

Charity Registration No. 1009195

**THE PEARS FAMILY CHARITABLE FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2015**

THE PEARS FAMILY CHARITABLE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|---|
| Trustees | Trevor S Pears CMG (Executive Chair) Mark A Pears CBE David A Pears |
| Charity number | 1009195 |
| Principal address | Clive House 2 Old Brewery Mews Hampstead London NW3 1PZ |
| Auditors | Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB |
| Senior staff | Amy Braier (Foundation Director) Bridget McGing (Deputy Director) Ian Shaw FCA (Finance Director) |

THE PEARS FAMILY CHARITABLE FOUNDATION

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 7 |
| Statement of trustees' responsibilities | 8 |
| Independent auditors' report | 9 - 10 |
| Statement of financial activities | 11 |
| Balance sheet | 12 |
| Cash flow statement | 13 |
| Notes to the accounts | 14 - 21 |

THE PEARS FAMILY CHARITABLE FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The Trustees present their report and accounts for the year ended 31 March 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

The administrative details page attached to these Accounts forms part of the Trustees' report and the required information can be found therein.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The charity was created by a deed dated 31 October 1991 as a Trust exclusively for charitable purposes and was registered with the Charity Commission on 4 March 1992, Charity Registration Number 1009195. The charity uses the working name Pears Foundation.

Governance

The Foundation is led by the Pears family with the support of a professional team. The Trust Deed provides for a minimum of three trustees and during the year, there were three trustees. New trustees may be appointed by those trustees in office at the time of appointment.

Trustees are required to disclose all relevant interests and register them with the Finance Director and, in accordance with the Foundation's policy, withdraw from decisions where a conflict of interest arises.

At trustees' meetings the trustees consider general strategy, the areas of grant making activities and receive reports on expenditure and the performance and impact of major grants and partnerships prepared by the professional staff. They discuss progress against objectives and approve and review major new grants and partnerships.

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to those risks.

Management

The Foundation delivers a varied programme of Philanthropic Investment including strategic partnerships, grants and one operating programme.

Day-to-day management of the Foundation is delegated to the small professional staff team, led by the Director and Deputy Director working closely with the Executive Chair. The staff team are responsible for implementing the Foundation's strategic priorities, the administration and monitoring of approved grants and the Foundation's operations and procedures.

The Foundation's operating programme, JHub, also has a professional team and the JHub Director reports regularly to both the Executive Chair and Director.

The pay and remuneration of Foundation staff are set by the Trustees following annual appraisals and are benchmarked against comparable roles in other trusts and foundations.

OBJECTIVES AND ACTIVITIES

Pears Foundation aims to benefit society by promoting understanding of key issues through research and education programmes; driving engagement in social progress across the UK, particularly in young people and supporting organisations focused on wellbeing for everyone.

The Foundation aims to be a thoughtful and engaged philanthropic organisation, thinking carefully and strategically about the most effective ways to use private resources for the public benefit.

The Foundation achieves its aims and objectives through philanthropic grant-making, investing in charities and not-for-profit organisations.

THE PEARS FAMILY CHARITABLE FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The Foundation invests the majority of its resources in strategic partnerships (substantial investments supported by close contact with the partner organisation) across the programme areas outlined above. Such partnerships are generally multi-year, high-impact, collaborations focused on mutually agreed objectives and key performance indicators against which grantees are asked to report. The Foundation takes its own initiative where new thinking is required or where there are important unexplored opportunities. Strategic planning is revisited on an annual basis.

Foundation staff keep abreast of major developments in the areas in which the Foundation invests, receiving advice and presentations from external experts and attending conferences where appropriate. Whilst the Foundation does not accept unsolicited applications, it has developed grant making policies, systems and procedures to achieve its objects for the public benefit by making grants to charities whose objectives are clear, who can demonstrate best practice and sustainability, whose operations are transparent and whose commitment to the public benefit is demonstrable.

The Foundation proactively undertakes research to establish the wider context and strategy for its funding and assesses the impact of grants and projects against this research.

