

**THE BERKELEY CHARITABLE
FOUNDATION**

Report and Financial Statements

For the period ended 30 April 2016

Company Number: 8548400
Registered charity in England and
Wales: 1152596

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Reference and Administrative Information

Directors and Trustees

The Directors of the charitable company (the Charity) are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year end were as follows:

Anthony W Pidgley, CBE	
Robert C G Perrins	
Charmaine C Young, CBE	Resigned 22 April 2016
Wendy J Pritchard	
Elaine A Driver	Appointed 4 July 2016

Chief Executive

Charmaine C Young, CBE	Resigned 22 April 2016
Stuart H Cowen	Appointed 22 April 2016

Registered office

Berkeley House
19 Portsmouth Road
Cobham
KT11 1JG

Bankers

Barclays Bank Plc
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E14 5HP

Solicitors

Harbottle & Lewis LLP
Hanover House
14 Hanover Square
London W1S 1HP

Auditors

KPMG LLP
15 Canada Square
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E14 5GL

Charity registration number: 1152596

Company registration number: 8548400

Trustees' Report

The Trustees present their report and accounts for the year ended 30 April 2016 ("the year").

The accounts have been prepared in accordance with the policies set out in note 1 to the financial statements and comply with applicable law and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, Governance and Management

Governance

The Berkeley Charitable Foundation ("the Foundation"), a company limited by guarantee, was originally incorporated under the Companies Act 2006 on 29 May 2013 as The Berkeley Foundation 2013 and subsequently renamed The Berkeley Charitable Foundation on 22 July 2013.

The Charity's governing document is its Memorandum and Articles of Association and this sets out the Foundation's charitable objectives.

Organisation and Appointment of Trustees

The Trustees who have served during the year are set out on page 2. The statutory power of appointing a new Trustee is vested in the Trustees of the charity. The number of Trustees shall not be permitted to fall below three.

Trustee Induction and Training

On appointment all Trustees go through an induction process, explaining how the Foundation operates, what its purpose is and where the focus for charitable giving lies. Trustees have appropriate knowledge and training for their role, and the Foundation has experienced personnel in investment matters.

Regular reporting allows the Trustees to maintain close control of the Foundation's activities.

Organisational Structure and Decision Making

The Trustees meet quarterly and set the strategic goals of the Foundation. This includes the choice of charities supported, specific projects funded, the level of financial support and any external promotion. Trustees seek clear outputs from beneficiary charities.

The Trustees retain responsibility for all policy and decision making.

The Finance, Audit and Risk Committee meet in the months not covered by Trustee meetings and is responsible for reviewing the system of internal control and risk management of the Foundation, reviewing applications to the Foundation for funding, reviewing the Foundation's communication plans and overseeing the annual audit.

Officers, who are employees of The Berkeley Group, undertake the administration of the Foundation.

Performance of fundraising and beneficiary projects is reported to each Trustee and Finance, Audit and Risk Committee meeting.

Related Parties

The Berkeley Group provided goods and services to the value of £788,854 without charge, which is shown in the financial statements as both income and expenditure.

During the year ended 30 April 2016, Anthony Pidgley CBE was a Trustee of The Sir Simon Milton Foundation and Wendy Pritchard was a Trustee of Richard House, charities that are supported by the Foundation through grants or Job Creation subsidies. Whilst these charities are not deemed related parties, disclosure is provided for transparency.

The relevant Trustee does not take part in the decisions concerning the approval of funding commitments to the respective charity.

Risk Management

A risk register for the Foundation, incorporating the key risks facing the organisation, is regularly reviewed by the Finance, Audit and Risk Committee and updated where necessary. This is presented at the quarterly Trustees' meeting and approved annually by the Trustees.

The principal risks of the Foundation include public perception, adverse publicity and fraud.

The Foundation has policies, systems and procedures in place to mitigate these risks where practical, with support from Berkeley Group functions where necessary, including finance. In respect of the principal risks identified, this includes ensuring good quality and regular external reporting of the charity's activities and financial position, and appropriate segregation of duties and authority limits. In addition, a report was provided to the Trustees on the internal financial controls within the charity which concluded that they were fit for purpose and proportionate to the scale and complexity of the Foundation's business.

Mission Statement, Vision and Values

The overall Mission Statement of the Foundation is to help young people, their families and the communities in which the Berkeley Group works, with a vision of making a real difference by helping people to improve their lives and participate actively in society and thrive through their own efforts.

