



The Jack Petchey Foundation
(A company limited by guarantee)

Annual report and accounts for the year ended 31st December 2018

Charity registration number: 1176221

Company registration number: 10872145

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Reference and administrative details for the year ended 31 December 2018

Registered Address:	Dockmaster's House 1 Hertsmere Road London, E14 8JJ	
Telephone:	020 8252 8000	
Email:	mail@jackpetcheyfoundation.org.uk	
Website:	www.jackpetcheyfoundation.org.uk	
Charity number:	1176221	
Company number:	10872145	
Founder Patron:	Sir Jack Petchey CBE	
Patron:	Dame Helen Mirren DBE	
Vice Patrons:	Tim Campbell MBE	
Trustees:	Ron Mills (Chair) Ray Rantell Matt Rantell Sonia Sinclair Barbara Staines	
Key Management personnel:	Trudy Kilcullen MBE	Chief Executive Officer
	Gemma Juma	Operations Director
Auditors:	BDO LLP 2 nd Floor, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA	
Bankers:	HSBC 7B, The Water Gardens, South Gate, Harlow, Essex, CM20 1AB	

The Trustees present their statutory report together with the accounts of the Jack Petchey Foundation (the Foundation) for the year ended 31st December 2018.

Sir Jack Petchey CBE

Sir Jack Petchey is the Foundation's founder and Patron. He was born into a poor working class family in the East End of London in 1925, left school at 13 without any qualifications and volunteered for the Fleet Air Arm in 1943 during the Second World War. After leaving the Navy, he returned to his role as a clerk for a solicitor's firm. He applied for management training but was told he would never be a businessman.

Instead of giving up, Sir Jack used the £39 he was given when discharged from the Navy to buy a second hand car and start a taxi business. Through hard work, he proved his doubters wrong and went on to build a multi-million-pound empire through a range of business ventures, ranging from transport to property.

Sir Jack's early experiences led to his passion to increase young people's aspirations by rewarding their achievements. He established the Jack Petchey Foundation in 1999.

In 2016, Sir Jack received his knighthood in recognition of his many years of charitable work.

Sir Jack is an inspiration to everyone who works at the Foundation. At 93, not only does he come to the office every day, but he does so with positivity and determination to work hard.

Sir Jack's motto, which informs the Foundation's work is: "If you think you can, you can!"

About the Foundation

The Jack Petchey Foundation was set up by Sir Jack Petchey to inspire and motivate young people across London and Essex to do their best and reach their full potential.

The Foundation funds and supports youth programmes through schools and youth organisations in the statutory and voluntary sector.

Since its formation in 1999, the Foundation has invested over £124 million in young people.

Structure

Up until 31st December 2017, the Jack Petchey Foundation was governed by a trust declaration dated 18th March 1999 (amended 27th July 1999). From 1st January 2018, all assets and liabilities of The Jack Petchey Foundation were transferred to a new Incorporated Charity structure.

Trustees and Governance

There were no new appointments to or resignations from the Trustee body over the year.

The board have adopted the Charity Governance Code and are working through the seven principles to ensure good governance. The Chair of Trustees regularly review the skills and experience of board members and there is a medium term ambition to appoint a young trustee to represent the 'youth voice' structures in place within the work of the Jack Petchey Foundation. Trustees stand for re-election every three years.

Trustees receive an induction and on-going training on an ad-hoc basis, as required. Visits are arranged for Trustees to see the Foundation's work in action.

The board agreed a new three-year Strategic Plan for 2019 – 2021. Emphasis has been placed on developing leadership and working with our partners to influence change and development in the youth sector.

Grant applications are considered monthly under delegated authority to individual board members and/or at quarterly full Board meetings.

Chief Executive Officer

The day to day management of the Foundation is delegated to the Chief Executive Officer, Trudy Kilcullen MBE.

Remuneration of senior staff

The Jack Petchey Foundation (JPF) Remuneration policy is determined by the Chairman of the Board of Trustees, with input from JPF Trustees. Pay and remuneration levels are based on benchmarking with other similar Charitable Trusts and Foundations. A review of pay and bonuses is undertaken annually with reference to voluntary sector salary surveys to ensure parity with market rates.

Strategic and Operational planning

In 2018, we implemented the Foundation's 2018 Operational Plan in line with the JPF Strategic Plan 2015 – 2018.

The three strategic aims the Trust worked towards in order to achieve our mission were:

Invest: in youth organisations and programmes that represent value for money and create inclusive and positive opportunities for young people to engage, excel and achieve.

Instigate: new, innovative and high profile programmes that fill gaps in current education or youth work practice and that give young people the opportunity to develop new skills and experiences.

Influence: a change in the way that society sees, values and treats young people. We highlight the positive things that young people achieve and challenge the often negative portrayal of youth in our society, through public celebrations and promotion in the media.

