachs and remained the largest component of the balance sheet at the year end. The restricted fund at the year-end amounted to £195.8m (£195m for the Home Office grant and £0.8m for the Centre of

Excellence grant) with a small deficit of £12,475 on the unrestricted fund. The deficit in unrestricted fund will be met by supplementary income targets set in the next year.

Reserves

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

Going concern

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

Investment policy, objectives and performance

The grant from the Home Office has been invested and is managed by Goldman Sachs, with oversight from the Endowment Investment Committee. The investment objective is to achieve an average nominal return of 2%, net of management fees, over the life of the fund. To ensure that there are sufficient funds to cover planned grant giving and the costs of the partners in managing the YEF, the equivalent of six months forecast spending is held in cash and cash equivalents.

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

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

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

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

The fund managers are required to integrate consideration of environmental, social and governance (ESG) issues into their investment process in a thoughtful manner and actively engage with companies to improve their ESG practices and policies.

As at 31 December 2020, of the total portfolio of £194.2m, £127.3m was invested in fixed income bonds and £57.8m in equities. The performance of the managed fund against the target is most usefully measured over a longer period than was available in 2020. The value of the portfolio stood at £194.2m (2019: £195.3m) after withdrawing £15m from the portfolio to meet our working capital requirements. The Trustees consider that the portfolio performed well, taking advantage of the equities markets during the pandemic with a well-defined glide path to reduce equity risk post year-end, whilst beating the funds benchmarks.

Structure, Governance and Management

Structure and public benefit

YEF is a charitable trust and registered charity with Impetus as its sole corporate trustee. Impetus is a company limited by guarantee and a registered charity.

Impetus received a £200m grant from the Home Office under a grant agreement dated 21 March 2019. The Youth Endowment Fund Charitable Trust was established on 10 April 2019 and was registered by the Charity Commission on 20 September 2019 (with charity number 1185413). The grant transferred to the Trust on that date. The grant is to be spent over the ten years to March 2029.

During 2020, YEF comprised of a partnership of Impetus and two Delivery Partners, the Early Intervention Foundation and the Social Investment Business Foundation.

Its governing document is a Trust Deed made on 10 April 2019 which was amended and restated on 19 September 2019. The objects of the charity are to:

- promote safe and crime free communities;
- preserve and protect health and save lives including without limitation by providing facilities, counselling, support and advice;
- prevent or relieve poverty and hardship; and
- advance any other complementary charitable purpose the trustees think fit,

in each case with a focus on children and young people who are at risk of offending or who are offenders or ex-offenders, and those who are (or are at risk of) being adversely affected by violence or other harm as a result of crime in England and Wales, including by working together with their respective families, carers and communities; and

- advance in life and relieve the needs of children and young people including but not limited to those:
 - who are or who are at risk of offending or who are offenders or ex-offenders; or
 - who are or who are at risk of being adversely affected by violence or other harm as a result of crime in England and Wales

through the provision of recreational and leisure time activities provided in the interests of social welfare, which are designed to improve their conditions of life and which develop their skills, capacities and capabilities to enable them to participate in society as mature and responsible individuals;

- to promote social inclusion amongst children and young people who are or who are at risk of being socially excluded as a result of their social and economic circumstances; and

- who are at risk of offending or who are offenders or ex-offenders, or
- who are or who are at risk of being adversely affected by violence or other harm as a result of crime in England and Wales;

by providing facilities and services that relieve the needs of such children and young people and assist them to integrate into society.

- to advance education and promote research including without limitation into the nature and causes of crime amongst young people and the effectiveness of different forms of intervention which seek to reduce crime and its impact and to disseminate the useful results of such research.

The trustee has had regard to its duties under section 17 of the Charities Act 2011. Charity trustees have a duty to report in the trustees' annual report on their charity's public benefit. They should demonstrate that:

- **The benefits generated by the activities of the charity are clear.** This report sets out in the activities which the YEF has carried out in the period supporting interventions and striving to achieve our objects.
- **The benefits generated relate to the objects of the charity.** All activities undertaken are intended to further YEF's charitable objects, noted above.
- **The people who receive support are entitled to do so according to criteria set out in the charity's objects.** The YEF exists to prevent children and young people from getting caught up in crime and violence by finding and growing the best possible ways to support those most at risk. This report sets out ways in which it is working to ensure that the beneficiaries are supported.