Due diligence is conducted on prospective grantees and partner organisations including visits and meetings, detailed discussions and paperwork reviews to make sure that the potential partners are well run and able to deliver the work for which funding is sought. The recipients of strategic grants must formally adhere to the terms and conditions set out in their grant agreement letters, including reporting requirements, and the Foundation ensures that funds are expended by recipients in accordance with agreements made.

The monitoring of grants and projects is achieved by the submission of written reports, visits from Foundation staff, regular meetings and contact. For major investments, grantees may be asked to establish an advisory board or steering committee on which Foundation staff participate and/or set detailed key performance indicators against which to report. Larger grants are often paid in instalments to ensure effective monitoring and reporting.

The above enables the Foundation to support efficient and effective charities, giving them confidence for ongoing support.

Social impact, both at Foundation level and grantee level, can be difficult to demonstrate. The Foundation keeps abreast of discussions on how to be an impactful and effective foundation and works with its partners to build in appropriate evaluation and reflection. This includes identifying objectives and success measures for major grants and building in reporting processes for monitoring progress.

In order to increase the impact of its grants and partnerships, the Foundation facilitates opportunities to bring its partner organisations together to interact with each other, share best practice, learning and research findings and to advocate for improvements in their relevant sectors and does this itself through participation in peer networks with other trusts and foundations. The Foundation is a member of the Association of Charitable Foundations, the Forum of Foundations in Israel and the Westbury Group.

THE PEARS FAMILY CHARITABLE FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2015

ACHIEVEMENTS AND PERFORMANCE

Overview of activities (See notes 1 and 2 below)

The 2014-15 financial year saw a significant increase in expenditure. The most significant grants were:

- a) Two major capital pledges: £5million for the Pears Building at the Royal Free Hospital, London and £3million towards a new Defence and National Rehabilitation Centre (DNRC) near Loughborough.
- b) A renewal grant of £2.1million for the Foundation's flagship Pears Scholars programme at the Hebrew University of Jerusalem, Israel.

Major grants are awarded to those organisations who are best able to demonstrate best practice and sustainability and make a significant impact in their fields. In listing the examples below, the trustees would like to emphasise that they value the work of all the Foundation's grantees, not just the ones listed.

MAJOR CAPITAL GRANTS

The Royal Free Hospital

The Foundation pledged £5 million, its largest ever single donation, to support the building of a new world-class medical research institute next to the Royal Free Hospital in Hampstead. The donation provides a core element of the funding for the new building which will become home to the UCL Institute of Immunity and Transplantation. The new research facility will bring together more than 200 researchers in teams of academic clinicians, clinical trials specialists and nurses to translate new research into improved diagnosis and treatments, working in close proximity with patients who could take part in their clinical trials. The new research centre will be a major addition to the translational research landscape in London and will significantly improve the research and training on offer at the Royal Free which is the Foundation's local NHS hospital and one of the leading teaching hospitals in the UK.

Defence and National Rehabilitation Centre

The Foundation has pledged £3m towards the Defence and National Rehabilitation Centre (DNRC), which is currently being built at Stanford Hall in Nottinghamshire. A feasibility study in 2010 found that current facilities were unlikely to meet Britain's long term needs. The Duke of Westminster led on work to develop a new centre where it would be possible to combine neurological, complex trauma and a full suite of rehabilitative facilities together on one site. To date, more than £200m of charitable funds has been raised towards the DNRC which when it opens in 2017, will take over from Headley Court as the main centre for clinical rehabilitation of injured service men and women.

The year also saw the opening of two of the capital projects funded by the Foundation in 2013-14.

The Imperial War Museum, London re-opened in July 2014 along with the new Peace and Security: 1945-2014 exhibition sponsored by the Foundation. From its opening until the end of March 2015 the museum had 1.2 million visitors.

The new Pears Pavilion on the Coram campus was also opened and the Centre for Creative Therapies will begin providing services from it in spring 2015, enabling Coram to increase the impact of its Creative Therapies, train the next generation of music and art therapists and build new partnerships to help more vulnerable children to access therapeutic services.

