



Annual Review 2020

Year in review

Last year saw an extraordinary number of people fall on hard times, which has made charitable giving more critical than ever. The urgency of the crisis meant we donated more to charitable organisations in 2020 than ever before – £2.6 million. We continued to support those organisations with which we have longstanding relationships, and have also grown relationships with others that are at the forefront of the pandemic response.

£2.6 MILLION 10 CHARITIES

Grants



£2 million



£250,000



£125,000



£125,000



£90,000

Matched funding

The Inflexion Foundation is proud to support those charities supported by our portfolio companies and also to match fundraising initiatives by our staff.



Proud to support National Tutoring Programme



The Inflexion Foundation provided additional funding for Impetus' pilot programme to assess different models of online

tuition. The findings ultimately fed into the National Tutoring Programme, a £350 million government backed initiative launched in July to address the need for catch-up support for school pupils who missed out on learning during school closures in 2020.

75%

POSSIBLE INCREASE OF EDUCATIONAL ATTAINMENT GAP AS A RESULT OF SCHOOL CLOSURES DURING LOCKDOWN

80%

OF DISADVANTAGED PUPILS CURRENTLY DON'T HAVE ACCESS TO QUALITY TUITION

A firm foundation

At Inflexion, we are privileged to work with some of the most ambitious and entrepreneurial businesses in the world. As backers of terrific management teams for over 20 years, we know that a lot of hard work and a little luck are important determinants of success. Much of what we have achieved has been down to the support of others, and so we know just how valuable that support can be.

The year 2020 caused an extraordinary number of people to face myriad challenges. This has made charitable giving more critical than ever. We've supported charities focused on young people for a number of years, and we will continue to do so. But this year we extended our support to organisations that have most directly addressed the urgent financial hardship that faced so many as the pandemic took its toll.

Before the pandemic, over 2 million young people in the UK were living in poverty, and this number has increased significantly during 2020. This is particularly worrying because of the high correlation between young people living in poverty and the failure to meet basic academic thresholds. Additionally, young people living in poverty are three times less likely to stay in education or find work after school. Disparities in achievement may worsen, with the educational attainment gap expected to swell, possibly by 75%, as a result of school closures during lockdown. It is our hope that helping to address this can help to arrest the cycle of disadvantage, which is at risk of gaining dangerous momentum.

The ambition of our partner charities to make a meaningful difference is incredibly compelling.



Simon Turner



John Hartz

“For many organisations like ours, it's been so important to have the support of Inflexion, its portfolio companies and its Foundation.”

Marcus Davey, CBE, CEO and Artistic Director of The Roundhouse

Impetus

Impetus transforms the lives of young people from disadvantaged backgrounds by providing the right support for them to succeed in school, in work and in life.

Over two million young people live in poverty in Britain, and as a result they do less well at school, are less likely to go to university and struggle to find and keep jobs.

Impetus believes that, with the right support, every young person can succeed, and they focus on education and employment within their work.

3X YOUNG PEOPLE FROM DISADVANTAGED BACKGROUNDS ARE 3 TIMES LESS LIKELY TO STAY IN EDUCATION OR FIND A JOB AFTER SCHOOL.



Harriet Gugenheim Director of Philanthropy and Partnerships at Impetus

Our work is based on the private equity model. We were founded by a group of pioneering venture philanthropists who wanted to apply their private equity and investment expertise, alongside funding, to help great charities become even better. Just as private equity and venture capital scale financial returns, we scale social returns by helping our charity partners get stronger, better and bigger.

We work with 16 to 18 charities at any one time in the education or employability space. We provide them with unrestricted grants, in-house intensive management support and world-class pro bono expertise pulled from our network of supporters. Our Investment Directors work closely with CEOs and their management teams to drive sustainability, impact and leadership. We spend a lot of time on due diligence to find the right organisations to work with to deliver the best outcomes for the young people we care about. For every 40 charities we consider, one makes it into our portfolio.