The principal values that the Foundation will conduct its work through are:

Learning & Awareness

- We strive to be a learning organisation which develops understanding and awareness of the nature and needs of our communities.

Empathy & Understanding

- We aim to promote empathy and understanding of the needs of individuals and neighbourhoods amongst staff, contractors and consultants.

Creativity & Innovation

- We will seek to bring an innovative approach to the Foundation's activities and future development.

Efficiency & Effectiveness

- We will seek to achieve the highest standards of efficiency and effectiveness in the management, deployment and effective utilisation of the financial and human resources invested by the Foundation.

Fairness & Integrity

- We will ensure that the Foundation, its strategic partners, designated charities, supported projects and sponsored organisations and individuals maintain the highest standards of fairness and integrity.

Involvement & Commitment

- We will seek to widen the involvement of Berkeley Group staff, contractors and consultants in the work of the Foundation through fundraising, volunteering, campaigning and advocacy.

Environmental Sustainability

- We will strive to achieve the most environmentally sustainable approach to the management, deployment and effective utilisation of the financial and human resources invested by the Foundation.

Activities, achievements and impact

Activities

The Foundation focuses on helping people in London and the South East of England in four key areas: Homes, Jobs, Skills and Care. We do this on three levels; through Strategic Partnerships, Designated Charities (chosen by Berkeley Group staff) and grants made through a Community Investment Fund.

This year has seen continued growth through the level of financial commitment we have made, along with continued staff support to our partnered charities through volunteering and mentoring in programmes. The table on page 6 illustrates our achievements against targets and some of the key charity partners who have worked with us this year.

i) Homes – Helping those facing homelessness and tackling its root causes

Rough sleeping in London has more than doubled in the six years since 2010. It rose by 16% in the last year alone. Sadly, a greater proportion than ever are 'returners' – people who were also registered as homeless in one of the two previous years.

This is a manifestation of the housing crisis facing the poorest and most vulnerable members of our society. And as funding cuts bite, the capacity of councils and homelessness charities to cope with rising demand is more restricted than ever.

While priority is given to housing homeless families with children, local authorities struggle most to help single homeless people, those aged 25-34, and those with complex needs, according to a study by Crisis and the Joseph Rowntree Foundation. These are people who often need intensive, personalised support across a range of different areas of their lives to enable them to successfully move forward.

Tackling homelessness is a key pillar of our strategy and we approach the issue in three ways: support for individuals and families facing and experiencing homelessness, support for homelessness organisations and support for the homelessness sector.

ii) Jobs – Creating jobs for the young, unemployed and homeless people

There are a huge range of opportunities available in London and the South East, from jobs in construction to the booming tech and creative sectors. It might appear that young Londoners have the world on their doorstep. The city is alive with new opportunities and exciting careers. Yet unemployment in London currently stands at 10.7% for 16-24 year olds: two and a half times higher than for those aged 25-64.

Growing up in London comes with some particular barriers. The job market in the Capital is extremely competitive, with highly skilled job seekers willing and able to move from elsewhere in the country. Young people in London are less likely to be in an apprenticeship than their peers in the rest of the country, and there is a disconnect between schools and the businesses on their doorsteps. A decent, sustainable job is one of the best routes out of poverty.

The Foundation supports projects that help young, unemployed and homeless people to gain a foothold in the labour market. What these projects have in common is an ability to forge connections between individuals and employers, creating the networks which are so vital in navigating the job market.

iii) Skills – Challenging, energising and training young people to reach their full potential

Young people need a wide variety of skills to make the most of their potential. They may want to build their technical knowledge through a degree or college course. Perhaps there is a specific piece of training which will help them get to where they want to be.

However, the foundations for success lie not in qualifications, but in soft skills: self-awareness and self-belief, confidence and motivation, communication skills and time-management. If somebody has these basic qualities, say many employers, the rest can be learned.

Too many young people are entering adulthood without these soft skills. Those without the support network of a solid family, friends and a well-equipped school are most at risk. This is often the group who will go on to become NEET (not in employment, education or training), and can become profoundly disengaged from society.

The Berkeley Foundation funds programmes that re-engage these young people, build their self-esteem and self-belief, and ignite a spark of enthusiasm which will help them take that next positive step into the future.

