



Impetus Annual report 2022–23

Annual report and consolidated financial statements
for the period ending March 2023



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)
Alexander Walsh (Appointed July 2023)
Andy Thoms (Appointed October 2022)
Bill Benjamin
Charlie Edwards
Filippo Cardini
Joseph Schull
Lisa Stone
Natasha Porter
Robert Ramsauer (Resigned May 2023)
Rohan Haldea
Sat Singh (Appointed October 2022)
Shani Zindel
Simon Turner (Resigned September 2022)
Vanessa Maydon (Resigned January 2023)

Chief Executive Officer:

Eleanor Harrison OBE

Registered Office:

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10 Queen Street Place
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Goldman Sachs International
Plumtree Court
25 Shoe Lane
London, EC4A 4AU

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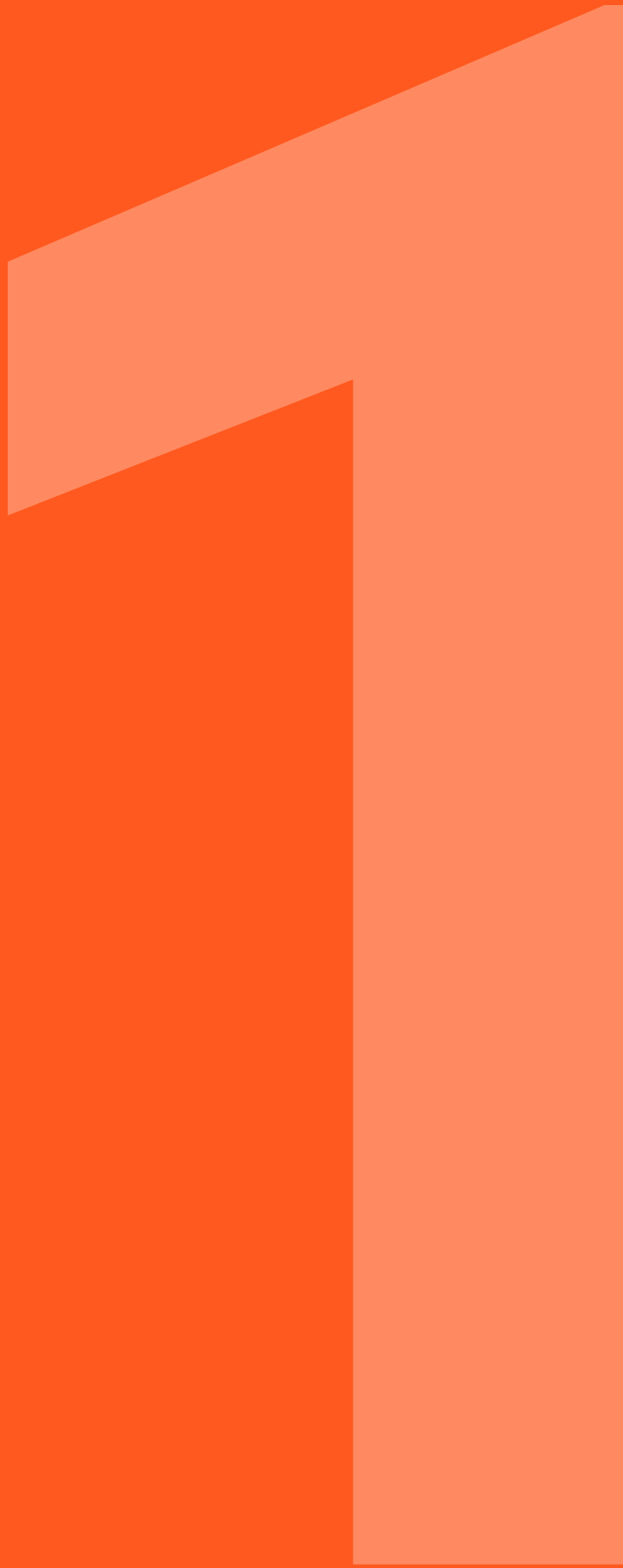
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INTRODUCTION

About Impetus

At Impetus we believe that all young people deserve to succeed in school and in work, whatever their background.

We work shoulder-to-shoulder with a range of charities using different interventions to improve education and employment outcomes for young people from disadvantaged backgrounds, and bring transformational changes to their lives.

Our model is unique. We provide long-term, unrestricted funding for core costs, alongside dedicated support from our Investment team and access to our world class pro bono network. This approach enables us to build high trust, two-way partnerships with charities, so together we can strengthen and scale their organisations and deliver the right support to more young people.

And in partnership with other funders and through sector coalitions, we take what we learn and influence decision makers to

change entrenched systems and barriers, so that many more young people can benefit from policy change.

We are proud of the pioneering approach to impact management we have developed over the years. We help charities to define which young people they can serve well, what outcomes they'll deliver and how they'll monitor and improve performance as they grow. We support them to develop an impact strategy and delivery plan, and to build a great leadership team and sustainable organisation with benchmark beating outcomes.

Impact is at our core, and this year we have been further refining how to measure success, for ourselves and for our charity partners. It is exciting to be at the forefront of this work which is of sector-wide importance.



The Tutor Trust – charity partner since 2019

We focus on outcomes that are proven to make the biggest impact on young people’s lives



Age expected SATs at 11



GCSE English & maths (9-4) by 19

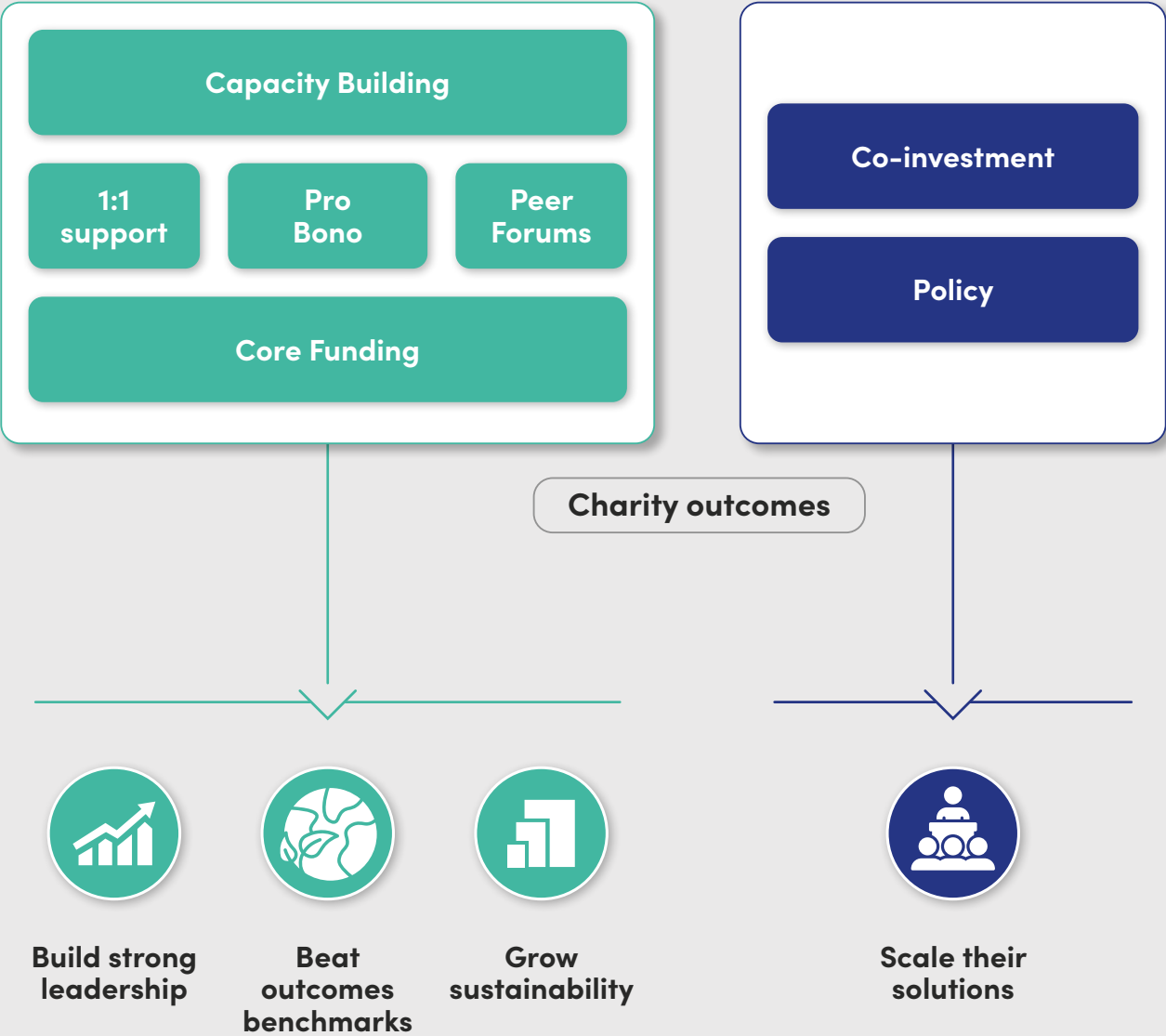


University access



Sustained employment

Our unique model



Our values

In 2022 the Impetus staff co-created a new set of values to act as our guiding principles as an organisation, and help us to remain focused on achieving our mission to support young people from disadvantaged backgrounds.



Evidence led and results driven for young people

We pursue excellence for the young people we work with, are wholly committed to better outcomes, unapologetically results driven, and accountable for our actions.



High trust, high challenge

We invest the time, kindness, integrity and honesty needed to build and sustain long-term relationships. We focus on developing high trust, to allow for high challenge, helping our colleagues, partners and supporters to be our very best selves in pursuit of our mission.



Diversity enables us to thrive

We seek to embed diversity of thought, background and experience in every aspect of our work. We are open, thoughtful and proactive in better understanding and challenging our assumptions to better deliver the change we seek.



Brave and open

We are brave and open; exploring new solutions to long-term problems, asking difficult questions well; learning from mistakes and challenging the status quo when needed.



Collaboration always

We will not succeed alone. We seek meaningful, productive partnership with others to achieve our mission and drive systems change for young people.



The Impetus staff meets fortnightly

Chair's introduction

As we entered a challenging year, with rising inflation and a likely recession, our work felt more vital than ever before.

Without doubt there is pressure on the third sector. Charities across the board are facing external challenges including recruiting and retaining staff, budget strains and the effect of inflation on running costs. This, alongside fundraising challenges, as donors in turn are stretched.

Our decision to embark on a year of growth and broaden our reach coincided with a deepening of the challenges facing the young people we are here to support.

"We remain steadfast in our commitment to influencing decision makers to ensure young people from disadvantaged backgrounds are represented and supported."

There is a looming mental health crisis and rising unemployment rates among those furthest from the labour market. Rates of persistent absence from school stood at 24.2% at the end of the 2021-22 academic year, with the Department for Education warning it could take a decade for the attainment gap between disadvantaged pupils and their wealthier peers to return to pre-pandemic levels.

Amid this context, we are fortunate to have been able to expand our team to support our growing portfolio of charity partners, allowing us to positively impact many more young lives. This is in no small part thanks to the continued generosity of our donors, and a programme of events that brought in record income this year, proving continued alignment with our core mission.

Impetus' grants and funds

We launched a new open grant round, bringing in three new charities working on social and emotional learning, to better equip young people for learning and for life.

And we made strides with our co-investment strategy, securing additional financing from Impetus funders for our charity partners to help them grow, so that all young people get the support they need.

"The Department for Education is warning it could take a decade for the attainment gap between disadvantaged pupils and their wealthier peers to return to pre-pandemic levels."

The Connect Fund, launched in 2021 to help address the employment gap faced by young people from ethnic minority backgrounds, goes from strength to strength. It has brought in its sixth charity, while the Impetus Leadership Academy, which offers training for emerging youth sector leaders of colour, welcomed its second cohort, building on the success of its alumni. Together we are enabling systemic change towards a more racially equitable society.

The Engage Fund, in partnership with the Henry Smith Charity, is investing in five charities tackling the rising number of pupils at risk of exclusion and improving outcomes for those in alternative provision (AP) in England. We are also planning some new research this area, to better inform our thinking on what works for these young people.

Influencing for policy change

We know that despite our best efforts to scale charities and reach more young people with impactful programmes, real change is needed at the policy level. We remain steadfast in our commitment to influencing decision makers to ensure young people from disadvantaged backgrounds are represented and supported.

“The successes of this year are dependent on the Impetus team, our charity partners, pro bono supporters and donors and their dedication and drive in support of our mission. Thank you.”

We have maintained our leading role in the Youth Employment Group, a coalition of expert organisations founded at the beginning of the pandemic. Our influence in this space will be key over the coming years, as post-pandemic support measures, like the Kickstart scheme, are wound down.

On educational attainment, we have continued to raise awareness of the value of the National Tutoring Programme which we helped to found, setting out what needs to be done to ensure that tutoring, a strongly evidence-backed intervention, remains a priority.

We are also playing a leading role in the conversation about widening participation to university, influencing the Government's decision to protect university funding for this in their response to the Augar review of post-18 education and funding, and its decision to drop plans to move to post-



qualification admissions. We now convene a regular third sector forum with the Office for Students.

Policy change takes time, but we recognise its value and will continue to build on the investment we have put in this area of work since 2016, using core funds and developing effective partnerships and coalitions.

Thank you

The coming year will be an exciting one, as we embark on a refresh of our strategy to set the direction of Impetus for 2024–27.

The successes of this year are dependent on the Impetus Team, our charity partners, pro bono supporters and donors and their dedication and drive in support of our mission. We can be confident that, together, we are making a real difference to those we are here to serve.



Hanneke Smits

Hanneke Smits,
Chair of Impetus

CEO's introduction

The pandemic is officially over, and life can return to normal. That may be the case for many of us, but for the young people we support the legacy of the disruption that the pandemic wrought is still being felt.

Renewed challenges

The stubborn gap in school and work outcomes between young people from disadvantaged backgrounds and their better-off peers, which we knew would increase during the pandemic, persists.

This, as the catchup and support measures that were rolled out during the pandemic – like the National Tutoring Programme and the Kickstart employment scheme – are being wound down by the government.

To put it in numbers – more than 2 million children are now eligible for Free School Meals (FSM), up 6% from 2021-22. That's over 120,000 more children eligible for support, whose families are earning less than £7,400 per year before benefits.

And the number of people who are not in education, employment or training (NEET) remains persistent at around 720,000, despite booms in the employment market and over a million vacancies, many of which young people with the right opportunities and support could fill.

Something isn't working.

A time of growth

This picture makes Impetus' mission all the more important, and urgent. So it is fitting and timely that in the last year our focus has been on growth. Growth as an organisation – in income and the number and effectiveness of the interventions we are supporting – and growth in the number of young people we are supporting through our charity partners.

We welcomed seven new charities into the portfolio and saw two exits, bringing our total number of investments to 25, more than doubling the Impetus portfolio from 2020. Most importantly this represents over 328,000 young people receiving support through our charity partners, to help them succeed in school, work and life.

"The overall picture is of a portfolio of charities becoming stronger and bigger, and proving their worth more than ever through their impact. They are enabling transformational change."

And we have made a series of re-investments, recognising the quality of the programmes our partners are providing, and the organisational development they have effected, with the expert support of our Investment team.

We have also worked hard to expand the geographical spread of our support outside of the South East and into new regions, recognising that need is great across the country and that home-grown, localised interventions are often best at tackling challenges facing young people.

