

**THE BERKELEY CHARITABLE  
FOUNDATION**

Report and Financial Statements

For the period ended 30 April 2018

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  
Wendy J Pritchard  
Elaine A Driver

### **Senior Management**

Stuart H Cowen (Chief Executive)	Resigned 17 October 2017
Sally R Dickinson (Head of Foundation)	Appointed 18 October 2017

### **Registered office**

Berkeley House  
19 Portsmouth Road  
Cobham  
KT11 1JG

### **Bankers**

Barclays Bank Plc  
1 Churchill Place  
London  
E14 5HP

### **Solicitors**

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

### **Auditors**

KPMG LLP  
15 Canada Square  
London  
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 2018 ("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 also meets quarterly, between 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 £473,129 without charge (2017: £603,389), which is shown in the financial statements as both income and expenditure.

During the year ended 30 April 2018, 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. 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 is provided annually to the Trustees on the internal financial controls within the charity. The report presented to the Trustees in both June 2017 and 2018 concluded that the internal financial controls 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:

#### *Integrity*

- We ensure that the Foundation and its charitable partners maintain the highest standards of fairness and integrity.

#### *Efficiency*

- We aim to manage the resources invested in the Foundation as efficiently as possible.

#### *Involvement*

- We make the most of every opportunity to engage Berkeley staff, contractors and supply chain in the Foundation's work.

#### *Learning*

- We are continuously learning about the nature and needs of the communities we work in, in order to grow our understanding and improve our programmes.

#### *Innovation*

- We bring a creative and innovative approach to all the Foundation's activities.

#### *Sustainability*

- We take an environmentally, economically and socially sustainable approach to our activities, and operate in a way that produces lasting impact.



## Activities, achievements and impact

### *Activities*

The Foundation focuses on helping people in London and the South 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, our work has helped more than 4,000 people across London, the South of England and Birmingham. We have launched a funding programme which will improve young people's mental health, donated £2.5 million through Foundation grants (£1.7 million) and staff fundraising to our charities (£0.8 million), and seen an amazing 60% of Berkeley staff get involved through fundraising, volunteering and Give As You Earn.

We continue to support voluntary sector organisations to improve people's lives in the communities where we work, focusing on four key areas: homes, jobs, skills and care. This year, we have worked with 49 different organisations and their beneficiaries.

We remain committed to building strong and enduring relationships, and believe that investing for the long term is the best way to maximise the impact of our funding. It enables us to build true partnerships which are about harnessing skills, expertise, brand and reach.

### *Strategic Partnerships*

Our Strategic Partnerships are central to our charitable giving. They provide a core of strong, well-resourced, long-term partnerships, addressing the needs of the most disadvantaged people in society.

Our eight partnerships (with Crisis, The Change Foundation, Imperial College, The Mayor's Fund for London, the Lord's Taverners, MyBnk, Shelter and The Prince's Trust) stretch across our four themes: Homes, Jobs, Skills and Care. These are, of course, closely interlinked, and many of our partnerships cross over two or more of them. Our partnership with Crisis, for example, builds the skills of their homeless clients and helps them to move into work, as well as addressing housing needs. All our Strategic Partners are providing new solutions to entrenched issues – from private rented sector access schemes to new models of mental health support.

This year has seen us launch a new Strategic Partnership with Imperial College, supporting a programme of outreach work with children from disadvantaged backgrounds in White City to engage them in Science, Technology, Engineering and Maths. We also renewed our partnership with The Mayor's Fund for London, in support of their Creativity Works and Kitchen Social programmes, and renewed our partnership with The Prince's Trust for a further two years. Our partnership with Shelter came to an end on 30 April 2018.

As well as making a real difference to the lives of their beneficiaries, these partnerships engage Berkeley staff on a number of different levels. Alongside the serious work of addressing deprivation and disadvantage there are lighter moments. Everyone who volunteers at the Street Elite Festivals comes away smiling. Mentors who support participants in the Creativity Works programme are inspired by the creative endeavours of their mentees. Volunteering for Crisis at Christmas is always a thought-provoking and rewarding experience. The lessons that staff learn through volunteering with our partners are brought back into the office, enriching the working life of the company as well as our charity partners.