COVID-19 has had a big impact on the charitable sector; while the need has grown, funding has fallen. It is estimated in the first 12 weeks of lockdown, Britain lost £4 billion of charitable funding. Charities raise money in a variety of ways; when lockdown started, events were cancelled, contracts couldn't be delivered, and charity shops were closed – which meant there were big funding gaps to fill immediately.

Everyone had to change how they work. Many of our charities couldn't deliver their programmes and had to think about how to continue to serve their young people, some of the most badly affected people in the country. Because of the unique relationship our

charities have with us, they had a built-in consultant, one of our Investment Directors, as a resource. We looked at their short-, medium- and long-term planning and helped them to make the necessary adaptations to their business plans and programmes so that they could either deliver in the crisis or be ready to hit the ground when their services could resume.

We knew that what started as a health crisis would go on to become an employability and education crisis. When young people were in lockdown and not getting schooling, we knew that one-to-one or one-to-two tutoring was the best way to drive attainment. What we didn't know was whether online tutoring works. Lockdown provided an opportunity for a natural experiment where we could deliver online tutoring and test it. The Inflexion Foundation helped fund our pilot which provided in-person and online tutoring to over 2,000 young people while schools were closed and through the summer. The government has now committed £350 million to tutor hundreds of thousands of students across the country as part of the new National Tutoring Programme. I think our pilot, which was part-funded by The Inflexion Foundation, was key in convincing the government to back tutoring.

The Inflexion difference

Inflexion has supported us for over four years both financially, donating over £1 million, and with their own expertise. We have members of their team on our committees, they donate time to our pro bono programme, and their commitment and fundraising efforts to our triathlon are second to none.

We rely on our donors to support young people in developing employability skills like CV writing and interviewing. Early in the summer of 2020, The Inflexion Foundation ran an online workshop for one of our charity partners, Resurgo. You can teach these things in the classroom but there is no substitute to walking into a place of business and meeting future employers. During the year, Inflexion volunteers also continued to mentor and tutor young people at our university access charity, IntoUniversity, supporting their move to online sessions. Our charities' programmes are stronger because of the one-to-one support donors like Inflexion give.

“I've got one learner, a girl with autism, and she is flying. She loves that one-on-one attention that she is getting from the tutor and that she is missing from school.”

Head of School, National Tutoring Programme participant

By giving young people the chance to engage with the arts through its music, media and performance projects, The Roundhouse inspires them to reach further, dream bigger, and achieve more.

The Roundhouse is a charity with an objective to provide 'space to create' for 11 to 25 year-olds. The charity has a particular focus on young people who have been excluded, marginalised or disadvantaged by society and works to enable them to find pathways back into education, work or simply to enjoy a wider cultural life.

7,500

YOUNG PEOPLE ARE ENGAGED IN CREATIVE OPPORTUNITIES WITH THE ROUNDHOUSE. 58% OF THEM ARE FROM AREAS RANKED AS THE MOST DEPRIVED, AND 46% ARE ETHNICALLY DIVERSE.



Elliot Waloschek, winner of The Roundhouse Poetry Slam Final 2020.



Marcus Davey, CBE CEO and Artistic Director of The Roundhouse

The Roundhouse is the largest creative centre for young people in Europe, particularly those from disadvantaged backgrounds. For many organisations like ours, it's been so important to have the support of Inflexion, its portfolio companies and its Foundation.

At the very heart of our organisation is The Roundhouse Studios, a centre for people aged 11 to 25 to enable them to learn skills and gain experience to move on with their lives. Each year we work with 7,500 young people, with over half coming from deprived areas. We recently spoke to 200 of our alumni and found that 96% of young people we worked with went on to employment, education or training – they are using the skills and networks they make at The Roundhouse to build more positive futures for themselves. We help them learn about teamwork, presentation skills, what's inside them, and what they can bring to society – we help young people to fulfil their potential.

We rely on a lot of different sources of income to ensure we can flourish, but lost 70% during the pandemic as we can't do performances or private events. But after working with a range of funders, we've been able to continue. For example, we've put some of our programmes online during the pandemic, and we're also doing phone calls, emails and texts to the most vulnerable. COVID-19 has really challenged young people's mental health and pushed them to the margins as many have lost direction.