THE PEARS FAMILY CHARITABLE FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2015

REVENUE GRANTS – HIGHLIGHTS

ENCOURAGING PHILANTHROPY

Pennies Foundation

A £200,000 donation this year continues the Foundation's partnership with Pennies Foundation, the UK's digital charity box, which we have been supporting since 2011. In that time, Pennies Foundation has transformed over 20 million micro-donations into £4.5million of new funding for over 100 charities across the UK. Our core support enables Pennies to work intensively with retailers and payment technology organisations to embed their digital charity box into payment systems and prioritise resources on what is most critical for the growth of the organisation.

University of Kent

A £150,000 donation to the University of Kent has established the UK's first dedicated university philanthropy teaching post. The post, to be based within the University's Centre for Philanthropy, will be known as the Pears Philanthropy Fellow. The first cohort of Philanthropic Studies students will start in January 2016. They will make use of the latest technology to study via distance learning, as well as at study days on campus.

Although established in the US since the 1970s, Philanthropic Studies is a relatively new field of academic study in the UK and is targeted at students wishing to pursue a career in the charitable sector or related fields, but may also be of interest to individual philanthropists who wish to gain a better understanding of the role of philanthropy and improve the effectiveness of their giving.

Dr Beth Breeze, Director of the Centre for Philanthropy, said: 'This is a truly transformational gift. Many funders prefer to pay for something tangible, like a building, so we are delighted and grateful that Pears Foundation has decided to fund a lecturing post. We are confident this investment will have a positive impact beyond those who choose to study with us, but also on all those lives affected in the careers of students who go on, or go back, to leading positions in the charity and philanthropy sector.'

First Give

Continuing the Foundation's efforts to encourage lifelong philanthropy, the Trustees approved three grants totalling £183,000 to establish First Give, a new charitable incorporated organisation that works with secondary schools to help young people make a positive contribution to their local communities. The First Give Programme works with a year group of students to identify social issues in their area and engage with local charities that address them. The students then have the opportunity to compete for £1,500 of grant money by advocating for their charity in a school competition. The Foundation's funding is to cover the organisation's core costs and enable it to offer the programme to schools free of charge, starting in London for the pilot stage. The Trustees also committed a further £100,000 to the Citizenship Foundation's Go-Givers primary school philanthropy education programme.

In addition, the Family Foundations Giving Trends report 2013-14 was published in June 2014. This marked the first publication of the report since it came into the Association of Charitable Foundations, providing fresh insight into the size, shape and nature of family foundations' contribution to UK civil society and much needed data for the sector.

The Foundation continued to play an active role in philanthropy membership groups and peer networks.

INTERNATIONAL DEVELOPMENT

Pears Scholars

The Foundation's flagship programme in Israel is the Pears Scholars Initiative at the Hebrew University of Jerusalem and a significant grant of £2,157,000 was made to support the scholarships and alumni networks of the International Masters in Public Health and the International MSc programmes of the Faculty of Agriculture, Food and Environment.

THE PEARS FAMILY CHARITABLE FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2015

OLAM

The Trustees agreed a grant of £304,000 to support OLAM, a flagship new initiative established in collaboration with two other funders, the Alliance for Global Good and the Schusterman Family Foundation. OLAM is a shared platform to promote global Jewish service (volunteering and service learning, international development, and social justice advocacy) to support communities in need around the world.

PROMOTING WELLBEING

Tomorrow's People

The Foundation renewed its core funding for employment charity Tomorrow's People with a grant of £220,000. The charity specialises in working with those furthest from employment and is a long term grantee of the Foundation. Our first grant, in 2008, funded research which informed the development of their 'Getting Families into Work' pilot. We supported the pilot which started on an estate in Maidstone, Kent, in 2009 - a difficult time to launch a project working with people who are long term unemployed. Through working with them on the pilot and, over the years, learning about other strands of their work, we have developed a deep respect for Tomorrow's People's integrity and expertise. Since 2012 our funding has been unrestricted, so that Tomorrow's People can continue to be innovative, responsive and to provide the best possible support for those furthest from employment.