### *Designated Charities*

We have 18 local partnerships with organisations nominated and selected by our staff. These range from grassroots homelessness projects to children's hospices.

They are long-term relationships lasting at least three years and, in some cases, much longer. This gives the two organisations the chance to really get to know and understand each other. A partnership plan is developed which focuses not only on support through fundraising but also on staff volunteering and capacity building.

Designated Charities are the main focus of staff fundraising across the business. In the last year, staff raised an amazing £786,000 for their community charities through an amazing array of fundraising events and through Give As You Earn (2017: £640,000). This money can make a huge difference to the small, local organisations we support.

Volunteering and in-kind support are also crucial. Staff at Berkeley Homes North East London support their Designated Charity, Providence Row, by assisting with English, IT and gardening classes, and cooking and serving lunch for the charity's homeless clients. St Edward staff supported The Connection by volunteering in the kitchen each week, whilst staff in Berkeley Homes East Thames supported Demelza by helping with the construction of their new Sensory Garden.

### *Community Investment Fund*

Our Community Investment Fund is the third stream of funding available from the Berkeley Foundation. It allows us to fund flexibly, making smaller grants to innovative programmes within our four themes.

This year, we used this fund to support the first in a new series of targeted funding programmes. *Improving Youth Mental Health* is supporting six organisations all supporting young people facing, or at risk of, mental health issues. We will look to run two further targeted funding programmes on this model in 2018/19.

We also use this fund to support ongoing partnerships which are not large enough to become Strategic Partners. While smaller in scale than Strategic Partnerships, the Community Investment Fund programmes can have a significant impact. For example, feedback from our partnership with the Outward Bound Trust showed that 86% of participants felt more confident that they could cope with new situations following the course.

In 2017/18, we have supported 23 charities through the Community Investment Fund.

### *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 2014-2018 strategy drew to a close this year and we are very proud to have been able to commit significantly more funding and reach many more people than we originally planned. Our achievements against the ten priorities is set out below:

	Area	2014-2018 Target	Key partner charities supported in 2017/18	Achievements
1.	<b>Homes</b> Help to access and sustain good quality housing	Supported over 2,000 people facing or experiencing homelessness.	Crisis Shelter MyBnk Spear Providence Row Thames Reach The Connection at St Martin in the Fields Hope for Southall Street Homeless	Our partnerships supported <b>2,948</b> people facing homelessness since April 2014.
2.	<b>Jobs</b> Reducing barriers to work	Support more than 1,000 people to overcome barriers to work and move into education, training or employment.	Mayor's Fund for London Prince's Trust Drive Forward Women into Construction	We have supported <b>1,034</b> people to access education, training or employment opportunities since April 2014.
3.	<b>Skills</b> Developing young people's talent	Help more than 1,000 young people to develop new skills.	The Change Foundation Imperial College Vauxhall City Farm Adventure Learning Foundation The Outward Bound Trust Power 2 Floreat Educational Academies Trust	We have helped <b>4,405</b> children and young people to develop new skills since April 2014.



