



Impetus

Impetus 2020 Annual Accounts

Annual report and consolidated financial statements
for the year ended 31 December 2020

Impetus – The Private Equity Foundation trading as Impetus

Company no. 08460519

Charity no. 1152262

Reference and administrative details

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

Trustees

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

Chief Executive Officer (to 30 June 2020):
Acting Chief Executive Officer (01 July -14 September 2020)
Chief Executive Officer (from 14 September 2020):

Andrew Ratcliffe
Dr Maria Neophytou
Eleanor Harrison OBE

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"Being on the Spear Programme gave me a genuine reason to get out of bed. I was so alone, and didn't have anyone to communicate with, but meeting other young people and the lovely coaches made me realise I'm not in this by myself. It changed my outlook completely. I felt like I could truly learn something on Spear because I was so comfortable there – the coaches and other trainees made me feel like I could say anything, because it felt like the only place where people understood my situation."

Lexi, Resurgo

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Chair's report

My third year as Chair of this impressive charity has been amidst an unparalleled global challenge. Across the world, we have all felt the serious and unprecedented impact of COVID-19.

We saw that without the best support, the young people that our charities work with would be hit hard by the pandemic. With school closures and rapidly rising unemployment, they are a generation at risk of falling even further behind their better-off peers in school and spending longer periods out of work.

At Impetus, we acted with urgency, working alongside our charity partners helping them to put in place digital offers, plan scenarios, and supporting them through difficult staffing decisions to bring stability to their organisations as they navigated their way through this time of great uncertainty.

During this year we also had to rethink how we deliver our fundraising. We launched an appeal to fund our emergency COVID-19 relief and our donors responded with extraordinary generosity, helping us raise further funding for our charity partners. We took our iconic Transforming Lives Dinner and Impetus Triathlon online and were delighted that our dedicated supporters embraced these events with such vigour in their new format.

We have also been refining and embarking on our new strategy that places increased emphasis on the value of partnerships and collaborations, introducing more co-investments and exploring new funding streams. I am excited about the opportunities it poses for our supporters, charity partners and the young people they serve.

It has been wonderful to see so many of the charities we support achieve successes despite the challenging year: Resurgo has grown to 11 centres and three of our charities succeeded in their bids to become National Tutoring Programme (NTP) Tuition Partners (The Access Project, Action Tutoring and The Tutor Trust) to name just a few examples. The Youth Endowment Fund also continues to grow from strength to strength.

We have been delighted to welcome our new Chief Executive, Eleanor Harrison OBE, to Impetus. Her experience, dedication to our work and impressive track record of leading non-profits around the world is an asset for Impetus and our partners and I look forward to working with her in the years ahead.

Throughout this tumultuous year, our staff and Board have remained committed and passionate. I want to thank each one of them for their hard work during this extraordinary time.

Hanneke Smits, Chair

Chief Executive Officer's report

A year of lockdowns has been challenging for everyone. For how we work, live, learn, play, care and touch.

Existing inequalities have been exacerbated by the pandemic. For young people from disadvantaged backgrounds this has created additional challenges to achieving their goals in education and employment. For example, schools with high levels of disadvantage experienced higher levels of learning loss than other schools, particularly in secondary (2.2 months in schools with high rates of free school meal eligibility and 1.5 months in schools with low rates of free school meal eligibility) (Department for Education, January 2021). Similarly, the decline in working hours for young people was five times higher for those with no qualifications (34%) than for those with a degree-level qualification (7%) (Learning and Work Institute, 2021)

At Impetus we knew we had to work hard, quickly and imaginatively to mitigate the worst effects of this crisis for young people from disadvantaged backgrounds; helping them to achieve their full potential despite the numerous obstacles.

For our charity partners, and everyone working in the sector, the pandemic had a significant impact on delivering programmes, demand for services, generating income and maintaining operations. Many services were unable to run as usual, fundraising strategies had to be adapted and valuable staff roles were furloughed or made redundant.

Throughout the past year we've worked shoulder-to-shoulder with our charity partners to keep them stable in uncertain times and help them to deliver the best for young people. We did not make new charitable investments during the period, deciding instead to focus on helping our existing charities by making sure they had access to the expertise, skills and finances to survive this unpredictable period.

Although our ability to raise funds was significantly affected by the cancellation of in-person events and the wider economic uncertainties facing our donors, our supporters stuck with us when the need was greatest. Excluding the Youth Endowment Fund, we provided grants of £3.2 million and facilitated a further £1.75 million of pro bono support, and channelled £6.9 million directly to charity partners from our donors. I am pleased to say that, as a result, our charity partners are in relatively good financial health as I write this report and are delivering valued, evidence-based support for young people across the UK. I would like to take this opportunity to send a huge thank you to both our existing and new donors who joined us to help.

We also knew that collaboration would be key to developing and implementing effective responses to the pandemic. We have been proactive in working with others to champion a national response to the crisis for young people, acting as a key figure in high-level policy decisions. In education we worked alongside the Department for Education with our partners, The Education Endowment Foundation, Teach First, The Sutton Trust and Nesta to deliver the National Teaching Programme. At the time of writing, over 170,000 pupils have benefitted from over 780,000 tutoring sessions and three of our charities have been able to significantly scale up to meet the challenge. In employment we co-founded the Youth Employment Group (YEG) with the Institute for Employment Studies, the Youth Futures Foundation, the Prince's Trust and Youth Employment UK. Today over 230 organisations have joined this collaborative effort to campaign relentlessly for policymakers and politicians to do everything they can to ensure young people do not suffer the 'scarring' effects witnessed after previous recessions.

The Youth Endowment Fund (YEF) disbursed £13.2 million in grants during the period, invested heavily in the development of a toolkit that summarises the best available research evidence about different approaches to preventing serious youth violence and designed and supported numerous evaluations to establish what works in this important field.

Joining an organisation as the new CEO remotely and in the midst of a pandemic has had its challenges! But I am grateful for the openness, warmth and support from the Impetus team in helping me settle well, understand the priority issues and plan our next steps together.

A key priority has been to proactively address the issue of racism in our work following the tragic death of George Floyd last year and subsequent Black Lives Matter protests. In August 2020, we started a Race Equity Taskforce internally to look at every aspect of our organisation and our work from a race equity lens and identify recommendations for improvement. Those recommendations were unanimously approved by our Board in March 2021. We are now starting the challenging task of implementing the recommendations well; we're ready for an exciting but also challenging journey of learning, discovery, missteps and joy ahead in this critical area.

I'm proud of our team for coming into their own through such a turbulent year and want to thank them for always keeping the mission front of mind and doing everything we can to help young people. The work we have done to support our charities through this challenging time for them has never been more vital. Every single charity in our family is benchmark beating when it comes to delivering for young people from disadvantaged backgrounds and they have responded with an unerring commitment to delivering better outcomes, even in this time of uncertainty.

There is always hope, there is always possibility. We believe in aspiration. We believe in better outcomes for young people, fostering hope, prospects, and spreading optimism.

I'm immensely grateful to our supporters for backing us every step of the way.

Looking ahead, we'll maintain our focus on forming excellent collaborations with others as well as building on our commitment to improving impact to ensure the very best support is getting to the young people who need it most.