Funding was also approved for two innovative projects aimed at removing barriers in welfare and social services. £100,000 was awarded to Richard House Children's Hospice in Newham for a joint pilot programme with St Joseph's Hospice in Hackney to improve palliative care transitions for young people moving into adult services, co-funded by the Samuel Sebba Charitable Trust. Project funding of £86,000 was approved to the Camden Society for their Quids-In project to build the financial capabilities of people with learning disabilities. The Trustees also renewed their long-term core funding grants for Jewish Care and Norwood, awarding each organisation £150,000.

SOCIAL ACTION

JHub

The Foundation's operating programme JHub underwent a staffing restructure and now has four full time members of staff.

HIGHER EDUCATION

Birkbeck, University of London

Based on the success of its first five years, supported by extensive reporting, output and testimonials, the Trustees approved a five year grant of £275,000 to Birkbeck, University of London for the Pears Institute for the Study of Antisemitism, for a social sciences lectureship post, which will enable the Institute to build on the multidisciplinary approach for which it has become widely respected.

DISCRETIONARY GRANTS

The Trustees repeated the annual Christmas Gifts programme, awarding grants of between £5,000 and £15,000 to small charities based around an annual theme. The theme for 2014 was Glasgow due to the Pears family's connections to the city. Sixteen gifts were made, totalling £105,000.

THE PEARS FAMILY CHARITABLE FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2015

Financial Review

Note 1

Where the grants are made in currencies other than sterling, the sterling equivalent is shown in this report.

Note 2

Grants awarded are rounded to the nearest £1,000.

The following grants were made of £100,000 or more:

| Organisation | Grant | Activities Funded |
|--|------------|--|
| The Royal Free Charity | £5,000,000 | Capital grant for the Pears Building |
| The Black Stork Charity | £3,000,000 | Capital grant for the Defence and National Rehabilitation Centre |
| Hebrew University of Jerusalem | £2,157,000 | Pears Scholars Initiative |
| Society of International Development | £304,000 | Establishment of OLAM |
| American Jewish Joint Distribution Committee | £303,000 | Entwine UK Service Corps |
| Birkbeck College | £275,000 | Pears Institute |
| Tomorrow's People Trust Ltd | £220,000 | Core funding |
| The Pennies Foundation | £200,000 | Core funding |
| University of Kent / the centre for philanthropy | £156,000 | Pears Philanthropy Fellow |
| Jewish Care | £150,000 | Core funding |
| Norwood | £150,000 | Core funding |
| University of Manchester | £142,000 | Post-doctoral research fellowship |
| Jewish Museum London | £136,000 | Core funding |
| Centre for Regional Engagement | £130,000 | Core funding |
| Tel Aviv University | £125,000 | Pears Innovation for International Development Programme |
| Crisis Action | £120,000 | Core funding |
| University of Glasgow | £101,000 | Olive Tree Initiative study trip – 3 year pilot |
| Citizenship Foundation | £100,000 | Go-Givers young philanthropy programme |
| PCAAF | £100,000 | Core funding |
| Quaker Social Action | £100,000 | Core funding |
| Richard House trust | £100,000 | Joint Palliative Transition Services pilot |

The above grants total £13,069,000 representing 79% of the total charitable expenditure in the year which amounted to £16,575,280

The reserves of the charity at the year-end were £17,309,385. The trustees review the level of reserves held on a regular basis to ensure there are sufficient funds available for the charity to meet its commitments as and when they fall due and make further commitments according to its strategic aims.

Pears Foundation is funded by donations and by returns on investment.

The investment policy of the Charity is for free cash to be held on deposit and for investments in both quoted and unquoted companies to provide income and growth for the future.

THE PEARS FAMILY CHARITABLE FOUNDATION

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2015

Plans for Future Period

2015 - 16 will see the continuation and renewal of a number of the Foundation's major strategic partnerships and further work to build capacity in the sectors that the Foundation supports, including partnerships with higher education institutions and organisations representing best practice in the area of special educational needs.

Strategic priorities for the year:

International development - staff will work to ensure the success of the new projects and programmes initiated this year such as First Give and OLAM.