We brought four new charities into the Connect Fund, which focuses on race equity in youth employment outcomes. Sister System, IMO, Babbasa, and Generation work across the country from Bristol to Blackburn to Haringey – providing employment support to ethnic minority young people, who can face multiple barriers to finding a good job.

And we have branched into a relatively new area for Impetus – social and emotional learning – investing in three charities, the Jon Egging Trust, Khulisa and Kids Inspire, which all work with young people who require support with their mental health, behaviour and engagement in school. While Impetus remains committed to supporting attainment, we know many of our young people are far from an attainment outcome and require interventions that address those challenges to be ready to learn.

Impetus for impact

Our partner charities have proved not just resilient in the face of the pandemic and subsequent cost of living crisis, but are growing. The overall picture is of a portfolio of charities becoming stronger and bigger, and proving their worth more than ever through their impact. They are supporting young people to achieve outcomes that other young people from similar backgrounds, with similar prior attainment, do not.

They are enabling transformational change.

We don't believe our partner charities' success stories are an accident. We believe this is because we have helped them become more resilient,

more impactful, and better led organisations, and their feedback tells the same story.

Influencing policy change

As an organisation we have prioritised influencing the policy agenda to ensure the needs of our young people are front and centre in decision making. Not only are we growing our profile and authority in this area, but we are using this growing expertise to inform our research priorities, evidenced by new focus on exclusions, attendance, race equity and social and emotional learning to complement our traditional focus on educational attainment, university access and supporting those furthest from the labour market.

Taken in the round, our research and experience shapes our investment priorities, and supports the aims and goals of our charities in turn.

We are proud to have played a meaningful part in the creation of the government's Kickstart scheme – and to have participated in it as an employer. We also count among our successes supporting the founding of the National Tutoring Programme and helping to protect the £800m Widening Participation budget.





Ada, National College for Digital Skills – charity partner since 2021



Jon Egging Trust – charity partner since 2022

We are pleased to have recruited two new Trustees – one a graduate from the inaugural Impetus Leadership Academy cohort – and aim to recruit two more as we seek to diversify representation and experience in our governance.

Looking ahead

In the coming year we will celebrate our many achievements as we mark 21 years since Impetus was founded. We will apply the rigour we bring to our partner charities by interrogating our theory of change as we develop our next strategy, to ensure we continue to make strides towards our goal of supporting young people from disadvantaged backgrounds to succeed in education, in work and in life.

Investment in our people

Charities and funders often comment on the quality of our people, and as a leadership team we know all too well the crucial role that each member of the Impetus family plays in our success.

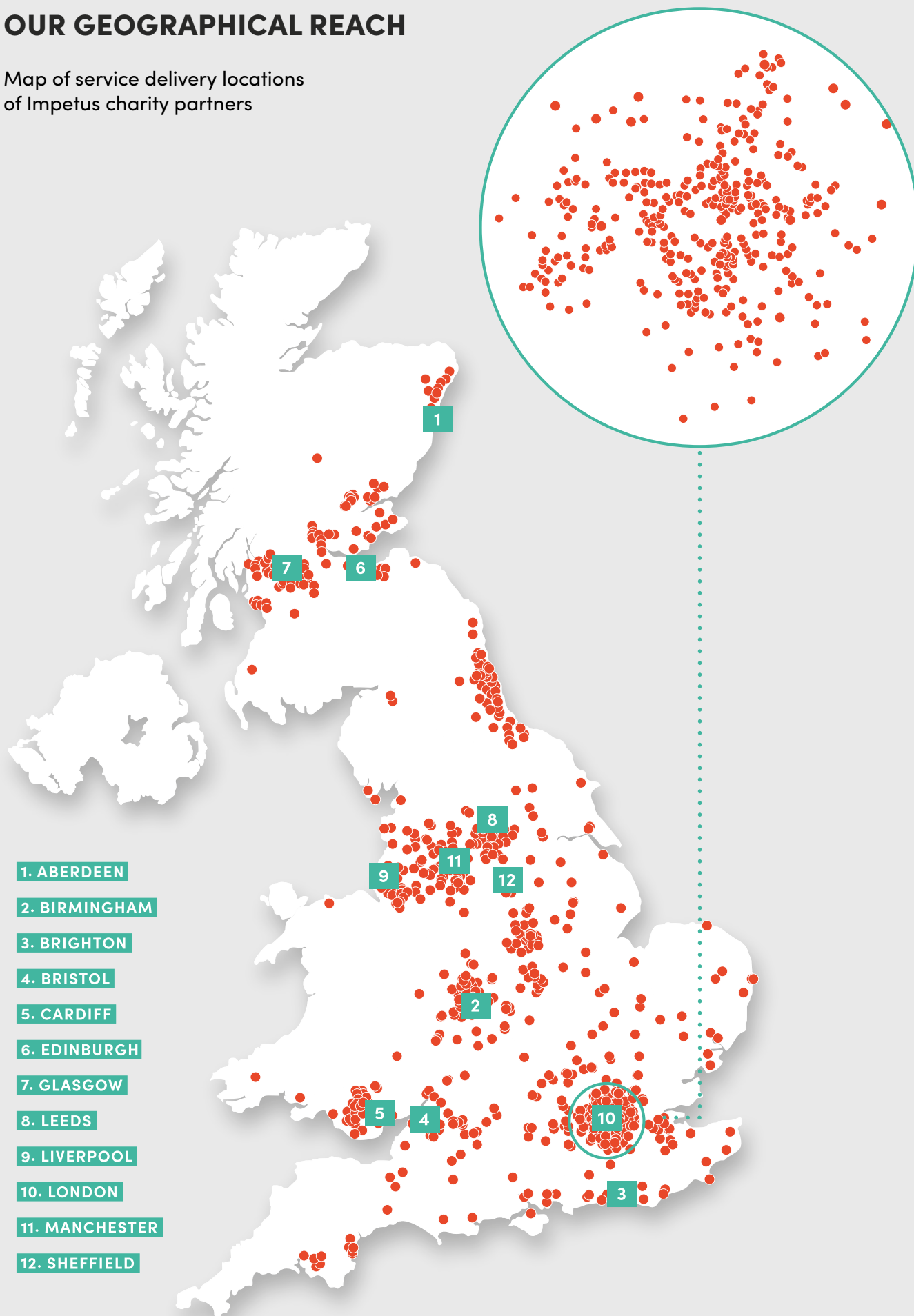
This year we started on a journey towards better understanding our team, and their needs, so we can develop our knowledge and skills to deliver for them, for our charities and for the young people we are here to serve.



Eleanor Harrison OBE,
Impetus CEO

OUR GEOGRAPHICAL REACH

Map of service delivery locations
of Impetus charity partners



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 in 2022-23, and plans for 2023-24, together with the financial statements for Impetus and the Impetus Group for the 15 month period to March 2023.

We have moved from the calendar year to the financial year, to help better align our in-year performance against our planning process, and with the reporting of our subsidiary, Youth Endowment Fund, to their main funder the Home Office. This report therefore covers the 15-month period from January 2022 to March 2023.

Impetus is a registered charity and 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 in England and Wales, charity number 1185413.



328,000*

young people reached through
our charity partners



25

charity
investments



£8 million

of direct value delivered
to our charity partners

*figure includes direct and indirect reach

Aims and objectives

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 this space.

We partner with other funders to back effective interventions, and with similar minded organisations to influence government and the wider sector to back effective support.

We are focused on delivering better outcomes for young people 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)

Part 2 of this 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 ambition in our 2020-2023 strategy was 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 more, and better, education and employment outcomes.

Our 2022 priorities

This report reflects on our progress against the priorities we set ourselves for 2022-23:



Maintain our **growth momentum** with a target of reaching **309,000 young people** and grow the portfolio from 20 to 25 charities



Deliver **£7.4 million** in income (including co-investment) and diversify our donor base



Roll out our **communications strategy** and build awareness of our work, honing our messaging on our impact



Through our policy work, shape the **post-pandemic employment** plan, protect Higher Education funding for young people from disadvantaged backgrounds, and **build our influencing agenda** on education and exclusions



Shape our **culture** and ways of working to act as **'one Impetus'** – Upgrading systems and policies to improve reporting. Deliver on our **diversity agenda**

A large, stylized number '2' in a light blue color, set against a dark blue background. The number is composed of two overlapping curved shapes. At the bottom of the '2', there is a horizontal rectangular bar of the same light blue color.

REPORT

Charity investments

Delivering impact for young people

Our Investment team sits at the heart of Impetus' unique offer and approach.

This team provides support, expertise and guidance to our partner charities, with a sharp focus on impact and building strong foundations to support organisational growth.

And it's working. Our charities are growing, and they are growing with impact.

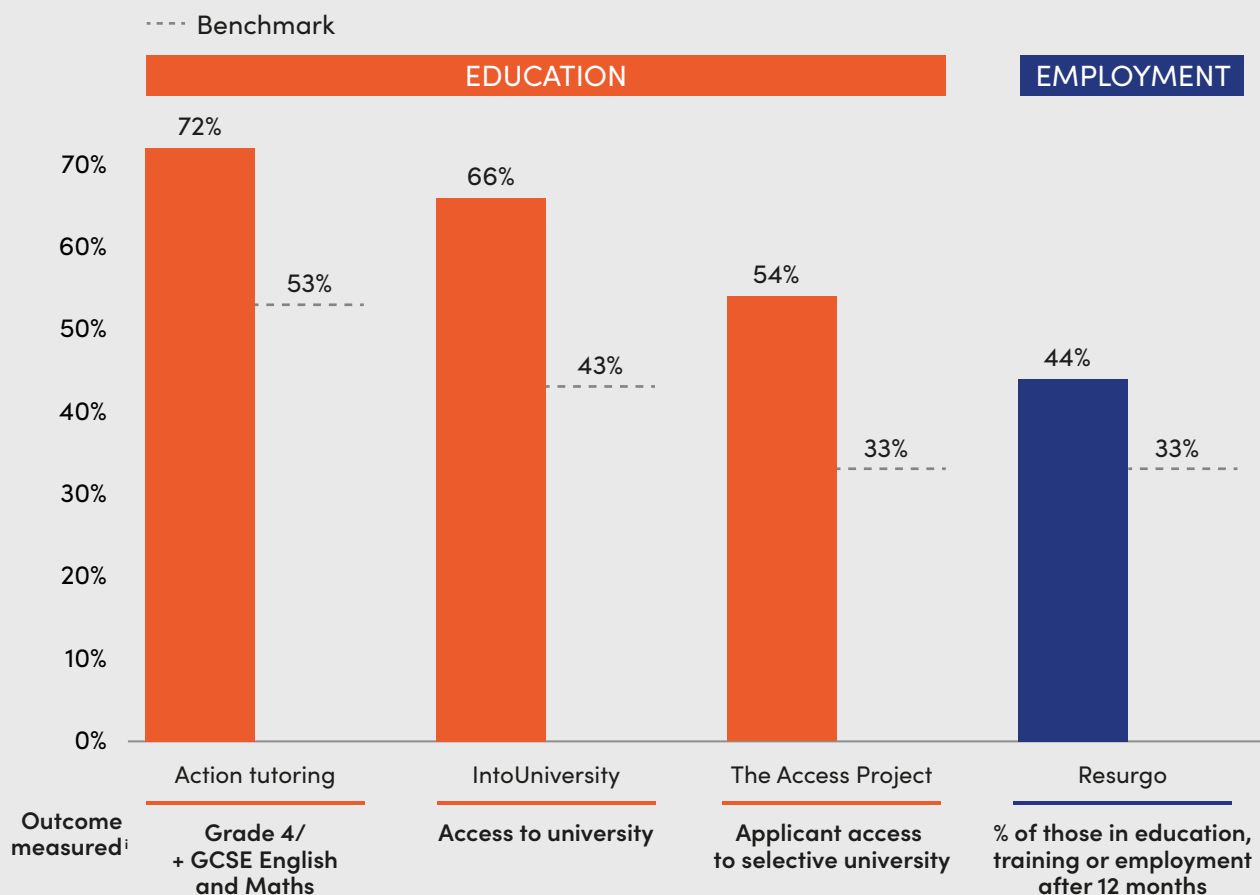
In 2022, we carried out a benchmarking exercise with our more established charities – comparing outcomes achieved by their

young people against a sample group with comparable characteristics.

The results showed our more mature partner charities (those in Grow, Scale and Sustain phases of investment) are beating benchmarks, meaning they are helping young people to achieve things they would not otherwise have achieved. This gives real confidence our partner charities' interventions are having a real, transformational impact on the young people they support.

Results we will further test this coming year, using improved data two years post-Covid.

Our charities perform well against sector benchmarks (from 2022)



Our charity partners

EDUCATION

TUTORING

**ACTION
TUTORING**

**THE
TUTOR
TRUST**

SCHOOL EXCLUSIONS

**MCR
PATHWAYS**

T L G
transforming
lives for good

ca

The
Difference

TFE
Think for the Future

SOCIAL AND EMOTIONAL LEARNING

**WEST
LONDON
ZONE**
for children and
young people

FBB
FOOTBALL BEYOND BORDERS

JonEggingTrust
Helping young people achieve

Kids Inspire
Therapy, opportunity, love & care

khulisa

UNIVERSITY ACCESS

IntoUniversity

**The
Access
Project**

ORACY

voice 21

EMPLOYMENT

RACE EQUALITY AND EMPLOYMENT

babbarasa

imo

**MAMA
YOUTH
PROJECT**

**career
ready**

sister system

Generation

SCHOOL TO WORK TRANSITION

ada
National
College for
Digital
Skills

**Think
Forward**
Coaching
Connecting
Inspiring
Young People

SUPPORT INTO EMPLOYMENT

resurgo

**City
Gateway**

Our partnership with IntoUniversity



Rachel Carr, CEO, IntoUniversity

IntoUniversity supports young people from disadvantaged areas to attain their chosen aspiration, including further and higher education, employment and work-based training.

It has grown from a project at a local community centre in 2002 to a start-up charity in 2007 to 39 centres across England and Scotland, now reaching 45,000 young people a year.

IntoUniversity's founder and CEO Rachel Carr describes the impact of the charity's 16 year partnership with Impetus.

Impetus has been with us since we first became a registered charity – and the partnership has been transformational.

Initially, Impetus undertook a rigorous due diligence process – after which they put their trust in us and committed to supporting our mission. Since then, they've provided us with a winning combination of three types of support; substantial financial generosity, which has been essential; pro bono expertise, which has been absolutely key in all the stages of our growth; plus ongoing, crucial advice and experience from the inhouse Investment team at Impetus.

We've benefitted from various major pro bono projects at key moments in our development – from big-picture support with our growth through to crucial help with the day-to-day running of the charity. Support from our Impetus Investment Directors has also really positively influenced our

approach to impact measurement, helping us demonstrate impact and develop our key metric – progression to university.

Throughout, we've worked closely with Impetus to develop and build on strong foundations for growth. During our first grant period we had a modest plan for growth within London, so the next phase of the journey – opening further centres in London and beyond – was a real sea change for us.

We developed this business plan in partnership with our Impetus Investment Director and with the input of further pro bono support. This led to a major expansion into new towns and cities. Impetus invested £1 million in us at this stage, an important financial contribution to make that growth happen and a signifier to other funders of their confidence in us. Further long-term reinvestment in 2016-7 helped us build on our University partnerships, undertaking sophisticated feasibility studies to seek more strategic growth. It's no exaggeration to say that without Impetus we would not be at 39 centres and growing!