Eleanor Harrison
Chief Executive

“Having to balance looking for a job with more college work than I’m used to left me feeling really stressed. Finding a job is so hard at the moment - I don’t know how anyone my age could find a job near me. Being in lockdown again, it’s like when is this ever going to end? The future definitely feels different. At the end, something good is going to come out of it. This year is bad but next year I’m hoping will bring us something way better to balance it out.”

Millie, EY Foundation

2020 Trustees' report

The Trustees, who are also the directors of the charitable company, are pleased to present their annual report on the work of Impetus and the group in 2020 and its plans for 2021, together with the financial statements for the year ended 31 December 2020.

Objectives and activities

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

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

We want to see better outcomes in:

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

The following report focuses on our work to improve education and employment outcomes. Our work to reduce youth offending is covered in detail in the Annual Report of the Youth Endowment Fund Charitable Trust.

Our objectives for 2020

We set ourselves the following priorities for 2020:

- Increasing our impact – having a bigger effect on the lives of more young people from disadvantaged backgrounds.
- Increasing our influence over resources and policy – including bringing more money to bear on the problems we're tackling.
- Increasing our sustainability – delivering the above priorities while generating income.

We achieved our objectives by:

Supporting our charity partners to deliver

Impact is at the heart of everything we do. The work of Impetus is grounded in a powerful principle: by working shoulder to shoulder with great charities, providing funding and support we can help them grow their impact and improve outcomes for the young people they support.

Our portfolio consists of the most promising charities supporting young people to succeed at school and work. We work together with the leaders of these charities to embed impact at the heart of their strategy and support them to make the tough choices, hold their teams accountable and commit resources to deliver the best possible outcomes for young people.

We provide these exceptional leaders with consistent core funding, give dedicated support from our experienced Investment Team, supplemented by world-class pro bono support, and create opportunities to share best-practice through our peer learning forums.

Together we ensured our charities could continue to work as effectively as possible to support those who needed it most. Our unique combination of unrestricted grants and intensive non-financial support was more vital than ever before, providing scenario planning to stabilise finances and continue programme delivery, invest in leadership development and foster CEO collaboration and support digital adaptation.

Over the past year, in the most challenging of circumstances, we've been proud to see the resilience and effectiveness of all our charity partners increase. All but two of our charities have either stabilised or increased their outcome success rates, reaching 166,000+ young people at a crucial moment in their lives. We are seeing good transition from benchmark beating impact to scale in the portfolio. This means that the depth and breadth of our ambition for young people is beginning to be realised.

Because of the many difficulties that our charities have faced over this year and ongoing future uncertainty because of the pandemic, we decided not to add any new charity partners to the portfolio in this period, focusing instead on supporting our existing portfolio. We made £3.2 million of grants directly during the Financial Year to our existing partners and facilitated a further £6.9 million directly to charity partners from our donors. We also contributed £297,000 to an online tuition pilot to improve the evidence base for now established National Tutoring Programme.

Case study: Impetus & Resurgo – a ten year relationship

Impetus has worked with Resurgo over the past 10 years, helping to develop them into a sector-leading employability charity through intensive ongoing support alongside funding and additional pro bono input from Impetus networks. When we started working with Resurgo they had a turnover of £446,000, worked from two centres and had an outcome rate of 37% for their young people. We worked closely with their talented team to determine how to find the right young people, effectively use data and dashboards, refine their programme and diversify their income. Seven years into the partnership with Impetus they had turnover of £2 million, eight centres around the country and 75% of those completing their course went on to sustained employment. Impetus helped devise new benchmarks which demonstrated Resurgo's impact and set them apart as one of the most effective charities in the sector. Resurgo will operate 11 centres in 2021 with a budget of £3 million.

"It's fair to say we came in with a degree of suspicion. We thought, we'd love the money to fund our core costs, and we'll tolerate some intervention. But it soon became clear that the long-term capacity building support Impetus gave was vital. They're not like other funders. Their involvement has been transformative." - Jo Rice, Resurgo CEO.

Value added to our charity partners

Since Impetus and its predecessors were established, we've raised £167 million of value towards our mission (excluding the £200 million Home Office grant and associated investment returns for the Youth Endowment Fund). This includes the donation and investment income we've secured, the pro bono services donated to us and our charity partners, and the additional funds the charities have been able to raise with our support.

The table below shows the cumulative value that we generated for our charities by the end of 2020 and how much we generated in 2020. The difference between the £167 million of value raised

towards our mission and the £136 million in the full value column in the table below is the resources used to support our core costs or held in reserves.

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

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

	Cumulative Full value £m	Cumulative Statutory basis £m	2020 Full value £m	2020 Statutory basis £m
Pro bono services donated to charities	30.1	28.9	1.5	1.5
Value of Impetus Investment team	26.7	26.7	3.7	3.7
Additional funds raised for charities	31.6	3.9	6.9	1.4
	88.4	59.5	12.1	6.6
Grants made to charities	48.1	48.1	3.2	3.2
Total value to charities	136.5	107.6	15.3	9.8
Total value per £1 of grants made	£1.84	£1.24	£3.80	£2.06

Co-investment and partnerships

Core to the growth and adoption of our model in our new strategy is to bring our expertise next to bigger pools of capital to achieve bigger impact.

During 2020 we set up our first new fund, the Engage Fund, in partnership with The Henry Smith Charity. This fund aims to address the challenge facing young people from disadvantaged backgrounds who are disproportionately represented in the number of pupils excluded from school. We know that when young people are in alternative provision settings just 4.5% achieve English and maths 9-4 passes at GCSE, compared to 65% in mainstream schools. The long-term effect is that pupils in alternative provision are more likely to end up not in employment, education or training (NEET) and in contact with the criminal justice system. This new fund will support five ground-breaking charities over five years to invest in to engaging around 4,600 young people who are struggling to engage in mainstream education, by helping them develop essential life skills, reintegrate into school when appropriate and achieve the qualifications they need.

We hope, finances permitting, to set up another new fund, focused on race equity and youth employment in 2021.

Influencing the Government agenda

We have taken a leading role in responding to the crisis affecting young people on the national stage. We have been founding partners in two major projects: the National Tutoring Programme (NTP) and the Youth Employment Group (YEG). We have also continued to play a central role in the effort to widen participation in higher education for under-represented groups through the Fair Access Coalition (FAC).

National Tutoring Programme

When the pandemic hit and schools closed to most pupils, we knew young people from disadvantaged backgrounds would be worst hit and that tutoring could be part of the solution.

Working with partners at EEF, Sutton Trust, Teach First and Nesta, we developed a pilot for online tutoring, and fundraised £340,000 (£290,000 via Impetus and £50,000 directly to participating charities) to support our charities to adapt to and begin online delivery. Alongside this, we worked with the Government to think about the role tutoring could play in supporting young people's learning.

Following the success of the pilot, the government announced the creation of the [National Tutoring Programme](#) (NTP), which will spend £350 million of government money over two years to get well-evidenced, high quality tutoring to the young people who need it most.

Youth Employment Group

In the early stages of the COVID-19 crisis we got together with the Institute for Employment Studies, the Prince's Trust, Youth Employment UK and the Youth Futures Foundation to form the Youth Employment Group (YEG). Since then, over 230 organisations have joined this collaborative effort to campaign relentlessly for policymakers and politicians to do everything they can to ensure young people do not suffer the 'scarring' effects witnessed after previous recessions.