Sometimes this is about making young people aware of the opportunities that are available to them. But it is also about equipping them with the personal skills to seize opportunity when it comes. The programmes we support engage young people from a variety of backgrounds through a number of different mediums.

Wherever possible, we also use the skills of Berkeley staff to add real value to the projects we support and give young people an insight into professional life.

iv) Care – Helping people to live positively with disability or life limiting illness

Everyone should be able to live a full and fulfilling life, regardless of illness or disability. At the Berkeley Foundation, we support charities that open up opportunities for young people with disabilities. We also support organisations that care for people at the very end of their lives.

Our charity partners might provide sports sessions, the chance to go to university, or equipment and training that makes all the difference in securing a job. The Berkeley Homes Oxford & Chiltern office, meanwhile, provides work experience for young people with learning disabilities, helping them move closer to the reality of independent living. These are everyday things that can have an enormous impact on somebody's quality of life.

Many of our Designated Charities are hospices, providing end of life care with compassion and respect, and supporting families through the toughest of times. These charities are close to the hearts of Berkeley staff, dealing with issues of enormous human importance and our staff have really got behind the care sector this year with a huge amount of staff fundraising going to hospices and other caring organisations, from trekking Ben Nevis for Demelza, to climbing the Three Peaks for Helen & Douglas House.

Achievements

We evaluate all our major partnerships to ensure we are using our resources effectively to make as much difference as possible. We are striving to do this better all the time. Each Berkeley Group operating business has a three year plan in place with their Designated Charity and we track progress against these through annual reports.

The Foundation's 5 Year Strategic Plan published in 2014 set six clear, measurable targets for the five year period from 2014 to 2019, and we track all of our work against these. The progress against these in the last year and cumulatively since 2014 are set out below:

	Area	Target	Key partner charities	Achieved since April 2014
1.	Investment	By 2020 over £10 million will have been invested or committed by the Foundation.		£7.9 million has been invested or committed since the Foundation was formed, with £2.7 million since April 2014.
2.	Homes	Supported over 2,000 people facing or experiencing homelessness.	Shelter Crisis Spear Providence Row	Our partnerships with homelessness charities have reached 1,220 people facing or experiencing homelessness.
3.	Jobs	Helped over 1,000 unemployed people into work.	Mayor's Fund for London Job Creation Programme HeadStart London The Royal Parks London Youth Drive Forward	Our programmes have helped 388 unemployed people access a job or move back into education or training.
4.	Skills	Worked with over 1,000 young disadvantaged people to develop new skills, build personal confidence and take up education and training which helps them into employment.	Change Foundation Vauxhall City Farm Thrive Queen Elizabeth Foundation The Outward Bound Trust Adventure Learning Foundation Street Games Household Cavalry Foundation	Our programmes have helped 347 people develop new skills.

	Area	Target	Key partner charities	Achieved since April 2014
5.	Care	Extended our work in care by promoting opportunities for over 1,500 people with disabilities.	The Lord's Taverners Bexley SNAP Ellenor Demelza Royal Trinity Hospice Muscular Dystrophy UK Toyhouse Helen & Douglas House Daisy's Dream North London Hospice Rainbow Trust Surrey Young Carers Richard House Multiple Sclerosis Snowdon Trust The Royal London Society for Blind People Sir Simon Milton Foundation	Our partnerships have supported 4,864 people with illnesses and disabilities.
6.	Staff	By 2020 all Berkeley Group Staff are contributing to the work of the Foundation.		68% of staff surveyed in 2015 got involved in the Foundation.

We are therefore well placed to deliver our 2014 Strategic plan targets by 2020. The aim now is to ensure the quality of programmes and our impact across the three levels we have identified.

Impact

We seek to have an impact on three levels. We can have an impact on the lives of individual beneficiaries. We can have an impact on our partner organisations. And we can begin to have an impact on the wider environment. Some of these are more straightforward to understand and evaluate than others.