We've also benefited hugely from specialist forums for my senior staff, and an Impetus CEO forum. I have really appreciated the latter – a space where expert speakers outside the charity sector provide a wealth of insight that I wouldn't otherwise have access to; and a virtual (best WhatsApp group ever!) and physical space for charity leaders to share our knowledge, experience, and challenges and solutions. There's a spirit of mutual enterprise and entrepreneurship within Impetus' portfolio model where charities, whatever stage on their journey, whatever their size, can learn from each other. I find this so rewarding, and refreshing.

The combination of all of these things, with the dedicated support of an Investment Director acting as a critical friend at every step, has been a tremendous support to me and to IntoUniversity throughout our journey together.

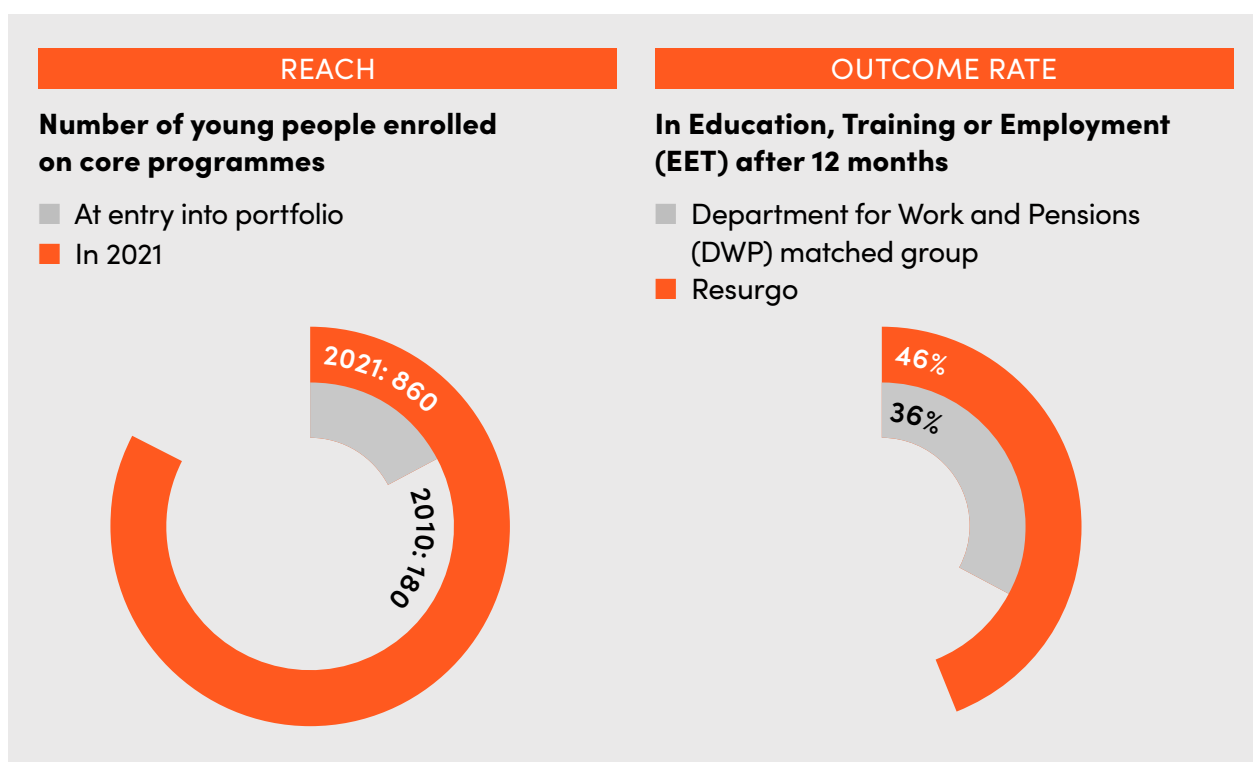
Resurgo's DWP evaluation

Resurgo has grown bigger and more impactful since partnering with us in 2010 and we now know that it is one of the best evidenced employment interventions in the country.

This year, the Employment Data Lab at the Department for Work and Pensions carried out an [evaluation of their Spear programme](#), which aims to support young people who face barriers getting into work or education.

The report found that the Spear programme increases participants' employment outcomes and reduces by 28% the chances of them being NEET one year after the programme.

This means that if all NEET young people received support as effective as Resurgo's programme, we could reduce the number of young people who are NEET by over 130,000, filling over 10% of the vacancies in the economy.



Year joined:
2010



Investment phase:
Sustain



Income (2021):
£3.2 million



Young people supported:
860



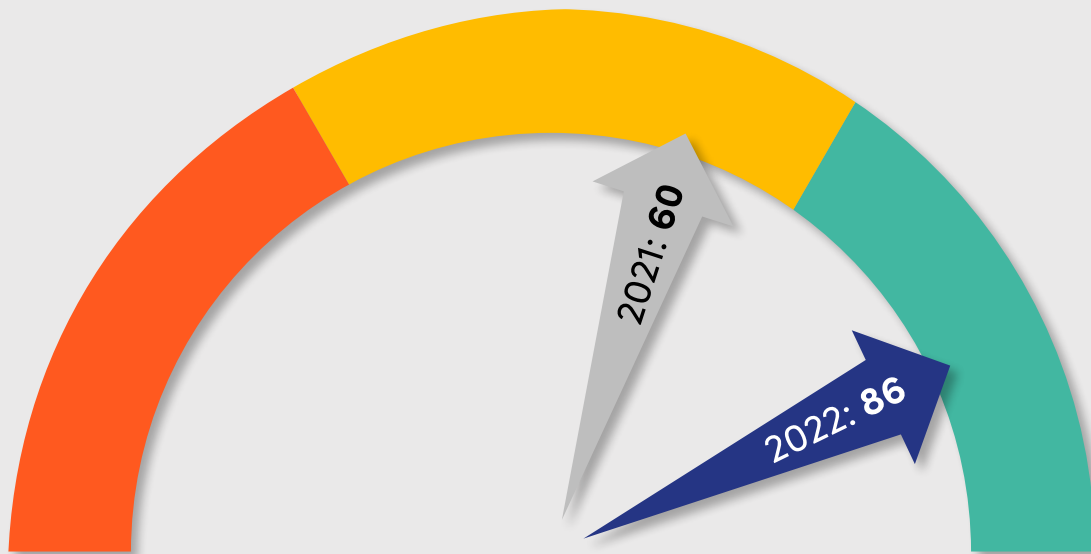
Age range:
16-24



Location: London,
Leeds, Brighton,
Bournemouth and
Bristol

resurgo

Impetus' overall net promoter score has improved from 2021 and 100% of our portfolio agree impetus' support has been valuable



Building our team capacity

Over the course of the year, we have grown our Investment team to 18 people, restructuring it to include Sector Leads in Education and Employment plus a new Impact Lead, building on our commitment to understanding and continually improving our impact. We have also hired new Investment Directors, bringing vital additional capacity with which to serve our charity partners.

And we are pleased to have our charity partner CEOs say our support makes a significant, transformative difference to their organisations. We achieved our highest net promoter score to date, now at 86 up from 60 out of 100 in 2021.

This was driven by an increased ability to respond to charities' needs while maintaining the strategic view, an uptick in co-investment – additional funding direct from Impetus' funders to our partner charities – and pro bono support, as well as internal training and efforts to embed best practice amongst our team.

Portfolio growth

We successfully grew our portfolio to 25 organisations, making seven new investments and reinvesting in seven existing portfolio charities. We also expanded our geographical

spread such that two thirds of the young people reached through our partners' interventions are now outside of London and the South East.

We welcomed a new cohort of charities under the new policy priority area of social and emotional learning (SEL) for attainment, following an open grant round that received record applications.

The Engage Fund has been successfully bedded into the organisation, with five charities performing well and growing with impact, supported by Impetus' capacity building support.

We made four new investments as part of the Connect Fund, including three grassroots organisations with deep links to under-supported communities outside of London. The early focus has been on building organisational foundations and governance support alongside Driving Impact workshops to interrogate target population and outcomes.

Overall we delivered £6 million of direct value to our charity partners, including capacity building support from our Investment team, grants and co-investment funding and pro bono projects carried out by our corporate partners. This in addition to £0.7 million dedicated resource to the Impetus Leadership Academy.

Across the year 16 of our 22 charities made use of pro bono support, a 33% increase from last year. We also provided £4.64 million of grant funding and co-investment to partner charities in 2022, up from £3.50 million in 2021.

Building strong organisations

In this 15-month period our Investment team has worked intensively, shoulder-to-shoulder, with all 25 of our partner charities, providing 1-1 coaching support to CEOs and senior teams across a range of targeted leadership, sustainability, growth and impact projects; all with the aim of supporting our partner charities to become stronger, better and bigger organisations.

As part of this we delivered eight of our hallmark 4-day Driving Impact workshops to new partner charities, to support them to clarify their missions, make informed choices on their target populations and target outcomes, and agree refinements to their programmes. We supported 11 partner charities to develop strategies for growth, and seven to prepare for external impact evaluations.

We also helped our partner charities to learn from each other, by convening and curating three day-long workshops on subjects including Leadership, Growing with Impact and Income Generation, in addition to quarterly Communications forums.

Fuelling growth

More than 75% of our partner charities grew in reach and income in 2022. Eight of our charities grew by more than 20% across both measures. This is all set against average sector growth of less than 1% – a massive difference.

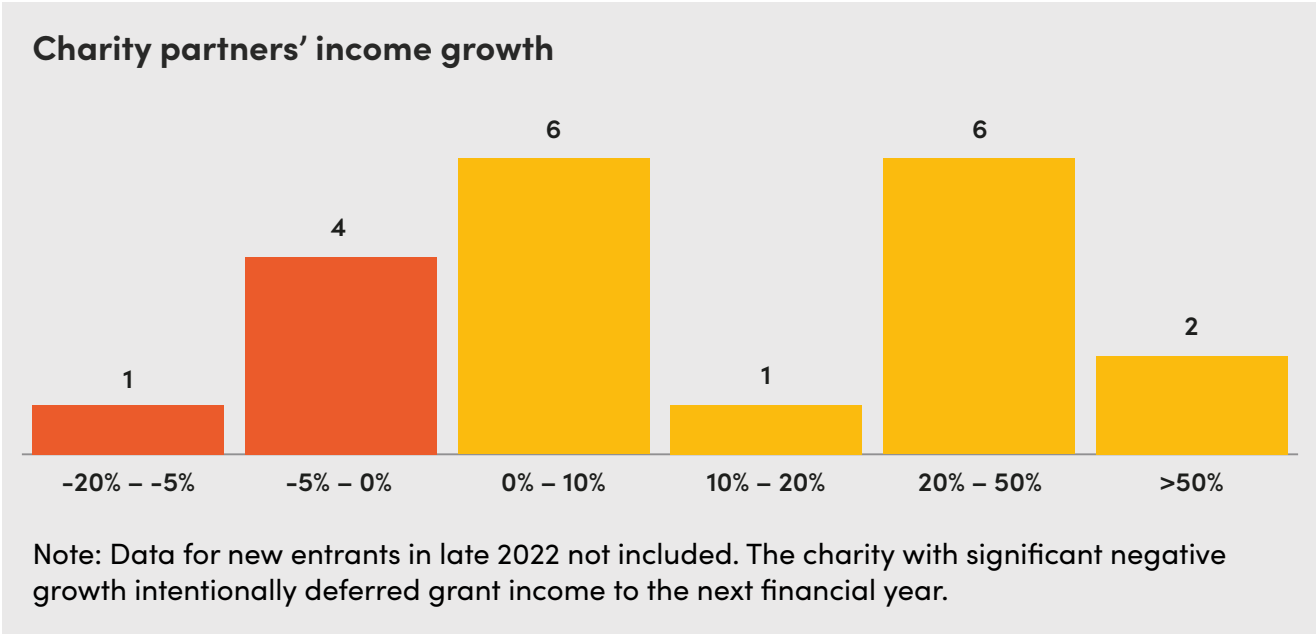
This, combined with growth in the number of partner charities we support, means we have significantly increased the number of young people we reach through our partners.

Direct vs indirect reach

Our direct reach has grown steadily, up from 67,000 in 2021 to 84,000 in this reporting period. That’s an additional 17,000 individuals directly supported through our charities’ programmes and interventions.

Our indirect reach has grown more dramatically, largely due to the interventions of two charities, Voice21 and The Difference, who count the number of people they reached through teachers trained. Indirect reach grew from 111,000 in 2021 to 245,000.

Combined we have achieved an 84% increase in our reach through direct delivery and teacher training interventions.



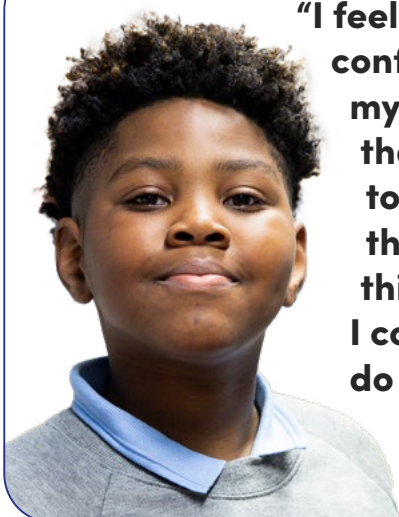
The power of tutoring



Action Tutoring – charity partner since 2014

Action Tutoring unlocks the potential of children and young people who are facing disadvantage.

Their trained volunteer tutors are empowered to enable pupils to make meaningful academic progress, supporting them to reach their potential and improve their future prospects.



"I feel more confident with my maths than I used to be, and that I can do things that I couldn't do before."

MEKHIYAH,
AGE 11

Mekhiyah was a pupil at Comber Grove Primary School in London. Through Action Tutoring he received 8 sessions of English tutoring and 16 sessions of maths tutoring.

His school put him forward for maths tutoring as he was struggling with the subject and would be unable to afford private tutoring.

Having begun Year 6 working at lower than expected standard in maths, Mekhiyah went on to meet expected standards in his maths SATs.

He says: "I feel more confident with my maths than I used to be, and that I can do things that I couldn't do before."

"I enjoy that I get to show off my maths and show off my skills."

When asked what his favourite thing about tutoring was, Mekhiyah responded: "Because of Covid I didn't learn as much, so I think now tutoring's happened it will help me in the future."

Driving Impact

Driving Impact (DI) workshops are an integral part of Impetus' support to charity partners.

Carried out in the first year of investment, DI lays the foundations to help organisations to move from good impact, to great impact.

The 4-day process is a chance to step back from the day-to-day and look at the big questions: the who, what, why and how?

Mission → Target Population → Outcomes → Programme Design → Performance Management

Facilitated by the Impetus team, the workshops involve people from all levels of the organisation, to ensure multiple perspectives are heard and consensus is built around the decisions made.

The sessions draw on the group's experience of current operations, supported and challenged by the facilitator to ensure consistency, and bring in external evidence.

The results are:

- Organisation-wide alignment and consensus on mission
- Clear vision of the programme and organisation
- Motivation and commitment to make changes

"Thank you for your care, wisdom, energy and hard work over the 4-day Driving Impact process. It's been a true gift to JET and to our young people. We are determined to use everything we have discussed and agreed together."