Governance and management

Impetus acts as the sole corporate trustee through its board of trustees. Impetus established The Youth Endowment Fund Charitable Trust Committee as a committee of its board. The Committee has delegated responsibility for the management of the Youth Endowment Fund and compliance with, and implementation of the Home Office Grant Agreement.

Impetus has the following matters reserved to it, receiving recommendations from the Committee on each matter:

- the overall strategy for the charity and the grants strategy or any material changes thereto;
- a budget and business plan for the charity within the framework set by the Home Office Grant Agreement and Partnership Agreement;
- the appointment or termination of appointment of Committee members and the YEF Executive Director;
- individual grants or material changes to existing grants with a value in excess of £10 million, including those made from Supplementary Funding;

- the terms of any partnerships with other funders, where their funding is in excess of £10 million;
- the Investment Policy and the appointment of investment managers.

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

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

The trustees consider the YEF board and the senior management team to be the key management personnel for reporting purposes. Pay is set by reference to an upper quartile salary benchmark which is established using a salary survey for the sector.

Risks

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

The Youth Endowment Fund Committee regularly reviews and assesses the major risks to which the YEF is exposed. Movements against risks are reviewed at Committee meetings with mitigating actions and controls discussed. The risk register is also reported to Impetus' Resources and Audit Committee.

Significant risks identified and steps taken to mitigate them are set out in the table below.

Category	Description of Risk	Risk Mitigations
Impact on behaviour	Many organisations working for change struggle to prove that their work has changed behaviour. We believe there is a risk that we could identify excellent programmes and practices to fund and evaluate, and generate valuable learning, but we fail to use that learning to affect behaviour change and reduce young people becoming involved in violence.	The YEF Director of Change is leading the development of the YEF change and impact strategy to ensure this risk is taken very seriously and we are clear on our path to impact. This strategy is due to be finalized in September 2021.
Raising Supplementary Funding to support our work	The YEF has a requirement in its agreement with the Home Office to raise £100M in supplementary funding to increase our impact by supporting and evaluating more programmes and practices to learn what works to reduce youth offending. This is an ambitious target that will be a challenge to achieve.	Our supplementary funding target has and will remain a top organisational priority and we will ensure this area of our work is resourced effectively across the fund and we will review and report on progress very frequently. We are currently making very strong progress toward this target.
Building evidence and	To build knowledge and understanding of what works to prevent young people	We have developed a strategy that is based upon funding initiatives

understanding of what works	from becoming involved in violence, we must work across a number of sectors such as policing, schools, youth sector, social services. Due to this broad remit, we may spread ourselves too thinly and risk a broad, but not deep, understanding of the issues.	and building knowledge around a core set of themes. We have also secured new investment in staffing to build an internal Centre of Expertise to support our work to build knowledge and understanding around these core themes.
Building evidence and understanding of what works	We may find it difficult to compare very different types of practices that we fund. This is a common difficulty for What Works Centres.	We are commissioning a significant piece of work to identify the most effective metrics that we can use consistently. We are also building an outcomes framework to identify the links between intermediate outcomes and violent crime.

Statement of Trustee's Responsibilities

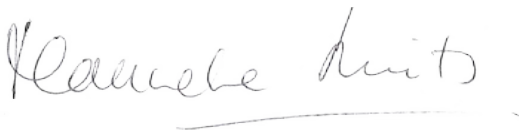
The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice ('UK GAAP').

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any one time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The Trustee confirms that to the best of its knowledge there is no information relevant to the audit of which the auditors are unaware. The Trustee also confirms that it has taken all necessary steps to ensure that it itself is aware of all relevant audit information and that this information has been communicated to the auditors. The Trustee report was approved by the Trustee on 25 August 2021 and signed on its behalf by the Chair of the Impetus board as representative of the Trustee.