The YEG launched our recommendations paper on Channel 4 News in September, highlighting how the number of young people not in education, employment or training (NEET) could increase by 50%, reaching a total of 1.1 million. In June 2020, the Youth Employment Group wrote to the Prime Minister calling for an Opportunity Guarantee, something he then committed to in a speech on 30 June.

Through the YEG we have been able to set out the impact of the crisis for young people from disadvantaged backgrounds in the labour market and take a powerful call to arms, along with constructive recommendations to Government, which has contributed to new programmes such as the Kickstart scheme, a wage subsidy for new jobs for young people.

Our work did not stop there. With the generous support of the Westminster Foundation, we have established working groups focussing on disabled young people, young people who have had contact with the youth justice system, race equity, quality of work and others to unpick the barriers faced by those young people often furthest from the labour market and make evidence-based solutions to Government to tackle these deep-seated challenges.

Fair Access Coalition

The Augar Review of Post-18 Education and Funding and proposals to move to a post-qualifications admissions system may lead to some of the biggest changes to access to higher education for at least a decade. In response, we formed the Fair Access Coalition with eight leading practitioner organisations focussed on widening participation.

Together, we have pushed for young people from underrepresented backgrounds to be considered in these proposals by making recommendations to Government, cautioning them on the implications for young people from disadvantaged backgrounds.

Securing the resources to deliver

With the support of existing and new donors we secured £4.9 million in philanthropy income in 2020. This has helped our charity partners reach 166,000+ young people during this critical moment in their lives.

We adapted our main fundraising events, turning our Transforming Lives Dinner into a television show, with over 700 viewers from over 40 companies. Later in the year, we adapted our Triathlon to a virtual race, Go The Social Distance, which had more than 350 participants taking part from around the world. We raised over £1 million from our events in a year when many charities furloughed their events teams. The virtual events we held had excellent feedback and helped strengthen existing relationships with our donors.

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

Youth Endowment Fund

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

Our primary objectives in 2020 were to ensure YEF had the resources, governance, strategic clarity and personnel to deliver on this mission. The YEF had a successful year, with £13.2 million being disbursed in grants, the YEF toolkit developing well, and multiple evaluations designed and launched in the period.

To avoid duplication, details on the Youth Endowment Fund are included in the annual report and financial statements produced for The Youth Endowment Fund Charitable Trust which is a registered charity (number 1185413).

Our People and Operations

Our people remain our strongest asset and have remained resilient during a period of uncertainty. The onset of the pandemic required our people to adapt to a changing work environment, embracing remote working for the first time. We were fortunate not to furlough any members of staff during the period, as we continued to manage our finances and operations through a period of uncertainty. Our early investment in our IT systems and our decision not to renew our office lease during the year, meant that we found ourselves in a more favourable position technologically and financially than initially planned.

Race Equity Taskforce

This year, tragic global events brought much-needed focus on the issue of race equality. We were founded on a belief in social equality – that all young people should have the same chance to succeed whatever their background. As such we are committed to addressing systemic racism both as an organisation and through the work we support.

We believe that embedding racial diversity in every aspect of our work; recruitment, staff development, due diligence, funding decisions, our non-financial support and governance structures will make us a better, smarter organisation, truly able to implement our mission. This means pushing ourselves to help our charities to build more diverse Boards, senior teams and proactively consider diversity in CEO succession, collecting more and better data on race as part of our impact management, and attracting more talent from all ethnic minorities to our Board and staff.

In August 2020 we started a Race Equity Taskforce internally to look at every aspect of our organisation and our work from a race equity lens and identify recommendations for improvement. Those recommendations were unanimously approved by our Board in March 2020 and we are now starting the task of implementing the recommendations well; ready for an exciting but also challenging journey of learning and discovery ahead.

“With the application process for university there is support to get in but I don’t think that without TAP I would have done as well as my TAP tutor and University Access Officer both have so much experience with the application process. Even from the start of the year, I know my tutor has always been there and the weekly session to go over history was really helpful - they helped me see information in a different way and had a wider knowledge of the information”

Rebecca, The Access Project

Financial review

Impetus group

Our income in 2020 was £13 million compared with £208 million in 2019, the substantial decrease reflecting the £200 million restricted grant from the Home Office for the Youth Endowment Fund received in the 2019. The total group funds at the end of 2020 were £202 million.

The main change to the balance sheet was a decrease in group cash balances by £1.3 million and a decrease in investments to £194 million, reflecting the spend-down nature of the Home Office grant.

Impetus (excluding the Youth Endowment Fund)

Our income in 2020 was £7.3 million (2019: £7.3 million). We received generous financial support from four main sources: individual donations, corporate sponsors, grant making trusts and foundations, and public funding. Grants and donations increased from £5.4 million to £6.3 million. We saw a decrease in our income from fundraising events, down from £1.73 million to £1.0 million, largely due to the impact of the ongoing COVID-19 pandemic and many fundraising activities either being cancelled or moved to a virtual platform.

Our income includes the value our pro bono experts contributed in the form of donated services. This was £1.75 million over the past year, compared to £1.90 million in 2019.

Our expenditure decreased from £8.6 million to £7.5 million. Within this total, we spent significantly less on raising funds – down from £1.07 million to £0.74 million and spent less on grants to charities, down from £3.7 million to £3.2 million.

Youth Endowment Fund

We received a £200 million grant from the Home Office in April 2019 which is to be spent over ten years to 2029. The grant was included in full in the income for 2019. The investment generated returns of £4.8 million in 2020. The grant is treated as a restricted fund and at the year-end amounted to £195.7 million, with a small deficit of £12,000 on the unrestricted fund, which will be met by supplementary funding in the future.

Expenditure in 2020 totalled £17.4 million, of which £13.2 million was on grants to interventions.

Reserves and reserves policy

Impetus (excluding the Youth Endowment Fund)

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

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

Our unrestricted funds were £5.9 million as at 31 December 2020 (2019: £6.4 million). The minimum level of unrestricted reserves to comply with our reserves policy is £1.3 million (2019:

£1.4 million). However, given the longer-term nature of our investments, a proportion of our funds are targeted at fulfilling funding commitments to charities.

The total value of grants to portfolio charities that are authorised but not accrued as expenditure at 31 December 2020 was £1.8 million (2019: £3.3 million). These grants only become an obligation to Impetus if the charities achieve specific milestones. The authorised amount of £1.3 million relates to the current portfolio charities and excludes any amounts in respect of new investees or next phase investments yet to be approved by the Investment Committee. If all current grant agreements progress as planned, then the grants made in 2021 will be £1.3 million.

Our level of reserves is such that we can reduce them over the next few years (though remaining above the minimum level) as we continue to support more organisations, including through grants, for a significant period in their journey to scaling impact. In the longer-term, we will need to raise additional funds to fulfil our commitments and the strategy agreed by the Board in December 2019 is designed to increase our sustainability. We project that over 2021 to 2023 expenditure is likely to continue to exceed income, whilst we work towards breaking even in 2024.

