

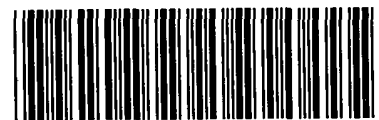
Registered number: 06518174
Charity number: 1134546

SHIFT FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 March 2016

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SHIFT FOUNDATION
(A Company Limited by Guarantee)

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SHIFT FOUNDATION

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
For the Year Ended 31 March 2016

Trustees

S P Harris, Trustee
D N Robinson, Trustee
J C Ross, Trustee (resigned 7 March 2016)
E A Owen, Trustee (appointed 7 March 2016)

Company registered number

06518174

Charity registered number

1134546

Registered office

71 St John Street
London
EC1M 4NJ

Chief executive officer

Nick Stanhope

Independent auditors

Goodman Jones LLP
29-30 Fitzroy Square
London
W1T 6LQ

Bankers

The Co-Operative Bank Plc
P.O. Box 101
1 Balloon Street
Manchester
M60 4EP

SHIFT FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT
For the Year Ended 31 March 2016

The Trustees present their annual report together with the audited consolidated financial statements of Shift Foundation and subsidiaries for the period 1 April 2015 to 31 March 2016.

Objectives and Activities

a. Policies and objectives

The Charity's objects are:

- (a) To advance the education of the public in the subjects of environmental and social behaviours and impacts, active citizenship, and community cohesion;
- (b) To research for the public benefit all aspects of the educational outcomes of the aforementioned subjects and to publish and promote the results;
- (c) To advance the education of young people (including without limitation social, environmental and community training) in such ways as the Charity's Trustees think fit by:
 - i providing programmes and workshops on such matters as leadership, citizenship and campaigning;
 - ii launching campaigns to raise awareness and increase the engagement of young people; and
 - iii producing materials and resources that can be used by education practitioners to raise awareness of environmental and social issues
- (d) Such other charitable purposes as the Trustees at their absolute discretion might from time to time determine.

In accordance with Charity Commission guidance on public benefit (section 4 of Charities Act 2011), the Charity achieves this by designing products and services that help prevent and reduce social problems through positive behaviour change.

SHIFT FOUNDATION
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TRUSTEES' REPORT (continued)
For the Year Ended 31 March 2016

b. Activities for achieving objectives

During the year, the Charity commenced carrying out activities to meet its objectives as set out above. The Charity used restricted grants of £79,739 to pursue this work from a Google Impact Challenge grant to fund testing and trial work on the video game prototype that trains young people to strengthen their emotional resilience. The Charity also received a grant of £269,371 (total grant to the Group of £293,759) from the Nominet Trust, transferred from Historypin CIC (previously named Shift Design CIC) with agreement from the Grantee and respective Boards of Directors and Trustees, to continue work on the remaining programmes as listed below.

In the year under review:

1. **Mental Health Programme:** Evaluated the biofeedback videogame through a randomised control trial (RCT) in January and February 2016. The results of the trials were positive and indicated that the videogame is effective in teaching the habits required to improve wellbeing amongst young people.

2. **Healthy Food Programme:** Continued development of a product offering for public health teams seeking to improve 'obesogenic environments.' The offering consists of three main components:

a. **Assessment and mapping** - our assessment methodology and algorithm is applied to local takeaway outlet data to generate a map of the food environment based on the healthiness of takeaway food;

b. **Intervention design and implementation** - using the map to identify problems and develop priorities, we work with council teams to design and roll-out interventions with local businesses;

c. **Accreditation and marketing** - we work with partners to assess and rate businesses on an ongoing basis, providing business benefits for health improvements through marketing, including the roll-out of consumer facing applications.

Since the year-end this has now secured further funding, including a £250,000 grant from The Esmee Fairburn Foundation.

3. **Energy in the Home Programme:** Our research into smart meters sought to create a product concept that uses smart meter data in a social context to increase energy efficiency behaviours amongst domestic-scale energy users. We developed a product concept and a draft theory of change.

4. **Historypin CIC:** In the year Historypin secured a grant from Big Lottery to develop its story telling service targeting socially isolated older people in Newcastle, Leeds and Norfolk. Historypin also secured a grant from Heritage Lottery Fund to develop a full scale application for the story telling service in Kings Cross, London.