- **Individuals:** Almost all our partnerships have individual people at their heart. Their main purpose is to transform the lives of people who are homeless, unemployed or struggling with debilitating illness or disability. We do this by working with charitable partners to provide job opportunities, advice and guidance, training and vital care. We have very clear information about how many people are reached by each of our programmes. But it is also crucial to understand the impact of the programme on their lives. This is the focus of our work in 2016/17.
- **Organisations:** Building the capacity of our charitable partners to enable them to operate more effectively multiplies the impact of our work. It may enable them to reach more people, fundraise more effectively, or operate more sustainably. As part of our support, we offer our partner charities the opportunity to apply for a Job Creation Programme subsidy, which they can use to build their team by employing a new member of staff. We also draw on the skills of Berkeley staff with expertise ranging from IT to finance to marketing. We might help a charity to rebrand, or offer support with funding bids. We build long term relationships with our partners which often go way beyond fundraising. In 2016, we will begin working with the Cranfield Trust to help some of our smaller charitable partners to access pro-bono management consultancy from trained volunteer consultants.
- **Environment:** We also aim to shape the context we are operating in. This begins to address the causes as well as the symptoms of a problem. The impact can be broader and deeper, but also takes longer to achieve and is much more difficult to measure. Our focus in 2015/16 has been on Rethinking Homelessness, a collaborative project which brought together representatives from the homelessness sector, Public Health England and UCL to re-examine how we can best work with homeless people with multiple and complex needs. In partnership, we published a research paper and convened a seminar to disseminate our findings to as wide an audience as possible.

Investment

Funding for the Foundation comes from a variety of sources. The Berkeley Group staff raise money through sponsorship, Give As You Earn and by donating their time and talents. The Berkeley Group matches any monies raised, as well as providing the Foundation's 'core' funding, paying its overheads and covering the cost of specific events.

In 2015/16 we also received income from fundraising at Berkeley Group's Spring Party in April 2016, which celebrated 40 years of Berkeley Group and five years of the Foundation. This fundraising income was also matched by Berkeley Group. We also received a number of direct donations from individuals and companies who support our work.

Embedding the principle of shared value within The Berkeley Group provides a key resource. This is not simply "corporate social responsibility" – an add-on to the working day – it is fundamental to the positioning of the business within the communities in which it operates.

Already a significant percentage of The Berkeley Group staff support the work of the Foundation through direct giving, fundraising and volunteering. 68% of Berkeley staff surveyed contributed to the Foundation in 2015/16, an increase in numbers on the prior year, and 33% of all Berkeley staff were signed up to Give As You Earn at April 2016, resulting in Berkeley receiving Platinum in the Payroll Giving Quality Mark Award in 2016 for the third consecutive year.

Financial review

Incoming resources for the year were £1,750,006 (2015: £1,349,839). This includes funding from The Berkeley Group in respect of commitments and grants to charities approved by the Trustees, donated services from The Berkeley Group, amounts raised directly for the Foundation through fundraising and Give As You Earn contributions and direct donations from individuals and companies.

The increase in income from 2015 reflects increased contributions from GAYE, as well as fundraising from the Berkeley Group Spring Party in April 2016, with the funds raised matched by Berkeley Group.

Resources expended in the year totalled £1,824,235 (2015: £1,451,123). These relate to commitments and grants to Strategic Partnerships, Designated Charities and grants and donations to other charities within the Foundation's core focus areas and support costs paid for by The Berkeley Group.

Grants and donations totalling £1,211,081 were actually paid by the Foundation during the year, an increase of 30% on grants and donations paid in 2015 (£930,800), along with Job Creation subsidies of £108,120 (2015: £95,359).

In addition, a further £801,978 was raised by Berkeley Group staff via fundraising and Give As You Earn and donated directly to the Foundation's partner charities in the year (2015: £531,102). This amount is not reflected in these financial statements.

The value of the time and talent donated by Berkeley Group staff is also not included in these financial statements.

The charity is in a net asset position at year end of £817,112 (2015: £881,288). All funds were unrestricted at the year end.

Reserves policy

The Trustees policy is to maintain sufficient reserves to meet existing and forecast commitments to charities and subsidies under the Foundation's Job Creation Programme.

The reserves held at 30 April 2016, as set out in note 9 to the financial statements, complied with this policy as, given there are no running costs incurred by the Foundation, all reserves are available for distribution. The running costs of the Foundation are paid by The Berkeley Group, as set out in notes 3 and 4 to the financial statements.

Retirement of Chief Executive

Charmaine Young CBE retired as Chief Executive and Trustee of the Berkeley Foundation on 22 April 2016 after three years. Her hard work and determination took forward the vision to establish the Foundation and has turned it into a key element of Berkeley life that we are all proud of. We wish her well in her retirement.