Holocaust education – this is an important year for the Foundation's key partners. It will see the publication of ground-breaking research by the UCL Centre for Holocaust Education into children's understandings of the Holocaust, the twentieth anniversary of the National Holocaust Centre and Museum in Nottinghamshire and the piloting of the Shoah Foundation's New Dimensions in Testimony project at the Illinois Holocaust Museum and Education Centre.

Interfaith – the Foundation will seek to expand its contacts and networks in other faith groups and make relevant grants in support of interfaith programmes.

In terms of its internal priorities, the Foundation has commissioned an external communications review and hopes to implement the findings in the next year.

Signed on behalf of the charity trustees on ~~24th~~ 26th November 2015



T S Pears CMG
TRUSTEE

THE PEARS FAMILY CHARITABLE FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE PEARS FAMILY CHARITABLE FOUNDATION

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF THE PEARS FAMILY CHARITABLE FOUNDATION

We have audited the accounts of The Pears Family Charitable Foundation for the year ended 31 March 2015 set out on pages 11 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of accounts which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 March 2015 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

THE PEARS FAMILY CHARITABLE FOUNDATION

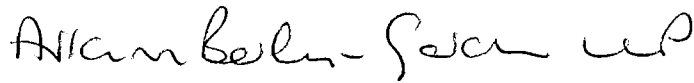
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE TRUSTEES OF THE PEARS FAMILY CHARITABLE FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Arram Berlyn Gardner LLP

Chartered Accountants

Statutory Auditor

30 City Road

London

EC1Y 2AB

Dated:

27 November 2015

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

THE PEARS FAMILY CHARITABLE FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2015

| | Notes | 2015 £ | Restated 2014 £ |
|---|-------|--------------------|-----------------------|
| <u>Incoming resources from generated funds</u> | | | |
| Donations and legacies | 2 | 13,488,291 | 10,476,313 |
| Dividend income from UK listed shares | | 6,241 | 6,074 |
| Dividend income from UK unlisted investments | | 149,662 | 144,708 |
| UK bank interest receivable | | 5,223 | 1,100 |
| Other incoming resources | | 1,044 | 2,403 |
| Total incoming resources | | 13,650,461 | 10,630,598 |
| <u>Resources expended</u> | | | |
| Charitable activities | | | |
| Revenue Funding | 3 | 7,793,801 | 9,456,564 |
| Capital Funding | | 8,110,759 | 1,927,779 |
| Discretionary Funding | | 735,197 | 879,618 |
| Operating Programme Funding | | 498,195 | 480,878 |
| Total charitable expenditure | | 17,137,952 | 12,744,839 |
| Governance costs | | 6,500 | 6,500 |
| Total resources expended | | 17,144,452 | 12,751,339 |
| Net outgoing resources | | (3,493,991) | (2,120,741) |
| Other recognised gains and losses | | | |
| Gains on investment assets | 9 | 2,626,679 | 1,635,063 |
| Net movement in funds | | (867,312) | (485,678) |
| Fund balances at 1 April 2014 | | 18,176,697 | 18,662,375 |
| Fund balances at 31 March 2015 | 13 | 17,309,385 | 18,176,697 |

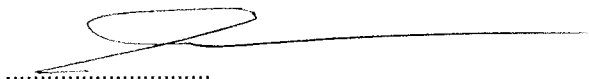
THE PEARS FAMILY CHARITABLE FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2015

| | Notes | 2015 | | 2014 | |
|---|-------|--------------------|--------------------|--------------------|---|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 8 | | 156,105 | | - |
| Investments | 9 | | 31,134,777 | 28,513,205 | |
| | | | <u>31,290,882</u> | <u>28,513,205</u> | |
| Current assets | | | | | |
| Debtors | 10 | 226,590 | | 80,998 | |
| Cash at bank and in hand | | 136,695 | | 223,550 | |
| | | | <u>363,285</u> | <u>304,548</u> | |
| Creditors: amounts falling due within one year | 11 | (8,715,092) | | (7,923,870) | |
| Net current liabilities | | | (8,351,807) | (7,619,322) | |
| Total assets less current liabilities | | | 22,939,075 | 20,893,883 | |
| Provisions for liabilities | 12 | | (5,629,690) | (2,717,186) | |
| Net assets | | | 17,309,385 | 18,176,697 | |
| Income funds | | | | | |
| Unrestricted income funds | | (6,869,111) | | (3,375,120) | |
| Revaluation reserve | 13 | 24,178,496 | | 21,551,817 | |
| | | | <u>17,309,385</u> | <u>18,176,697</u> | |
| | | | <u>17,309,385</u> | <u>18,176,697</u> | |