Ultimately, we effect change by enabling young people to be the change they want to see in the world.

2018 was a very significant year for the Jack Petchey Foundation – we celebrated our 18th Birthday, an important milestone for a youth charity.

In December 2018, Trustees approved a new, ambitious three-year Strategic Plan for 2019-2021.

The new Strategy has five strategic aims:

Invest - we will invest in youth organisations and programmes that represent value for money and create inclusive and **positive** opportunities for young people to engage, excel and achieve.

Instigate - in response to young people's needs, we will identify gaps in current education or youth work practice and seek to instigate high impact, high profile programmes that give young people the opportunity to develop new skills and experiences to fulfil their potential in line with our mission and values.

Inspire - through public celebration and reward we will inspire young people to achieve more. We will promote good news about young people in the media, highlight the positive things that young people achieve and challenge negative portrayals of youth in our society.

Influence – we seek to change the way that society sees, values and treats young people. We will work with those who work with young people, joining with them to strengthen the sector and to shape and influence youth policy. We will amplify youth voices, ensure young people's views are communicated and promote their leadership within society. In line with Sir Jack's motto, the focus of our work will be on developing self-belief, positivity and 'giving something back'.

Infrastructure – we will strengthen our infrastructure and work as efficiently and effectively as possible to deliver our mission.

The Operational Plan for 2019 is now in place.

Vision, Mission and Values

Vision: **Our vision** is of a world where young people have high aspirations; the opportunity to develop their potential; the chance to be architects of their own future; to play a full part in society and to be valued and recognised for the positive things they achieve.

Mission: **Our mission is** to enable young people aged 11 – 25 years in London and Essex to achieve their potential by inspiring, investing in, developing and promoting activities that increase their personal, social, emotional and physical development.

Values: The Jack Petchey Foundation draws on the ideology, vision and values of its Patron, Sir Jack Petchey CBE, who epitomises the saying: *"If you think you can, you can!"*

We seek to:

- *inspire* and raise the *aspirations* of young people
- affirm, reward and *celebrate achievement*
- *value young people* and those who work with them, *advocating their views* and putting *young peoples' voice* at the centre of our work
- develop young peoples' *confidence, motivating* them to take on new *challenges* and to *believe in themselves*
- be *positive* and promote a *positive* perspective on life
- be *inclusive*, working at *grass roots* and building *communities*
- promote a culture of *'giving something back'*
- strive for *excellence* in our work

Public Benefit

The Trustees of the Jack Petchey Foundation have had regard to the Charity Commission's guidance on Public Benefit when reviewing aims and objectives and in planning future activities. The Grant Making policies of the Foundation comply with the duty in section 17 of the Charities Act 2011 to have due regard to Public Benefit. Trustees are confident that the Foundation operates for public benefit and fully consider how planned activities will contribute to the aims and objectives they have set to further the Foundation's charitable purposes for the Public Benefit.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Jack Petchey Foundation does not undertake widespread fundraising from the general public. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as "donations".

In relation to the above, we confirm that all solicitations are managed internally, without involvement of commercial participators, professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the Jack Petchey Foundation Trustees.

The income of charity is not bound by any regulatory scheme and the charity does not consider it necessary to comply with any voluntary code of practice.

We have received no complaints in relation to any fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for the purpose of raising funds, we do not particularise this to fundraising activities, nor do we consider it necessary to design specific procedures to monitor such activities.

Financial Review

The Trustees of the Jack Petchey Foundation considered the results for the year to be good. The Trustees have only made commitments to grants which can be fulfilled and they have not over-burdened the charity. Total income in 2018 was £8,743,093 (2017: £10,477,267) and total grant making in 2018 was £7,420,193 (2017: £7,143,747).

The Trustees have written assurance from the Directors of Incorporated Holdings Limited and its subsidiaries, the main funder of the Jack Petchey Foundation that sufficient funds will be available to the charity to meet its commitments as they fall due, with continued funding until at least 31 December 2020.

Reserves Policy

The Jack Petchey Foundation exists as a Grant Making Trust. The Foundation is funded by income from Incorporated Holding Limited (IHL) and its subsidiary companies. The vision is for this to be a lasting arrangement and the specific detail of donations to the charity from IHL is agreed two years in advance.

The Jack Petchey Board of Trustees does not commit the charity beyond the levels of funding promised by Incorporated Holdings Limited and its subsidiary companies. An annual budget is prepared and approved by the JPF board detailing the quantum of expenditure for the year. This is approved by the JPF Trustees and confirmed by the Directors of IHL.

Grants agreed are usually for one year only and paid in advance of work delivered.

Monthly meetings are held between the CEO of JPF and the Finance Director of the subsidiaries of IHL, to determine the monthly cash flow requirements of JPF for the following 12 months. The cash flow requirements are reflected in the IHL group cash flow - to ensure that this funding is available one year ahead.