DR EMMA EGGING, CEO,
JON EGGING TRUST

"Most charities deliver some impact for some of the people they work with. Better charities deliver significant impact for a majority of the people they work with. Very few charities deliver transformative impact for the vast majority of people they work with."

That's where Impetus comes in."

JAMES GUBB,
IMPETUS
IMPACT LEAD



- A 'blueprint' that summarises decisions and sets out work required
- Agreed vision on the future state of the organisation and its programme(s).

The DI process also helps to resolve mission-level tensions within organisations. It clarifies what the organisation will not do, creates accountability for meaningful outcomes, informs and bounds future decisions and produces clear articulation of mission to funders and partners.

Driving Impact is the cornerstone to building organisations that deliver transformative and lasting impact for young people. The next step is building a rigorous implementation plan and strategy to roll-out changes to enact the vision.

Race equity and inclusion

At Impetus we're committed to addressing systemic racism both as an organisation and through the work we support.

We have made positive steps towards our goals which were [formally adopted](#) after a thorough review of our practices, and extensive staff engagement.

Promoting equity, diversity and inclusion within Impetus

We have increased monitoring and reporting within our HR systems to better understand the makeup of the Impetus team and actively seek to attract candidates from more racially diverse backgrounds. We are on track to reach the target of having 40% of our staff from ethnic minority backgrounds.

40%

we are on track to reach the target of having 40% of our staff from ethnic minority backgrounds.

We have an internal working group on equity, diversity and inclusion, made up of staff from across all teams that has direct access to senior management to ensure positive change continues.

We are being more intentional in our policy work, cognisant of the need for diversity of background and experience in our partnerships and coalitions, and recognising that we have an important role to play in embedding racial diversity in our sector. On governance we are making strides towards our goal of greater diversity among our trustees and committee members. We are pleased to have welcomed one of the first cohort of the Impetus Leadership Academy to our governing board.

Implementing these goals is not always easy, and we still have a lot to learn, but we're on the journey.

"During my time on the Impetus Leadership Academy, I was able to experience Impetus' work first hand, and the programme had a transformational impact on my leadership journey. I share the passion of the dedicated Impetus team to make changes to improve the youth sector and create transformational opportunities for young people in the UK."

SAT SINGH,
FOUNDER AND
CEO, RENAISSANCE
FOUNDATION AND
IMPETUS TRUSTEE



Promoting equity, diversity and inclusion through the work we support

Connect Fund

In 2021 we launched the [Connect Fund](#), bringing in two new charity partners working to narrow the employment gap faced by young people from ethnic minority backgrounds. Robust Driving Impact workshops were held with these first investments, Career Ready and MAMA Youth Project.

Recruitment for the second intake of charities was conducted through an open grant round in 2022, which built diversity into the due diligence process to attract a range of new, more diverse applicants from across the country. We welcomed four new charities, taking our fund investment to six organisations. These charities bring greater diversity of thought, background and experience to our portfolio.

To support the influencing strand of the Connect Fund, our Youth Jobs Gap 2 research will examine the links between personal characteristics, including race and socio-economic background, and labour market outcomes and could prove a vital tool in advocating for more effective employment interventions. We are grateful to have this work supported by the Ares Foundation.

Impetus Leadership Academy

As part of the Connect Fund, in 2021 Impetus launched a leadership programme for aspiring leaders from ethnic minority backgrounds, in partnership with Bank of America. [The Impetus Leadership Academy \(ILA\)](#) supports talent from



Driving Impact workshop with Generation UK

ethnic minority backgrounds in the UK youth sector to progress into senior leadership roles.

Our [Youth Jobs Gap research](#) shows that young people from ethnic minority backgrounds are twice as likely to be unemployed as their white counterparts in the UK and, through the ILA, we are investing in a generation of representative leaders who can steer the national conversation on issues facing these young people.

The ILA programme includes a series of masterclasses on a range of strategic issues including finance, leadership, influencing and advocacy alongside mentoring, coaching and networking.

Results from the first cohort were very positive, with participants reporting an increase in their knowledge, self-awareness, confidence and agency. The target on progression into new senior roles was doubled – with 10 out of 12 participants securing new roles in the period.

We are excited to work with our second cohort of aspiring leaders and welcome back many of our coaches and corporate mentors who have given up their time to support the programme. A third cohort will be welcomed in 2023.



ILA cohort 2

Lessons from the Connect fund



The Connect Fund was launched in 2021, taking on two charities in its first year and a further four in the year 2022-3.

We're inspired by the organisations and leaders we're supporting and the incredible work they do, and grateful for their openminded engagement with Impetus. This is a journey and in the first year we too have come away with several key learnings.

Network building

As race equity and inclusion is a relatively new area for us, we had to expand our networks to reach the right organisations. We built relationships with over 35 funders, councils, youth organisations and experts working in the race equity space across the country and those contacts helped us map the landscape and get the word out about the Open Grant Round.

Accessible funding

Too many organisations face systems-based barriers to accessing funding. We listened to feedback and streamlined our application, due diligence and evaluation processes to enable more resource-stretched organisations to apply for support. We want to be part of the solution, not the problem.

Organisational development

In founder-led, community-based organisations, dependence on individual CEOs is often extremely high. We prioritised building strong organisational foundations, structures and systems to relieve the pressure on leaders, and secure a more sustainable footing on which they can flourish.

Programme development

Our Connect partners' programmes are very culturally sensitive and understanding of the needs of the communities they serve, but have lacked the benefit of unrestricted funding that would enable organisations to develop them further. Therefore part of our role as funders is to provide the time and money for leadership to step back and codify their deep understanding of what interventions really work.

These organisations are working in areas of high need and have unparalleled access to minoritised groups facing unique barriers to employment. Although many are not as scalable in the traditional sense, they are reaching young people that larger organisations are not.

As a team we're learning continuously from the leaders, partner organisations and the young people themselves. We're so proud to be investing in small, localised and transformative interventions that are really making a difference to the lives of young people from ethnic minority backgrounds.



Sonal Shenai,
*Impetus Investment
Director and Connect
Fund Lead*

The Impetus Leadership Academy



Samantha Marcus was one of the first cohort of the Impetus Leadership Academy. During the programme she was promoted to Director of Services at Power2.

It was my CEO who spotted the opportunity and encouraged me to apply – she could see my passion for my job, my team and the young people we work with. And it came at a good time for me career-wise, I was keen to move into a more senior position but felt I needed to develop my skills some more.

I know where my strengths lie. I come from a similar background to many of our young people so I can really relate to them. In one-to-one situations I'm confident and knowledgeable – but in more formal settings, like senior management meetings, I could be very underconfident and would tend to take a back seat. I was very conscious that I was often the only brown face in the room. I felt like an intruder I suppose.

My ILA coach and mentor are two very strong females. They took sledgehammers to my barriers and smashed them down for me. They were really good at putting things into

context, helping me get perspective. They helped me look at things differently so I could tackle things differently. Through the ILA I have learnt to recognise my worth and to understand that my voice is important too!

The masterclass that stood out for me the most was the Impact Management masterclass. It really clicked with me and made total sense. The way the class was delivered was really interesting and insightful. What I also valued about the ILA was the support from the group, they are all amazing people and really elevated me.

While participating in the programme I was promoted to Director of Services. I've also gained the confidence to expand my networks and am now active in a number of sector forums. I think I had it all inside of me, but the ILA gave me the confidence to take the next steps.

People of colour are definitely under-represented in more senior positions, without doubt we need more role models on senior management teams and on Boards. I'd definitely recommend the ILA to anyone who wants to progress, has the knowledge, passion and skills, but needs that extra boost to build their self-belief. It has been such a rewarding experience.



ILA cohort 1 graduation ceremony

Philanthropy and partnerships

Impetus' remarkable organisational growth in this period has been enabled by considerable fundraising success in 2022-23. We exceeded our targets to deliver £9.4 million in income and £2.5 million in pro bono support despite the economic downturn.

Income

This year we brought in £9.4 million, a ringing endorsement from our supporters old and new, for our unique model of support for charities working to improve the lives of young people from disadvantaged backgrounds. We are pleased to have issued £4.6 million in grants to our partner charities.

Co-investments

Co-investment has become a core part of our strategy, bringing in vital additional funds for portfolio charities and enabling real growth in our reach and impact. Our partnerships went from strength to strength, securing over £2.1 million in co-investment, including new partnerships with Inflexion and Clayton, Dubilier & Rice (CD&R).

Co-investment: our partnership with CD&R

CLAYTON
DUBILIER
& RICE

In 2022 we partnered with private investment firm Clayton, Dubilier & Rice (CD&R) Foundation who will invest £2.4 million across three years, in Impetus and our charity portfolio.

In addition to providing three Impetus charities with multi-year grant funding, CD&R staff generously donated their time and expertise to run a range of practical sessions for young people seeking work, including a 'Dragon's Den'-style workshop. Volunteers and young people were invited to co-create business plans and pitch their investments to four 'dragons'. The session proved a great success, with an air of friendly competition and humour, and high engagement from volunteers and young people. Other sessions included mock interviews and skills training.

"The goal of the CD&R Foundation is to meaningfully expand the firm's existing philanthropic, service, and educational efforts by supporting organisations committed to creating greater economic opportunity and employment for people of all backgrounds. We look forward to continuing our work alongside Impetus to support high profile charities to reach more young people through employment opportunities."

DAVE NOVAK, CO-PRESIDENT OF CD&R

Pro bono and events

Our pro bono network continues to expand. We delivered £2.5 million of value to charities in the Impetus portfolio through 50 bespoke projects across disciplines ranging from financial due diligence to business planning and change management.

Income from our programme of events surpassed projections, with record participation and attendance. As we seek to bring in a range of new donors, next year will see the introduction of a new event for the Real Estate PE sector to complement the Triathlon and Transforming Lives Dinner.

“Impetus is a leader in impact. That’s very important to us. To any company thinking of partnering with Impetus, we’ve found it very rewarding. We get so much from working together.”

WOL KOLADE, MANAGING PARTNER,
LIVINGBRIDGE



Impetus Triathlon

“Goodwin is delighted to continue its partnership with the Impetus Triathlon – it is always a fantastic opportunity for us to come together as a team, connect with our peers in the Private Equity industry and take on the challenge so we can underline our support of the work Impetus and its partner charities do to transform the lives of the young people they serve.”

CARL BRADSHAW, PARTNER, GOODWIN

Open grant rounds

This year we refined the open grants round process, inviting charities to apply to the Connect Fund which focuses on improving race equity in employment for young people. This process was first piloted in 2021 with our social and emotional learning (SEL) charities, to give more organisations the opportunity to apply to join the Impetus portfolio directly.

Again, we found it hugely successful, introducing us to new charities, in particular high-quality organisations in under-served regions of the UK, small grass-roots charities, and charities led by CEOs from minority ethnic backgrounds.

We are confident the learning from this process will inform our practice for many years to come, making us a more effective funder.

Funding partnerships

We continue to convene like-minded funders on the issues of school exclusions, alternative provision and race equity in employment, bringing in a total of £1.1 million in restricted income to support the Engage and Connect Funds, Impetus' Youth Jobs Gap research and other projects.

Thanks to our generous supporters, we have a number of exciting research projects in the pipeline for the next financial year.

Increased resourcing in the Philanthropy team has contributed to this overall success, and we are particularly proud of the level of stewardship we are able to offer to our supporters old and new.

We are thankful to all of our supporters for their backing this year, it is this commitment that enables us to continue to impact the lives of young people from disadvantaged backgrounds across the country.



Thank you to our donors

Advent International	Jefferies
Allan and Gill Gray Philanthropies	Joseph Schull & Anna Yang
Andrew Sillitoe & Joy Tadaki	JP Morgan
Aon	Karen & Liam Krehbiel
Apax Foundation	Kirkland & Ellis
Ares Management	Kohlberg Kravis Roberts & Co LLP
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Guillaume Cassou	The Henry Smith Charity
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Inflexion Private Equity	TowerBrook
James and Alys Garman	Tuixen Foundation
James McCaffrey	Warburg Pincus
James Seppala	Weil, Gotshal & Manges (London) LLP
Janet Brooks	Wol Kolade

Influencing the public agenda

Educational attainment

We fought to maintain the integrity of the government's commitment to education catch-up support through the National Tutoring Programme (NTP), of which Impetus was a founding partner.

The evidence shows that tutoring works, yet 13% of schools have not taken up the scheme, and it reaches a lower proportion of disadvantaged groups than top charities like Action Tutoring and The Tutor Trust.

We produced two reports on the development of the NTP, highlighting the risks of the programme falling short of its potential. These helped shape the bidding process for the revised contract.

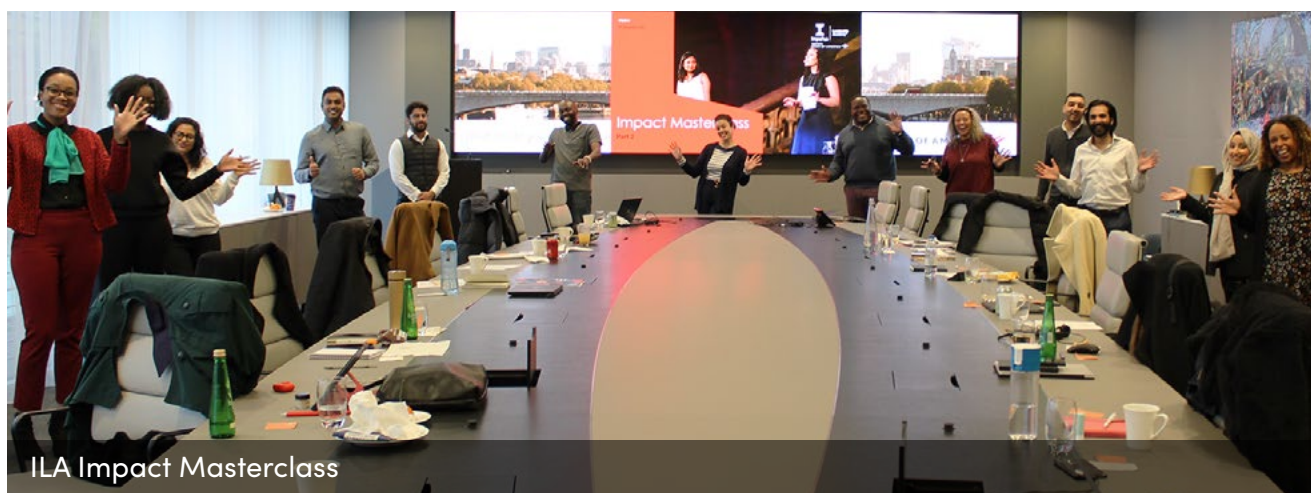
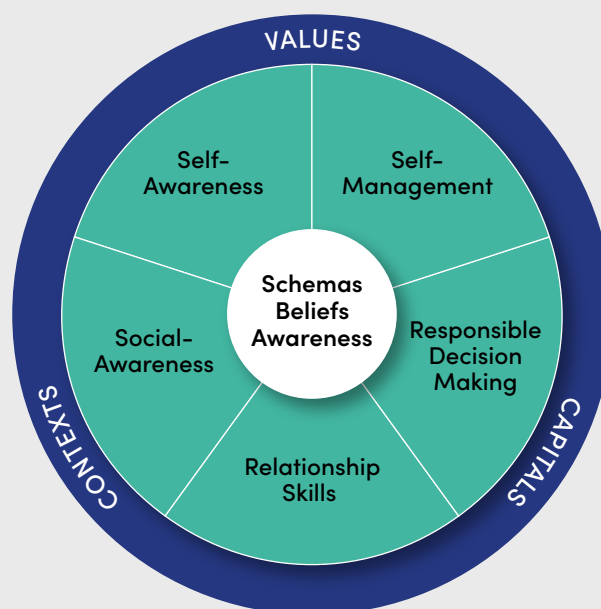
Two Impetus charities, Action Tutoring and the Tutor Trust are delivery partners of the NTP, and we will continue to support them by offering expertise and advice to ensure the scheme meets its objective of supporting pupils from disadvantaged backgrounds and closing the attainment gap.