Youth Endowment Fund

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

Going concern including the impact of COVID-19

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

The continued impact of the pandemic across the world represents a significant event during and after the financial year. We have carried out a detailed assessment of the potential impact of COVID-19 over the period 2020 to 2022 and revised our budget for 2021 and projections for 2022 and 2023. We have monitored actual income and expenditure against the revised budget. We have also monitored the impact of the virus on the work and financial position of our portfolio of charities. We have reviewed our cash flow forecasts.

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

Investment policy for funds other than the Youth Endowment Fund

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

Investment policy and objectives for the Youth Endowment Fund

The grant from the Home Office was invested and has been managed by Goldman Sachs who were appointed after a competitive selection process. The investment objective is to achieve an average nominal return of 2%, net of management fees, over the life of the fund. At 31 December 2020, of the total portfolio of £194.2 million, £127.3 million was invested in fixed income bonds and £57.6 million 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 Trustees consider that the portfolio

performed well, taking advantage of the equities markets during the pandemic with a well-defined glide path to reduce equity risk post year-end.

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

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

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

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

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

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

The focus during this year has been on building out the investment portfolio as market opportunities presented themselves whilst being mindful of the impact of Brexit, the continued impact of COVID-19 and the revised expenditure forecasts for the fund.

Plans for future periods

After the Board's strategic review in December 2019, additional work on the strategy was completed in 2020 to further refine the five-year strategy and adjust accordingly due to the outbreak of COVID -19. The ambition for the next 5 years is to significantly increase our impact and influence in the sector whilst delivering improved sustainability. Ultimately it is about helping more young people from disadvantaged backgrounds achieve better education and employment outcomes.

We aim to do this by:

1. Growing our charity portfolio to 22-27 charities whilst sharpening our core investment model and outcomes framework
2. Investing in partnerships with both public and private funders to drive more funding to effective interventions
3. Continuing to grow our policy influence; with a key commitment to engaging the expertise, insights and voices of our portfolio charities in our research and influencing work
4. Better integrating our investment and policy work to drive more and better education and employment outcomes both within our portfolio charities and beyond
5. Delivering a happy, inclusive, productive and sustainable organisation where people thrive.

To achieve these goals in 2021 we will prioritise:

- Launching two new funds on school exclusions and race equity and youth employment and adding new charities to our Core Fund to grow our reach, outcomes and influence in areas of identified need:
 - The first five investments of the Engage Fund with Henry Smith Charity, a great mission aligned funder, focused on delivering better attainment outcomes for young people either excluded or at risk of being excluded from school will be made. By pooling our financial, social and human capital we plan to support these organisations to deliver impact at scale more swiftly.
 - We will seek funding partners to launch a new fund focused on race equity and youth employment. Our Youth Jobs Gap research highlighted that young people from ethnic minority backgrounds are twice as likely to be unemployed as their white counterparts in the UK. Our Fund will look strategically at what works in reducing the employment gap and how to use that evidence to influence Government and other funders.
 - Making 2 new investments in our core Fund after our planned investment pause in 2020.
- Critically assessing our impact to date through our model; the priority areas of support and new emerging needs for charities as the external environment evolves for the third sector. This is needed to ensure we continue to grow our impact efficiently and effectively.
- Being a valued critical friend, hands on supporter and champion of quality at scale in our partnerships in the Youth Employment Group, National Tutoring Programme and Fair Access

Coalition; ensuring that young people from disadvantaged backgrounds remain the priority of government in terms of education catch up and employment support.

- Testing, iterating and cementing new ways of working internally to maximise the learning, insights and expertise between our policy and investment teams.
- Both diversifying and deepening our donor relationships. We will deliver a new fundraising strategy in 2021 and engage with our wonderful supporters in growing our income to support more young people with our proven model.

If we succeed in delivering these plans well, we should begin to see some returns on young people reach and outcomes in late 2021. Important steps forward in delivering our important mission.

Structure, governance and management

Governance and management

Impetus is a charitable company registered with the Charities Commission (Charity number 1152262) registered in 2013 under its Memorandum and Articles (governing document). The governing body of the charity is the Board of Trustees which, as of 31 December 2020, comprised 12 members who are listed on page 2. There were no new appointed Trustees in 2020. The governing body also meets as the sole corporate Trustee of The Youth Endowment Fund, a registered charitable trust.

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

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

The Board sets strategy and reviews policy. Day-to-day responsibility is delegated to the Chief Executive Officer, who works closely with the Chair. During 2020, the Board met five times. There were five committees reporting to the Impetus Board in 2020: Investment, Governance, Resources and Audit, Public Affairs, and the Youth Endowment Fund Committee. This committee has two sub committees, the Grants and Evaluation Committee and the Endowment Investment Committee.

The committees ensure in-depth review and oversight of our activities. They ensure that the specific areas of focus are led, where possible, by Trustees.

Trustees are aware of and comply with the duty to act in the public benefit in accordance with section 17 of the Charities Act 2011

Investment Committee

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

Governance Committee

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

Resources and Audit Committee

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

Public Affairs Committee

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

The Youth Endowment Fund

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

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

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

The Youth Endowment Fund - The Grants and Evaluation Committee

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

The Youth Endowment Fund - The Endowment Investment Committee

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

Remuneration arrangements for key management personnel

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

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

Safeguarding

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

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

Risk and internal control

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

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

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

Risk	Mitigation
COVID-19 continues to have a significant impact on our work and our charity partners.	We have been working with our charity partners throughout the pandemic and to date, the majority of our charities are on track to achieve growth targets with no significant financial risks, with many charities performing strongly. This continues to be monitored closely.

<p>We cannot get to a sustainable, break-even budget and our new strategy is unsuccessful</p>	<p>We have agreed a new strategy involving new funds and have made progress with potential partners. Continued success with our co-investment donors has increased our financial sustainability.</p> <p>We have reviewed our planning assumptions on revenue but recognise these are subject to a high degree of uncertainty.</p> <p>We have made savings in the budget in 2021 and continue to look for scope to reduce costs and target a break-even budget in the next three years.</p> <p>We are in the process of developing our new fundraising strategy.</p>
<p>Insufficient influence with decision makers.</p>	<p>We are building stronger networks.</p> <p>We've made improvements to how we communicate our strengths and the benefits of working with Impetus.</p> <p>Our influence on the policy side has been very strong during the pandemic including our work on the National Tutoring Programme and our leadership role in the Youth Employment Group.</p>
<p>Investment model not as effective as planned.</p>	<p>We use a comprehensive outcomes framework and portfolio dashboard to monitor our charities' progress.</p> <p>Our improved portfolio data (KPIs, Outcomes Framework and Dashboard) have improved our monitoring. We continue to work on how we interpret and use the data.</p>
<p>Remote working undermines our ability to deliver our work</p>	<p>Staff have appropriate equipment and software to work from home and feel fully supported.</p> <p>Staff surveys show a positive trend in morale and we continue to scope out new office plans with staff.</p>

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

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

Donors

Donating to Impetus comes with assurance that you're backing the best. We do all the hard work, so you don't have to. We find the best charities and help them become stronger organisations – changing the lives of the young people we all serve.

We make your money go further by giving these charities dedicated Investment Team support and access to our world class pro bono network; helping them to achieve better and more education and employment outcomes for more young people.

