



# Jack Petchey Foundation

Report and financial statements

For the year ended 31<sup>st</sup> December 2020

Company number: 10872145

Charity number: 1176221

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For the year ended 31<sup>st</sup> December 2020

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## Jack Petchey Foundation

### Reference and administrative information

For the year ended 31<sup>st</sup> December 2020

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| <b>Company number</b>                            | 10872145   |  |
| <b>Country of incorporation</b>                  | United Kingdom   |  |
| <b>Charity number</b>                            | 1176221  |  |
| <b>Country of registration</b>                   | England & Wales  |  |
| <b>Registered office and operational address</b> | Dockmaster's House<br>1 Hertsmere Road<br>London<br>E14 8JJ  |  |
| <b>Patrons</b>                                   | Sir Jack Petchey CBE<br>Dame Helen Mirren DBE<br>Tim Campbell MBE  | Founder Patron<br>Patron<br>Vice Patron  |
| <b>Trustees</b>                                  | Ron Mills<br>Ray Rantell<br>Matt Rantell<br>Sonia Sinclair<br>Barbara Staines<br>Lewis Hooper<br>Robert McArthur     | Chair<br><br>Vice Chair<br><br>(resigned 31 <sup>st</sup> December 2020)<br>(appointed 14th December 2020)<br>(appointed 22nd February 2021) |
| <b>Key management personnel</b>                  | Trudy Kilcullen MBE<br>Gemma Juma  | Chief Executive Officer<br>Deputy Chief Executive Officer  |
| <b>Bankers</b>                                   | HSBC<br>7B, The Water Gardens<br>South Gate<br>Harlow<br>CM20 1AB  |  |
| <b>Solicitors</b>                                | Charles Newman<br>Edwards Duthie Shamash Solicitors<br>Bank House, 269–275 Cranbrook Road<br>Ilford<br>Essex IG1 4TG |  |
| <b>Auditor</b>                                   | Sayer Vincent LLP<br>Invicta House<br>108–114 Golden Lane<br>LONDON<br>EC1Y 0TL                                      |  |

The trustees present their report and the audited financial statements of the Jack Petchey Foundation (JPF) for the year ended 31<sup>st</sup> December 2020.

Reference and administrative information set out on page 1 forms part of this report.

The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## About the Jack Petchey Foundation

Sir Jack Petchey set up the Jack Petchey Foundation in 1999 to inspire and motivate young people across London and Essex to do their best and reach their full potential. JPF does this by funding, supporting and delivering youth programmes in, with and for schools and youth organisations. Since its formation, JPF has invested over £143 million in young people.

JPF was originally established by a Trust Deed in 1999, and a corporate trustee company was set up in 2007. In 2017, a new incorporated charity structure was established under a memorandum of association which established the objects and powers of the charitable company that is governed under its articles of association. It was registered as a Charity in its current form on 11<sup>th</sup> December 2017 and is a company limited by guarantee, incorporated on 18<sup>th</sup> July 2017. The assets and liabilities of the Jack Petchey Foundation Trust were transferred to the current charity, the Jack Petchey Foundation in 2018.

## Objectives, activities, purpose and aims

JPF's **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.

Its **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.

JPF's **values** stem from the ideology, vision and values of its Patron, Sir Jack Petchey CBE, and his motto "*If you think you can, you can!*"

JPF seeks 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 people's voice* at the centre of our work

- develop young people's *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'*; and
- strive for *excellence* in our work

We achieve this through:

- Programmes that we deliver to support, celebrate and motivate young people and the schools and youth organisations that work with them. These programmes include the Jack Petchey Achievement Awards scheme, Internship Programme and Achievers Network
- Funding for schools and youth organisations to provide young people with opportunities (including thematic open grants and project grants)
- Developing Jack Petchey partnership programmes with others to provide young people with opportunities to achieve their potential (including *Jack Petchey's "Speak Out" Challenge!* with Speakers Trust and *Step into Dance* with the Royal Academy of Dance)
- Work to enable young people to influence their environment and challenge the negative stereotypes of young people in society (including by producing research reports that amplify young people's opinions, support for a youth consultation panel and providing a platform for young people to write blogs, thought pieces and to meet with decision makers)

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved through its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

## Strategic and operational planning

We started 2020 with an annual operating plan to implement the second year of our Strategic Plan 2019–21. However, with the advent of COVID–19 in February 2020 and the start of the first national lockdown on 22<sup>nd</sup> March 2020, there was widespread and significant disruption to the programmes we fund, support and deliver. As a result, Trustees reviewed JPF's priorities, workload and staffing structure and developed a new 1–year Operating Plan for the period September 2020 – August 2021. The plan continued to focus on our five Strategic Aims but brought forward some elements of the Strategic Plan, put others that could not be delivered on hold, and introduced new areas of work to deliver JPF's Mission and use its assets to address the needs faced by young people in London and Essex.