Social and emotional learning

Social and emotional learning (SEL) is a new priority area for Impetus, as we seek to explore how development of these capabilities improves academic attainment.

In 2022 we brought on three new charities with a SEL focus, and commissioned [a review of the evidence by the Centre for Education and Youth](#). Our roundtable event in December posed the question 'are social and emotional skills taught or caught?' and we heard from practitioners and experts about how building relationship skills and self management in turn, improve academic attainment.

Framework for understanding social and emotional learning





Third sector forum

Access to Higher Education

The year got off to a strong start for the Public Affairs team as we hosted John Blake for his [first external speech](#) in his new role as Director for Fair Access and Participation at the Office for Students (OfS). This was an opportunity for him to set out how collaboration with the charity sector can support his vision of an education system that creates equality of opportunity and enhances social mobility.

Building on the momentum of the event, Impetus now convenes a termly third sector forum made up of Widening Participation charities, ensuring regular dialogue with the OfS and solidifying Impetus' position as a go-to organisation on the issue of fair access.

"Impetus makes an incredible contribution to the cause of social mobility by supporting a wide variety of charities dedicated to improving the lives of young people who have experienced poverty."

JOHN BLAKE, DIRECTOR FOR FAIR ACCESS AND PARTICIPATION, OFFICE FOR STUDENTS

"Impetus' commitment to empowering young people facing barriers is truly remarkable. Their support to City Gateway has made a significant difference in transforming the lives of young people, opening doors for them to opportunities that were previously deemed unreachable."

DIANE BETTS, CEO, CITY GATEWAY

University of Bath WP project

Building on this policy area, we partnered with the Widening Participation department at the University of Bath, helping to develop their Theory of Change, clarify their objectives and set out their plans to tackle the access gap. This has informed their access and participation plan for the coming years, which they have since submitted to the Office for Students to meet regulatory requirements.

The university access gap between young people from disadvantaged backgrounds and their better-off peers has remained stubbornly static over the last 15 years, and is currently at 18.7%pts

Youth Hubs

In January 2022 the Library of Birmingham Youth Hub was officially opened by Mayor of the West Midlands, Andy Street. The Youth Hub service was co-designed by the providers, including the Combined Authority the Department for Work and Pensions, in workshops facilitated in 2021 by Impetus and our charity partner, Resurgo.

It found that for Youth Hubs to be different from Jobcentres, things have to be done differently (like creating a culture of hospitality), that Youth Hubs need to monitor their data to manage performance, and that driving things forward requires clear leadership.

The resulting Blueprint has become a model for Youth Hubs across the country.



300

The Youth Employment Group now has more than 300 member organisations.

Sustained employment

The [Youth Employment Group](#) now has more than 300 member organisations. While this issue drops down the political agenda amid low overall unemployment and high vacancies, we continue to advocate for a quality employment, education or training pathway for all young people, in particular the most marginalised. We regularly meet with Ministers and officials to ensure the issue remains in focus.

There are now seven YEG sub-groups convening on the issues of disability, youth justice, apprenticeships, self-employment, employers, quality of work and ethnic disparities. Impetus remains a co-Chair and we are leading on shaping the future vision for the group.

Our policy team spoke at roundtable events at both the Labour and Conservative party conferences this year, highlighting the hidden epidemic of youth underemployment, its causes and what policy makers can do to help.

“One of the best things about our work is when we get to be a trusted partner for government as they think through policy challenges affecting young people from disadvantaged backgrounds.

Last year, I was part of the National Tutoring Programme Expert Advisory Group, helping the Department for Education shape the form of the NTP. I am also a member of the Department for Work and Pension’s Employment Data Lab advisory board, using expertise from the Youth Jobs Gap research I led to help shape a new evaluation services for employment interventions”

BEN GADSBY, HEAD OF POLICY AND RESEARCH, IMPETUS



Amplifying our voice

We have achieved good progress towards our objective of raising our profile to grow our influence among key stakeholders.

Throughout the year we secured media coverage on our policy priorities including the potential of social and emotional learning (SEL) and the importance of tutoring on closing the disadvantage gap.

We got traction through responses to events including the 'mini-budget', the proposed extension of free school meals to all primary schools in London and the apprenticeship levy – always stressing the unique Impetus view, grounded in evidence.

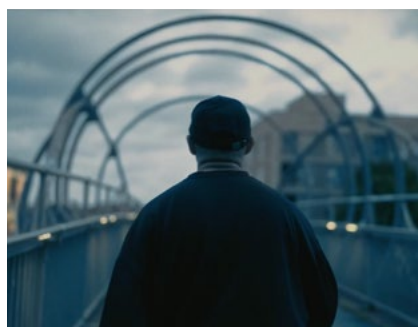
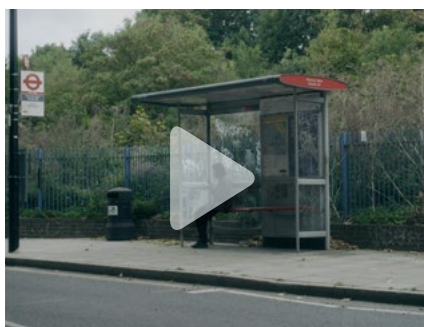
And we have utilised partnerships and coalitions to raise our issues on educational attainment and youth employment, recognising that a collective voice rises higher.

In September we launched a new newsletter '[Impetus Insights](#)' covering ideas, articles and interesting reading about education and employment policy – and what we think it means for young people from disadvantaged backgrounds. Shared monthly, the newsletter also includes news and updates about our



own policy work. Six months on we now have over 1,400 people subscribed to receive policy updates from us.

And we are particularly proud of our new, award-winning, film '[The Hidden Opportunity](#)' which powerfully highlights the work of our charity partners and the transformational impact they can have on the young people they support, and was screened at our fundraising and networking events.



Digital and knowledge management

As a result of our continued growth, we have renewed focus on our digital capabilities, creating a new post of Director of Digital and Information, to review and improve how we use technology within Impetus.

The overarching aim is to understand the way we work, enable deeper and more effective collaboration, better share information and improve efficiency. This will enable staff to operate at the top of their capabilities, and maximise the amount of time they are spending working in this way.

Phase One saw the development of core internal platforms and processes to develop a more sophisticated information management system that quickly serves up information needed, and frees up staff time for the most productive uses.

Elliott's story

The MAMA Youth Project recruits, trains and nurtures young people from under-represented groups or with limited educational or employment opportunities, to succeed in the media industry.

MAMA Youth was one of the first charities to join the Connect Fund, receiving an initial investment of core funding plus non-financial support, to help them strengthen their programmes and explore expanding their reach outside of London.

Elliott struggled to break into the media industry, but after graduating from their digital skills training, is now working in a job he loves.

"I've always been a storyteller I think. I'd always watch movies, make little stupid films on the side – I was like, 'this is what I want to do!' I always had a vision of myself growing up, and who I wanted to be. I've had my struggles, my childhood wasn't the best. I had a father who wasn't really there for us. When I turned about 12, he killed himself.

Something in me changed when I realised he made every wrong decision possible. I decided 'I'm going to fight for what I want, for who I want to be'.



I was applying for jobs in the TV industry, but was constantly shut down. I had no idea that I would get the call that would completely change my life – the call to become part of the charity MAMA Youth.

The team at MAMA Youth are just the most wonderful, loving, caring people. They support you throughout your career, no matter what decision you make. If you need guidance, they're there. If you pass your training they give you all their contacts, all their assets and they give you the biggest, best push you could possibly get.

Now I'm a junior producer. Every day is packed with fun new things, you never know what you're going to get. It's amazing, literally the best job I've ever had. Now I just want to see how far I can go – I just I want to keep dreaming bigger."

Prioritising our people

Impetus' year of growth presented an opportunity to ensure adequate resourcing for all teams and really focus on our strongest asset – our people.

Recruitment

We more than doubled the number of campaigns run in 2021, successfully appointing to all our advertised roles and welcoming new staff with an improved induction process.

New recruits included seven Investment Directors, two new Trustees and two interns through the Kickstart scheme – a government scheme providing funding to employers to create 6-month job placements for 16 to 24 year olds on Universal Credit.

Investment in the development of an improved data management system helped to streamline the recruitment process and better capture data, including monitoring for equality, diversity and inclusion.

Office working

Office working continues to go well. After trialling hybrid working with 2 core days in the office, feedback indicated a desire for greater flexibility on the second day which has now been adopted. We invested further in equipment and systems to improve hybrid working and are seeing more people coming into the office.

Salaries and training

Salaries are benchmarked at Impetus and we pay salaries in the upper quartile for their roles.

In the context of a high inflationary environment, we went beyond this in the financial year and awarded a 4.5% pay increase across the organisation in April 2022, with a further one off cost of living payment awarded to all staff in November 2022.

Staff engagement and development

Responding to a noticeable shift in the job market leading to challenges recruiting the right candidates and, crucially, a desire to retain talented staff, we prioritised People and Culture in the second part of the year. Recognising that our sector attracts mission-driven individuals for whom job satisfaction is key, we conducted in-depth focus groups with staff, discussions with SMT and a dedicated staff away day in October.

This was really about engaging with and listening to staff and finding out what they want and need from the organisation. This initial scoping work formed the basis of a formal and structured People Plan.

We engaged further with Resurgo with a key focus on how to build on Impetus's feedback culture by enhancing communication and creating stronger working relationships. Resurgo also ran a tailored coaching for leadership programme with the Investment Team. We will continue to work closely with Resurgo in 2023–24 to identify and develop appropriate training to support organisational needs.

Safeguarding group

As an organisation supporting young people, safeguarding is of paramount importance. Our CEO Eleanor Harrison ran safeguarding training for all staff, and we conducted a full review of all our policies and training for induction. We audited all our communications assets to ensure that content meets our stringent usage guidelines.

Staff survey

Our annual staff survey is in its 8th year and covers the areas of people, relationships and culture; practical needs and work environment; leadership and strategy; and progression and development.

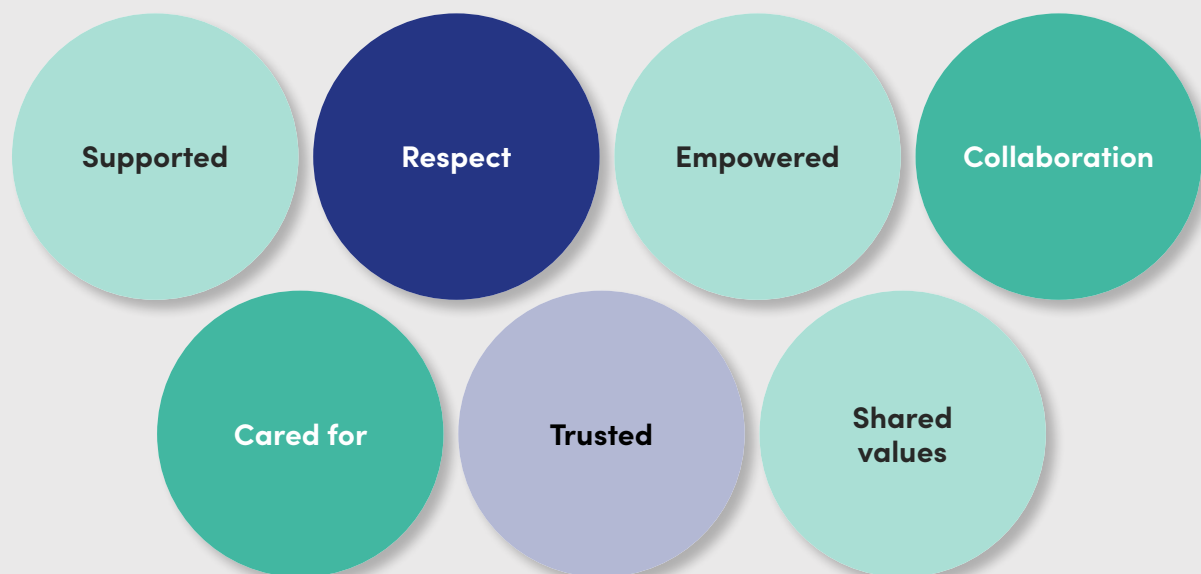
We are pleased to report high engagement and positive results, with some constructive

feedback and suggestions for development which will form part of the People Plan.

Staff particularly recognised having the opportunity to collaborate with colleagues, being recognised and praised for doing good work and said they feel cared about at Impetus.

People, Relationships & Culture: Comments & areas for development

Positive feedback



Our priorities for 2023–24

2022–23 has been a year of strong growth for Impetus. And with growth comes change and adaptation.

We are excited about the strong position we are in as an organisation. Our priorities for 2023–24 are to continue our track record for creating benchmark beating, sector leading organisations and consolidate the work we have done to strengthen internal systems.

Charity investments

In the coming year we will slow the growth in new investments slightly, focusing on continuing to develop our Investment team, and consolidating the gains made for, and with, our current portfolio charities.

We will continue to put the Driving Impact agenda at the forefront of our work with our newer charities, while steering a number of our portfolio charities through the reinvestment process.

We will also be taking the time to drill down into our understanding of Impetus' own mission and direction, taking a comprehensive look at our model and achievements to date to ensure the unique model of support we offer our charities continues to have transformative impact on young people from disadvantaged backgrounds across the country.



Babbasa – charity partner since 2022



Westminster

Influencing the public agenda

We will attend the Conservative and Labour Party conferences again this year in a bid to ensure that support for young people from disadvantaged backgrounds is a political priority, and influence party manifesto pledges in advance of a General Election.

We will continue to convene the third sector forum on fair access and widening participation and co-chair the Youth Employment Group.

School exclusions

We will be joining forces with a number of charities and funders working on exclusions to assemble a coalition to drive change in this space.

Pupils from disadvantaged backgrounds are four times as likely to be permanently excluded, and only 6.5% of young people who sit their GCSEs in alternative provision (AP) get their English and maths qualifications, compared to 65% in mainstream schools.

As a group we will be looking to raise the profile of the situation for excluded children – who are missing out on learning, more likely to experience long-term unemployment and are over-represented in the criminal justice system – and encourage policy makers to tackle these overlooked issues.

Amplifying our voice

Communications work impacts our organisation's sustainability. In addition to our planned research projects, we are particularly committed to more fully explaining the work we do and our unique model, highlighting the impact we make to our charity partners in order to secure funding, attract new and more diverse charities, and better support our mission through influencing systems change.

Original research

The Public Affairs team will continue to work on the key themes of work readiness and educational attainment, but we will be expanding our areas of research 2023–24.

Youth Jobs Gap 2

We will undertake a significant research project following on from our flagship 2019 Youth Jobs Gap report. This will explore the link between young people's characteristics and their labour

market outcomes, giving insights that will help us advocate for more effective support for young people who are furthest from the labour market.

The first report found that young people from disadvantaged backgrounds are twice as likely to be NEET as their better off peers.