JPF operates an accruals-based accounting system and in exceptional situations where there is a commitment for longer than one year, this is projected into JPF/IHL funding requirements. In the unlikely event that the Jack Petchey Foundation is to cease its activities, sufficient notice will be given for an orderly wind down of activities with due notice to all staff and current/potential beneficiaries.

This policy is reviewed by the Board on an annual basis and in the light of any changes identified on the JPF Risk Register which is reviewed at every quarterly Board Meeting.

The total reserves held at the end of 2018 were £1,626,178 (2017: £2,052,590).

Risk review and management

A Risk Register is maintained and addresses the key operational, governance, financial, compliance and reputational risks to which the charity is exposed. This is updated and circulated in advance of

each quarterly Board meeting and review of the Risk Register is a standing item on the Board Agenda. Trustees confirm that the necessary systems are in place to manage these risks.

The JPF Trustees have determined that the two overriding risks are:

- Reduction of income (with the implication being that grant making will have to be reduced).
- Risk to reputation - through failure to meet professional standards in delivery of our work to young people or failure to comply with the legal / ethical frameworks surrounding charity registration and charitable activity – (with the implication that the work of the Jack Petchey Foundation would be brought into disrepute).

In terms of **reduction to income**, the controls in place to manage this risk include:

- Measures to ensure that the charity income levels are agreed in writing with IHL at least two years in advance.
- Collaboration with IHL and the Petchey Business group regarding the vision and expansion plans for the charity.
- Grant programmes and commitments agreed on an annual basis.
- Only grants which can be fulfilled have been promised to recipient.
- Financial controls and checks to ensure that the charity has not overburdened itself and no overspends are permitted.

In terms of **risk to reputation**, the controls in place to manage this risk include:

- Governance systems in place to manage potential/actual conflicts of interest.
- Clear grant making criteria and policies.
- Systems in place to ensure good due diligence and anti-fraud measures for potential grantees.
- Operational policies and systems are in place, covering issues such as data protection, safeguarding children and internal audit.
- Policies and procedures in place to cover whistle-blowing, complaints etc.
- Any issues arising are reported back to the JPF Board.

The Jack Petchey Foundation Trustees hold all matters of risk under regular review in the light of any changes in the external environment.

Grant Making Policy

The Foundation invites applications for its open grant programmes by publicising its activities on the website, by e-mail and through social media. Grant applications are rigorously assessed by the Grants Officers, reviewed by a member of the Senior Team and then considered in detail and approved or rejected by a member of the Jack Petchey Foundation Board of Trustees.

The Foundation reviews the needs of young people with a view to identifying gaps in the programmes we offer. Where gaps are determined, potential partner organisations may be invited to explore a suitable response and to develop a pilot programme for review and possible expansion.

Where a grant application is from an organisation in which a JPF team member or JPF Trustee holds a position, this interest is declared at the outset. All grant assessments and recommendations are managed by a JPF team member independent of that organisation. In JPF Board meetings the 'related party' Trustee does not vote. Grants awarded to such related parties are disclosed in the

notes to the accounts.

Area of Operation

The Jack Petchey Foundation operates in the UK, primarily across all London boroughs and Essex districts.

Very occasionally, grants are made to groups operating overseas, particularly to Prime Skills in Portugal to support work that was initially undertaken by the Portuguese branch of the Jack Petchey Foundation, which was closed in June 2015.

Charitable Activities 2018

Our strategic objectives have been met through grant investment in a range of youth organisations and youth activity across London and Essex. We have developed and delivered programmes with partners in the areas of STEM, sport, oratory and the arts, and have continued to deliver high quality celebration events and ensure positive representations of young people in the media.

In 2018, the principal charitable activity of the Jack Petchey Foundation was grant-making.

Total Grants

In 2018, JPF received 3692 (2017: 3704) requests for funding and was able to support 3124 (2017: 3092) of these to a total value of £7,420,193 (2017: £7,143,747).

The total value of grants awarded since the Foundation was formally established in September 1999 was over £112.5 million by the end of 2018.

Overall, we have invested £124 million in young people since 1999.

Grants are awarded through the following programmes:

Achievement Award Grants 2018

The Achievement Award Scheme enables schools and youth organisations to recognise and reward the outstanding achievements of their members aged 11-25. The value of each award was increased to £250 in 2016. Each recipient of an Achievement Award decides how their £250 Achievement Grant is invested within their organisation.

There were 2054 Achievement Award schemes operating in 2018 (2017: 2069).

102 new youth organisations/schools joined the programme (2017: 108).

Over 12,000 Achievement Awards were given during the year (2017: over 12,000).