	Area	Target	Key partner charities supported in 2017/18	Achievements
4.	<b>Care Opportunity</b> regardless of illness or disability	Provide care, support and opportunities for at least 1,500 people with life-limiting illnesses or disabilities and their families.  Launch a major new staff initiative to address the stigma associated with disability.	The Lord's Taverners The Mayor's Fund for London Momentum Ellenor Demelza Ready Evelina London Children's Hospital The Honeypot Children's Charity Helen & Douglas House Daisy's Dream North London Hospice Rainbow Trust Action for Carers (Surrey) Richard House Multiple Sclerosis Trials Collaboration Sir Simon Milton Foundation	Our partnerships have reached <b>8,270</b> people with care and support since April 2014.  30 Berkeley staff took part in Parallel London in September 2017 – London's first fully accessible and inclusive mass participation event.
5.	<b>Supporting those who face the greatest barriers</b>	Increase our support for homeless young people and young people with mental health problems.  Launch a new partnership supporting homeless women.	Leap Confronting Conflict MAC UK St Matthew's Project Anna Freud Centre Harequins Foundation Free to be Kids	£580,000 has been committed, including £280,000 supporting six charities through the Improving Youth Mental Health programme launched this year.  We did not however launch a new partnership supporting homeless women.
6.	<b>Growing our commitment to communities</b>	Invest or commit a total of £10 million in our local communities.		£13.3 million has been invested or committed by the Foundation since 2014.
7.	<b>Engaging Berkeley Staff</b>	Ensure that at least one-third of employees are enrolled in GAYE.  Grow the overall percentage of staff getting involved in our work each year, so that everyone is doing something for the Foundation every year.		33% of staff are enrolled in Berkeley Group's GAYE scheme.  60% of staff got involved in the work of the Foundation in 2017/18, up from 58% in 2016/17.
8.	<b>Championing new approaches</b>	Deliver a major thought leadership event each year, engaging audiences from across the public, private and third sectors		80 policy makers and voluntary sector stakeholders attended the launch of The Money House in November 2017, exploring the role of financial literacy in practically preventing youth homelessness.
9.	<b>Building Sector Capacity</b>	Incorporate a capacity building plan into all local Designated Charity partnership strategies.		Five Foundation partner charities have received consultancy support through the Cranfield Trust, funded by the Foundation.  The Foundation has developed a Capacity Building Fund to be launched to all partners in 2018/19.
10.	<b>Partnership with the right people</b>	Grow from five to eight Strategic Partnerships.		Eight Strategic Partners were in place at April 2018.



## Impact

Over the last year, we have worked with 49 voluntary sector organisations. We have given £2.5 million through grants and staff fundraising to our charities, and reached more than 4,000 at-risk individuals. This work has been supported by the efforts of 1,584 Berkeley Group staff who have also contributed over 10,000 hours in volunteer time.

We want to make sure that we are using these resources effectively, and supporting work that is making a real and lasting difference. We work with our partners to evaluate the programmes we are funding: to understand what is working well, and where there is room for improvement. What we learn from this process can be used and shared, to showcase good practice, and to make sure things work better next year and the year after that.

We think about our impact in three ways:

- **Individuals** – the outcomes for the people we support

Our charity partners, in many different ways, use our funding and support to enable people to improve their lives. Securing a home, moving into work or education, building new skills and accessing new opportunities. These things have the potential to be truly transformative, and have a significant social impact.

Last year, we collected detailed monitoring information on around a third of our programmes – more than 1,300 people – and analysed this information against the London Benchmarking Group's impact framework. This measures depth of impact, and asks whether our support had contributed towards a connection, an improvement, or a transformation in the lives of our beneficiaries.

- 41% of people we supported had made a connection – this includes people who received housing advice, gained new skills, or reported a change in attitude towards work or education.
- 13% of people had made an improvement – this includes people who experienced longer-term change, such as an improvement in their housing situation, or a change in attitude or behaviour that lasted beyond the end of the programme.
- 25% of people experienced a transformation – this includes people who were permanently rehoused or who moved into work.

However, understanding social impact is far from an exact science. People are complicated and their lives are affected by many different factors. Changes can be difficult to understand and quantify, and numbers never tell the whole story. Talking to individuals about what worked for them, and what didn't, is often where the real learning comes from.

- **Organisations** – the impact of our work on our partner organisations

We work with organisations for the long term: most of our partnerships last for three years, and some for much longer. This enables our partners to plan ahead. They are also able to access additional core funding through our job subsidy scheme, which enables them to employ new support staff, and pro bono management consultancy through the Cranfield Trust.

Next year, we are launching a new Capacity Building Fund, which will bring all this work together. The aim will be to help our partner charities to operate more effectively. We want them to finish their partnerships with the Foundation as stronger, more effective and more resilient organisations than when they started.

Getting better at measuring and understanding our impact on organisations is a key goal for the next year. We want to make sure we have the mechanisms in place to really listen to our partners, support their development, and act on their feedback about the way we work.