This second phase of the project will explore factors including race and gender, disability and experience of the care system.

This will result in multiple reports and a digital tool that can be used by policy makers to better target intervention and support, and help amplify our calls for systemic change.

School attendance

We have also commissioned new research on attitudes to attendance amid growing concern about the rising number of absences from school.

Overall absence rates have significantly worsened over recent years. In 2021–22 the rates of persistent absence stood at 24.3% – that's nearly a quarter of the school population missing school more than 10% of the time.

Children who receive Free School Meals are persistently absent at around double the rate of those not eligible. This is pushing young people who already have worse outcomes even further behind, which is not only a disaster for young people now but is storing up a huge problem for the future.

But until we know what is behind the rise in absence, we cannot adequately tackle the problem.

6.5%

Only 6.5% of young people who sit their GCSEs in alternative provision get English and maths qualifications, compared to 65% in state schools.



The Tutor Trust

Prioritising our people

We recognise that our people are our best asset, and we want Impetus to be a great place to work.

In 2023 we will focus on the completing and implementing our comprehensive People Plan with key focus on culture, pay and progression, and learning and development to ensure all Impetus employees feel valued, engaged and motivated throughout their employment with us.

Digital and knowledge management

Phase Two of our digital strategy will consist of a review of our information and knowledge management alongside other workstreams to maximise effective collaboration and decision-making and drive further efficiency – including process improvements, and data visualisation methods, supported by a programme of training to upskill all staff on new ways of working.

Race equity and inclusion

We have made some progress towards meeting our commitments on race equity and inclusion



Transforming Lives for Good –
charity partner since 2021

within our organisation, and through the charities we partner with.

We will continue to pursue the goals we have set for ourselves to ensure we have diversity in thought, background and experience.

In the coming year we will recruit a race equity expert to advise on Connect Fund work, build on strong foundations and guide us to learn more from our charities and share that knowledge across the sector.



Ada, National College for Digital Skills, Charity Partner since 2021

OUR OBJECTIVES FOR 2023–24



Invest in four new charities and focus on delivering for current partners. Increase grant spend from £4 to £4.9 million.



Build digital foundations to improve systems and processes across the organisation that enable us to better capture, analyse, communicate and learn from our work in the long term.



Deliver £9.4 million in income through renewals, events and major co-investors, while diversifying our donor base.



Develop and implement our vision for the organisation and our people and establish cross-team working practices.



Raise our profile to influence the development of party manifestos, build our voice in social and emotional learning and school exclusions and develop Youth Jobs Gap 2 research.



Interrogate our Theory of Change, and develop Impetus' next 3-year strategy.

Financial performance

Impetus group – Impetus and Youth Endowment Fund Accounts

Our income for the period ending March 2023 grew to £27.1 million compared with £20.8 million in 2021, the substantial increase reflecting a £5.6 million increase in Donations and Grant income across the group. The total group funds at the end of 2023 were £170.1 million (2021: £203.8 million).

The main change to the balance sheet was an increase in group cash balances by £3.2 million to £14.9 million and a decrease in investments to £154.6 million from £192 million, reflecting the spend-down nature of the Youth Endowment Fund.

£'000s *	2023	2021	Variance
Income	27,161	20,790	6,371
Expenditure	(42,232)	(28,106)	(14,126)
Net (expenditure)/income	(15,071)	(7,316)	(7,755)
Investment (loss)/gain	(18,642)	9,190	(27,832)
(Deficit)/surplus	(33,713)	1,874	(35,587)

Balance Sheet	2023	2021	Variance
Fixed assets	144	147	(3)
Investments	154,643	192,170	(37,527)
Current assets	16,490	12,803	3,687
Creditors	(1,190)	(1,320)	130
Net Assets	170,087	203,800	(33,713)

*2023 represents a 15-month period from January 2022 to March 2023.



Sister System – charity partner since 2022



Resurgo – charity partner since 2009

Impetus (excluding the Youth Endowment Fund)

Our income in 2022– 23 grew to £11.9 million (2021: £10.0 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 to Impetus increased from £8 million to £10.0 million.

Our income includes the value our pro bono experts contributed in the form of donated services. This was £2.5 million over the past year, compared to £1.7 million in 2021.

£11.9 million

Our income in 2023 grew to £11.9 million (2021: £10.0 million)
Grants and donations increased from £8 million to £10 million

Our expenditure increased from £8 million to £11.5 million, reflecting the fact that we continued to invest in our people, infrastructure and the number of charities we support. We were able to increase our grant spend to charities from £3.5 million to £4.6 million.



Khulisa – charity partner since 2022

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.

£200 million

We received a £200 million grant from the Home Office in April 2019

Investments from the fund returned a net loss of £13.0 million (including income and market value loss) in the 15 months to 31 March 2023. Additional grant income received during the period totalled £9.6 million.

Expenditure in the 15 months to 31 March 2023 totalled £30.7 million, of which £25.3 million was on grants to interventions with a further £5.4 million spend on activities YEF undertook directly.

Of the grant, £155 million remained invested with Goldman Sachs and remained the largest component of the balance sheet at the year-end.



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 £8.0 million as at 31 March 2023 (2021: £7.7 million). The minimum level of unrestricted reserves to comply with our reserves policy is £3.0 million (2021: £2.1 million).

£8.0 million

**Our unrestricted funds were
£8.0 million as at 31 March 2023**

Given the longer-term nature of our investments, a proportion of our funds are earmarked at fulfilling future funding commitments to our charity partners. The total value of grants to portfolio charities that are authorised but not accrued as expenditure at 31 March 2023 was £2.3 million (2021: £1.9 million), a slight decrease as a number of grant agreements are shortly up for review as part of our funding process.

These grants only become an obligation to Impetus if the charities achieve specific milestones. The authorised amount of £2.3 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.



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 and funds, 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.

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 grant at the outset of our work means that this policy is comfortably met.

Going concern

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

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.

As at the 31 March 2023, of the total portfolio of £155 million, £89 million was invested in fixed income bonds and £53 million in equities. The performance of the managed fund against the target is most usefully measured over a longer period than was available in 2023. 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.

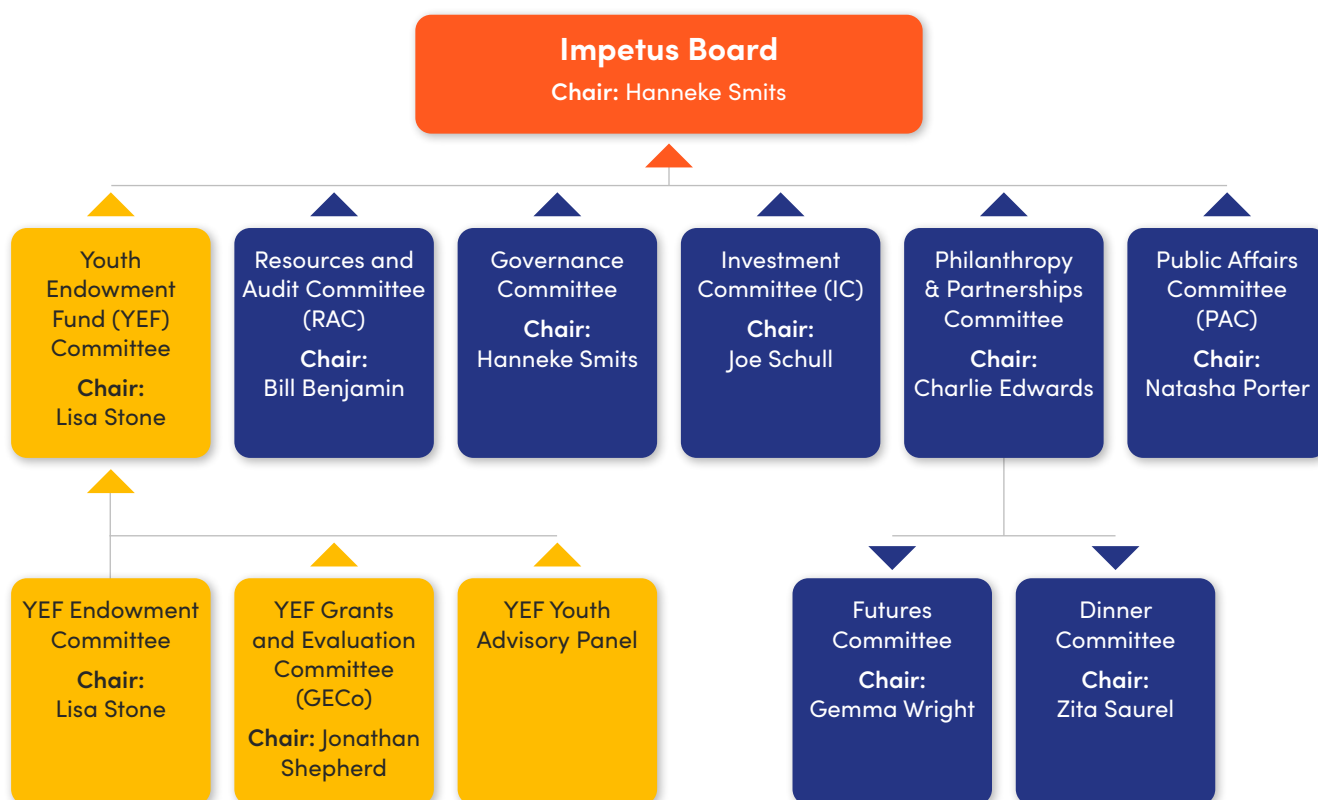
To limit currency risk in the portfolio, cash and cash equivalent investments are only invested in sterling instruments. Bond investments are in sterling or hedged back into sterling. Hedging of non-sterling currency exposure arising from overseas equity investments is permitted but not required.

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 or 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 ongoing geo-political events, including the war in Ukraine, recent economic forecasts and events. The Endowment Investment Committee, alongside the Investment Managers, reviewed the state of the portfolio ensuring the investment strategy remains prudent and protects the charity's investment.



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 who are listed on the administrative details page.

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 have 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 2022–23, the Board met six times.

There were five committees reporting to the Impetus Board in 2022–3: Investment, Governance, Resources and Audit, Public Affairs, and the Youth Endowment Fund Committee. The Youth Endowment Fund Committee has two further 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 our 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 their progress against funding milestones.

Governance and Nominations 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

we maintain and develop relationships with our donors, co-investors and supporters in order for Impetus and its charities to receive the funding, pro bono and other relevant support to achieve our 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 reviews progress against the public affairs KPIs, to assess performance and impact.

Philanthropy and Partnerships Committee

The Committee's over-arching purpose is to ensure that Impetus is able to acquire and develop relationships with donors, co-investors and fund donors in order for Impetus and its charities to receive the funding, pro bono resource and other relevant support to achieve its overall mission and strategy.



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 (YEF) 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, despite turbulent market conditions, 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 2023, 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 Finance and Operations and the Director of Digital and Information.

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.

Fundraising

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.

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 and Resources and Audit committee, receive any necessary safeguarding updates. All staff are made aware of our safeguarding policies and procedures during their induction. 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 team 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 most significant risks identified by the Board post our current mitigation strategies are:

Risk	Mitigation
Our ability to continue to fundraise against the backdrop of a difficult economic environment	<p>Continued success with our co-investment donors has increased our financial sustainability and diversified our donor mix.</p> <p>We have reviewed our planning assumptions on revenue but recognise these are subject to a high degree of uncertainty, especially given the nature of our income streams, and have made prudent assumptions in our budgeting process.</p> <p>The economic downturn could lead to a reduction of our corporate donations, as organisations seek to reduce costs, especially within our fundraising events. Whilst we as an organisation and our charity partners are impacted by the cost of living crisis in a high inflationary environment.</p>
Insufficient influence with decision makers, especially with the upcoming election	<p>We are building stronger networks and 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, building on the groundwork laid during the pandemic. We continue to advocate for the continuation and evolution of the National Tutoring Programme, and maintain our leadership role in the Youth Employment Group.</p>
Investment model not as effective as planned	<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) has improved our monitoring.</p> <p>We continue to work on how we interpret and use the data in partnership with our charity partners. Difficulty in recruiting and retaining high-calibre staff remains a challenge in the current job market, especially within the charity sector.</p>

These risks are monitored by the Resources and Audit Committee and the Impetus Board of Trustees, 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.

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 and strategic report, was approved by the Trustees on 28 September 2023 and signed on their behalf by the Chair.

Hanneke Smits



Chair of Impetus

Independent auditor's report to the members of Impetus – The Private Equity Foundation

Opinion

We have audited the financial statements of Impetus – The Private Equity Foundation for the period ended 31 March 2023 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 March 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the period 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 Introduction, the CEO's Introduction 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 and strategic 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 strategic report and 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 and strategic 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 51, 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 group's 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, charity law and GDPR, 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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, 10 Queen Street Place
London EC4R 1AG

ACCOUNTS



Group financial statements

Consolidated Statement of Financial Activities For the 15 month period ended 31 March 2023

	Note	Restricted £	Unrestricted £	2022-23 Total £	Restricted £	Unrestricted £	Year ended 31 December 2021 Total £
Income:							
Donations and grants	2a	12,747,860	6,846,431	19,594,291	8,614,933	5,346,255	13,961,188
Events and fundraising activities	2b	-	1,834,170	1,834,170	-	1,856,467	1,856,467
Investment	2c	5,688,700	27,322	5,716,022	4,940,903	373	4,941,276
Other	2d	-	16,756	16,756	-	30,637	30,637
Total income		18,436,560	8,724,679	27,161,239	13,555,836	7,233,732	20,789,568
Expenditure:							
Raising funds	3a	-	1,307,370	1,307,370	-	846,221	846,221
Charitable activities	3a	33,836,094	7,088,654	40,924,748	22,570,512	4,688,935	27,259,447
Total expenditure		33,836,094	8,396,024	42,232,118	22,570,512	5,535,156	28,105,668
Net expenditure		(15,399,534)	328,655	(15,070,879)	(9,014,676)	1,698,576	(7,316,100)
Transfers between funds		(94,090)	94,090	-	11,732	(11,732)	-
Net (loss)/gain on investments	10	(18,641,701)	-	(18,641,701)	9,190,475	-	9,190,475
Net movement in funds		(34,135,325)	422,745	(33,712,580)	187,531	1,686,844	1,874,375
Reconciliation of funds:							
Funds at the start of the year	14	196,176,391	7,623,634	203,800,025	195,988,860	5,936,790	201,925,650
Funds at the end of the year	14	162,041,066	8,046,379	170,087,445	196,176,391	7,623,634	203,800,025

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 15 month period ended 31 March 2023

	Note	Restricted £	Unrestricted £	2022-23 Total £	Restricted £	Unrestricted £	Year ended 31 December 2021 Total £
Income:							
Donations and grants	2a	3,172,983	6,846,431	10,019,414	2,736,433	5,346,255	8,082,688
Events and fundraising activities	2b	–	1,834,170	1,834,170	–	1,856,467	1,856,467
Investment	2c	–	27,322	27,322	–	373	373
Other	2d	–	62,109	62,109	–	79,373	79,373
Total income		3,172,983	8,770,032	11,943,015	2,736,433	7,282,468	10,018,901
Expenditure:							
Raising funds	3e	–	1,307,370	1,307,370	–	846,221	846,221
Charitable activities	3e	3,135,247	7,088,654	10,223,901	2,430,165	4,688,935	7,119,100
Total expenditure		3,135,247	8,396,024	11,531,271	2,430,165	5,535,156	7,965,321
Net expenditure		37,736	374,008	411,744	306,268	1,747,312	2,053,580
Transfers between funds		–	–	–	11,732	(11,732)	–
Net movement in funds		37,736	374,008	411,744	318,000	1,735,580	2,053,580
Reconciliation of funds:							
Funds at the start of the year		565,229	7,672,371	8,237,600	247,229	5,936,791	6,184,020
Funds at the end of the year		602,965	8,046,379	8,649,344	565,229	7,672,371	8,237,600

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

Consolidated and Charity Balance Sheets


As at 31 March 2023

	Note	Group March 2023 £	Group December 2021 £	Charity March 2023 £	Charity December 2021 £
Fixed assets					
Intangible fixed assets	9(a)	130,080	142,393	–	–
Tangible fixed assets	9(b)	13,914	4,959	13,914	4,959
Investments	10	154,643,333	192,170,308	1	1
		154,787,327	192,317,660	13,915	4,960
Current assets					
Debtors	11	1,626,071	1,119,587	769,930	1,318,283
Cash at bank and in hand		14,864,448	11,682,958	8,263,016	7,943,018
		16,490,519	12,802,545	9,032,946	9,261,301
Creditors: amounts due within one year	12	(1,190,401)	(1,320,180)	(397,517)	(1,028,661)
Net current assets		15,300,118	11,482,365	8,635,429	8,232,640
Net assets	13	170,087,445	203,800,025	8,649,344	8,237,600
Funds					
Restricted funds	14	162,041,066	196,176,391	602,965	565,229
Unrestricted funds	14	8,046,379	7,623,634	8,046,379	7,672,371
Total funds		170,087,445	203,800,025	8,649,344	8,237,600

The financial statements for Impetus, (company registration number 08460519 and charity registration number 1152262), for the 15 month period ended 31 March 2023 were approved and authorised for issue by the Board on 28 September 2023.