The total value of Achievement Awards granted during the year was £3,020,066 (2017: £3,072,665).

Leader Awards

Organisations that run the JPF Achievement Award scheme can work with young people to nominate leaders and teachers who show outstanding dedication and commitment to supporting young people. These awards celebrate staff and volunteers who go the 'extra mile' to support young people. In 2018, 844 Leader Awards were made (2017: 905).

Leaders are invited to attend one of our Achievement Award ceremonies to receive their certificate and medallion.

Small Grants for Leader Award Winners

Our small grants Fund allows organisations that are successfully running the Jack Petchey Achievement Award scheme to apply for a grant of up to £750 to further enhance their work with young people. Every winner of a Leader Award can apply for a small grant. In 2018, 704 applications were received (2017: 830) and 640 grants approved (2017: 781) totalling £437,721 (2017: £503,556).

Individual Grants for Volunteering

These grants aim to encourage young people up to age 25 across London and Essex to get involved in volunteering projects in the UK and overseas. In 2018, we received 899 applications (2017: 1003) and awarded grants to 641 young people (2017: 667) through grants totalling £156,730 (2017: £179,660).

Educational Visits

In 2018, we received 242 applications (2017: 209) for small grants to contribute to the costs of educational visits for young people. We approved 193 grants for schools and youth organisations (2017: 160) to the value of £48,630 (2017: £36,735). These grants enabled young people to benefit from opportunities to visit museums, theatres, science shows and more.

Project Grants

The Foundation continued to make a significant investment in children and youth people through our project grants. Grants were provided to support the invaluable work carried out with young people by a range of youth organisations including London Youth, ReachOut and Essex Boys' and Girls' Clubs. We continued to support the Petchey Academy and provided extra funding for all schools in London and Essex towards the cost of producing School Planners.

The Foundation made a capital grant of £500,000 to Onside's Barking and Dagenham Youth Zone, a purpose built facility for the borough's young people.

We continued to invest in our Achiever Network project, a 12-month learning and development programme for 30 young people aged 14 -21 who are Achievement Award Winners, Speak Out Finalists and Step Into Dance Finalists.

JPF has had a long-established relationship with the Algarve in Portugal as a result of former Petchey business connections. JPF continues to support Prime Skills in Portugal and made a grant to enhance educational programmes in the local secondary schools.

Grants committed:

Achiever Network	£	25,000
Career Ready	£	13,500
Essex Boys and Girls Clubs	£	57,000
London Youth	£	94,375
The Petchey Academy	£	108,995
Penstripe (School Planners)	£	55,000
Prime Skills (Portugal)	£	32,000
Reach Out!	£	50,000
The School Planner Company	£	90,000

18th Birthday Open Grants

JPF observed an important milestone in 2018, celebrating our 18th birthday. This was a particularly significant year for us, as a youth charity. As part of our birthday celebrations, we delivered an ambitious Open Grants programme, providing grants of up to £18,000 to charities working with 18-25 year olds and supporting them in their transition into adulthood. Young people were in the driving seat of the programme, identifying the theme, reviewing the applications and interviewing applicants before making the final recommendations for funding to the Board of Trustees.

The following organisations were awarded grants through the programme:

The Albany	£18,000
Carers Lewisham (Young Carers Service)	£18,000
Caxton Youth Organisation	£15,686
Ignite Trust	£18,000
Jigsaw4u	£18,000
MyBnk	£17,633
Reaching Higher	£18,000
The Royal Society for Blind Children	£15,000
Salmon Youth Centre	£15,000
Suzy Lamplugh Trust	£18,000

Partnership Programmes

We continued to work closely with our partners to deliver a range of outstanding partnership programmes, providing opportunities for young people in a range of areas, from singing to maths, engineering to vlogging. We piloted a new programme, 'Jack Petchey's Perfect Pitch' and started work with UK Wallball to deliver a new, exciting sport to young people across London and Essex.

BTS Spark (Jack Petchey Spark Programme)	£	45,101
First Give	£	150,000
Institution of Engineering and Technology (Faraday Challenge)	£	76,220
Jack Petchey's Perfect Pitch	£	38,600
Mayor's Fund for London (Maths Challenge)	£	66,220

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Media Trust (Vlogstar Challenge)	£ 138,879
Royal Academy of Dance (Step into Dance)	£ 586,353
Speakers Trust Ltd (Jack Petchey's "SpeakOut" Challenge)	£ 616,913
Table Tennis England	£ 168,337
The Panathlon Foundation 2017-18	£ 121,500
The Panathlon Foundation 2018-19	£ 123,465
UK Wallball	£ 22,019
Young Enterprise London	£ 150,090

Jack Petchey Internship Programme

In 2018, we were proud to launch a new programme, offering grants to ten separate youth charities to enable them to fund a year-long internship placement. The programme was designed to give young people a flying start in the charitable sector and to provide charities with additional resource to recruit and pay for an intern. Grants were made to the following charities:

Bede House Association	£ 22,000
BIGKID Foundation	£ 22,000
CARAS	£ 22,000
Castle Youth Project	£ 22,000
Immediate Theatre	£ 22,000
Oasis Hub Waterloo	£ 22,000
Regenerate	£ 22,000
S.P.I.D. Theatre Company	£ 22,000
Team Up for Social Mobility Ltd.	£ 22,000
Young Minds	£ 22,000

Achievement Award Celebration Events

A key element of the Jack Petchey Achievement Award Scheme is to recognise and celebrate young people's achievements publicly, in front of peers, parents, local dignitaries and VIP guests from the local community. All award winners are invited to attend one of our uplifting ceremonies. In 2018, we held 75 Achievement Award celebration events (2017: 71) in prestigious venues throughout London and Essex, including the BRIT school, the Rose Theatre Kingston, The Cineworld O2 Superscreen, the Shaw Theatre in King's Cross and the Churchill Theatre in Bromley.

A total of 5,980 Achievement Award winners (2017: 6,049) and 488 Leader Award winners (2017: 529) attended the events, along with 19,108 guests (2017: 18,679).

1,084 young people showcased their talent by performing live at our events (2017: 1,359)

164 VIP guests (2017: 165) including local Mayors, Senior Police Officers, Members of Parliament, Council Leaders, Directors of Children's Services and Queen's Representative Deputy Lieutenants attended in support of the young people from their boroughs.

Other Jack Petchey Foundation Celebration Events

In addition to our Achievement Award celebrations, the JPF Events Team managed and supported a range of partnership events, including the Jack Petchey Speak Out Challenge Grand Final at the Cambridge Theatre, the Mayor's Fund for London Maths Challenge at London City Hall, the Faraday STEM Festival at IET Savoy Place and the Vlogstar Challenge at BAFTA. These high profile public events display the wide range of opportunities on offer through the Jack Petchey Foundation's partnership programmes and showcase and encourage young people's talents.

Plans for the year 2019

The Jack Petchey Foundation has grown significantly since it was established in 1999. To date, we have invested over £124 million in work to support young people to achieve their potential and play an active role in society.

We are embarking on the first year of a new ambitious three-year strategy to grow our impact and increase our annual investment in young people to £10.5 million per year by 2021. We will continue to introduce new programmes, to review existing programmes, and implement innovative ways to inspire and motivate young people to develop, achieve and give something back. Crucially, we will work to ensure that young people are able to develop new skills and experiences and we will redouble our efforts to ensure that society recognises the positive things that young people achieve.

Our plan for 2019 focuses around five key strategic aims:

Invest - we will invest in youth organisations and programmes that represent value for money and create inclusive and **positive** opportunities for young people to engage, excel and achieve.

Instigate - in response to young people's needs, we will identify gaps in current education or youth work practice and seek to instigate high impact, high profile programmes that give young people the opportunity to develop new skills and experiences to fulfil their potential in line with our mission and values.

Inspire - through public celebration and reward we will inspire young people to achieve more. We will promote good news about young people in the media, highlight the positive things that young people achieve and challenge negative portrayals of youth in our society.

Influence – we seek to change the way that society sees, values and treats young people. We will work with those who work with young people, joining with them to strengthen the sector and to shape and influence youth policy. We will amplify youth voices, ensure young people's views are communicated and promote their leadership within society. In line with Sir Jack's motto, the focus of our work will be on developing self-belief, positivity and 'giving something back'.

Infrastructure – we will strengthen our infrastructure and work as efficiently and effectively as possible to deliver our mission.

The budget for 2019 will remain steady at £9.5 million and we are on track to increase our annual investment in young people to £10 million per annum by 2020 and to £10.5 million by 2021.

Key areas of work for 2019 include:

1. Expansion of the successful **Jack Petchey Achievement Award Scheme**. The aim is to encourage all state secondary schools to participate and to increase the number of youth charities involved across London and Essex. The budget will increase to £3,330,000.
2. The Foundation will build on the work of **Jack Petchey's "Speak Out" Challenge**, aiming to train more young people and engage young people in Pupil Referral Units.
3. The Foundation will continue to support the popular **Step into Dance** programme with the Royal Academy of Dance. This programme will be offered in 200 secondary schools in London and Essex and will increase the number of performance opportunities to showcase young people's talent.
4. The Foundation will maintain its partnership with the **Panathlon Challenge** to ensure that more young people with disabilities can participate in competitive sports.
5. The successful **Jack Petchey Schools Table Tennis Championship**, run in partnership with Table Tennis England, will continue to work in London and Essex offering opportunities to youth clubs as well as schools. We will aim to further increase the participation of girls in the sport.
6. The **Jack Petchey Glee Club Challenge** will be expanded to include more groups across London and Essex.
7. We will build on the success of the **Jack Petchey's Perfect Pitch** programme and expand its reach to more areas and more groups.
8. The partnership with the **Media Trust** will be developed to provide more young people with opportunities to build their skills and engage in the Vlogstar Challenge.
9. We plan to further extend the **Small Grants** Fund linked to the Achievement Award Scheme increasing the budget by £30k to £550,000. There will be two rounds of bids for Small Grants focused on groups operating the Achievement Award Scheme. Grants will be maintained at up to £750.
10. The Foundation will continue the **Individual Grants for Volunteering** programme. These grants directly support young people who want to undertake voluntary work in the community. The budget for IGFV is £180,000.
11. The interview training and CV guidance programme delivered in partnership with **Young Enterprise** will be reviewed with a view to extending employability skills to more young people.
12. The **Jack Petchey Achiever Network** will be developed further to continue to build on young people's leadership and ensure their voices are at the centre of the work of the Foundation.
13. The successful **Count on us - Maths Challenge**, delivered in partnership with the Mayor's Fund for London, will continue to grow and engage more schools. It now has a series of heats as well as finals.

14. Our partnership with the IET to deliver a London/Essex **Faraday Challenge** programme continues to encourage young people to get involved in engineering. This year's exciting competition will engage young people with challenges relating to the James Webb Space Telescope.
15. The **First Give** programme will be extended in order to educate and engage with more young people about how to support charities in their local area.
16. We will learn from our inaugural **Jack Petchey internship scheme** and run an expanded second year of the programme, offering more young people paid employment opportunities and strengthening the resource of the social sector.
17. We will continue planning for the celebration of our 21st birthday in 2020.
18. We will develop our youth engagement strategy and develop a more focused approach to youth sector leadership and young leader development.
19. We will invest in digital and information technology to increase our efficiency and impact.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Charity 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 charity and of the incoming resources and application of resources, including income and expenditure, of the charity 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is

the responsibility of the Trustee. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

In 2018, the Trustees re-appointed BDO LLP as their Auditors. BDO LLP have signified their willingness to continue in office and a resolution proposing their re-appointment will be put to the forthcoming Annual General Meeting.

The financial statements have been prepared in accordance with current statutory requirements, the charity's trust deed and the Statement of Recommended Practice -Accounting and Reporting by Charities SORP (FRS102).

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the Trustees

Chair of Trustees, Jack Petchey Foundation

Date

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF JACK PETCHEV FOUNDATION

Opinion

We have audited the financial statements of Jack Petchev Foundation ("the Charitable Company") for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statement including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)¹.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises of the Trustees' report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for 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 the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Poulter (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31ST DECEMBER 2018

		Unrestricted funds 2018	Restricted funds 2018	Total funds 2018	Total funds 2017
		£			£
Notes					
Incoming resources:					
Donations		7,003,039	1,740,000	8,743,039	10,477,267
Total incoming resources		7,003,039	1,740,000	8,743,039	10,477,267
Resources expended:					
Grants payable for youth activity	2	7,420,193	-	7,420,193	7,143,747
Other charitable activity		1,749,309	-	1,749,309	1,291,581
Total resources expended		9,169,502	-	9,169,502	8,435,328
Net incoming resources		(2,166,463)	1,740,000	(426,463)	2,041,939
Total funds brought forward	8	2,052,590	-	2,052,590	10,651
Total funds carried forward	8	(113,873)	1,740,000	1,626,127	2,052,590

The Statement of Financial Activities includes all gains and losses recognised in the year.

BALANCE SHEET AS AT 31ST DECEMBER 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	5	10,420	2,309
Current assets			
Debtors	6	88,862	55,155
Cash at bank and in hand		<u>3,776,856</u>	<u>4,544,389</u>
		3,865,718	4,599,544
Creditors: amounts falling due within one year			
	7	<u>(2,250,011)</u>	<u>(2,549,263)</u>
Net current assets			
		<u>1,615,707</u>	<u>2,050,281</u>
Net assets			
		<u>1,626,127</u>	<u>2,052,590</u>
Income funds			
Unrestricted funds	8	(113,873)	2,052,590
Restricted funds	8	<u>1,740,000</u>	<u>-</u>
		<u>1,626,127</u>	<u>2,052,590</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved and authorised for issue on _____

And signed on behalf of the board by

R.C. Mills

Chair of Trustees, Jack Petchey Foundation

CASH FLOW STATEMENT FOR YEAR ENDED 31ST DECEMBER 2018

	2018	2017
	£	£
Net cash flow from operating activities	(755,878)	2,571,357
Cash flows from investing activities		
Bank interest received	-	-
Payment for tangible fixed assets	<u>(11,600)</u>	-
	-	-
Increase in cash	<u>(767,478)</u>	<u>2,571,357</u>