Our five priorities continue to be:

**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.

In 2020, despite the significant disruption caused by the pandemic, we made good progress against each of these strategic aims. We were flexible in order to deliver the maximum possible benefit to young people in London and Essex. JPF signed up to the London Funders joint statement in April 2020, committing to be open to adapting activities, revising dates and listening to grantees and beneficiaries while maintaining our focus on value for money and instigating new programmes to meet young people's needs. We provide more information about progress against JPF's Aims below, on pages 4–11 of this report, where we report on our Charitable Activities – achievements and performance.

## Achievements and performance

The charity's main activities focus on providing opportunities for young people, aged 11–25, across London and Essex to achieve their potential. Activities are undertaken to further JPF's charitable purposes for the public benefit.

2020 was an exceptionally challenging year for young people in London and Essex and for the schools and youth organisations that support them. A significant proportion of our grantees were forced to cancel planned activities in March 2020 with the advent of the first lockdown. Many schools were severely constrained in their ability to deliver our major programmes including the Achievement Awards, Educational Visits and Leader Award Grants. In addition, our partners were in many cases unable to deliver activities in schools. Some programmes, including those delivered by First Give, Media Trust and Speakers Trust, developed digital offerings before the summer break. Others, including Wallball, Panathlon and the Royal Academy of Dance, paused delivery.

JPF itself was able to transition swiftly to effective remote working. Reporting deadlines for the Achievement Award (AA) scheme were extended and support given to AA coordinators to continue to recognise young people's achievements, despite the constraints of the pandemic. JPF staff worked hard to support partners to adjust to the new reality where direct contact with young people was severely constrained, non-essential work was on hold and young people's needs had changed.

JPF was forced to review many aspects of its work:

- We cancelled or postponed all our face to face celebration events for the year, including our significant plans to celebrate our 21<sup>st</sup> Birthday
- Many of our grantees furloughed staff for the majority of the year, and schools put non-essential activities on hold – resulting in reduced activity for Grants Officers working on those programmes
- JPF placed a number of its own staff on furlough
- Trustees approved plans to restructure the team in recognition of the significantly reduced workload

Despite these challenges, JPF had a significant positive impact on young people over the year. We met our objectives through grant investment in a large range of youth organisations and youth activity across London and Essex. We continued to deliver programmes with partners to provide opportunities including in the areas of STEM, dance, public speaking and social action. We delivered programmes directly to provide young people with training and development opportunities. And we delivered high quality digital celebration events to raise young people's aspirations, develop their self-confidence and highlight their achievements. We were also able to celebrate young people's achievements in the pandemic through a new Community Awards programme. And we undertook work to amplify young people's voices and ensure positive representation of young people in the media.

To coincide with our 21<sup>st</sup> Birthday, staff commissioned an independent evaluation of JPF's impact in its first 21 years of operation. The next step in this work is to put in place additional reporting measures so that Trustees can aggregate the positive impact that our work has on young people and report more effectively on it going forward.

In 2020, the principal charitable activity of the Jack Petchey Foundation was grant-making. We received 2,757 (2019: 3,657) requests for funding and were able to support 2,224 (2019: 3,177) of these to a total value of £5,554,311 (2019: £7,295,729).

The total value of grants awarded since JPF was formally established in September 1999 was over £125 million by the end of 2020.

Overall, we have invested over £143 million in young people since 1999.

Our main programmes in 2020 that responded to our strategic aims were:

### 1. Jack Petchey Achievement Awards

The Jack Petchey Achievement Award Scheme enables schools and youth organisations to recognise and reward the outstanding achievements of young people aged 11–25. Each recipient of an Achievement Award decides how their £250 Achievement Award Grant is invested within their organisation to benefit other young people. 35 new youth organisations/schools joined the programme during the year (2019: 114) and there were 2,142 Achievement Award schemes operating in 2020 (2019: 2,136). 10,179 Achievement Awards were made during the year (2019: 12,300). At the end of 2020, the programme was operating in 83% of schools in London, 91% in Essex and in 804 clubs across both areas.