Hanneke Smits

Bill Benjamin

Trustee

Trustee

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

Consolidated cash flow statement

For the 15 month period ended 31 March 2023

	Note	2022–23 £	2021 £
Net cash used in operating activities	(a)	(21,396,833)	(11,046,845)
Cash flows from investing activities:			
Dividends and interest from investments		5,716,022	4,940,659
Purchase of software and equipment		(22,973)	(155,104)
Proceeds from sale of investments		24,556,611	16,181,529
Purchase of investments		(5,671,337)	(4,940,659)
Net cash provided by investing activities		24,533,638	16,026,425
Change in cash and cash equivalents in the year		3,181,490	4,979,580
Cash and cash equivalents at the beginning of the year		11,682,958	6,703,378
Cash and cash equivalents at the end of the year		14,864,448	11,682,958

(a) Reconciliation of net movement in funds to net cash flow from operating activities

	2022–23 £	2021 £
Net movement in funds	(33,712,580)	1,874,375
Losses/(Gains) on investments	18,641,701	(9,190,475)
Dividends and interest from investments	(5,716,022)	(4,940,659)
Loss on disposal of fixed assets	-	7
Depreciation and amortisation	26,331	13,063
(Increase)/Decrease in debtors	(506,484)	571,453
(Decrease)/Increase in creditors	(129,779)	625,391
Net cash used in operating activities	(21,396,833)	(11,046,845)

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 15 month period ended 31 March 2023

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) Second Edition effective 1 January 2019 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 Golden Cross House, 8 Duncannon Street, London, WC2N 4JF.

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 has healthy reserves and a strong cash position at the balance sheet date. There are no material uncertainties that call into doubt the group and charity's ability to continue in operational existence.

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

Grants to 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.

- c) Donated services and facilities are recognised as income and expenditure in the financial statements when companies or individuals offer their professional expertise on a pro bono basis. The value of these donated services and facilities is an estimated figure based upon the valuation the professional individual or organisation places upon the time, services and facilities they have provided to 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.
- d) Expenditure is recognised on an accruals basis, inclusive of any VAT which cannot be recovered. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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.

- e) 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

Notes to the financial statements

For the 15 month period ended 31 March 2023

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.

- f) 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. 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.
- g) Items of equipment and software are capitalised where the purchase price or the cost of the capital project exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.
- h) Depreciation and amortisation 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
Computer software	Ten years
Office equipment	Four years
Fixtures and fittings	Five years
- i) Short term deposits represent cash on deposit.
- j) Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

- k) 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.
- l) The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the group to the fund. The group 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.

- m) 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.
- n) 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.
- o) 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 period. 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)).

Notes to the financial statements

For the 15 month period ended 31 March 2023

2. Total income

2 (a). Donations and grants

	Group 2022-23 Total £	Group 2021 Total £	Charity 2022-23 Total £	Charity 2021 Total £
Other grants	10,737,002	7,383,049	2,093,805	1,960,549
Donated services	3,415,308	2,179,817	2,483,628	1,723,817
Income for Engage and Connect Funds	898,660	1,109,622	898,660	1,109,622
Cash donations from individuals and companies	4,543,321	3,288,700	4,543,321	3,288,700
Donations and grants	19,594,291	13,961,188	10,019,414	8,082,688

Donations and events income received from Trustees for the charity totalled £259,090 (2021: £371,176)

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.

2 (b). Events and fundraising activities

Fundraising events	1,834,170	1,856,467	1,834,170	1,856,467
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2 (c). Investment

Interest receivable	44,685	617	27,322	373
Fixed income bonds	797,782	4,326,504	-	-
Global equities	4,873,555	614,155	-	-
Investment income	5,716,022	4,941,276	27,322	373

2 (d). Other income

Contract income	16,756	30,637	41,365	30,637
Capacity building	-	-	20,744	48,736
	16,756	30,637	62,109	79,373
Total income	27,161,228	20,789,568	11,943,015	10,018,901

2 (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.

	2022-23 Total £	2021 Total £
Total additional funds generated by Impetus for portfolio charities	6,828,010	6,542,102

Notes to the financial statements

For the 15 month period ended 31 March 2023

3. Expenditure

3 (a). Total expenditure – Group

	Grant funding £	Activities undertaken directly £	Support costs £	Group Total 2022-23 £
Note for the current period		Note 3(b)	Note 3(c)	
Raising funds				
Fundraising and events	–	–	1,307,370	1,307,370
Charitable activities				
Supporting charities	–	5,159,559	3,307,577	8,467,136
Evaluation and research	5,897,952	–	–	5,897,952
Grants payable (note 4)	23,144,352	–	–	23,144,352
Donated services	931,680	1,779,789	703,839	3,415,308
Total charitable activities	29,973,984	6,939,348	4,011,416	40,924,748
Total expenditure	29,973,984	6,939,348	5,318,786	42,232,118
Note for the prior year				
	Grant funding £	Activities undertaken directly £	Support costs £	Group Total 2021 £
Raising funds				
Fundraising and events	–	–	846,221	846,221
Charitable activities				
Supporting charities	–	3,468,873	2,265,006	5,733,879
Evaluation and research	–	1,895,581	–	1,895,581
Grants payable (note 4)	17,450,170	–	–	17,450,170
Donated services	–	1,446,932	732,885	2,179,817
Total charitable activities	17,450,170	6,811,386	2,997,891	27,259,447
Total expenditure	17,450,170	6,811,386	3,844,112	28,105,668

Notes to the financial statements

For the 15 month period ended 31 March 2023

3 (b). Activities undertaken directly – Group

	Group 2022-23 £	Group 2021 £
Staff costs	4,225,214	2,940,814
Programme costs paid to Youth Endowment Fund delivery partners	-	18,994
Evaluation and Research	-	1,895,581
Consultancy costs	426,639	272,372
Office costs	305,490	167,748
Depreciation	3,078	1,473
Donated services	1,779,789	1,446,932
Other costs	199,139	67,472
	6,939,349	6,811,386

3 (c). Support costs – Group

	Raising funds £	Charitable activities £	Total 2022-23 £	Raising funds £	Charitable activities £	Total 2021 £
Staff costs	744,262	1,525,522	2,269,784	497,646	843,191	1,340,837
Office costs	134,118	469,374	603,492	72,987	149,072	222,059
Depreciation	1,351	1,577	2,928	647	755	1,402
Donated services	-	703,839	703,839	-	732,885	732,885
Fundraising events costs	385,827	-	385,827	254,887	-	254,887
Investment management fees	-	576,148	576,148	-	594,134	594,134
Other costs	41,8112	734,956	776,768	20,054	677,854	697,908
	1,307,370	4,011,416	5,318,786	846,221	2,997,891	3,844,112

Included within support costs above are governance costs totalling £180,905 (2021: £105,801).

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:

	2022-23 £	2021 £
Unrestricted		
Support to portfolio charities	1,779,789	990,932
Support to Impetus for portfolio work	665,641	658,402
Support to Impetus	38,198	74,483
Youth Endowment Fund	931,680	456,000
Total donated services	3,415,308	2,179,817

Notes to the financial statements

For the 15 month period ended 31 March 2023

3 (e). Total expenditure – Charity

Note for the current period

	Grant funding £	Activities undertaken directly £	Support costs £	Total 2022-23 £
		Note 3(f)	Note 3(g)	
Raising funds				
Fundraising and events	–	–	1,307,370	1,307,370
Charitable activities				
Supporting charities	–	1,942,862	1,153,606	3,096,468
Grants payable (note 4)	4,643,805	–	–	4,643,805
Donated services		1,779,789	703,839	2,483,628
Total charitable activities	4,643,805	3,722,651	1,857,445	10,223,901
Total expenditure	4,643,805	3,722,651	3,164,815	11,531,271

Note for the prior year

	Grant funding £	Activities undertaken directly £	Support costs £	Total 2021 £
Raising funds				
Fundraising and events	–	–	846,221	846,221
Charitable activities				
Supporting charities	–	1,292,031	604,074	1,896,105
Grants payable (note 4)	3,499,178	–	–	3,499,178
Donated services	–	990,932	732,885	1,723,817
Total charitable activities	3,499,178	2,282,963	1,336,959	7,119,100
Total expenditure	3,499,178	2,282,963	2,183,180	7,965,321

Notes to the financial statements

For the 15 month period ended 31 March 2023

3 (f). Activities undertaken directly – Charity

	2022-23 £	2021 £
Staff costs	1,435,155	1,055,338
Office costs	305,490	167,748
Depreciation	3,078	1,473
Donated services	1,779,789	990,932
Other costs	199,139	67,472
	3,722,651	2,282,963

3 (g). Support costs – Charity

	Raising funds £	Charitable activities £	Total 2022-23 £	Raising funds £	Charitable activities £	Total 2021 £
Staff costs	744,262	885,668	1,629,930	497,646	465,377	963,023
Office costs	134,118	156,470	290,588	72,987	85,151	158,138
Depreciation	1,351	1,577	2,928	647	755	1,402
Donated services	–	703,839	703,839	–	732,885	732,885
Fundraising events costs	385,827	–	385,827	254,887	–	254,887
Other costs	41,811	109,891	151,702	20,054	52,791	72,845
	1,307,369	1,857,445	3,164,814	846,221	1,336,959	2,183,180

Included within support costs above are governance costs totalling £180,905 (2021: £88,403).

Notes to the financial statements

For the 15 month period ended 31 March 2023

4. Grants payable

	2022-23 £	2021 £
Grants payable fall in three categories:		
- paid to Impetus portfolio charities	4,643,805	3,496,548
- paid to Impetus research organisations	-	2,630
- paid to Youth Endowment Fund interventions	18,500,547	13,950,992
	23,144,352	17,450,170
	2022-23 £	2021 £
Grants paid to portfolio charities in the period were as follows:		
Access Project	275,000	125,000
Action Tutoring	100,000	62,500
Ada	137,500	37,500
Babbasa Youth Empowerment Projects	40,000	-
Career Ready	105,809	50,000
City Gateway	375,000	486,391
Dallaglio Rugby Works	-	196,391
Football Beyond Borders	493,750	391,250
Generation UK	50,000	-
IMO	30,000	-
IntoUniversity	125,000	100,000
Jon Egging Trust	75,000	-
Khulisa	75,000	-
Kids Inspire	80,000	-
Mama Youth Project	160,000	30,000
MCR Pathways	225,000	235,000
Olive Academies	125,000	75,000
Resurgo	457,996	283,267
Sister System	30,000	-
The Difference	225,000	135,000
ThinkForward	350,000	154,000
Think for the Future	40,000	40,000
Transforming Lives for Good	125,000	75,000
Tutor Trust	177,500	245,000
Venture Trust	50,000	206,250
Voice 21	210,000	180,000
West London Zone	506,250	388,999
Charity total	4,643,805	3,496,548

Notes to the financial statements

For the 15 month period ended 31 March 2023

	2022-23 £	2021 £
Grants paid to research organisations in the period were as follows:		
Youth Jobs Gap	–	2,400
Other	–	230
Charity Total	–	2,630

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 March 2023 was £2,271,250 (as at 31 December 2021: £1,846,250). 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:

	£
2023-24	1,323,000
2024-25	728,250
2025-26	220,000
	2,271,250

Notes to the financial statements

For the 15 month period ended 31 March 2023

	2022-23 £	2021 £
Grants paid by the Youth Endowment Fund to interventions in the period were as follows:		
The Global Fund for Children UK Trust	3,762,140	–
London VRU	2,332,153	–
South London and Maudsley NHS Foundation Trust (SLaM)	359,942	1,908,482
Mental Health Foundation	622,553	539,809
Centre for Youth Impact (Part of YMCA-WC)	1,064,723	–
Achieving for Children	464,609	220,835
Imperial College London	367,658	287,772
Lives Not Knives	27,088	575,000
The Titan Partnership	262,247	268,635
The Nottinghamshire Office of the Police and Crime	519,820	–
Empire Fighting Chance	152,780	355,264
Violence Reduction Network for Leicester (OPCC)	498,541	–
West Midlands Police and Crime Commissioner	476,506	–
Media Academy Cymru	313,519	159,749
Wakefield Council Youth Work Team	50,078	418,158
Redthread Youth Limited	454,547	–
StreetGames UK	273,821	179,151
London Borough of Lambeth	125,198	318,962
Family Psychology Mutual	–	440,585
REMEDI- Restorative Services	432,109	–
High Trees Community Development Trust	319,305	102,653
Artsworld Ltd.	278,473	127,422
Young Persons Advisory Service	244,090	159,377
Lifeline Community Projects	108,066	294,160
Youth Focus North East	270,664	122,634
ASSIST Trauma Care	70,431	318,089
Young Devon	252,309	131,934
Family Psychology Mutual CIC	121,257	251,336
Blackburn with Darwen Borough Council	69,013	301,238
WE ARE WITH YOU	292,200	59,360
Volunteering Matters	250,090	92,760
Birmingham City Council	262,202	72,209
United Borders	299,438	–
The Rugby Football League Limited	–	294,395
YES Outdoors	248,058	34,966
Life Skills Education Charity	–	271,650
Salford Foundation Ltd	222,793	26,505
Lancashire & South Cumbria NHS FT	227,734	–
The English Football League Trust (FL Community Ltd)	224,466	–
Behavioural Insights Ltd.	213,784	–
South Wales VRU	206,288	–
The Tavistock and Portman NHS Foundation Trust	(49,493)	383,156
St Christopher's Fellowship	(62,000)	230,000
Other grants paid below £200,000	1,871,347	5,004,746
Total	18,500,547	13,950,992

Notes to the financial statements

For the 15 month period ended 31 March 2023

Only grants of £200,000 and above have been individually disclosed in the note above. To obtain the detail of the grants below £200,000 please contact Impetus at its 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 March 2023 was £33,031,000 (as at 31 December 2021: £27,917,000). This amount relates to the organisations listed above. If all current interventions progress as envisaged, the phasing of future commitments is estimated as follows:

	2022-23 £	2021 £
2022	–	12,376,000
2023	17,447,000	10,188,000
2024	11,926,000	27,917,000
2025	3,658,000	–
	33,031,000	27,917,000

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

5. Net expenditure for the period

This is stated after charging:

	Group 2022-23 £	Group 2021 £	Charity 2022-23 £	Charity 2021 £
Trustees' remuneration	–	–	–	–
Trustees' expenses	–	–	–	–
Depreciation and amortisation	26,331	13,063	6,006	2,875
Operating lease expenses	441,698	77,920	441,698	77,920
Auditors' remuneration for audit services	41,148	38,268	22,200	20,870

Directors and Officers insurance which covers the Trustees against any personal liability was provided at a cost of £11,944 (2021: £4,546).