You may come to see an extraordinary show at The Roundhouse, but just below you is the next generation finding its feet. In the coming years, we'll need more places like The Roundhouse to ensure this generation isn't lost. They need to gain new opportunities and skills as we are all going to find life difficult after the pandemic.

The Inflexion difference

The Inflexion Foundation has been an incredible support to The Roundhouse, not just before the pandemic but also during it. They gave us an award worth £125,000 at the beginning of the pandemic which enabled us to move our work online through our Round Your House campaign – a lifeline to us and the people we support.

Since lockdown began, with Inflexion's support we've been able to support the most vulnerable young people who were unemployed going into this crisis and have other challenges in their lives. These young people have been able to access our youth team for help, advice and support for housing, mental health and careers advice.

We've helped young people keep creating at home through bespoke online forums and we've also delivered our first Accelerator Programme, supporting eight creative businesses who want to take their enterprises to the next level.

The Foundation is also supporting our long-term ambitions as we outgrow our current centre and need more space. Its support means we can start building a new centre on the site, including an area for young creative entrepreneurs, three large rehearsal studios and a new podcast studio. This new centre will enable us to help more young people, hopefully allowing the number of people we can support to go above 10,000.

The Inflexion Foundation has been central to our development as an organisation over the past three years, including the incredible effort by the team for our Round the Houses event, which raised vital funds and morale when we needed it most.

“ [It] developed my confidence in my own ability, particularly when presenting or performing on stage. Professionally this has helped with public speaking and I've since found myself presenting by myself to a room of 100+ people. ”

Roundhouse Young Creative



NATIONAL
EMERGENCIES
TRUST

The National Emergencies Trust (NET) works with local charities and distribution partners to ensure that financial support is delivered to those that need it the most in the aftermath of a disaster. NET does this by collaborating with charities and other bodies to raise and distribute money and support victims at the time of a domestic emergency, acting as a single point of contact for the affected people.

Financial awards can be made quickly and efficiently, avoiding the bureaucracy of multiple applications. Independent of government, NET's support is additional to what the state does.

1 IN 8

PEOPLE IN THE UK EXPECT TO SEEK SUPPORT FROM A CHARITY OR VOLUNTARY BODY IN THE NEXT 12 MONTHS DUE TO COVID-19. FOR MOST OF THEM (61%), IT WILL BE THE FIRST TIME THEY HAVE EVER SOUGHT CHARITY SUPPORT.



Mhairi Sharp

CEO of National Emergencies Trust

The National Emergencies Trust launched just over a year ago as a result of the Charity Commission identifying a gap in the charitable sector for a better way to respond to national emergencies. The catalyst came back in 2017, following on from a variety of emergencies such as Grenfell, Manchester Arena and the four terrorist attacks, and the Commission brought together a number of people in the sector and tasked us with finding a solution on coordination of fundraising and distribution to help mitigate the need for numerous applications for funding.

We were formally established in November 2019 and expected to need to react to a major emergency every 2.5 years. But just four months later we had the pandemic, which no one had expected.

We launched the Coronavirus Appeal, which raised nearly £100 million. We've distributed almost all of it too, and that's key to the NET – our aim is to get funding out quickly and do so equitably – we need to understand where the need is and where others are placing their funding, whether from the sector or the government.

We were only 2.6 people when we launched the appeal and though we'd done dry runs in local neighbourhoods, absolutely nothing prepares you for the real thing. To achieve effective distribution, we needed to urgently look at what was being done in Italy and try to learn from their experience.

We must tick certain boxes to activate: Is the emergency of national significance? Is there an unmet need? Is there propensity to give? The pandemic ticked all these boxes

and so we activated on 18 March and within seven days raised around £10 million, which gave us the idea we'd done the right thing. More importantly, within five days we had money out on the ground across 50 different areas of the UK, supporting grassroots organisations and individuals as well.

Today we have raised more than £97 million and distributed more than £94 million to 12,000 grassroots charities and 10 national charities. £6 million in funding has been ring-fenced for BAME-led organisations.