There was a significant reduction due to school and youth organisations closures and restrictions stemming from legislation introduced to address the pandemic. The total value of Achievement Awards granted during the year was £2,544,673 (2019: £3,075,383).

The following uniformed organisations operated multiple schemes with a value of over £20,000:

|                            |   |        |
|----------------------------|---|--------|
| Air Cadets London Wing     | £ | 25,500 |
| Army Cadets Greater London | £ | 22,500 |
| Guides EW                  | £ | 25,500 |
| Guides GLW                 | £ | 29,250 |
| Police Cadets Metropolitan | £ | 88,750 |
| Scouts GLMW                | £ | 32,000 |
| Scouts GLNE                | £ | 31,500 |
| Scouts GLSW                | £ | 33,750 |

Independent research conducted by Bean Research in 2020 found that the Achievement Award programme creates a long-term impact for award winners and their communities. There is an immediate impact on young people's self-confidence, self-belief, work ethic and ambition. Longer-term gains stem from the winners internalising and acting on the lessons and skills learned from the awards process. The recognition delivered by the awards motivates and inspires young people to further achievement, giving back to their communities and pursuit of personal goals.

### 2. A new Community Awards programme

In April 2020, we launched a new programme to recognise how much young people have helped their communities during the lockdown, to celebrate their achievements and inspire others to do the same. Over the year, we awarded £4,250 (2019: £0) through 102 awards (2019: 0).

### 3. Leader Awards

Organisations that run the Jack Petchey Achievement Award scheme can nominate leaders, including staff and volunteers for an award to recognise their outstanding dedication and commitment to supporting young people. Leaders are invited to attend one of our Achievement



Award ceremonies to receive a certificate and medallion. Digital ceremonies replaced face-to-face events following the first national lockdown.

In 2020, 835 Leader Awards were awarded (2019: 962).

The independent research revealed that as a result of JPF's support, schools and youth clubs have more motivated leaders.

#### **4. Leader Award Grants**

Our Leader Award Grants allow organisations that receive a Leader Award to apply for a grant of up to £750 to enhance their work with young people. Every winner of a Leader Award can apply for a small grant. The programme was affected by school and youth organisations closures and restrictions as many organisations were unable to nominate Leaders in the year or struggled to make applications due to furlough or other workforce pressures.

In 2020, 527 applications were received (2019: 847) and 491 grants approved (2019: 808) totalling £343,296 (2019: £556,758).

#### **5. Educational Visits**

These small grants support schools and youth organisations operating the Achievement Awards scheme with the costs of trips. They enable young people to benefit from opportunities to visit museums, theatres, science exhibitions and more.

In 2020, we received 125 applications (2019: 248) for grants to contribute to the costs of educational visits for young people. We approved 25 grants for schools and youth organisations (2019: 209) to the value of £5,609 (2018: £49,476).

The programme was suspended for new applications in March 2020 due to COVID-19. Grantees who had already been given a grant offer to fund the trip were given the opportunity to postpone their visit until social distancing restrictions are eased.

#### **6. Individual Grants for Volunteering (IGFV)**

These grants aim to encourage young people up to age 25 across London and Essex to participate in volunteering projects in the UK and overseas. The programme was suspended in April 2020, with pending applications put on hold as it became apparent that volunteering projects were unable to proceed as a result of the lockdown and associated social distancing requirements.

Overall, in 2020, we received 389 applications (2019: 730) and awarded grants to 94 young people (2019: 520) through grants totalling £22,391 (2019: £133,340).

#### **7. The Jack Petchey Internship Programme**

JPF completed the second year of the Jack Petchey Internship Programme in 2020. 20 interns continued in employment with youth organisations, received training and development

opportunities over the year, continued to access their £1000 training bursaries. JPF also commenced planning for a third year of the programme. Trustees decided to double the size of the 2021 programme to 40 funded internships in response to the findings of the Jack Petchey Foundation *Shaping our Future* Survey of over 6000 young people who told us that they want more opportunities for training, employment and work experience.

£951,300 has been set aside as a designated fund within our reserves in order to finance this significant opportunity for young people and for the youth organisations that will host the internships in the expanded third cohort of the Jack Petchey Internship Programme.