Hanneke Smits
Representative of the Trustees

Independent auditor's report to the trustees of The Youth Endowment Fund Charitable Trust

Opinion

We have audited the financial statements of The Youth Endowment Fund Charitable Trust for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of the charity's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 charity'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 trustee with respect to going concern are described in the relevant sections of this report.

Other information

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

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

we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee for the financial statements

As explained more fully in the trustee's responsibilities statement set out on page 13, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual descriptions and entries posted at unusual times; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London EC4R 1AG

Date: 17 September 2021

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities – For the year ending 31 December 2020

	Note	Restricted grants £	Unrestricted Other £	2020 Total £	Restricted grants £	Unrestricted Other £	2019 Total £
Income:							
Donations and grants	2a	1,000,000	-	1,000,000	200,000,000	50,000	200,050,000
Investments	2b	4,821,860	-	4,821,860	632,911	-	632,911
Total income		5,821,860	-	5,821,860	200,632,911	50,000	200,682,911
Expenditure:							
Charitable activities	3a	17,417,689	3,600	17,421,289	2,959,324	58,875	3,018,199
Total expenditure		17,417,689	3,600	17,421,289	2,959,324	58,875	3,018,199
Net gains on investments		9,527,482	-	9,527,482	148,866	-	148,866
Net movement in funds		(2,068,347)	(3,600)	(2,071,947)	197,822,453	(8,875)	197,813,578
Reconciliation of funds:							
Funds at the start of the period		197,822,453	(8,875)	197,813,578	-	-	-
Funds at the end of the period		195,754,106	(12,475)	195,741,631	197,822,453	(8,875)	197,813,578

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

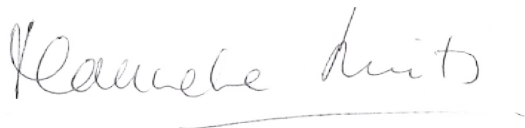
The notes that follow form an integral part of these financial statements.

Balance Sheet – For the year ending 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	8	<u>194,220,703</u>	<u>195,285,572</u>
		194,220,703	195,285,572
Current assets			
Debtors	9	<u>961,352</u>	<u>465,631</u>
Cash at bank and in hand		<u>1,251,118</u>	<u>2,591,003</u>
		2,212,470	3,056,634
Creditors: amounts due within one year	10	<u>(691,542)</u>	<u>(528,628)</u>
Net current assets		<u>1,520,928</u>	<u>2,528,006</u>
Net assets	11	<u>195,741,631</u>	<u>197,813,578</u>
Funds			
Restricted funds	12	<u>195,754,106</u>	<u>197,822,453</u>
Unrestricted funds	12	<u>(12,475)</u>	<u>(8,875)</u>
Total funds		<u>195,741,631</u>	<u>197,813,578</u>

The financial statements for The Youth Endowment Fund Charitable Trust, (charity registration number 1185413), for the period ended 31 December 2020 were approved and authorised for issue by the Trustee on 25 August 2021.

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



Hanneke Smits
Representative of the Trustee



Lisa Stone
Representative of the Trustee

Statement of Cash Flows – For the year ending 31 December 2020

	2020	2019
	Note	
	£	£
Net cash used in operating activities	(a) (16,754,096)	197,591,023
Cash flows from investing activities:		
Dividends and interest from investments	4,821,860	-
Sale of investments	145,890,329	20,000,000
Purchase of investments	(135,297,978)	(215,000,020)
Net cash used in investing activities	15,414,211	(195,000,020)
Change in cash and cash equivalents in the year	(1,339,885)	2,951,003
Cash and cash equivalents at the beginning of the year	2,591,003	-
Cash and cash equivalents at the end of the year	1,251,118	2,591,003

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

	2020	2019
	£	£
Net movement in funds	(2,071,947)	197,813,578
Net gain on investments	(9,527,482)	(148,866)
Dividends and interest from investments	(4,821,860)	(136,686)
(Increase) in debtors	(495,721)	(465,631)
Increase in creditors	162,914	528,628
Net cash inflow from operating activities	(16,754,096)	197,591,023