- **Environment** – we can also have an impact on the wider landscape of civil society

Wherever we can, we make use of our networks and influence to bring people together, share learning and try to influence thought and behaviour.

This year we have launched *An employer's guide to supporting talented young people facing barriers into work*, which encourages businesses to engage with those young people furthest from the labour market. We have done this in partnership with other organisations: Berkeley Group, CIPD, M&S, Movement to Work, University of Bath, Drive Forward and The Change Foundation, among others. Our voices are much more powerful when working together.



The Employer's Guide was launched to an audience of 70 employers in April 2018, 19 of whom signed up to host a work placement for an unemployed young person. The social media campaign has reached more than 40,000 people and the Guide has been downloaded over 300 times.

Work like this is the most difficult of all to measure. But it is crucial to our ability to make a long term difference.

## 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. We also received a number of direct donations from individuals and companies who support our work.

A significant percentage of The Berkeley Group staff support the work of the Foundation through direct giving, fundraising and volunteering. Over 1,580 of Berkeley staff contributed to the Foundation in 2017/18 (60%), and 33% of all Berkeley staff were signed up to Give As You Earn at April 2018, resulting in Berkeley receiving the new Diamond Payroll Giving Quality Mark Award in 2018 (for over 30% of staff contributing), having received the Platinum award (for over 15%) for the previous four years.

## Financial review

Income for the year was £1,669,791 (2017: £2,723,621). This includes funding received 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. Some of these commitments span a number of years and the committed funding is received up front from The Berkeley Group.

The decrease in income primarily reflects the c. £1.3 million funding received from The Berkeley Group last year for new multi-year commitments made in 2017 to five of our Strategic Partnerships, including renewing our partnerships with The Change Foundation and Crisis and new partnerships with MyBnk, The Prince's Trust and Imperial College.

This year we have renewed our Strategic Partnership with The Mayor's Fund for London for a further year, our partnership with The Prince's Trust for a further two years, and committed c. £280,000 of funding to six charities through the *Improving youth mental health* programme.

Expenditure in the year totalled £1,700,207 (2017: £2,996,618). This related 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. The variance again reflects the partnership renewals discussed above, which are generally multi-year agreements with annual payments due on specific dates.

Grants and donations totalling £1,664,438 were physically paid by the Foundation during the year, an increase of 20% on amounts paid in 2017 (£1,388,801).

In addition, a further £829,467 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 (2017: £742,722). 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 the year-end of £513,699 (2017: £544,115). All funds were unrestricted.

## Reserves policy

The Trustees' policy is to maintain sufficient reserves to meet existing and forecast commitments to charities. The reserves held at 30 April 2018, 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.

## Future actions

As the Foundation's 2014-2018 strategy drew to a close this year, we are now looking forward to the launch of our new strategy by the end of 2018. This will incorporate updates to the Mission Statement, Vision and Values as set out on page 4, and a new set of priorities.

In the interim, one year targets have been set for 2018/19 against the Foundation's ten current strategic priority areas. These are:

	Priority	2018/19 target
1.	<b>Homes:</b> Help to access and sustain good quality housing	Support 900 people facing or experiencing homelessness through partnerships with the homeless sector.
2.	<b>Jobs:</b> Reduced barriers to work	Support 400 people to overcome barriers to work and move into education, training or employment.
3.	<b>Skills:</b> Developing young people's talent	Support 1,250 children and young people to engage in new experiences and develop new skills.
4.	<b>Care:</b> Opportunity regardless of illness or disability	Provide care and support for 2,450 people facing poverty, life limiting illness or disability.
5.	<b>Supporting those who face the greatest barriers</b>	Ensure the voices of our partners and their beneficiaries are heard and listened to within our organisation, by launching an annual partners' survey and piloting a social insight group.
6.	<b>Growing our commitment to communities</b>	Commit a total of £2m in future investment, increasing our total commitment to £15m by year end.
7.	<b>Engaging Berkeley Staff</b>	Launch the Berkeley Foundation staff awards, recognising the contributions of staff across the Berkeley business to the Foundation's work.  Continue to grow the level of staff engagement in the Foundation in percentage terms, through GAYE, fundraising and volunteering.  Maintain payroll giving levels above 30%.
8.	<b>Championing new approaches</b>	Make £500,000 in grants through two targeted funding rounds, supporting new approaches to the issues of youth homelessness and unemployment.  Work with partners to improve our understanding of the impact of the interventions we are funding, and ensure this evidence and learning is widely shared.
9.	<b>Building Sector Capacity</b>	Make £100,000 in grants through a new Capacity Building Fund, supporting our partners to become stronger, more effective and more resilient organisations.
10.	<b>Partnership with the right people</b>	Engage more deeply in conversations with local and regional government, other businesses and other funders, in order to raise the Foundation's profile and identify new opportunities for sharing, learning and joint working.