### **8. Achievers Network**

We continued to invest in our Achievers Network project, a 12-month learning and development programme for young people aged 14 –21 who are Achievement Award Winners, Speak Out Finalists and Step Into Dance Finalists. The programme takes place over seven training days (ordinarily there is a two day residential, which couldn't take place due to COVID-19 restrictions) which focus on developing skills in areas including self-esteem, communication techniques, effective leadership, stress management, presentation and public speaking, influencing skills and revisions techniques. Each young person on the programme is paired with a skilled mentor who provides support to the young person for the duration of the programme.

Young people who have participated in the Achievers Network since 2011 continued to have a connection to JPF in 2020, supporting with decision-making on JPF programmes, contributing to our campaigns and volunteering at our events. They also have the opportunity to apply to become a member of our Youth Consultation Panel.

In 2020, we launched our 9<sup>th</sup> cohort of young achievers with 34 young people – 29 young achievers and 5 young leaders recruited from graduates of the previous programme.

### **9. Partnership Programmes**

We worked closely with our partners to deliver a range of outstanding programmes providing opportunities for young people in a diverse range of areas, from singing to maths, engineering to vlogging. The first quarter of the year was a successful year for our partner programmes, with delivery in many programmes set to exceed previous years. However, the first national lockdown had a significant impact on Jack Petchey Partnership Programmes. Some postponed activities to resume them in September when schools went back and then had to suspend programmes again in December 2020. Others quickly developed interactive digital formats which proved successful. Some partners paused work and requested no-cost extensions to their grants. And others provided refunds on underspends.

We continued to support the Petchey Academy.

The full list of partnership grants made in 2020 is set out below:

|   |   |         |
|---|---|---------|
| Essex Boys and Girls Clubs                | £ | 55,960  |
| First Give                                | £ | 150,000 |
| Institution of Engineering and Technology | £ | 41,820  |
| Mayor's Fund for London                   | £ | 96,672  |
| Media Trust                               | £ | 144,888 |
| Royal Academy of Dance                    | £ | 284,359 |
| Speakers Trust                            | £ | 623,695 |
| Table Tennis England                      | £ | 184,421 |
| The Panathlon Foundation                  | £ | 96,647  |
| The Petchey Academy                       | £ | 137,096 |

We convened our partners for an online Partnership networking event in November 2020 to support partners to learn from each other and from the findings of JPF's 2020 *Shaping our Future* survey of young people's hopes for the future.

#### 10. COVID Open Grants

In response to the challenges faced by youth organisations financially and in delivering meaningful opportunities to young people while COVID restrictions were in place, JPF launched an invitation-only programme of COVID Recovery Grants in October 2020. These grants were designed to enable partner organisations to build back after lockdown and provide additional opportunities to young people in challenging times. Grants were made to 27 organisations totalling £438,085 to support the youth sector's recovery.

|  |   |        |
|--|---|--------|
| Ab Phab Youth Club                     | £ | 13,230 |
| Action for Family Carers – Harlow*     | £ | 14,319 |
| ATTIC Theatre Company (London) Ltd     | £ | 19,931 |
| Barnet Carers Centre                   | £ | 14,317 |
| Carers of Barking and Dagenham*        | £ | 5,046  |
| Caxton Youth Organisation              | £ | 19,947 |
| Croydon Music and Arts                 | £ | 14,500 |
| Enfield Ignatians Rugby Football Club* | £ | 12,990 |
| Enfield Island Youth & Community Trust | £ | 16,908 |
| Hawksmoor                              | £ | 19,463 |
| Inclusion Ventures                     | £ | 20,000 |
| Intermission                           | £ | 19,650 |
| Legacy Croydon Youth Zone              | £ | 19,966 |
| Paddington Arts                        | £ | 18,790 |
| Regenerate                             | £ | 16,830 |
| Resources for Autism                   | £ | 18,300 |
| Salmon Youth Centre                    | £ | 19,400 |
| Surrey Docks Farm                      | £ | 19,545 |