We are extremely grateful for all the continued support and generosity we received from our donors, partners and our pro-bono support network. We would like to thank the following donors for their generosity in helping us achieve our mission during 2020:

Advent International
AlbaCore Capital Group
Aon
Andrew Sillitoe & Joy Tadaki
Apax Foundation
Bain & Company
Bain Capital
Bank of America
BC Partners
Beechbrook Capital
Benjamin Ball Associates Ltd
Bjorn Saven IK Investment Partners Ltd
Blackstone
Blake & Sevda Kleinman
Bruno Schroder Trust
BVCA
Capital Dynamics
Carlyle
CD&R
Centerbridge Foundation
Chatham Financial
Chris Field & Jodi Anderson-Field
Cinven
Coller Capital
CVC
David Higgins
Dechert LLP
Deep & Trishna Shah
Dwight & Kirsten Poler
Eden McCallum
Egon Zehnder
Evercore
Exponent
Financial Times
Francois Aguerre

General Atlantic | Atlantic Park
Goldman Sachs
Goodwin
Growth Capital Partners
Hanneke Smits
Hellman & Friedman
Hg
Inflexion Private Equity
Janet Brooks
Johannes Huth
Joseph Schull & Anna Yang
JP Morgan
Karen & Liam Krehbiel
Kirkland & Ellis
Kohlberg Kravis Roberts & Co LLP
Latham & Watkins
Linklaters
Lionel & Florence Assant
Lisa Stone
Livingbridge
Lockhart Capital Management LLP
Louis G. Elson
Minton Charitable Trust
Moelis & Company
Nadim El Gabbani & Vanessa Karlo
Nic & Jenny Humphries
Nikos Stathopoulos
Nomura International plc
Patrick Healy
Permira
PJT Partners
Plural Strategy
PwC
Rede Partners
Robert Ramsauer

Rohan & Sunaina Haldea
Rothschild & Co
Sherwood PSF Consulting
Sidley Austin LLP
Sousou Partners
State Street
Stephen & Gitte Dawson
Sun European Partners, LLP
TA Associates
Terra Firma Capital Partners

The AIM Foundation
The Boughton Family
The Stone Family Foundation
Tom Attwood
TowerBrook
TSG Consumer
Tuixen Foundation
Warburg Pincus
Weil, Gotshal & Manges (London) LLP
Wol Kolade

Statement of Trustees' responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

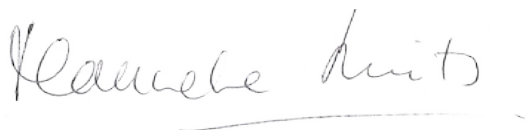
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

The Trustees' report, incorporating the directors' report was approved by the Trustees on 25 August 2021 and signed on their behalf by the Chair. In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Hanneke Smits
Chair



Independent auditor's report to the members of Impetus

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially

misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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

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

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 25, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor

Date: 17 September 2021

10 Queen Street Place
London
EC4R 1AG

Consolidated statement of financial activities for the year ended 31 December 2020

		Restricted	Unrestricted	2020	Restricted	Unrestricted	2019
	Note	£	£	Total	£	£	Total
				£			£
Income:							
Donations and grants	2a	2,242,185	5,018,029	7,260,214	200,469,374	5,027,549	205,496,923
Events and fundraising activities	2b	-	1,004,483	1,004,483	-	1,728,979	1,728,979
Investment	2c	4,821,860	29,531	4,851,391	632,911	88,340	721,251
Other	2d	-	30,492	30,492	-	50,299	50,299
Total income		7,064,045	6,082,535	13,146,580	201,102,285	6,895,167	207,997,452
Expenditure:							
Raising funds	3a	-	744,659	744,659	-	1,069,036	1,069,036
Charitable activities	3a	18,416,245	5,777,660	24,193,905	3,687,573	6,890,137	10,577,710
Total expenditure		18,416,245	6,522,319	24,938,564	3,687,573	7,959,173	11,646,746
Net expenditure		(11,352,200)	(439,784)	(11,791,984)	197,414,712	(1,064,006)	196,350,706
Net gains on investments	10	9,527,482	-	9,527,482	148,866	-	148,866
Net movement in funds		(1,824,718)	(439,784)	(2,264,502)	197,563,578	(1,064,006)	196,499,572
Reconciliation of funds:							
Funds at the start of the year	14	197,813,578	6,376,574	204,190,152	250,000	7,440,580	7,690,580
Funds at the end of the year	14	195,988,860	5,936,790	201,925,650	197,813,578	6,376,574	204,190,152

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

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

Charity statement of financial activities for the year ended 31 December 2020

	Note	Restricted £	Unrestricted £	2020 Total £	Restricted £	Unrestricted £	2019 Total £
Income:							
Donations and grants	2a	1,242,185	5,018,029	6,260,214	419,374	5,027,549	5,446,923
Events and fundraising activities	2b	-	1,004,483	1,004,483	-	1,728,979	1,728,979
Investment	2c	-	29,531	29,531	-	88,340	88,340
Other	2d	-	30,636	30,636	-	50,299	50,299
Total income		<u>1,242,185</u>	<u>6,082,679</u>	<u>7,324,864</u>	<u>419,374</u>	<u>6,895,167</u>	<u>7,314,541</u>
Expenditure:							
Raising funds	3e	-	744,659	744,659	-	1,069,036	1,069,036
Charitable activities	3e	994,956	5,777,525	6,772,481	669,374	6,889,837	7,559,211
Total expenditure		<u>994,956</u>	<u>6,522,184</u>	<u>7,517,140</u>	<u>669,374</u>	<u>7,958,873</u>	<u>8,628,247</u>
Net expenditure		<u>247,229</u>	<u>(439,505)</u>	<u>(192,276)</u>	<u>(250,000)</u>	<u>(1,063,706)</u>	<u>(1,313,706)</u>
Net movement in funds		<u>247,229</u>	<u>(439,505)</u>	<u>(192,276)</u>	<u>(250,000)</u>	<u>(1,063,706)</u>	<u>(1,313,706)</u>
Reconciliation of funds:							
Funds at the start of the year		<u>-</u>	<u>6,376,296</u>	<u>6,376,296</u>	<u>250,000</u>	<u>7,440,002</u>	<u>7,690,002</u>
Funds at the end of the year		<u>247,229</u>	<u>5,936,791</u>	<u>6,184,020</u>	<u>-</u>	<u>6,376,296</u>	<u>6,376,296</u>

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

Balance sheets as at 31 December 2020

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Tangible fixed assets	9	5,318	2,954	5,318	2,954
Investments	10	194,220,703	195,285,572	1	1
		194,226,021	195,288,526	5,319	2,955
Current assets					
Debtors	11	1,691,040	1,556,290	966,324	1,563,483
Cash at bank and in hand		6,703,378	8,033,610	5,452,260	5,442,330
		8,394,418	9,589,900	6,418,584	7,005,813
Creditors: amounts due within one year	12	(694,789)	(688,274)	(239,883)	(632,472)
Net current assets		7,699,629	8,901,626	6,178,701	6,373,341
Net assets	13	201,925,650	204,190,152	6,184,020	6,376,296
Funds					
Restricted funds	14	195,988,860	197,813,578	247,229	-
Unrestricted funds	14	5,936,790	6,376,574	5,936,790	6,376,296
Total funds		201,925,650	204,190,152	6,184,019	6,376,296

The financial statements for Impetus, (company registration number 08460519 and charity registration number 1152262), for the year ended 31 December 2020 were approved and authorised for issue by the Board on 25 August 2021.