Future actions

The Foundation will look to continue its Mission Statement, Vision and Values as set out on page 4. In order to do so the Foundation will continue to monitor current projects as well as new opportunities, at the discretion of its Trustees.

Our aims for the next five years, as set out in the Foundation's 5 Year Strategic Plan published in 2014, are:

- i. Build on the Foundation's successful work to date, deepening our profile, broadening our reputation and maximising our impact.
- ii. Continue to focus on our four key areas: Homes, jobs, skills and care.
- iii. Increase grants paid by a minimum of 10% every year, through Strategic Partnerships, Designated Charities and our Community Investment Fund, together with additional investment for continued subsidies to the Job Creation Programme.
- iv. Balance our investment, donating around 50% to Strategic Partnerships, around 25% to Designated Charities with the remaining 25% distributed through the Community Investment Fund.
- v. Continue to explore innovative ways of tackling the problems faced by disadvantaged young people, their families and communities.
- vi. Ensure at least 25% of the Foundation's investment comes from staff fundraising programmes, including GAYE.
- vii. Operate on the basis that all of the Foundation's funds are spent on charitable activities and good causes.
- viii. Monitor, evaluate and report our work and share our findings, to influence policy and practice.
- ix. Work with a small number of effective organisations where we can maximise the impact of our investment.
- x. Increase staff involvement so that everyone does something every year for the Foundation over the next five years.

We regularly review these aims to ensure that they remain relevant to the Foundation's work and strategy.

Public Benefit

The Trustees confirm that they have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties, including when reviewing the Foundation's aims and objectives and in planning future activities and setting grant making policy for the period.

The public benefit of the Charity's activities is outlined under Mission Statement, Vision and Values; Activities and Achievements; and Future Actions above.

Statement of Trustees' responsibilities in respect of the Trustees' Report and the Financial Statements

The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income 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 of the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- There is no relevant information of which the charity's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

By order of the board



R C G Perrins
Trustee
14 December 2016

Independent auditor's report to the members of The Berkeley Charitable Foundation

We have audited the financial statements of The Berkeley Charitable Foundation for the year ended 30 April 2016 set out on pages 12 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, 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.

Our responsibility is to audit, and express an opinion on, the financial statements 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 financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 April 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

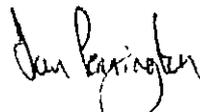
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Report, which constitutes the Directors' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Ian Pennington, Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square, London, E14 5GL

3rd January 2017

Statement of Financial Activities (incorporating the Income & Expenditure account)

for the year ended 30 April 2016

	Note	2016 Unrestricted funds £	2015 Unrestricted funds £
Income from:			
Donations and legacies	3	1,750,006	1,349,839
Investments		10,053	5,963
Total		<u>1,760,059</u>	<u>1,355,802</u>
Expenditure on:			
Charitable activities	4	(1,823,055)	(1,450,637)
Other		(1,180)	(486)
Total		<u>(1,824,235)</u>	<u>(1,451,123)</u>
Net expenditure		(64,176)	(95,321)
Reconciliation of funds:			
Total funds brought forward		881,288	976,609
Total funds carried forward		<u>817,112</u>	<u>881,288</u>

The notes on pages 15 to 19 form part of these financial statements.

The incoming resources and resulting net movement in funds in the financial year arise from continuing operations.

There are no recognised gains and losses other than those disclosed above.

Balance Sheet

at 30 April 2016

	Note	2016 £	2015 £
Current assets			
Debtors	6	194,669	7,291
Investments	7	750,000	-
Cash at bank		880,103	2,166,657
		<u>1,824,772</u>	<u>2,173,948</u>
Liabilities			
Creditors: amounts falling due within one year	8	(587,660)	(792,660)
		<u>1,237,112</u>	<u>1,381,288</u>
Net current assets			
Creditors: amounts falling due after one year	8	(420,000)	(500,000)
		<u>817,112</u>	<u>881,288</u>
Net assets			
Funds			
Unrestricted:			
General	9	817,112	881,288
Designated	9	-	-
		<u>817,112</u>	<u>881,288</u>

The notes on pages 15 to 19 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 14 December 2016 and were signed on its behalf by:



R C G Perrins
Trustee

Cash flow statement

	Note	2016 £	2015 £
Cash flows from operating activities	a	(536,554)	(347,472)
Cash flows from investing activities		(750,000)	-
Change in cash and cash equivalents in the reporting period		<u>(1,286,554)</u>	<u>(347,472)</u>
Cash and cash equivalents at the beginning of the reporting period	b	2,166,657	2,514,129
Cash and cash equivalents at the end of the reporting period	b	<u><u>880,103</u></u>	<u><u>2,166,657</u></u>

NOTES TO THE CASH FLOW STATEMENT

a. Reconciliation of net expenditure to net cash flow from operating activities

	2016 £	2015 £
Net expenditure for the reporting period	(64,176)	(95,321)
(Increase) in debtors	(187,378)	(644)
(Decrease) in creditors	(285,000)	(251,507)
Net cash used in operating activities	<u><u>(536,554)</u></u>	<u><u>(347,472)</u></u>

b. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank	<u><u>880,103</u></u>	<u><u>2,166,657</u></u>
Cash equivalents on deposit	7 <u><u>750,000</u></u>	<u><u>-</u></u>

Notes

(forming part of the financial statements)

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation meets the definition of a public benefit entity under FRS 102.

In the transition to FRS 102, all the accounting policies have been aligned with the new accounting standard. There have been no material changes to the amounts, classification or presentation within the financial statements. The transition date was 1 May 2014.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.2 Income

Income is recognised when:

- the Foundation has unconditional entitlement to the resources;
- the receipt of the income is considered probable; and
- the value can be reliably measured.

1.3 Expenditure and liabilities

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Grants payable are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

The estimated value of the time of staff employed by The Berkeley Group is accounted for as donated services, as are the costs paid for by The Berkeley Group on behalf of the Foundation. An equal amount is accounted for as a cost within support or governance costs as appropriate.

Governance costs represent the costs of meeting legal, constitutional and statutory requirements of the Foundation.

1.4 Fund accounting

The Foundation has various types of funds for which it is responsible and which require separate disclosure. These are as follows:

Restricted Funds

Donations that are subject to specific conditions specified by the donor are recorded as restricted funds. From these funds, the donations and any income derived there from may only be utilised in accordance with the specific conditions. There were no Restricted Funds at the period end.

Unrestricted funds

The Foundation has two categories of unrestricted funds:

General Funds – These funds are expendable at the discretion of the Trustees in furtherance of the objectives of the Foundation. These resources arise from the accumulated surpluses and deficits on the provision of general charitable activities

Designated Funds – These funds have a designated purpose as determined by the Trustees. Transfers have been made from general funds to designated funds during the year to cover the expected value of subsidies payable under the Foundation's Job Creation Programme, where the Foundation has offered a subsidy to each of its partner charities to help them to create a new job within their organisation.

Designated funds remain at the discretion of the Trustees and may be transferred to general funds if deemed necessary.

1.5 Taxation

The Berkeley Charitable Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge has arisen in the period.

1.6 Current asset investments

Current asset investments represent cash on deposit or cash equivalents with a maturity of less than one year held for investment purposes. Income from investments represents interest earned on cash deposits up to the balance sheet date.

1.7 Preparation of the accounts on a going concern basis

These financial statements are prepared on a going concern basis. The Foundation's reserve policy is to maintain sufficient reserves to meet existing and forecast commitments to charities and subsidies under the Foundation's Job Creation Programme, with all commitments approved by the Trustees forward funded at each balance sheet date. In addition, the costs of the Foundation are also borne by Berkeley Group. As a result, the Trustees have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

The Trustees are also of the view that there are no material uncertainties about the entity's ability to continue as a going concern.

2 Legal status of the charity

The charity is a company limited by guarantee, incorporated in the UK, and has no share capital. In the case of an insolvent winding up the members will be required to contribute the amount of £1 each to the assets of the charity.

3 Income

	2016	2015
	£	£
Funding from The Berkeley Group	489,176	387,589
Fundraising and Gift Aid	208,940	107,644
GAYE (including match funding)	260,436	174,421
Other donations	2,600	4,200
Donated services	788,854	675,985
	<u>1,750,006</u>	<u>1,349,839</u>

Funding from The Berkeley Group is primarily in respect of the forward funding of commitments and grants approved by the Trustees and charged to the Statement of Financial Activities in the year, as well as to meet forecast commitments to charities and subsidies under the Foundation's Job Creation Programme, as set out in the Foundation's Reserves Policy on page 8.