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

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

Notes to the Financial Statements

1. Accounting policies

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

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

Going concern

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

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

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

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

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

1. Accounting policies (continued)

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

- e) Grants payable to interventions by the YEF are charged in the year in which they are disbursed to the intervention. Continued funding is conditional on the interventions meeting specified milestones. Conditional grants are recognised as expenditure when the conditions are fulfilled. If the conditions have not been met at the year end, the grants are disclosed as a future commitment but are not shown as expenditure.
- f) The charity's financial instruments all qualify as basic financial instruments in accordance with section 11 of FRS102 and are recognised on the following bases:
 - i. Investments are measured at market value at the balance sheet date.
 - ii. Cash and cash equivalents represent bank balances and deposits held in sterling.
 - iii. Debtors are measured at the transaction price less any provision for doubtful debts.
 - iv. Trade creditors are measured at the transaction price.
- g) Short term deposits represent cash on deposit.
- h) Unrestricted funds are donations and other income receivable or generated for the objects of the charity.
- i) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is matched to the restricted funds, together with a fair allocation of overheads and support costs, if appropriate.
- j) Impetus, the sole corporate trustee of the charity, operates a defined contribution pension scheme which staff employed by Impetus (as sole trustee) to work on the charity's activities are auto-enrolled in. The assets of the scheme are held separately from those of Impetus and the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme. Impetus (as sole trustee) has no liability under the scheme other than for the payment of those contributions.
- k) The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues, grants payable and expenses during the period. The Trustees consider that there are no key judgements or estimates of estimation uncertainty.

2. Income

2 (a) Donations and grants

	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £	Restricted 2019 £	Unrestricted 2019 £	Total 2019 £
Grants	1,000,000	-	1,000,000	200,000,000	-	200,000,000
Donated services	-	-	-	-	50,000	50,000
Donations and grants	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>200,000,000</u>	<u>50,000</u>	<u>200,050,000</u>

Donated services represent pro bono services received by the charity.

Donations received from the Trustee to the charity totalled £nil (2019: £nil).

2 (b) Investment

Interest receivable	16,623	-	16,623	536,769	-	536,769
Fixed income bonds	4,141,221	-	4,141,221	61,326	-	61,326
Global equities	<u>664,016</u>	<u>-</u>	<u>664,016</u>	<u>34,816</u>	<u>-</u>	<u>34,816</u>
	<u>4,821,860</u>	<u>-</u>	<u>4,821,860</u>	<u>632,911</u>	<u>-</u>	<u>632,911</u>

3. Expenditure

3 (a). Total expenditure

Note for the current year	Grant funding £	Activities undertaken directly £	Support costs £	Total 2020 £
Charitable activities				
Supporting charities	-	2,937,852	1,182,985	4,120,837
Grants payable to interventions (note 4)	13,300,452	-	-	13,300,452
Donated services	-	-	-	-
Total charitable activities	13,300,452	2,937,852	1,182,985	17,421,289
Total expenditure	13,300,452	2,937,852	1,182,985	17,421,289

Note for the prior year	Grant funding £	Activities undertaken directly £	Support costs £	Total 2019 £
Charitable activities				
Supporting charities	-	1,117,358	468,657	1,586,015
Grants payable to interventions (note 4)	1,382,184	-	-	1,382,184
Donated services	-	-	50,000	50,000
Total charitable activities	1,382,184	1,117,358	518,657	3,018,199
Total expenditure	1,382,184	1,117,358	518,657	3,018,199

3 (b). Activities undertaken directly

	Total 2020 £	Total 2019 £
Staff costs	569,165	94,352
Evaluator payments	1,249,464	-
Programme costs incurred in partners	1,119,223	1,023,006
	2,937,852	1,117,358

3 (c). Support costs

	Total 2020 £	Total 2019 £
Staff costs	95,487	130,663
Office costs	168,766	49,363
Donated services	-	50,000
Other costs	918,732	288,631
	1,182,985	518,657