Hanneke Smits
Trustee

Lisa Stone
Trustee

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

Consolidated cash flow statement for the year ended 31 December 2020

	Note	2020 £	2019 £
Net cash from operating activities	(a)	(16,768,049)	195,766,558
Cash flows from investing activities:			
Dividends and interest received		4,851,391	-
Purchase of property, plant and equipment		(5,925)	-
Disposal of property, plant and equipment			-
Proceeds from sale of investments		145,890,329	20,044,444
Purchase of investments		(135,297,978)	(215,000,020)
Net cash used in investing activities		15,437,817	(194,955,576)
Change in cash and cash equivalents in the year		(1,330,232)	810,982
Cash and cash equivalents at the beginning of the year		8,033,610	7,222,628
Cash and cash equivalents at the end of the year		6,703,378	8,033,610

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

	2020 £	2019 £
Net movement in funds	(2,264,502)	196,499,572
(Gains) on investments	(9,527,482)	(148,866)
Dividends and interest	(4,851,391)	(136,686)
Depreciation	3,561	15,242
(Increase) in debtors	(134,750)	(747,109)
Increase in creditors	6,515	284,405
Net cash (outflow)/inflow from operating activities	(16,768,049)	195,766,558

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

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

Notes to the financial statements for the year ended 31 December 2020

Accounting policies

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 01 January 2019), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

Impetus - The Private Equity Foundation is a company, number 08460519, limited by guarantee and incorporated in England and Wales. Its registered office is at 10 Queen Street Place, London, EC4R 1AG.

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

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

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

Going concern

The accounts are prepared on the going concern basis as the Trustees expect that the activities will continue for the foreseeable future and Impetus and the group 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.

Definitions

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

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

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

Donated services and facilities are recognised as income and expenditure in the financial statements when companies or individuals offer their professional expertise on a pro bono basis. The value of these donated services and facilities is an estimated figure based upon the valuation the professional individual or organisation places upon the time, services and facilities they have

provided to Impetus. Individuals offering their time to work in areas where they are not undertaking their profession are classified as volunteers and their time is not quantified in the accounts but is disclosed in the Trustees' Report. All of these amounts are treated as unrestricted donations.

Expenditure is recognised on an accrual's basis, inclusive of any VAT which cannot be recovered. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

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

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

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

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

Financial Instruments

The group's financial instruments all qualify as basic financial instruments in accordance with section 11 of FRS102 and are recognised on the following bases:

- i. Programme related investments and investments in subsidiaries are measured at cost less provision for impairment.
- ii. Other investments are measured at market value at the balance sheet date.
- iii. Cash and cash equivalents represent bank balances and deposits held in sterling
- iv. Debtors, including Gift Aid receivable, are measured at the transaction price less any provision for doubtful debts.
- v. Trade creditors are measured at the transaction price.
- vi. Items of equipment are capitalised where the purchase price or the cost of the capital project exceeds £1,000.
- vii. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.
- viii. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

The depreciation rates in use are as follows:

Computer equipment	Three years
Office equipment	Four years
Fixtures and fittings	Five years

Short term deposits represent cash on deposit.

Unrestricted funds are donations and other income receivable or generated for the objects of the charity without limitations.

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.

The charity operates a defined contribution **pension scheme**. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity the fund. The charity has no liability under the scheme other than for the payment of those contributions.

Pension contributions are also made on behalf of eligible employees and are paid into personal pension schemes as nominated by the employee and contributions pass through the SOFA as incurred.

Transactions in foreign currencies are translated into sterling at the rates of exchange current at the date of the transaction. Foreign currency monetary assets and liabilities in the balance sheet are translated into sterling at the rates of exchange ruling at the end of the year. Resulting exchange gains and losses are taken to the statement of financial activities.

Leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease. The charity has no finance leases.

The preparation of the **financial statements** requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The key judgment which has had the most significant effect on amounts recognised in the financial statements relates to the recognition and measurement of Donated Services (see note 1(c)).

2. Total income

a) Donations and grants

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	Total	Total	Total	Total
	£	£	£	£
Grant from the Home Office for the Youth Endowment Fund	1,000,000	200,000,000	-	-
Other grants	644,803	444,375	644,803	444,375
Donated services	1,746,812	1,955,299	1,746,812	1,905,299
Cash donations from individuals and companies	3,868,599	3,097,249	3,868,599	3,097,249
Donations and grants	<u>7,260,214</u>	<u>205,496,923</u>	<u>6,260,214</u>	<u>5,446,923</u>

Donations and events income received from Trustees for the charity totalled £293,592 (2019: £369,942).

b) Events and fundraising activities

Fundraising events	<u>1,004,483</u>	<u>1,728,979</u>	<u>1,004,483</u>	<u>1,728,979</u>
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c) Investment

Interest receivable	46,154	625,109	29,531	88,340
Fixed income bonds	4,141,221	61,326	-	-
Global equities	664,016	34,816	-	-
Investment income	<u>4,851,391</u>	<u>721,251</u>	<u>29,531</u>	<u>88,340</u>

d) Other income

Other income	<u>30,492</u>	<u>50,299</u>	<u>30,636</u>	<u>50,299</u>
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Total income	<u>13,146,580</u>	<u>207,997,452</u>	<u>7,324,864</u>	<u>7,314,541</u>
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Donated services represent pro bono services and facilities received by Impetus and the Youth Endowment Fund (YEF). These services relate both to work performed for Impetus or the YEF, and for our portfolio charities and are included as expenditure under note 3.

e) Additional funds raised for portfolio charities

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

	2020	2019
	Total	Total
	£	£
Total additional funds generated by Impetus for portfolio charities	<u>5,802,992</u>	<u>8,020,013</u>

3 (a). Total expenditure - Group

Note for the current year	Grant funding £	Activities undertaken directly £	Support costs £	Group total 2020 £
Raising funds				
Fundraising and events	-	-	744,659	744,659
Charitable activities				
Supporting charities	-	4,108,532	1,840,352	5,948,885
Grants payable (note 4)	16,498,208	-	-	16,498,208
Donated services	-	1,483,392	263,420	1,746,812
Total charitable activities	16,498,208	5,591,924	2,103,772	24,193,905
Total expenditure	16,498,208	5,591,924	2,848,431	24,938,564

Note for the prior year	Grant funding £	Activities undertaken directly £	Support costs £	Group total 2019 £
Raising funds				
Fundraising and events	-	-	1,069,036	1,069,036
Charitable activities				
Supporting charities	-	2,311,910	1,244,210	3,556,120
Grants payable (note 4)	5,066,291	-	-	5,066,291
Donated services	-	1,366,293	589,006	1,955,299
Total charitable activities	5,066,291	3,678,203	1,833,216	10,577,710
Total expenditure	5,066,291	3,678,203	2,902,252	11,646,746