Notes to the Cash Flow Statement

Reconciliation of Net Incoming Resources To Net Cash Inflow from operating activities

	2018	2017
	£	£
Net incoming resources	(426,409)	2,041,939
Non-operating cash flows eliminated:		
- interest received	-	-
Depreciation	3,490	2,459
(Increase)/Decrease in debtors	(33,707)	(13,998)
Increase/(Decrease) in creditors	<u>(299,252)</u>	<u>540,957</u>
Net cash inflow from operating activities	<u>(755,878)</u>	<u>2,571,357</u>

Analysis of change in net cash resources

	At 1st January 2018	Cash flow	At 31 December 2018
	£	£	£
Cash at bank and in hand	<u>4,544,389</u>	<u>767,478</u>	<u>3,776,910</u>

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2018

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION

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.

Jack Petchey 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 note(s).

1.2 INCOMING RESOURCES

Voluntary income is included in incoming resources when the charity is considered to have entitlement to the assets, it is probable that the resources will be received, and the monetary value of incoming resources can be measured with sufficient reliability.

1.3 GIFTS IN KIND

Gifts in Kind comprise office facilities provided to the charity at no cost. They have been valued as a best estimate by the provider.

1.4 RESOURCES EXPENDED

Grants payable are payments made to third parties in furtherance of the charity's objectives. Single or multi-year grants are recognised as resources expended when a grant commitment is made without condition or when the condition will not in practice allow the charity to avoid the liability.

Other charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity. They include audit fees and 20% of the Foundation Chief Operations Officer salary.

Irrecoverable VAT is included in the cost of those items to which it relates.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Computer equipment	25% straight line basis
Fixtures and Fittings	10% straight line basis

1.6 FOREIGN CURRENCY TRANSLATION

Transactions denominated in foreign currencies are translated at the date of the transaction.

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER 2018

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in net outgoing resources.

1.7 FUND ACCOUNTING

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and 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.

1.8 GOING CONCERN

The financial statements have been prepared on a going concern basis. The Trustees, of Jack Petchey Foundation, consider that the charity will be able to continue operating for the foreseeable future on the basis that the company which is the charity's key source of funding has agreed to provide continued funding for at least the next two financial years.

The Trustee has received commitments from Incorporated Holdings Limited that donations will be received by the charity to meet grant obligations both accrued and committed. These future commitments have not yet been recognised as incoming resources because the charity is not entitled to the funds until future accounting periods.

1.9 FINANCIAL INSTRUMENTS

Jack Petchey Foundation only has financial assets and 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.

1.10 ACCOUNTING ESTIMATES AND JUDGEMENTS

The only areas of accounting estimate are with respect to depreciation, valuation of gifts in kind and the recognition of accruals. The policies for depreciation and gifts in kind are detailed above at note 1.3 and 1.5. All expenditure incurred pre year-end, for which no invoice has been received as at the year-end is recorded as an accrual.

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER 2018

2. BREAKDOWN OF EXPENDITURE

	Total 2018	Total 2017
	£	£
Total grants payable to institutions	7,420,193	7,143,747
Support costs allocated to grant making activity		
- Governance costs	22,003	21,532
- Staff costs	413,971	389,089
- Other	150,669	167,102
Support costs allocated to other charitable activities:		
- Governance costs	12,002	11,532
- Presentation events	330,338	312,993
- Staff costs	406,629	272,363
- Other	82,183	116,970
TOTAL	9,169,502	8,435,328

Support costs have been allocated on the basis of headcount split 10/6 (10 FTE staff on grant management/ 6 FTE staff on other charitable activities).

Audit costs in 2018 were £11,520 (2017: £11,532).

A breakdown of the major grants with a total value in excess of £22,000 are on pages 11 and 12, as well as grants made under our 18th Birthday Open Grants Programme and our Internship Programme.

Grants payable include £2,250,011 (2017: £2,159,454) for grants agreed prior to the year-end but to be paid in 2019. Additional analysis and explanation of the grants made in the year is included within the Trustees' Report. There are no grants committed which do not represent a constructive obligation at the year-end.

3. TRUSTEE REMUNERATION

None of the JPF Trustees (or any persons connected with them) received any remuneration during the current or previous year. Two JPF Trustees were reimbursed a total of £2,234 for travel/office expenses (2017: £1,508).

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER 2018

4. EMPLOYEES

	Total 2018	Total 2017
	£	£
Governance Costs	22,485	21,532
Charitable Activities	1,129,630	661,452
	1,152,115	682,984
Analysed as:		
Wages and salaries	949,260	614,981
Social security costs	104,220	63,735
Other Pension costs	98,635	4,268
	1,152,115	682,984

At the year end there were 16.7 full time equivalent employees (2017: 17.4), all of whom are involved in the activities of the charity.