The Foundation will continue to monitor current projects as well as new opportunities, at the discretion of its Trustees.

## 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 directors of the charity 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 have 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;
- 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;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

By order of the board



**R C G Perrins**  
Trustee  
7 January 2019

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

### **Opinion**

We have audited the financial statements of The Berkeley Charitable Foundation ("the charitable company") for the year ended 30 April 2018 which comprise the statement of financial activities, balance sheet, cash flow statement, and related notes, including the accounting policies in note 1.

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 2018 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 accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Other information**

The directors are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Report is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 11, 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



### Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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.



**Ian Pennington** (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*

15 Canada Square, London, E14 5GL

10<sup>th</sup> January 2019



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

for the year ended 30 April 2018

	Note	2018 Unrestricted funds £	2017 Unrestricted funds £
<b>Income from:</b>			
Donations and legacies	3	1,660,562	2,716,326
Investments		9,229	7,295
<b>Total</b>		<u>1,669,791</u>	<u>2,723,621</u>
<b>Expenditure on:</b>			
Charitable activities	4	(1,700,141)	(2,996,530)
Other		(66)	(88)
<b>Total</b>		<u>(1,700,207)</u>	<u>(2,996,618)</u>
<b>Net expenditure</b>		(30,416)	(272,997)
<b>Reconciliation of funds:</b>			
Total funds brought forward		544,115	817,112
<b>Total funds carried forward</b>		<u>513,699</u>	<u>544,115</u>

The notes on pages 17 to 21 form part of these financial statements.

The income and resulting net expenditure 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 2018

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors	6	7,914	9,921
Investments	7	1,250,000	1,750,000
Cash at bank		830,359	796,194
		<u>2,088,273</u>	<u>2,556,115</u>
Creditors: amounts falling due within one year	8	(1,079,574)	(981,000)
<b>Net current assets</b>		<u>1,008,699</u>	<u>1,575,115</u>
Creditors: amounts falling due after one year	8	(495,000)	(1,031,000)
<b>Net assets</b>		<u><u>513,699</u></u>	<u><u>544,115</u></u>
<b>Funds</b>			
Unrestricted:			
General	9	513,699	544,115
Designated	9	-	-
		<u><u>513,699</u></u>	<u><u>544,115</u></u>

The notes on pages 17 to 21 form part of these financial statements.

These financial statements were approved by the Board of Trustees on 7 January 2019 and were signed on its behalf by:



**R C G Perrins**  
Trustee

## Cash flow statement

	Note	2018 £	2017 £
Cash flows from operating activities	a	(465,835)	916,091
Cash flows from investing activities		500,000	(1,000,000)
Change in cash and cash equivalents in the reporting period		34,165	(83,909)
Cash and cash equivalents at the beginning of the reporting period	b	796,194	880,103
Cash and cash equivalents at the end of the reporting period	b	<u>830,359</u>	<u>796,194</u>

## NOTES TO THE CASH FLOW STATEMENT

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

	2018 £	2017 £
Net expenditure for the reporting period	(30,416)	(272,997)
Decrease in debtors	2,007	184,748
(Decrease)/increase in creditors	(437,426)	1,004,340
Net cash used in operating activities	<u>(465,835)</u>	<u>916,091</u>

### b. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank	<u>830,359</u>	<u>796,194</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.