3 (b). Activities undertaken directly - Group

	Group 2020 £	Group 2019 £
Staff costs	1,503,059	922,203
Programme costs paid to Youth Endowment Fund partners	1,119,223	1,023,006
Evaluator payments	1,249,464	-
Office costs	199,014	279,166
Depreciation	1,679	7,397
Donated services	1,483,392	1,366,293
Other costs	36,093	80,138
	5,591,924	3,678,203

'Programme costs paid to Youth Endowment Fund partners' relate to grants made to delivery partners for the Youth Endowment Fund as follows:

Early Intervention Foundation	652,028	561,780
Social Investment Business Foundation	467,195	461,226
	1,119,223	1,023,006

3 (c). Support costs - Group

	Raising funds	Charitable activities	Total 2020	Raising funds	Charitable activities	Total 2019
	£	£	£	£	£	£
Staff costs	548,388	566,210	1,114,598	566,085	616,252	1,182,337
Office costs	114,583	277,318	391,901	152,272	193,176	345,448
Depreciation	967	916	1,883	4,035	3,810	7,845
Donated services	-	263,420	263,420	-	589,006	589,006
Fundraising events costs	69,669	-	69,669	307,848	-	307,848
Other costs	11,052	995,908	1,006,960	38,796	430,972	469,768
	744,659	2,103,772	2,848,431	1,069,036	1,833,216	2,902,252

Included within support costs above are governance costs totalling £61,709 (2019: £82,968).

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

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

	2020	2019
	£	£
Unrestricted		
Portfolio charities	1,483,392	1,366,294
Impetus - portfolio	124,833	35,664
Impetus - other	138,587	503,341
Youth Endowment Fund	-	50,000
Total donated services	1,746,812	1,955,299

3 (e). Total expenditure - Charity

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

Note for the prior year	Grant funding £	Activities undertaken directly £	Support costs £	Total 2019 £
Raising funds				
Fundraising and events	-	-	1,069,036	1,069,036
Charitable activities				
Supporting charities	-	1,194,252	775,553	1,969,805
Grants payable (note 4)	3,684,107	-	-	3,684,107
Donated services	-	1,366,293	539,006	1,905,299
Total charitable activities	3,684,107	2,560,545	1,314,559	7,559,211
Total expenditure	3,684,107	2,560,545	2,383,595	8,628,247

3 (f). Activities undertaken directly - Charity

	2020 £	2019 £
Staff costs	933,894	827,851
Office costs	199,014	279,166
Depreciation	1,679	7,397
Donated services	1,483,392	1,366,293
Other costs	35,959	79,838
	2,653,938	2,560,545

3 (g). Support costs - Charity

	Raising funds £	Charitable activities £	Total 2020 £	Raising funds £	Charitable activities £	Total 2019 £
Staff costs	548,388	470,723	1,019,111	566,085	485,589	1,051,674
Office costs	114,583	108,552	223,135	152,272	143,813	296,085
Depreciation	967	916	1,883	4,035	3,810	7,845
Donated services	-	263,420	263,420	-	539,006	539,006
Fundraising events costs	69,669	-	69,669	307,848	-	307,848
Other costs	11,052	77,176	88,228	38,796	142,341	181,137
	744,659	920,787	1,665,446	1,069,036	1,314,559	2,383,595

Included within support costs above are governance costs totalling £47,309 (2019: £82,968).

4. Grants payable

	2020 £	2019 £
Grants payable fall in three categories:		
- paid to portfolio charities	3,171,539	3,672,707
- paid to research organisations	118,938	11,400
- paid to Youth Endowment Fund interventions	13,207,731	1,382,184
	16,498,208	5,066,291

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

	2020 £	2019 £
Access Project	275,000	325,000
Action Tutoring	253,000	440,500
City Gateway	400,000	632,187
Dallaglio Rugby Works	150,000	272,187
Dixons	-	100,000
EY Foundation	100,000	-
Football Beyond Borders	90,000	100,000
IntoUniversity	200,000	375,000
Magic Breakfast	54,171	156,250
Online Tutoring Programme	290,000	-
Power 2	50,000	100,000
Resurgo	419,535	350,000
ThinkForward	29,000	66,000
Tutor Trust	190,000	100,000
Twenty Twenty	31,250	168,750
Venture Trust	293,750	178,500
Voice 21	25,000	75,000
West London Zone	320,833	233,333
Group and Charity total	3,171,539	3,672,707

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

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

The total amount of grants authorised but not accrued as expenditure at 31 December 2020 was £1,776,250 (2019: £3,336,333). This amount relates to the charities listed above, but excludes any amounts in respect of new investees or next phase investments yet to be approved by the Investment Committee. If all current charity investees progress as envisaged, the phasing of future commitments is estimated as follows:

	£
2021	1,267,500
2022	415,000
2023	93,750
	<u>1,776,250</u>

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

	2020 £	2019 £
Youth Jobs Gap	19,217	11,400
Other	7,000	-
Charity Total	<u>26,217</u>	<u>11,400</u>
Campbell Collaboration	92,721	-
Group and Charity Total	<u>118,938</u>	<u>11,400</u>

4. Grants payable (cont'd)

Grants paid by the Youth Endowment Fund 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 P	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

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

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

The total amount of grants authorised but not accrued as expenditure at 31 December 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:

	£
2021	16,118,140
2022	2,256,379
2023	460,000
	<hr/>
	18,834,519

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

5. Net income/(expenditure) for the year

This is stated after charging:

	2020	2019
	£	£
Trustees' remuneration	-	-
Trustees' expenses	-	-
Depreciation	3,561	15,242
Operating lease expenses	2,121	47,331
Auditors' remuneration for audit services	26,350	26,040

Directors and Officers insurance which covers the Trustees against any personal liability was provided at a cost of £1,470 (2020: £1,470).

6. Subsidiaries

6a. Investment in PEF Trading Limited

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

	Year ended 31 Dec 2020	Year ended 31 Dec 2019
	£	£
Administrative expenses	(134)	(300)
Net movement in funds	(134)	(300)
Ordinary share capital	1	1
Profit and loss account	-	279
Shareholders' funds represented by net assets	1	280

6b. The Youth Endowment Fund Charitable Trust

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

Summary financial results of the Youth Endowment Fund:

	Year ended 31 Dec 2020	Period ended 31 Dec 2019
	£	£
Total income	5,821,860	200,632,911
Total expenditure	(17,421,289)	(2,959,324)
Gain on investments	9,527,482	148,866
Net movement in funds	(2,071,947)	197,822,453
Summary balance sheet as at 31 December 2020		
Investments	194,220,703	195,285,572
Current assets	2,212,470	3,056,636
Creditors: amounts due within one year	(691,542)	(528,630)
Net assets	195,741,631	197,813,578
Restricted funds	195,754,106	197,822,453
Unrestricted funds	(12,475)	(8,875)
	195,741,631	197,813,578

7. Staff costs

	Group	Group	Charity	Charity
Staff costs were as follows:	2020	2019	2020	2019
	£	£	£	£
Salaries and wages	2,242,578	1,809,681	1,670,590	1,612,681
Social security costs	268,167	210,243	201,534	189,829
Pension contributions	106,912	84,616	80,881	77,015
	<u>2,617,657</u>	<u>2,104,540</u>	<u>1,953,005</u>	<u>1,879,525</u>

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

	Number of employees	
Salary band	2020	2019
£60,000 - £70,000	3	4
£80,000 - £90,000	-	4
£90,000 - £100,000	5	-
£100,000 - £110,000	1	-
£110,000 - £120,000	-	1

The employer's pension contributions for staff earning more than £60,000 per annum amounted to £37,442 (2019: £33,943).