5. **Shift Ventures Trust:** During the year Shift Foundation made a £5,000 loan to a new unincorporated trust, Shift Ventures Trust (SVT). The Trustees also decided during the course of the year to transfer any assets under development associated with the biofeedback video game to SVT as this represented the best way to maximise the charitable impact in accordance with the Shift Foundation's charitable objects. SVT subsequently incorporated a new company, BfB Labs Ltd, in to which it placed these assets. Shift Foundation commenced the provision of shared services (research and evaluation, finance, office space) to BfB Labs Ltd.

c. Main activities undertaken to further the charity's purposes for the public benefit

In accordance with Charity Commission guidance on public benefit (section 4 of Charities Act 2011), the Charity achieves this by designing products and services that help prevent and reduce social problems through positive behaviour change.

Shift Foundation hold shares in Historypin CIC, formerly Shift Design CIC (and formerly We Are What We Do CIC). Historypin CIC provides products, services, and campaigns that promote positive behaviour change.

SHIFT FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
For the Year Ended 31 March 2016

Achievements and performance

a. Review of activities

During the year under review, the Charity carried out five main programmes of work:

1. **Mental Health Programme:** Continued research and product development to prevent the onset of mental health problems with a focus on an emotionally responsive game, which teaches young people the skills to regulate their emotions and increase their well-being.
2. **Healthy Food Programme:** Continued research and product development redesigning 'obesogenic' environments, working to increase the availability of healthier and affordable takeaway food in low-income areas and help improve the diets and health outcomes for disadvantaged families.
3. **Energy in the Home Programme:** Initial research and product development into how smart meter data can be leveraged within social networks to increase energy efficiency behaviours amongst households.
4. **Social Isolation Programme:** Through our subsidiary, Historypin CIC, continued provision of products and commissioned services to make a positive impact on social isolation, particularly amongst older people.
5. **Shift Ventures Trust:** Supported, via a loan of £5,000, the setting up of the Shift Ventures Trust (SVT), an independent unincorporated trust, with an independent Board of Trustees, and the same charitable objects as the Shift Foundation. SVT has been established to incorporate new legal entities as vehicles to take to market new products that emerge from the Shift Foundations product development process. Shift Foundation has commenced the provision of shared services for new ventures incorporated by SVT, such as research and evaluation support, finance, and office space. The loan, and subsequent support to SVT owned entities, supports the Shift Foundation's charitable objects because SVT's charitable objects are identical to the Shift Foundation, and in the opinion of the Trustees, SVT and its subsidiaries, represent the best chance to maximise the charitable impact of Shift Foundations for the products it develops when external seed capital is required to launch the product to market.

Shift continues to develop a research and product design process, centred around a robust theory of change and an iterative product prototype building activity, which guides all ongoing programmes of work. We apply this design process to ensure that all our ventures meet effective and robust criteria.

b. Programme related investments

During the year, Shift Foundation acquired the remaining 61% holding in Historypin CIC, formerly Shift Design CIC (and formerly We Are What We Do CIC). Historypin CIC provides products, services, and campaigns that promote positive behaviour change.

Shift Foundation also made a £5,000 loan to Shift Ventures Trust, to support its setting up and application to become an independent charity in its own right.

SHIFT FOUNDATION
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TRUSTEES' REPORT (continued)
For the Year Ended 31 March 2016

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Financial review

The results for the Group are set out in the Consolidated Statement of Financial Activities on page 10. For the year ended 31 March 2016, the Group had incoming resources of £1,040,671 compared with £210,123 in the previous financial year (when consolidated accounts were not produced and not required). Resources expended by the Group amounted to £1,043,909, compared with £124,815 in the preceding financial year. At the balance sheet date, the Group had total reserves of £212,685, of which £86,407 are unrestricted reserves.

The Foundation's incoming resources for the year totalled £391,559 against £210,123 in the previous financial year. Resources expended by The Foundation for the year totalled £413,777 compared with £124,815 in the preceding financial year. The Charity's total reserves as at 31 March 2016 were £63,130, of which £56,537 constituted restricted funds and £6,593 constituted unrestricted funds.

The Group and Charity's main sources of income are contracts and grants.

c. Reserves policy

The Trustees aim to maintain a level of reserves sufficient to survive inevitable fluctuations in income and expenditure from year to year, and in particular to meet its statutory, contractual and ethical obligations. The Trustees also aim to build reserves to invest in developing the Charity.

At the balance sheet date, total reserves of the parent charity were £63,130, of which £6,593 are unrestricted reserves.

Structure, governance and management

a. Constitution

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association 28th February 2008

The Charity is constituted under its Articles of Association dated 28th February 2008 and is a registered charity under number 1134546.

The principal object of the Charity is to deliver community and educational projects that are guided by three main principles of empowerment, inclusion and collaboration.