We pride ourselves on ensuring the money goes to where it is needed. The average cost of running an appeal across the sector is around the 10% mark but by drawing on the expertise of brilliant volunteers, including those on furlough, we keep the cost of operating down to about 2%.

The Inflexion difference

Almost overnight, the COVID-19 pandemic turned our world upside down and it has since had devastating and far-reaching impacts on communities, from food poverty to mental health issues. The support of The Inflexion Foundation has enabled the National Emergencies Trust to respond to this unprecedented need at pace, and make a meaningful difference to people's lives all over the UK. We are incredibly grateful, both for its hugely generous donation and to the brilliant Inflexion volunteers who brought energy and enthusiasm to our team at the height of the Coronavirus Appeal.

The Inflexion Foundation quickly and generously donated £2 million to our appeal, making them our biggest corporate donor at the time. Their financial support and pro bono work have been incredibly helpful.

“One family said that it was the first food they'd had in the house for three days.”

Sarah Bentley, Made In Hackney

TURN2US

FIGHTING UK POVERTY

Turn2us is a national charity that helps people when times get tough by providing financial support to help people get back on track. The charity assists with access to welfare benefits, charitable grants and other financial help – online, by phone and face to face through partner organisations.

8 MILLION

WORKERS WOULD BE UNABLE TO SURVIVE THE FIVE WEEK WAIT FOR UNIVERSAL CREDIT IF THEY LOST THEIR MAIN SOURCE OF INCOME.

Thomas Lawson

Chief Executive at Turn2us

The number of people who could benefit from Turn2us's services has been increasing during the pandemic. For example, our research shows that one in three people have had to use some form of debt to get by since March 2020, with 6.4 million (12%) people using multiple forms of debt. Additionally, more than one in ten people have resorted to missing a bill or debt repayment since March – up from only 3% before the pandemic.

The financial impact of the pandemic has hit some much harder than others. Half of all people furloughed since March have had to use forms of debt, compared to just 23% of people who have seen no change to their employment. We have also seen the number of parents using our Benefits Calculator more than triple in the month to 16 September 2020 compared to numbers in the previous year, with around 450,000 parents accessing this as schools reopened in 2020, compared to 104,000 the year before.

The Inflexion difference

As part of our Coronavirus Appeal, we are working hard to provide people who are in critical need with crisis grants to help them make ends meet during this extremely challenging period. The Inflexion Foundation donated £250,000 in April to our Appeal, precisely as the need for funding escalated, and became our largest corporate sponsor.

“**My precious baby needed me, and I needed help. But I didn't know what to do or who to turn to as I kept hitting brick walls with the obvious routes. I was eventually recommended by my support worker to try and reach out to Turn2us and was given £1,500 to help support my family. It meant I could finally start to enjoy my maternity leave instead of constantly worrying over money.**”

Siarah, mum to baby Solomon

People power

Our support comes in various forms, and members of our team provided their time to support organisations directly.

Round the Houses walk and fundraiser

A number of Inflexion employees did a “Round the Houses” 36-mile walk in a single day to raise money in July. This was a fun way to connect shortly after restrictions were eased, and the generosity of the Inflexion Network meant we raised £250,000.



Exercise challenge and fundraiser

Over the summer, 15 Inflexion employees did a week-long ‘exercise challenge’ and raised £10,000 for the National Emergencies Trust. The effort even saw employees’ families get involved.



Annual triathlon

We have supported Impetus for over four years, and have been inspired and impressed in equal measure with their work. In the last three years a large number of Inflexion employees have taken part in the annual Impetus Triathlon, raising over £600,000.



Pro bono

In addition to the financial donations The Inflexion Foundation has made, we are very proud to have provided pro bono support to a number of charities.

In particular, Inflexion seconded three individuals to fill a variety of urgent roles at the National Emergencies Trust at the start of the pandemic.



Backing *ambition*

inflexion
— FOUNDATION —

The Inflexion Foundation is registered at 47 Queen Anne Street, London, W1G 9JG.
Registered Charity Number 1179624.