The accounts were approved by the Trustees on 26th November 2015


 Trevor S Pears CMG (Executive Chair)
 Trustee

THE PEARS FAMILY CHARITABLE FOUNDATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

| | Notes | 2015 £ | 2014 £ |
|---|-----------|------------------------|-----------------------|
| Net cash (outflow)/inflow from operating activities | 14 | (101,452) | 33,789 |
| Investment income | | <u>155,903</u> | <u>150,782</u> |
| Net cashflow on return on investments | | 155,903 | 150,782 |
| Capital expenditure and financial investment | | | |
| Payments to acquire tangible fixed assets | | <u>(156,105)</u> | - |
| Receipts from sales of investments | | <u>14,799</u> | - |
| Net cash (outflow) from capital expenditure and financial investment | | (141,306) | - |
| (Decrease)/increase in cash | 15 | <u>(86,855)</u> | <u>184,571</u> |

THE PEARS FAMILY CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 2011.

The charity has not consolidated subsidiary undertakings on the basis that their results are not material to the accounts of the charity.

Subsidiaries and Associates have been included in investments at their market value.

1.2 Incoming resources

Voluntary income is recognised on an accruals basis

Gifts in kind are recognised at the cost the Charity would have had to pay for these gifts.

1.3 Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Grants payable are charged in the year when the offer is conveyed to recipient except in those cases where the offer is conditional, such grants being included as expenditure when the conditions attaching are fulfilled.

1.4 Investment properties

Properties which are held for investment purposes are included in the balance sheet at their estimated market value. Investment properties are formally revalued at least every five years by professional valuers and are reviewed to ensure that the most recent formal valuation is still reasonable. No depreciation is provided on investment properties.

1.5 Investments

Revaluation of unquoted securities has been undertaken by the advisor to the charity, M I Bundhun FCA, based on his knowledge of these companies and has been confirmed by the trustees.

The quoted securities are stated at the middle market values ruling at the close of business on 31 March 2015.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currency are translated into sterling at the rate ruling at the balance sheet date or at a contractual rate where appropriate. Unrealised surplus or deficit arising on translation are dealt with through the profit and loss account.

2 Donations and legacies

| | 2015 | 2014 |
|---------------------|-------------------|-------------------|
| | £ | £ |
| Donations and gifts | <u>13,488,291</u> | <u>10,476,313</u> |

THE PEARS FAMILY CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

3 Total resources expended

| | Total | Grants | Wages | Office admin | Exchange gains |
|-----------------------------|-------------------|-------------------|----------------|-----------------|-------------------|
| | £ | £ | £ | £ | £ |
| Revenue Funding | 7,793,801 | 7,671,566 | 175,658 | 44,983 | (98,406) |
| Capital Funding | 8,110,759 | 8,041,981 | 58,569 | 10,209 | - |
| Discretionary Funding | 735,197 | 735,197 | - | - | - |
| Operating Programme Funding | 498,195 | 295,886 | 187,180 | 15,129 | - |
| | <u>17,137,952</u> | <u>16,744,630</u> | <u>421,407</u> | <u>70,321</u> | <u>(98,406)</u> |

4 Institutional Grants

During the year, the Charity made a total of 260 Institutional grants over £1,000.

The trustees of the charity have considered which grants made are material in the context of total grants made and these are listed in the trustees report.

5 Governance costs

Governance costs include audit fees of £6,500 (2014: £6,500).

6 Trustees

No remuneration was paid to the trustees of the Charity.