The Charity changed its name to Shift Foundation on 12th November 2014. It was formerly known as We Are What We Do Foundation.

SHIFT FOUNDATION
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TRUSTEES' REPORT (continued)
For the Year Ended 31 March 2016

b. Method of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The Trustees were appointed by the Members on incorporation. Trustees are required to retire by rotation every three years but shall be eligible for re-election for a further three year term; they shall not be eligible for reappointment for at least one year having served two three year terms. Training and induction is available to new trustees.

c. Pay policy for senior staff

Remuneration of all personnel, including key management personnel is reviewed annually with pay setting according to the specifics changes of the role under review and the performance of personnel in that role.

d. Organisational structure and decision making

The Board meets regularly to set the overall strategic direction of the organisation and to monitor progress of the Foundation's work. Day to day management of the Charity is the responsibility of Chief Executive and Senior Management Team.

e. Risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks. The major risks comprise ill-performing investment strategy, failure of projects that receive funding (including, not achieving project objectives), loss of key personnel, financial sustainability and fraud.

The Trustees will carry out annually a formal review of the major risks. All identified risks will be graded as to whether they are perceived as a high, medium or low risk to the Foundation. Systems will continue to be established to monitor and manage those risks. The major risks have all been reviewed and systems or procedures established to manage those risks.

Plans for future periods

a. Future developments

In the short and medium term, the Charity will continue to develop consumer products and build social ventures with a particular focus on mental well-being and healthy fast food.

Trustees' responsibilities statement

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

Company law requires the Trustees to prepare financial statements for each financial year. 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 the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Trustees are required to:

SHIFT FOUNDATION
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TRUSTEES' REPORT (continued)
For the Year Ended 31 March 2016

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in operation.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable Group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable Group's auditors are aware of that information.

This report was approved by the Trustees on 21/12/2016 and signed on their behalf by:



.....
S P Harris, Trustee

SHIFT FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIFT FOUNDATION

We have audited the financial statements of Shift Foundation for the year ended 31 March 2016 set out on pages 10 to 29. 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 charitable company's members, as a body, in accordance with section 151 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 charitable company's members 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Charity 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 151 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent 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 financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements 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 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 31 March 2016 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

SHIFT FOUNDATION
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SHIFT 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 financial statements; or
- the parent Charity has not kept adequate accounting records; or
- the parent Charity financial statements 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report.



Goodman Jones LLP

29-30 Fitzroy Square
London
W1T 6LQ

Date: 21.12.2016

Goodman Jones LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

SHIFT FOUNDATION
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
For the Year Ended 31 March 2016

	Note	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations and legacies	2	449,811	247,203	697,014	210,000
Charitable activities	3	-	343,469	343,469	-
Investments	4	-	188	188	123
Total income		449,811	590,860	1,040,671	210,123
Expenditure on:					
Raising funds	5	-	7	7	354
Charitable activities	6	403,272	640,630	1,043,902	124,461
Total expenditure		403,272	640,637	1,043,909	124,815
Net income / (expenditure) before investment gains		46,539	(49,777)	(3,238)	85,308
Net gains on acquisitions		-	130,615	130,615	-
Net income before other recognised gains and losses		46,539	80,838	127,377	85,308
Net movement in funds		46,539	80,838	127,377	85,308
Reconciliation of funds:					
Total funds brought forward		79,739	5,569	85,308	-
Total funds carried forward		126,278	86,407	212,685	85,308

All activities relate to continuing operations.

The notes on pages 15 to 29 form part of these financial statements.

SHIFT FOUNDATION**(A company limited by guarantee)**

CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**For The Year Ended 31 March 2016**

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:				
Donations and legacies	314,371	33,322	347,693	210,000
Charitable activities	-	43,805	43,805	-
Investments	-	101	101	123
Total income	314,371	77,228	391,599	210,123
Expenditure on:				
Raising funds	-	7	7	354
Charitable activities	337,573	76,197	413,770	124,461
Total expenditure	337,573	76,204	413,777	124,815
Net income / (expenditure) before other recognised gains and losses	(23,202)	1,024	(22,178)	85,308
Net movement in funds	(23,202)	1,024	(22,178)	85,308
Reconciliation of funds:				
Total funds brought forward	79,739	5,569	85,308	-
Total funds carried forward	56,537	6,593	63,130	85,308

All activities relate to continuing operations.