4. Grants payable

	2020 £	2019 £
Grants payable fall in two categories:		
- paid to portfolio charities	13,207,731	1,382,184
- paid to research organisations	92,721	-

13,300,452	5,066,291
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Grants paid to interventions in the year were as follows:

	2020 £	2019 £
Achieving for Children	493,500	144,000
ASSIST Trauma Care	183,124	75,748
Brandon Centre for Counselling and Psychotherapy for Young People	224,000	56,000
Cleveland Fire Brigade (Authority)	50,000	-
Comic Relief	4,000,000	-
Empire Fighting Chance	209,766	88,722
Essex Boys and Girls Clubs	87,973	86,358
Family Psychology Mutual	77,841	57,000
Family Support	120,000	80,000
Fight for Peace International	50,000	-
Imperial College London	212,314	-
Leicestershire County Council	116,972	70,930
Life Skills Education Charity	253,650	128,144
LifeLine Community Projects	100,000	60,000
Lime Social Marketing Media & Communications Ltd	50,000	-
Lives Not Knives	344,000	-
London Borough of Lambeth	238,462	-
Media Academy Cymru	50,549	-
Mental Health Foundation	116,317	122,817
Nottingham City Council	72,414	-
Office of the Police and Crime Commissioner for Northumbria	51,402	-
Preston North End Community and Education Trust	54,094	-
RISE Mutual CIC	228,121	54,811
Roots of Empathy	101,907	-
SkyWay Charity	55,464	-
Solihull Metropolitan Borough Council	54,000	-
South London and Maudsley NHS Foundation Trust (SLaM)	1,174,929	-
South Tyneside Council	57,638	21,465
St Christopher's Fellowship	-	55,000
StreetGames UK	64,123	-
The Rugby Football League Limited	136,854	76,477
The Tavistock and Portman NHS Foundation Trust	285,000	60,000
The Titan Partnership	240,818	68,263
Wakefield Council Youth Work Team	132,462	37,699
Other grants paid below £50,000	3,520,037	38,750
Total	13,207,731	1,382,184

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

	2020 £	2019 £
Campbell Collaboration	92,721	-
Total	92,721	-

The Youth Endowment Fund aims to prevent children and young people from getting caught up in crime and violence by making sure that those at most risk get the best possible support, as early as possible, to get on a positive path and succeed. Its grant making exists to support this objective and it seeks to fund activities that YEF can evaluate and grow.

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

4. Grants payable (continued)

The total amount of grants authorised but not accrued as expenditure at 31 December 2020 was £18,834,519 (2019: £13,649,734). This amount relates to the organisations listed above. If all current interventions progress as envisaged, the phasing of future commitments is estimated as follows:

	2020 £	2019 £
2021	16,118,140	8,472,746
2022	2,256,379	5,069,657
2023	460,000	107,331
	<u>18,834,519</u>	<u>13,649,734</u>

The above conditional grant commitments to organisations are underwritten by existing reserves (see note 12).

5. Net income/(expenditure) for the period

This is stated after charging:

	2020 £	2019 £
Trustee remuneration	-	-
Trustee expenses	-	-
Auditors' remuneration for audit services	<u>12,000</u>	<u>9,600</u>

6. Staff costs

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	571,988	193,174
Social security costs	66,633	20,414
Pension contributions	26,031	7,601
Agency staff	<u>-</u>	<u>3,826</u>
	<u>664,652</u>	<u>225,015</u>

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

	Number of employees	
Salary band	2020	2019
£100,000 - £110,000	1	-

The employer's pension contributions for staff earning more than £60,000 per annum amounted to £5,461 (2019: £nil).

Remuneration and benefits (salary or fee, bonus, employer NI and employer pension contributions), paid for key management personnel totalled £311,963 (2019: £159,527).

Staff numbers

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

	2020	2019
Full-time equivalents	7.8	3.4
Headcount	8	7

7. Taxation

There are no taxable profits arising within the charity for the year ending 31 December 2020. Consequently the charity has no liability to tax and no deferred tax.