Employee benefits, (salary, bonus, employer NI and employer pension contributions), paid for the senior management team totalled £951,627 (2019: £548,964).

Staff numbers

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

	Group	Group	Charity	Charity
	2020	2019	2020	2019
Full-time equivalents	40.6	33.4	32.8	30
Headcount	43	35	35	33

8. Taxation

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

9. Tangible fixed assets

	Group and Charity		
	Fixtures and fittings £	Office and computer equipment £	Total £
Cost			
At the start of the year	148,261	146,045	294,306
Additions in period	-	5,925	5,925
At the end of the year	148,261	151,970	300,231
Depreciation			
At the start of the year	148,261	143,091	291,352
Charge for the period	-	3,561	3,561
At the end of the year	148,261	146,652	294,913
Net book value			
At the end of the year	-	5,318	5,318
At the start of the year	-	2,954	2,954

10. Investments

	YEF - Listed and unlisted investments £	Charity - Investment in trading subsidiary £	Group total £
Market value at at 1 January 2020	195,285,572	1	195,285,572
Additions	130,476,118	-	130,476,118
Disposals	(145,487,384)	-	(145,487,384)
Dividends and interest	4,821,860	-	4,821,860
Investment management fees	(402,945)	-	(402,945)
Realised gains	281,914	-	281,914
Unrealised gains	9,245,568	-	9,245,568
Market value as at 31 December 2020	194,220,703	1	194,220,703

Listed and unlisted investments at the year end consist of amounts invested with Goldman Sachs for the Youth Endowment Fund.

11. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Accrued income	588,781	864,033	588,781	864,033
Gift Aid	63,000	60,864	63,000	60,864
Amount due from subsidiary charity	-	-	236,636	474,135
Other debtors	26,851	19,885	26,851	18,574
Prepayments	252,216	145,877	51,056	145,877
YEF del `	760,192	465,631	-	-
	1,691,040	1,556,290	966,324	1,563,483

12. Creditors: amounts due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade and other creditors	180,232	454,762	50,436	428,413
Tax and social security	88,637	61,193	88,637	61,193
Accruals and deferred income	425,920	172,319	100,810	142,866
	694,789	688,274	239,883	632,472

13. Analysis of net assets between funds

Note for the current year

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

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

Note for the prior year

Group	Restricted funds £	Unrestricted funds £	Total 2019 £
Tangible fixed assets	-	2,954	2,954
Investments	195,285,572	-	195,285,572
Net current assets	2,528,006	6,373,620	8,901,626
	197,813,578	6,376,574	204,190,152

Charity	Restricted funds £	Unrestricted funds £	Total 2019 £
Tangible fixed assets	-	2,954	2,954
Investments	-	1	1
Net current assets	-	6,373,341	6,373,341
	-	6,376,296	6,376,296

14. Movements in funds
Note for the current year
Group

	At the start of the year £	Income £	Expenditure £	Net gains/ (losses) on investments £	At the end of the year £
Restricted funds					
Portfolio charities	-	719,803	(532,035)	-	187,768
Online tuition pilot	-	290,000	(290,000)		-
COVID Response Fund	-	232,382	(172,921)		59,461
Youth Endowment Fund - Home Office grant	197,822,453	4,821,860	(17,229,465)	9,527,482	194,942,330
Youth Endowment Fund - Centre of Excellence grant	-	1,000,000	(188,224)	-	811,776
Youth Endowment Fund - supplementary funding	(8,875)	-	(3,600)	-	(12,475)
Total restricted funds	197,813,578	7,064,045	(18,416,245)	9,527,482	195,988,860
Unrestricted funds					
Unrestricted general funds	6,376,296	6,082,535	(6,522,185)	144	5,936,790
Unrestricted trading subsidiary	278	-	(134)	(144)	-
Total unrestricted funds	6,376,574	6,082,535	(6,522,319)	-	5,936,790
Total group funds	204,190,152	13,146,580	(24,938,564)	9,527,482	201,925,650

**Note for the prior year
Group**

	At the start of the year £	Income as restated £	Expenditure as restated £	Net gains/ (losses) on investments £	At the end of the year £
Restricted funds					
Portfolio charities	250,000	419,374	(669,374)	-	-
Youth Endowment Fund - Home Office grant	-	200,632,911	(2,959,324)	148,866	197,822,453
Youth Endowment Fund - supplementary funding	-	50,000	(58,875)	-	(8,875)
Total restricted funds	250,000	201,102,285	(3,687,573)	148,866	197,813,578
Unrestricted funds					
Unrestricted general funds	7,440,002	6,895,167	(7,958,873)	-	6,376,296
Unrestricted trading	578	-	(300)	-	278
Total unrestricted funds	7,440,580	6,895,167	(7,959,173)	-	6,376,574
Total group funds	7,690,580	207,997,452	(11,646,746)	148,866	204,190,152

Purposes of restricted funds

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

Online Tuition Pilot: Impetus raised funding to run an online tuition pilot. This was to test the efficacy and viability of online tutoring for disadvantaged pupils who had fallen behind due to the COVID-19 pandemic, which later lead to the National Tutoring Programme with £350 million unlocked from the Department of Education for catch up tuition.

COVID Response fund: Impetus ran a funding a campaign at the height of the COVID-19 pandemic to facilitate additional funding for our portfolio charities adversely affected by the pandemic.

Youth Endowment Fund: the grant from the Home Office and investment returns from it are used to fund interventions to prevent children and young people from getting caught up in crime and violence by making sure that those at most risk get the best possible support. The grant includes restrictions on the level of expenditure outside the areas of research, project delivery and evaluation costs.

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

Centre of Excellence fund: The Youth Endowment Fund received an additional restricted grant of £1 million from the Home Office in 2020 to create a 'Centre of Excellence' with the purpose of enabling 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.

Purposes of unrestricted funds

Unrestricted general funds of £5,936,791 (2019 - £6,376,296) will be used to support a significant proportion of conditional grant commitments made to charities of £1,776,250 (2019 - £3,336,333) per note 4.

15. Members' liability

Impetus is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1. The charity has no parent or ultimate holding company.

16. Operating lease commitments

At 31 December 2020, the charity had commitments under operating leases of:

		2020			2019
	Equipment	Total		Equipment	Total
	£	£	£		£
Due within one year	1,768	1,768	1,768		1,768
Two to five years	3,535	3,535	5,303		5,303
	<u>5,303</u>	<u>5,303</u>	<u>7,071</u>		<u>7,071</u>

17. Related party transactions

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

Impetus has consolidated a subsidiary, PEF Trading Limited, in the Group financial statements. Note 6 discloses Impetus' investment in this subsidiary and the subsidiary's results to 31 December 2020.

Impetus pays salary and other costs on behalf of the Youth Endowment Fund which it recharges to the restricted fund. 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: £474,135) to Impetus.

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

Thank you

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

Impetus.org.uk

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