SHIFT FOUNDATION**(A Company Limited by Guarantee)****Registered number: 06518174****CONSOLIDATED BALANCE SHEET****As at 31 March 2016**

	Note	£	2016 £	£	2015 £
Fixed assets					
Intangible assets	11		14,112	-	-
Tangible assets	12		4,010	-	-
Investments	14	1	-	-	-
Programme related investments	13	5,000	-	-	-
Total investments			5,001	-	-
Investments in associates	14		-	413	413
			23,123		413
Current assets					
Stocks	16	250	-	-	-
Debtors	17	306,572	-	-	-
Cash at bank and in hand		125,849	101,943		
		432,671	101,943		
Creditors: amounts falling due within one year	18	(243,109)	(17,048)		
Net current assets			189,562		84,895
Net assets			212,685		85,308
Charity Funds					
Restricted funds	19		126,278	79,739	79,739
Unrestricted funds	19		86,407	5,569	5,569
Total funds			212,685		85,308

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 21st Dec 2016 and signed on their behalf, by:



S P Harris, Trustee

The notes on pages 15 to 29 form part of these financial statements.

SHIFT FOUNDATION

(A Company Limited by Guarantee)

Registered number: 06518174

CHARITY BALANCE SHEET

As at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Investments	14	1,065		413	
Programme related investments	13	5,000		-	
Total investments			6,065		413
			6,065		413
Current assets					
Debtors	17	84,633		-	
Cash at bank and in hand		28,062		101,943	
		112,695		101,943	
Creditors: amounts falling due within one year	18	(55,630)		(17,048)	
Net current assets			57,065		84,895
Net assets			63,130		85,308
Charity Funds					
Restricted funds	20		56,537		79,739
Unrestricted funds	20		6,593		5,569
Total funds			63,130		85,308

The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Trustees on 21st Dec 2016 and signed on their behalf, by:



S P Harris, Trustee

The notes on pages 15 to 29 form part of these financial statements.

SHIFT FOUNDATION
(A Company Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT
For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	<u>(121,039)</u>	<u>101,943</u>
Cash flows from investing activities:			
Net cash to acquire subsidiary		150,955	-
Purchase of tangible fixed assets		(1,010)	-
Purchase of programme related investments		<u>(5,000)</u>	<u>-</u>
Net cash provided by investing activities		<u>144,945</u>	<u>-</u>
Change in cash and cash equivalents in the year		23,906	101,943
Cash and cash equivalents brought forward		<u>101,943</u>	<u>-</u>
Cash and cash equivalents carried forward	23	<u><u>125,849</u></u>	<u><u>101,943</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared 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

Shift Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

First time adoption of FRS 102 and reconciliation with previous Generally Accepted

1.2 Accounting Practice

It is the first year that the Charity has presented its financial statements under SORP 2015 and FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Shift Foundation and all of its subsidiary undertakings ('subsidiaries'), with the exception of Hpin Design Ltd which was dormant for the entire period.

1.4 Company status

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity.

SHIFT FOUNDATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

1. Accounting Policies (continued)

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.6 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

SHIFT FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

1. Accounting Policies (continued)

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

1. Accounting Policies (continued)

1.10 Intangible fixed assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation is provided at the following rates:

Development expenditure	-	4 years
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1.11 Tangible fixed assets and depreciation

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line
Website and software	-	25% straight line

1.12 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Programme-related investments in the form of loans are measured initially at cost and adjusted subsequently to reflect repayments, any accrued interest, and (if necessary) any impairment.

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Associated undertakings**
Investments in associates are stated at the amount of the Charity's share of net assets. The Statement of Financial Activities includes the Charity's share of the associated companies' profits after taxation using the equity accounting basis.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

1. Accounting Policies (continued)

1.13 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.14 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.15 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.16 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.17 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.18 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.19 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

2. Income from donations and legacies

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	1,060	1,060	10,000
Grants	449,811	246,143	695,954	200,000
	<u>449,811</u>	<u>246,143</u>	<u>695,954</u>	<u>200,000</u>
Total donations and legacies	<u>449,811</u>	<u>247,203</u>	<u>697,014</u>	<u>210,000</u>

In 2015, of the total income from donations and legacies, £10,000 was to unrestricted funds and £200,000 was to restricted funds

3. Income from charitable activities

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Community Projects	-	343,469	343,469	-
	<u>-</u>	<u>343,469</u>	<u>343,469</u>	<u>-</u>

4. Investment income

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	-	188	188	123
	<u>-</u>	<u>188</u>	<u>188</u>	<u>123</u>

In 2015, of the total investment income, £ 123 was to unrestricted funds and £ NIL was to restricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

5. Costs of generating voluntary income

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Fundraising costs	-	7	7	354

In 2015, of the total costs of generating voluntary income, £ 354 was to unrestricted funds and £ NIL was to restricted funds.