THE PEARS FAMILY CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

7 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2015 Number | 2014 Number |
|-------------------------------|----------------|----------------|
| Foundation Employees | 5 | 5 |
| Operating Programme Employees | 4 | 3 |
| | <u>9</u> | <u>8</u> |

Employment costs

| | 2015 £ | 2014 £ |
|--------------------|----------------|----------------|
| Wages and salaries | 421,407 | 395,287 |
| | <u>421,407</u> | <u>395,287</u> |

The number of employees whose remuneration was £60,000 or more were:

| | 2015 Number | 2014 Number |
|------------------|----------------|----------------|
| £90,000-£100,000 | 1 | - |
| £80,000-£90,000 | - | 1 |
| £60,000-£70,000 | - | 1 |
| | <u>1</u> | <u>2</u> |

8 Tangible fixed assets

| | Investment Property £ |
|--------------------------------------|-----------------------------|
| Cost | |
| At 1 April 2014 | - |
| Additions | 156,105 |
| At 31 March 2015 | <u>156,105</u> |
| Depreciation | |
| At 1 April 2014 and at 31 March 2015 | - |
| Net book value | |
| At 31 March 2015 | <u>156,105</u> |

THE PEARS FAMILY CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

8 Tangible fixed assets (Continued)

Comparable historical cost for the land and buildings included at valuation:

| | 2015 | 2014 |
|--------------------------|----------------|----------|
| | £ | £ |
| Cost | 156,105 | - |
| Accumulated depreciation | - | - |
| At 31 March 2015 | <u>156,105</u> | <u>-</u> |

The investment property was purchased during the year and a valuation was made by the Trustees at 31 March 2015.

9 Fixed asset investments

| | UK Quoted £ | UK Unquoted £ | Total £ |
|--------------------------------------|------------------|-------------------|-------------------|
| Market value at 1 April 2014 | 152,005 | 28,361,200 | 28,513,205 |
| Disposals at opening book value | (14,799) | - | (14,799) |
| Change in value in the year | (518) | 2,636,889 | 2,636,371 |
| Market value at 31 March 2015 | <u>136,688</u> | <u>30,998,089</u> | <u>31,134,777</u> |
| Historical cost: | | | |
| At 31 March 2015 | <u>156,323</u> | <u>7,775,745</u> | <u>7,932,068</u> |
| At 31 March 2014 | <u>171,122</u> | <u>7,775,745</u> | <u>7,946,867</u> |
| Unrealised gains on revaluation | 2,636,371 | | |
| Realised losses | (9,692) | | |
| | <u>2,626,679</u> | | |

Investments which are significant to the accounts at 31 March 2015 are:

| Company | Country of registration or incorporation | Shares held Class | % |
|------------------------------------|---|----------------------|----|
| Subsidiary undertakings | | | |
| Bickenhall Investments Limited | United Kingdom | Ordinary | 55 |
| Other significant interests | | | |
| Trendgrove Properties Limited | United Kingdom | Ordinary | 50 |
| William Pears Group Limited | United Kingdom | Ordinary | 8 |

THE PEARS FAMILY CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

9 Fixed asset investments

(Continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

| | Capital and reserves | Profit for the year |
|--|----------------------|---------------------|
| | £ | £ |
| Principle Activities | | |
| Bickenhall Investments Limited Property Investment | 7,589,636 | 143,671 |

10 Debtors

| | 2015 | 2014 |
|-----------------|----------------|---------------|
| | £ | £ |
| Loan receivable | 51,044 | 50,000 |
| Other debtors | 175,546 | 30,998 |
| | <u>226,590</u> | <u>80,998</u> |

11 Creditors: amounts falling due within one year

| | 2015 | 2014 |
|--|------------------|------------------|
| | £ | £ |
| Other creditors | 34,753 | 14,714 |
| Provisions for liabilities and charges | 8,680,339 | 7,909,156 |
| | <u>8,715,092</u> | <u>7,923,870</u> |

THE PEARS FAMILY CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

12 Provisions for liabilities and charges

As at the year end, various grant pledges had been made to organisations to be fulfilled over a period of time. All pledges have been made in order to fulfil the aims and objectives of the Foundation.