Donated services reflect the approximate cost of services provided free to the charity by The Berkeley Group, and the costs paid for by The Berkeley Group on behalf of the Foundation. These costs, totalling £780,409 (2015: £667,540), are included in charitable activities, as set out in note 4 below.

In addition, KPMG LLP fees and Trustee indemnity insurance are paid for by The Berkeley Group. These costs, totalling £8,445 (2015: £8,445), are also set out in note 4 below.

Notes (continued)
(forming part of the financial statements)

4 Charitable activities

	2016	2015
	£	£
Commitments charged in the year (Note 5)	1,034,201	774,652
Support costs allocated	780,409	667,540
Governance costs	8,445	8,445
	<u>1,823,055</u>	<u>1,450,637</u>

Support costs allocated

The Foundation has five employees, including the Chief Executive. Their costs are paid for by The Berkeley Group. Emoluments and reimbursed expenses were not paid to any other Trustees during the period, who are all employees of The Berkeley Group.

The administration of the Foundation is carried out by the Trustees with assistance from employees of The Berkeley Group.

The aggregate payroll costs of the Foundation's employees and of employee services provided by The Berkeley Group are:

	2016	2015
	£	£
Wages and salaries	490,256	378,350
Employer's National Insurance	56,560	48,815
Pension costs	41,348	30,927
	<u>588,164</u>	<u>458,092</u>

In addition, other costs of £192,245 were paid by The Berkeley Group on behalf of the Foundation (2015: £209,448).

Governance costs

Governance costs comprise KPMG LLP fees and Trustee indemnity insurance, as set out below:

	2016	2015
	£	£
Trustee indemnity insurance	3,445	3,445
Fees payable to auditor – external audit	5,000	5,000
	<u>8,445</u>	<u>8,445</u>

Notes (continued)

(forming part of the financial statements)

5 Grants and Commitments

During the year £1,034,021 of grants and commitments made were charged to the Statement of Financial Activities.

Beneficiary	2016 £	2015 £
Strategic Partnerships		
- The Lord's Taverners	330,000	-
- Shelter	-	360,000
The Challenge (HeadStart London)	100,000	-
Other charities (£50,000 or less)	493,081	326,460
Job Creation Programme subsidies	115,000	117,500
Release of commitments previously made	(3,880)	(29,308)
	<u>1,034,201</u>	<u>774,652</u>

The commitments to the Foundation's Strategic Partnerships are multi-year agreements with payments due on specific dates.

Payments made during the year are set out below:

	2016 £	2015 £
Grants payable brought forward (note 8)	1,292,660	1,544,167
Amounts charged to the Statement of Financial Activities	<u>1,034,201</u>	<u>774,652</u>
	2,326,861	2,318,819
Payments in the year:		
Grants and donations	(1,211,081)	(930,800)
Job Creation Subsidies	(108,120)	(95,359)
	<u>1,007,660</u>	<u>1,292,660</u>

6 Debtors

	2016 £	2015 £
Fundraising and Give As You Earn	190,740	5,543
Interest	3,929	1,748
	<u>194,669</u>	<u>7,291</u>

7 Investments

	2016 £	2015 £
Cash equivalents on deposit	<u>750,000</u>	<u>-</u>

Current asset investments represent cash on deposit or cash equivalents with a maturity of less than one year held for investment purposes.

Notes (continued)

(forming part of the financial statements)

8 Creditors

	2016	2015
	£	£
Amounts falling due within one year - grants payable	<u>587,660</u>	<u>792,660</u>
Amounts falling due after one year - grants payable	<u>420,000</u>	<u>500,000</u>

9 Movement of funds

	General	Unrestricted Designated	Total
	£	£	£
Opening balance	881,288	-	881,288
Incoming resources	1,760,059	-	1,760,059
Transfers	(115,000)	115,000	-
Outgoing resources	(1,709,235)	(115,000)	(1,824,235)
Funds at 30 April 2016	<u>817,112</u>	<u>-</u>	<u>817,112</u>

Designated funds have a designated purpose as determined by the Trustees. Transfers have been made from general funds to designated funds during the year to cover the expected value of subsidies payable under the Foundation's Job Creation Programme, where the Foundation has offered a subsidy to each of its partner charities to help them to create a new job within their organisation.

10 Related Party Transactions

The Berkeley Group has provided funding to the Foundation and has also provided donated services, as set out in notes 3 and 4 above.