6. Analysis of resources expended by activities

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	<i>Total 2015 £</i>
Community Projects	351,460	692,442	1,043,902	124,461

7. Direct costs

	Community Projects £	Total 2016 £	<i>Total 2015 £</i>
Project costs	357,489	357,489	42,349
Shared service costs	1,770	1,770	-
Profit or loss on foreign exchange	(7,799)	(7,799)	-
	351,460	351,460	42,349

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

8. Support costs

	Community Projects	Total 2016	Total 2015
	£	£	£
Legal fees	12,833	12,833	23
Accountancy fees	22,203	22,203	291
Consultancy fees	2,172	2,172	600
Governance - Audit fee	3,600	3,600	4,200
Insurance	3,493	3,493	253
Shared service costs	3,765	3,765	-
Rent and improvement works	45,370	45,370	-
Light and heat	2,065	2,065	-
Travel and subsistence	5,477	5,477	-
Entertainment	5,740	5,740	-
Printing, postage, stationery and design	3,180	3,180	-
Computer and software	4,296	4,296	-
Office expenses	12,044	12,044	-
Bank charges	784	784	-
Recruitment and staff training	1,337	1,337	-
Marketing and PR	1,433	1,433	-
Telephone	3,489	3,489	-
Research & Development	1,402	1,402	-
Bad debt	(2,550)	(2,550)	-
Wages and salaries	498,121	498,121	72,158
National insurance	44,118	44,118	4,587
Depreciation	18,070	18,070	-
	692,442	692,442	82,112

Of the total support costs above, £265,677 are attributable to project costs and £37,531 to shared service costs.

9. Net incoming resources/(resources expended)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	18,070	-
Governance - Audit fee	9,750	4,200

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

10. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	498,121	72,158
Social security costs	44,118	4,587
	<u>542,239</u>	<u>76,745</u>

The average number of persons employed by the Charity during the year was as follows:

2016 No.	2015 No.
7	7

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £70,001 - £80,000	1	0

Total remuneration and benefits received by key management personnel of the Group was £71,000.

11. Intangible fixed assets

Group	Develop- ment £
Cost	
On acquisition of subsidiaries	28,364
At 31 March 2016	<u>28,364</u>
Amortisation	
Charge for the year	14,252
At 31 March 2016	<u>14,252</u>
Carrying amount	
At 31 March 2016	<u>14,112</u>

SHIFT FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

12. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Group				
Cost				
Additions	-	1,010	-	1,010
On acquisition of subsidiaries	957	4,086	1,773	6,816
At 31 March 2016	957	5,096	1,773	7,826
Depreciation				
Charge for the year	580	1,463	1,773	3,816
At 31 March 2016	580	1,463	1,773	3,816
Net book value				
At 31 March 2016	377	3,633	-	4,010

13. Programme related investments

	Programme related investments £
Group	
Market value	
Additions	5,000
At 31 March 2016	5,000

Programme related investments comprise:

	Loan 2016 £	Total 2015 £
Shift Ventures Trust	5,000	-
		Programme related investments £
Charity		
Market value		
Additions		5,000
At 31 March 2016		5,000

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

14. Fixed asset investments

Group	Shares in group undertakings £	Investments in participating interests £	Total £
Market value			
At 1 April 2015	-	413	413
On acquisition of subsidiary undertakings	1	(413)	(412)
	<u>1</u>	<u>-</u>	<u>1</u>
At 31 March 2016	<u>1</u>	<u>-</u>	<u>1</u>
Charity			
Market value			
At 1 April 2015	-	413	413
Additions	1,065	-	1,065
On acquisition of subsidiary undertakings	-	(413)	(413)
	<u>1,065</u>	<u>-</u>	<u>1,065</u>
At 31 March 2016	<u>1,065</u>	<u>-</u>	<u>1,065</u>

15. Principal subsidiaries

Shift Foundation owns the entire share capital of the company listed below:

Company name	Country	Percentage Shareholding
Historypin Community Interest Company	England and Wales	100

Historypin Community Interest Company owns the entire share capital (1 x £1 ordinary share) of Hpin Design Ltd, a company incorporated in England and Wales. Hpin Design Ltd was dormant for the entire period and so this has not been consolidated into these group accounts. Hpin Design Ltd was struck off on 12 July 2016.