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 by the Foundation to its partner charities, in order 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 reserves policy is to maintain sufficient reserves to meet existing and forecast commitments to charities, 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

	2018	2017
	£	£
Funding from The Berkeley Group	922,888	1,811,340
Fundraising and Gift Aid	5,896	45,517
GAYE (including match funding)	258,024	256,055
Other donations	625	25
Donated services	473,129	603,389
	<u>1,660,562</u>	<u>2,716,326</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 set out in the Foundation's Reserves Policy on page 9.

Donated services reflect the approximate cost of services provided free of charge to the charity by The Berkeley Group, and the costs paid for by The Berkeley Group on behalf of the Foundation. These costs, totalling £464,684 (2017: £594,944), are included in charitable activities, as set out in note 4 below.

In addition, KPMG LLP audit fees and Trustee indemnity insurance are paid for by The Berkeley Group. These costs, totalling £8,445 (2017: £8,445), are also set out in note 4 below.

## Notes (continued)

(forming part of the financial statements)

### 4 Charitable activities

	2018 £	2017 £
Commitments charged in the year (Note 5)	1,227,012	2,393,141
Support costs allocated	464,684	594,944
Governance costs	8,445	8,445
	<u>1,700,141</u>	<u>2,996,530</u>

#### *Support costs allocated*

The average number of staff employed during the year (full time equivalent) was five. Their costs are paid for by The Berkeley Group. Emoluments and reimbursed expenses were not paid to any 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:

	2018 £	2017 £
Wages and salaries	301,905	372,538
Employer's National Insurance	36,286	44,101
Pension costs	19,108	28,491
	<u>357,299</u>	<u>445,130</u>

In addition, other costs of £107,385 were paid by The Berkeley Group on behalf of the Foundation (2017: £149,814).

#### *Governance costs*

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

	2018 £	2017 £
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 £1,227,012 of grants and commitments made were charged to the Statement of Financial Activities.

Beneficiary	2018 £	2017 £
Strategic Partnerships		
- Mayor's Fund for London	393,000	-
- The Prince's Trust	160,000	80,000
- The Lord's Taverners	50,000	-
- The Change Foundation	-	495,000
- Imperial College	-	450,000
- Crisis	-	450,000
- MyBnk	-	255,000
Richard House Hospice	-	200,000
Multiple Sclerosis Trials Collaboration	-	200,000
Fight for Peace	75,000	-
Leap Confronting Conflict	70,000	-
MAC-UK	68,286	-
Anna Freud	67,018	-
Drive Forward Foundation	54,329	-
Other charities (£50,000 or less)	289,379	280,092
Release of commitments previously made	-	(16,951)
	<u>1,227,012</u>	<u>2,393,141</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:

	2018 £	2017 £
Grants payable brought forward (note 8)	2,012,000	1,007,660
Amounts charged to the Statement of Financial Activities	<u>1,227,012</u>	<u>2,393,141</u>
	3,239,012	3,400,801
Payments in the year:		
Grants and donations	(1,664,438)	(1,388,801)
	<u>1,574,574</u>	<u>2,012,000</u>

### 6 Debtors

	2018 £	2017 £
Fundraising and Give As You Earn	6,386	7,500
Interest	1,528	2,421
	<u>7,914</u>	<u>9,921</u>

## Notes (continued)

(forming part of the financial statements)

### 7 Investments

	2018 £	2017 £
Cash on deposit	<u>1,250,000</u>	<u>1,750,000</u>

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

### 8 Creditors

	2018 £	2017 £
Amounts falling due within one year - grants payable	<u>1,079,574</u>	<u>981,000</u>
Amounts falling due after one year - grants payable	<u>495,000</u>	<u>1,031,000</u>

### 9 Movement of funds

	General £	Unrestricted Designated £	Total £
Opening balance	544,115	-	544,115
Income	1,669,791	-	1,669,791
Transfers	(21,390)	21,390	-
Expenditure	(1,678,817)	(21,390)	(1,700,207)
<b>Funds at 30 April 2018</b>	<u>513,699</u>	<u>-</u>	<u>513,699</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 by the Foundation to its partner charities, in order 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.