8. Investments

	2020	2019
	£	£
Market value at at 1 January 2020	195,285,572	-
Additions in period	130,476,118	215,000,020
Disposals in period	(145,487,384)	(20,000,000)
Investment management fees deducted from portfolio	(402,945)	-
Dividends and interest reinvested	4,820,594	136,686
Realised gains	281,914	278,784
Net gains/(losses) on revaluation	9,245,568	(129,918)
Market value as at 31 December 2020	194,220,703	195,285,572

	£	£
Cash and cash equivalents	9,303,087	91,521,966
Fixed income bonds	127,322,935	64,555,722
Global equities	57,594,681	39,207,884
194,220,703	195,285,572	

9. Debtors

	2020	2019
	£	£
Grants paid in advance to delivery partners	961,352	465,631

10. Creditors: amounts due within one year

	2020	2019
	£	£
Trade creditors	129,796	26,351
Amount due to parent charity	236,636	472,824
Accruals	325,110	29,453
	691,542	528,628

11. Analysis of net assets between funds

	Restricted	Unrestricted	Total 2020
	£	£	£
Investments	194,220,703	-	194,220,703
Net current assets	1,533,402	(12,475)	1,520,928
	195,754,105	(12,475)	195,741,631

Note for the prior year

	Home Office Grant	Other	Total 2019
	£	£	£
Investments	195,285,572	-	195,285,572
Net current assets	2,536,881	(8,875)	2,528,006
	197,822,453	(8,875)	197,813,578

12. Movements in funds

	At the start of the period £	Income £	Expenditure £	Net gains/(losses) on investments £	At the end of the period £
Restricted Funds					
Home Office grant	197,822,453	4,821,860	(17,229,465)	9,527,482	194,942,330
Centre of Excellence grant	-	1,000,000	(188,224)	-	811,776
Total restricted funds	<u>197,822,453</u>	<u>5,821,860</u>	<u>(17,417,689)</u>	<u>9,527,482</u>	<u>195,754,106</u>
Unrestricted Funds					
Supplementary funding	(8,875)	-	(3,600)	-	(12,475)
Total unrestricted funds	<u>(8,875)</u>	<u>-</u>	<u>(3,600)</u>	<u>-</u>	<u>(12,475)</u>
Total funds	<u>197,813,578</u>	<u>5,821,860</u>	<u>(17,421,289)</u>	<u>9,527,482</u>	<u>195,741,631</u>

Note for the prior year

	At the start of the period £	Income £	Expenditure £	Net gains/(losses) on investments £	At the end of the period £
Restricted Funds					
Home Office grant	-	200,632,911	(2,959,324)	148,866	197,822,453
Unrestricted Funds					
Supplementary funding	-	50,000	(58,875)	-	(8,875)
Total funds	<u>-</u>	<u>200,682,911</u>	<u>(3,018,199)</u>	<u>148,866</u>	<u>197,813,578</u>

Funds from the Home Office grant and investment income earned from it will be used to fund interventions to prevent children and young people from getting caught up in crime and violence by making sure that those at most risk get the best possible support, as early as possible, to get on a positive path and succeed. Independent evaluations of the interventions, research and the costs of the three partners delivering the Fund's work will also be met from the grant and from supplementary funding which is secured in addition to the grant and investment income. .

The Centre of Excellence grant was additional funding received to enable YEF to act as a centre of expertise, generating, disseminating and promoting new knowledge, practice and academic research that will transform local and national responses to tackling serious violence affecting children and young people.

The supplementary funding is accounted for in the 'other' fund

13. Related party transactions

Impetus - The Private Equity Foundation is the sole corporate trustee of The Youth Endowment Fund Charitable Trust which is a restricted fund in Impetus. Impetus pays salary and other costs on behalf of the Youth Endowment Fund which it recharges to the charity. Amounts totalling £708,603 (2019: £523,391) were recharged by Impetus to the Youth Endowment Fund during 2020. As at the 31 December 2020 the Youth Endowment Fund owed amounts totalling £236,636 (2019: £472,824) to Impetus.