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

16. Stocks

	<u>Group</u>		<u>Charity</u>	
	2016	2015	2016	2015
	£	£	£	£
Finished goods and goods for resale	250	-	-	-

17. Debtors

	<u>Group</u>		<u>Charity</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	128,125	-	53,576	-
Amounts owed by group undertakings	-	-	2,292	-
Other debtors	4,000	-	-	-
Prepayments and accrued income	174,447	-	28,765	-
	<u>306,572</u>	<u>-</u>	<u>84,633</u>	<u>-</u>

18. Creditors: Amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	2,604	-	-	-
Trade creditors	10,113	291	3,277	291
Amounts owed to associates	-	413	-	413
Other taxation and social security	13,328	3,945	7,585	3,945
Other creditors	2,991	-	-	-
Accruals and deferred income	214,073	12,399	44,768	12,399
	<u>243,109</u>	<u>17,048</u>	<u>55,630</u>	<u>17,048</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

19. Statement of funds - Group

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds					
General Funds	5,569	590,860	(640,637)	130,615	86,407
Restricted funds					
Google Impact Challenge	79,739	-	(79,739)	-	-
Nominet Trust	-	293,759	(242,728)	-	51,031
Sainsbury's Trusts Smart Meter	-	45,000	(34,168)	-	10,832
HFFN	-	15,000	(4,533)	-	10,467
MHVG grants	-	26,763	(4,058)	-	22,705
Big Lottery Fund grant	-	69,289	(38,046)	-	31,243
	79,739	449,811	(403,272)	-	126,278
Total funds	85,308	1,040,671	(1,043,909)	130,615	212,685

Restricted Funds

Google Impact Challenge - this was a project to develop a mental health computer game.

Nominet Trust - this project is to develop a stream of digital products and services that drive measurable social impact through mainstream behaviour change.

Sainsbury's Trusts Smart Meter - this is a project to develop a product to use smart meter data in a social context to increase energy efficiency awareness and behaviours amongst domestic energy users.

HFFN (Healthy Fast Food Network) - this is a project to promote healthy eating. Esmee Fairburn Foundation provided core funding alongside matched funding from three London councils.

MHVG grants (Healthier Hackney Fund project) - this is a project to develop and pilot a computer game to promote healthy eating.

Big Lottery Fund grant - this supports our Historypin Connections project, which aims to increase the provision of accessible and sustainable community heritage activities for older people at risk of social isolation.

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

20. Statement of funds - Charity

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds	-	77,228	(76,204)	-	6,593
Restricted funds	-	-	-	-	-
Google Impact Challenge	79,739	-	(79,739)	-	-
Nominet Trust	-	269,371	(223,666)	-	45,705
Sainsbury's Trusts Smart Meter	-	45,000	(34,168)	-	10,832
Total funds	79,739	391,599	(413,777)	-	63,130

21. Analysis of net assets between funds

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Intangible fixed assets	-	14,112	14,112	-
Tangible fixed assets	-	4,010	4,010	-
Fixed asset investments	-	1	1	413
Programme related investments	-	5,000	5,000	-
Current assets	126,278	306,394	432,672	101,943
Creditors due within one year	-	(243,110)	(243,110)	(17,048)
	126,278	86,407	212,685	85,308

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	127,377	85,308
Adjustment for:		
Depreciation charges	3,816	-
Amortisation	14,252	-
Gains on acquisition of subsidiary	(131,267)	-
Increase in debtors	(154,303)	-
Increase in creditors	19,086	16,635
Net cash (used in)/provided by operating activities	(121,039)	101,943

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2016

23. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	125,849	101,943
Total	<u>125,849</u>	<u>101,943</u>

24. Operating lease commitments

At 31 March 2016 the total of the Group's future minimum lease payments under non-cancellable operating leases was:

Group	2016 £	2015 £
Amounts payable:		
Within 1 year	35,000	-
Between 1 and 5 years	285,500	-
Total	<u>320,500</u>	<u>-</u>

At 31 March 2016 the Charity had annual commitments under non-cancellable operating leases as follows:

Charity		
Amounts payable:		
Within 1 year	35,000	-
Between 1 and 5 years	285,500	-
Total	<u>320,500</u>	<u>-</u>

25. Related party transactions

The Group has taken advantage of the exemption not to disclose intercompany transactions with wholly owned subsidiaries in accordance with FRS102 paragraph 33.1A Related Party Disclosures.

26. Controlling party

The Charity is controlled by its members; no individual has overall control.