There were on average 16.7 (2017: 17.8) employees throughout the year.

As JPF celebrated its 18th birthday (18 being a significant age for a youth charity) and in recognition that the wider Petchey group awarded exceptional bonuses linked to positive business performance and long service, the JPF Trustees agreed a one-off exceptional bonus linked to length of service to celebrate the success of Jack Petchey Foundation's first 18 years. Exceptionally, in the year 2018, a larger number of staff are therefore reflected in higher salary bands.

Remuneration of higher paid staff greater than £60,000 is:

	2018	2017
£60,000 - £70,000	2	0
£70,001 - £80,000	2	0
£80,001 - £90,000	2	1
£90,001 - £100,000	1	0

Total employer pension contributions for the higher paid staff above were £94,948 compared to £386 in 2017.

The key management personnel of the charity (excluding trustees who receive no remuneration) comprise the Chief Executive Officer and the Operations Director. Total remuneration (inclusive of NI but exclusive of pension contributions) for the key management personnel during the year was £168,886 (2017: £103,156).

The value of employer pension contributions in respect of key management personnel was £91,738 (2017: £451). The CEO spends approximately 80% of her time supporting the charity's activities and 20% of her time on governance matters.

Jack Petchey Foundation
Trustees' report for the year ended 31 December 2018

5. TANGIBLE FIXED ASSETS

	Fixtures &	Computer	Total
Cost	£	£	£
At 1 January 2018	9,386	32,454	41,840
Additions	7,480	4,120	11,600
As at 31 December 2018	16,866	36,574	53,440
Depreciation			
At 1 January 2018	9,322	30,209	39,531
Charge for the year	780	2,710	3,490
As at 31 December 2018	10,102	32,919	43,021
Net book value			
As at 31 December 2018	6,674	3,655	10,420
As at 31 December 2017	64	2,245	2,309

6. DEBTORS

	Total 2018	Total 2017
	£	£
Other debtors	88,862	55,155
	88,862	55,155

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Total 2018	Total 2017
	£	£
Taxes and social security costs	177,240	29,455
Grants payable	2,055,528	2,159,454
Accruals and deferred income	17,242	360,355
	2,250,010	2,549,263

8 MOVEMENTS IN FUNDS

	Brought Forward	Income	Expenditure	Transfers	Carried forward
	£	£	£	£	£
Restricted funds					
Portugal Children's Home	-	1,740,000	-	-	1,740,000
Total restricted funds	-	1,740,000	-	-	1,740,000
<i>Unrestricted funds</i>	2,052,590	7,003,039	(9,169,502)	-	(113,873)
Total funds	2,052,590	8,743,039	(9,169,502)	-	1,626,127
 Movements in funds – previous year					
Restricted funds					
Portugal Children's Home	-	-	-	-	-
Total restricted funds	-	-	-	-	-
<i>Unrestricted funds</i>	10,651	10,477,267	(8,435,328)	-	2,052,590
Total funds	10,651	10,477,267	(8,435,328)	-	2,052,590

At year end there was a proportionally small (£113,873) balance on unrestricted funds. This represents a timing issue with regard to transfer of donations from the Petchey Group and is not a matter for concern.

Purpose of restricted funds

JPF received a restricted donation of £1.74m to support the work of Santa Casa Albufeira, Portugal (Est 1498), in providing care for children and young people who are orphaned or need specialist support because of disability. The JPF Board are working with Santa Casa Albufeira on appropriate development of their work at the Pirilampos Children's Home, with a view to a making a grant to support this.

The restricted fund was a donation from Hollybase Ltd.

9. RELATED PARTY TRANSACTIONS

During the year there were grants payable to The Petchey Academy of £132,222 (2017: £127,332) with £81,072 (2017: £94,571) outstanding as a creditor at the year end. The charity is related to The Petchey Academy by virtue of shared trustees / senior management. Sonia Sinclair is a Trustee of JPF and an employee of The Petchey Academy. Trudy Kilcullen MBE is an employee of Jack Petchey Foundation and a Governor/Director of The Petchey Academy. Gemma Juma is an employee of the Jack Petchey Foundation and a Governor of The Petchey Academy. Ron Mills is a Member of the Petchey Academy and a Trustee of JPF. The individuals concerned were not involved in the decision to make a grant.

A grant of £500,000 (2017: £500,000) was made to Onside's Barking and Dagenham Youth Zone with £250,000 (2017: £0) outstanding as a creditor at the year end. The Foundation is related to Onside by virtue of a shared trustee – Matt Rantell is a Trustee of JPF and became a Trustee of Future Onside Youth Zone – Barking and Dagenham in 2018.