Notes to the financial statements

For the 15 month period ended 31 March 2023

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.

	As at 31 March 2023 £	As at 31 Dec 2021 £
Administrative expenses	–	–
Net movement in funds	–	–
Ordinary share capital	1	1
Profit and loss account	–	–
Shareholders' funds represented by net assets	1	1

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:

	15 month period ended 31 March 2023 £	As at 31 Dec 2021 £
Total income	15,263,577	10,819,403
Total expenditure	(30,746,202)	(20,189,083)
Gain on investments	(18,641,701)	9,190,475
Net movement in funds	(34,124,326)	(179,205)

Summary balance sheet

	As at 31 March 2023 £	Year ended 31 Dec 2021 £
Investments	154,643,333	192,170,308
Intangible assets	130,080	142,393
Current assets	7,711,014	3,791,102
Creditors: amounts due within one year	(1,046,327)	(541,377)
Net assets	161,438,100	195,562,426
Total funds	161,438,100	195,562,426

Notes to the financial statements

For the 15 month period ended 31 March 2023

7. Staff costs

Staff costs were as follows:

	Group 2022-23 £	Group 2021 £	Charity 2022-23 £	Charity 2021 £
Salaries and wages	5,571,597	3,671,790	2,635,140	1,727,686
Social security costs	644,261	421,460	129,236	202,249
Pension contributions	279,139	188,401	300,708	88,425
	6,494,997	4,281,651	3,065,084	2,018,360

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

	Number of employees	
	2022-23	2021
Salary band		
£60,000 – £70,000	18	8
£70,000 – £80,000	7	1
£80,000 – £90,000	6	6
£90,000 – £100,000	1	-
£100,000 – £110,000	-	1
£110,000 – £120,000	4	1
£120,000 – £130,000	1	-

The employer's pension contributions for staff earning more than £60,000 per annum amounted to £150,182 (2021: £65,346).

Employee benefits, (salary, bonus, employer NI and employer pension contributions), paid for the senior management team totalled £1,810,774 for the 15 month period ended 31 March 2023 (for the year ended 31 December 2021: £1,130,968)

Staff numbers

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

	Group 2022-23	Group 2021	Charity 2022-23	Charity 2021
Full-time equivalents	84.7	70.3	36.4	32.5
Headcount	89	73	38	35

8. Taxation

There were no taxable profits arising for the period ended 31 March 2023. Consequently Impetus has no liability to tax and no deferred tax.

Notes to the financial statements

For the 15 month period ended 31 March 2023

9. Fixed assets

9(a). Intangible fixed assets

	Software £	Total £
Cost		
At the start of the period	152,581	152,581
Additions in period	8,012	8,012
At the end of the period	160,593	160,593
Amortisation		
At the start of the period	10,188	10,188
Charge for the period	20,325	20,325
At the end of the period	30,513	30,513
Net book value		
At the end of the period	130,080	130,080
At the start of the period	142,393	142,393

The charity has no intangible fixed assets

9(b). Tangible fixed assets

	Fixtures and fittings	Office and computer equipment	Group and Charity Total
Cost			
At the start of the period	54,245	15,400	69,645
Additions in period	3,288	11,673	14,961
Disposals in period	-	-	-
At the end of the period	57,533	27,073	84,606
Depreciation			
At the start of the period	54,245	10,441	64,686
Charge for the period	658	5,348	6,006
Depreciation on disposals	-	-	-
At the end of the period	54,903	15,789	70,692
Net book value			
At the end of the period	2,630	11,284	13,914
At the start of the period	-	4,959	4,959

Notes to the financial statements

For the 15 month period ended 31 March 2023

10. Investments

	Group 2023	Group 2021
Market value as at 1 January 2022	192,170,308	194,220,703
Disposals	(23,946,418)	(15,579,512)
Dividends and interest reinvested	5,671,337	4,940,659
Investment management fees deducted from portfolio	(610,192)	(602,017)
Realised losses	(9,533,746)	(1,858,965)
Unrealised gains	(9,107,955)	11,049,440
Market value as at 31 March 2023	154,643,333	192,170,308

Listed and unlisted investments at the year end consist of amounts invested with Goldman Sachs for the Youth Endowment Fund. Impetus holds a £1 investment in PEF Trading Limited.

	Group 2023 £	Group 2021 £
Cash and cash equivalents	12,537,093	6,325,207
Fixed income bonds	89,100,396	118,717,261
Global equities	53,005,843	67,127,840
	154,643,333	192,170,308

11. Debtors

	Group 2023 £	Group 2021 £	Charity 2023 £	Charity 2021 £
Accrued income	1,273,562	890,990	236,879	904,160
Gift Aid	73,531	43,750	73,531	43,750
Amount due from subsidiary charity	–	–	253,442	236,687
Other debtors	53,066	36,182	53,066	36,182
Prepayments	225,912	148,665	153,012	97,504
	1,626,071	1,119,587	769,930	1,318,283

Notes to the financial statements

For the 15 month period ended 31 March 2023

12. Creditors: amounts due within one year

	Group 2023 £	Group 2021 £	Charity 2023 £	Charity 2021 £
Trade and other creditors	659,654	254,501	77,106	146,894
Tax and social security	174,335	122,655	174,335	122,655
Accruals and deferred income	356,412	943,024	146,076	759,112
	1,190,401	1,320,180	397,517	1,028,661

13. Analysis of net assets between funds

Note for the current period	Restricted funds £	Unrestricted funds £	Total 2022-23 £
Group			
Tangible and intangible fixed assets	130,080	13,914	143,994
Investments	154,643,333	-	154,643,333
Net current assets	7,267,653	8,032,465	15,300,118
	162,041,066	8,046,379	170,087,445
	Restricted funds £	Unrestricted funds £	Total 2022-23 £
Charity			
Tangible fixed assets	-	13,914	13,914
Investments	-	1	1
Net current assets	602,965	8,032,464	8,635,429
	602,965	8,046,379	8,649,344
	Restricted funds £	Unrestricted funds £	Total 2021 £
Group			
Tangible fixed assets	142,393	4,959	147,352
Investments	192,170,308	-	192,170,308
Net current assets	3,863,690	7,618,675	11,482,365
	196,176,391	7,623,634	203,800,025
	Restricted funds £	Unrestricted funds £	Total 2021 £
Charity			
Tangible fixed assets	-	4,959	4,959
Investments	-	1	1
Net current assets	565,229	7,667,411	8,232,640
	565,229	7,672,371	8,237,600

Notes to the financial statements

For the 15 month period ended 31 March 2023

14. Movements in funds Group

	At the start of the period £	Income £	Expenditure £	Net gains/ (losses) on investments £	Transfer between Funds £	At the end of the period £
Restricted funds						
Portfolio charities	-	2,093,805	(2,093,805)	-	-	-
Engage Fund	-	380,000	(380,000)	-	-	-
Connect Fund	505,768	518,660	(647,342)	-	-	377,086
Youth Jobs Gap	-	180,518	(14,100)	-	-	166,418
Covid Response Fund	59,461	-	-	-	-	59,461
	565,229	3,172,983	(3,135,247)	-	-	602,965
Unrestricted funds						
Unrestricted general funds	7,623,634	8,724,679	(8,396,024)	-	94,090	7,952,292
Total Charity funds	8,188,863	11,897,663	(11,531,269)	-	94,090	8,649,347
Youth Endowment Fund restricted funds						
Home Office grant	191,135,651	5,688,699	(21,149,204)	(18,641,701)	(94,090)	156,939,355
Centre of Excellence grant	4,041,098	-	(1,140,009)	-	-	2,901,089
#iwill	248,371	722,500	(970,871)	-	-	-
Co-operative	198,517	940,000	(1,076,168)	-	-	62,349
Comic Relief	-	5,687,525	(4,214,380)	-	-	1,473,145
Focused Deterrence	-	500,000	(500,000)	-	-	-
Trauma Informed	-	139,590	(139,590)	-	-	-
Violence Against Women and Girls	-	407,446	(407,446)	-	-	-
Department for Culture, Media and Sports	-	161,493	(161,493)	-	-	-
National Police Chiefs' Council – County Lines	-	10,008	(10,008)	-	-	-
Arts Council England	-	37,500	-	-	-	37,500
Youth Futures Foundation	-	24,660	-	-	-	24,660
	-	-	-	-	-	-
General YEF funds	(12,475)	944,155	(931,680)	-	-	-
Total YEF restricted funds	195,611,162	15,263,576	(30,700,849)	(18,641,701)	(94,090)	162,041,066
Total group funds	203,800,025	27,161,239	(42,232,118)	(18,641,701)	-	170,087,445

Transfers between funds include charges between Impetus and The Youth Endowment Fund for Capacity Building support to projects.

Notes to the financial statements

For the 15 month period ended 31 March 2023

Note for the prior year Group	At the start of the year £	Income £	Expenditure £	Net gains/ (losses) on investments £	Transfer between Funds £	At the end of the year £
Charity funds						
Portfolio charities	187,768	1,473,180	(1,672,680)	-	11,732	-
Engage Fund	-	350,000	(350,000)	-	-	-
Connect Fund	-	759,622	(253,854)	-	-	505,768
Online tuition pilot	-	153,631	(153,631)	-	-	-
Covid Response Fund	59,461	-	-	-	-	59,461
	247,229	2,736,433	(2,430,165)	-	11,732	565,229
Unrestricted funds						
Unrestricted general funds	5,936,790	7,233,732	(5,535,156)	-	(11,732)	7,623,634
Total Charity funds	6,184,019	9,970,165	(7,965,321)	-	-	8,188,863
Youth Endowment Fund restricted funds						
Home Office grant	194,942,330	5,396,903	(18,394,057)	9,190,475	-	191,135,651
Centre of Excellence grant	811,776	4,000,000	(770,678)	-	-	4,041,098
#iwill and Co-operative grants	-	1,422,500	(975,612)	-	-	446,888
General YEF funds	(12,475)	-	-	-	-	(12,475)
Total YEF restricted funds	195,741,631	10,819,403	(20,140,347)	9,190,475	-	195,611,162
Total group funds	201,925,650	20,789,568	(28,105,668)	9,190,475	-	203,800,025

Note for the current period Charity	At the start of the period £	Income £	Expenditure £	Transfer between Funds £	At the end of the period £
Charity funds					
Restricted funds					
Portfolio charities	-	2,093,805	(2,093,805)	-	-
Engage Fund	-	380,000	(380,000)	-	-
Connect Fund	505,768	518,660	(647,342)	-	377,086
Online tuition pilot	-	-	-	-	-
Youth Jobs Gap 2	-	180,518	(14,100)	-	166,418
Covid Response Fund	59,461	-	-	-	59,461
	565,229	3,172,983	(3,135,247)	-	602,965
Unrestricted funds					
Unrestricted general funds	7,672,371	8,770,032	(8,396,024)	-	8,046,379
Total Charity funds	8,237,600	11,943,015	(11,531,271)	-	8,649,344

Notes to the financial statements

For the 15 month period ended 31 March 2023

Note for the prior year Charity

	At the start of the period £	Income £	Expenditure £	Transfer between Funds £	At the end of the period £
Charity funds					
Restricted funds					
Portfolio charities	187,768	1,473,180	(1,672,680)	11,732	-
Engage Fund	-	350,000	(350,000)	-	-
Connect Fund	-	759,622	(253,854)	-	505,768
Online tuition pilot	-	153,631	(153,631)	-	-
Covid Response Fund	59,461	-	-	-	59,461
	247,229	2,736,433	(2,430,165)	11,732	565,229
Unrestricted funds					
Unrestricted general funds	5,936,791	7,282,468	(5,535,156)	(11,732)	7,672,371
Total Charity funds	6,184,020	10,018,901	(7,965,321)	-	8,237,600

Purposes of restricted funds

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

Connect Fund: Impetus receives donations to support its work on race equality. These are treated as restricted donations with appropriate expenditure allocated against them.

Engage Fund: Impetus receives donations to support its work on school exclusions. These are treated as restricted donations with appropriate expenditure allocated against them.

Online tuition pilot: Impetus receives donations for the National Tutoring Programme, which aims to provide tutoring to disadvantaged pupils who have fallen behind due to the Covid-19 pandemic.

Youth Jobs Gap 2: Impetus received donations to support its Youth Jobs Gap 2 report, which aims to investigate the link between education and employment outcomes.

Covid Response fund: Impetus carried out a campaign at the height of the Covid-19 pandemic to provide additional assistance to 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.

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 from the Home Office in 2020 to create a 'Centre of Excellence'.

Supplementary income includes the #iwill and Co-op funds, formed in a joint partnership with YEF to create The Peer Action Collective (PAC). Together, the partners are investing £5.2 million to build a network of peer researchers to study the experience of youth violence and turn the learning into opportunities for young people to make their community a safer, fairer place.

The National Police Chiefs' Council, Arts Council England, and Youth Futures Foundation grants are aimed at providing systematic reviews and advice on specific interventions.

Purposes of unrestricted funds

Unrestricted general funds of £8,046,379 (2021: £7,623,634) will be used to support a significant proportion of conditional grant commitments made to charities of £2,271,250 (2021: £1,846,250) per note 4.

Notes to the financial statements

For the 15 month period ended 31 March 2023

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 March 2023 the group had commitments under operating leases of:

	Buildings £	Equipment £	2022-23 Total £	Buildings £	Equipment £	2021 Total £
Impetus						
Due within one year	151,597	1,766	153,363	151,597	1,766	153,363
Two to five years	–	1,766	1,766	–	1,766	1,766
	151,597	3,532	155,129	151,597	3,532	155,129
Youth Endowment Fund						
Due within one year	171,000	–	171,000	228,000	–	228,000
Two to five years	–	–	–	228,000	–	228,000
	171,000	–	171,000	456,000	3,532	456,000
Total group	322,597	3,532	326,129	607,597	3,532	611,129

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 2021.




Impetus pays salary and other costs on behalf of the Youth Endowment Fund which it recharges to the restricted fund at cost. It also charges the Youth Endowment Fund for time spent by Impetus staff on YEF matters, including capacity building. Amounts totalling £3,457,931 (2021: £2,339,948) were charged by Impetus to the Youth Endowment Fund during the period. As at the 31 March 2023 the Youth Endowment Fund owed amounts totalling £253,442 (2021: £236,687) to Impetus.

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



Impetus

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