| | Total 2015 £ |
|--|--------------------|
| Amounts outstanding at 1 April 2014 | (10,626,342) |
| Amounts charged in the Statement of Financial Activities during the year | (16,575,280) |
| Exchange rate movement adjustments | (98,406) |
| Amounts paid during the year | 12,989,999 |
| | <hr/> |
| Outstanding at 31 March 2015 | (14,310,029) |
| | <hr/> <hr/> |
| Amount outstanding at 31 March 2015 payable in less than one year | (8,680,339) |
| Amount outstanding at 31 March 2015 payable in more than one year | (5,629,690) |
| | <hr/> |
| | (14,310,029) |
| | <hr/> <hr/> |

13 Analysis of net assets between funds

| | Total £ |
|---|-------------|
| Fund balances at 31 March 2015 are represented by: | |
| Tangible fixed assets | 156,105 |
| Investments | 31,134,777 |
| Current assets | 363,285 |
| Creditors and provisions falling due within one year | (8,715,092) |
| Creditors and provisions falling due after more than one year | (5,629,690) |
| | <hr/> |
| | 17,309,385 |
| | <hr/> <hr/> |
| Unrealised gains included above: | |
| On investments | 24,178,496 |
| | <hr/> |
| | 24,178,496 |
| | <hr/> <hr/> |
| Reconciliation of movements in unrealised gains | |
| Unrealised gains at 1 April 2014 | 21,551,817 |
| Net gains on revaluations in year | 2,626,679 |
| | <hr/> |
| Unrealised gains at 31 March 2015 | 24,178,496 |
| | <hr/> <hr/> |

THE PEARS FAMILY CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

| | | | |
|-----------|---|------------------|---------------|
| 14 | Net cash outflow from operating activities | 2015 | 2014 |
| | | £ | £ |
| | Reconciliation to changes in resources | | |
| | Changes in resources before revaluations | (3,493,991) | (2,120,741) |
| | Investment income | (155,903) | (150,782) |
| | Realised gains | (9,692) | - |
| | (Increase)/decrease in debtors | (145,592) | 93,783 |
| | Increase in creditors | 3,703,726 | 2,211,529 |
| | | (101,452) | 33,789 |

| | | | |
|-----------|---|----------------|----------------|
| 15 | Reconciliation of net cash flow to movement in net funds | 2015 | 2014 |
| | | £ | £ |
| | (Decrease)/increase in cash | (86,855) | 184,571 |
| | Net funds at 1 April 2014 | 223,550 | 38,979 |
| | Net funds at 31 March 2015 | 136,695 | 223,550 |

| | | | | | |
|-----------|--------------------------------------|------------------------|------------------|-------------------------|-------------------------|
| 16 | Analysis of net cash balances | At 1 April 2014 | Cash flow | Non-cash changes | At 31 March 2015 |
| | | £ | £ | £ | £ |
| | Cash at bank and in hand | 223,550 | (86,855) | - | 136,695 |
| | | 223,550 | (86,855) | - | 136,695 |

17 Related parties

Several of the trustees are also directors of the unquoted companies whose shares are owned by the charity and during the year, £13,280,648 (2014 - £9,325,897) was received in donations from The William Pears Group of Companies Limited, £149,662 (2014 - £143,923) was also received in dividends from William Pears Group Limited and Bickenhall Investments Limited. In addition £165,143 (2014 - £123,930) of gifts in kind were received from related parties.

THE PEARS FAMILY CHARITABLE FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

18 Gifts in kind

Included in donations are donated services and costs provided to the Foundation as follows

| | 2015 | 2014 |
|---|----------------|----------------|
| | £ | £ |
| Audit costs provided by Arram Berlyn Gardner LLP | 6,500 | 6,500 |
| Costs of Operating Programme provided by a company of which several of the trustees are Directors | 165,143 | 123,930 |
| | <u>171,643</u> | <u>130,430</u> |

19 Comparative figures

The resources expended for the year ended 31 March 2014 have been restated into new categories as the Trustees consider these are more appropriate to explain the activities of the Foundation.