## Jack Petchey Foundation

### Trustees' annual report

#### For the year ended 31<sup>st</sup> December 2020

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|                              |   |        |
|------------------------------|---|--------|
| Sutton Carers Centre         | £ | 17,575 |
| Theatre Peckham              | £ | 20,000 |
| Thurrock Swimming Club       | £ | 13,040 |
| Thurrock Young Carers*       | £ | 5,046  |
| Wellgate Community Farm      | £ | 16,670 |
| West Mersea Cricket Club     | £ | 7,892  |
| Westminster House Youth Club | £ | 15,000 |
| Worldwrite                   | £ | 20,000 |
| Young Roots                  | £ | 19,730 |

#### 11. Other major grants

JPF continued to make a significant investment in children and young people through our project grants. The following grants were provided to support the invaluable work carried out with young people by youth organisations including ReachOut and Future Youth Zone in Barking and Dagenham. We continued to provide funding for all schools in London and Essex towards the cost of School Planners for their students.

|                             |   |        |
|-----------------------------|---|--------|
| Anthony Nolan               | £ | 50,000 |
| Future Youth Zone           | £ | 68,250 |
| Penstripe                   | £ | 30,000 |
| Prime Skills – Portugal     | £ | 24,306 |
| ReachOut Youth              | £ | 50,000 |
| Scouts – Gilwell Park House | £ | 50,570 |
| The School Planner Company  | £ | 90,000 |

#### 12. Jack Petchey Events

Celebration Events are a major part of JPF's strategy to deliver its mission and achieve its vision of inspiring and motivating young people, celebrating their successes and raising their aspirations. We celebrate young people's achievements publicly, in front of peers, parents, local dignitaries and VIP guests from the local community.

In the months prior to the first lockdown, a total of 1,452 Achievement Award winners and 121 Leader Award winners attended 19 in person events, along with 4,318 guests. These events took place in prestigious venues throughout London and Essex, including Kensington Great Hall, Epsom Playhouse, Brent Civic Centre and The Kenneth More Theatre, Ilford. A total of 40 VIP guests attended these events including local Mayors, Senior Police Officers, Members of Parliament, Council Leaders, Directors of Children's Services and Queen's Representative Deputy Lieutenants. 260 young people provided the entertainment at these events.

In early March 2020, we held the Grand Final of our acapella singing competition *Perfect Pitch* at Cadogan Hall in Sloane Square; 276 young people, representing schools and performance groups, performed in front of an audience of 812 people.

Due to the COVID-19 pandemic, from Mid-March 2020 we were unable to deliver our in-person award events. To ensure we could continue to celebrate young people's achievements, we developed digital achievement awards events that were delivered online, on a school by school basis. These events retain many elements of our live face-to-face events. From September 2020, we delivered 74 individual school digital events recognising 500 young people and 28 Leaders recognised for their achievements. There were 2,118 device log-ons to these events. VIP Guest speakers included Mayors, Queen's Representative Deputy Lieutenants and Directors of Children Services.

In 2020, we additionally worked alongside the Media Trust and Speakers Trust to deliver the Vlogstar Challenge and Jack Petchey SpeakOut Challenge Grand Finals online.

### 13. Youth Voice

JPF continued to focus on ensuring that young people's voices and opinions are heard, understood and shared with youth providers, decision makers and wider society.

In 2020, we continue to work closely with our Youth Consultation Panel, involving members in all aspect of the Foundation's work – from writing blogs for our website, developing competitions such as *The Good In Where I Live* photography competition, making videos about our reports, reviewing funding applications, joining interview panels and delivering a summer workshop on positive mental health. One of the members of the panel has since joined the JPF Board as a Trustee.

The Foundation used young people's views to shape our programmes and opportunities. Our Shaping Our Future survey heard from over 6,000 young people about their experiences of the lockdown and what they want to see for young people in the future. Young people were instrumental in producing the report and video of the findings and of meeting with parliamentarians to share young people's views. These survey findings will inform JPF's work in 2021 and beyond.

## Trustees and Governance

There was one resignation and two new appointments to the trustee body over the year. Barbara Staines, Sir Jack Petchey's PA, who served as a trustee of the Jack Petchey Foundation for 21 years, resigned from the Board. Lewis Hooper, a member of JPF's Youth Consultancy Panel was appointed, fulfilling the Board's ambition to elect a young trustee to represent JPF's youth voice structures. Robert McArthur, an employee of Petchey Holdings Limited, was appointed to the Board in February 2021. Ray Rantell and Ron Mills previously worked for the Petchey Businesses. Sonia Sinclair is a former Vice Principal of the Petchey Academy. Matt Rantell is Sir Jack's grandson.

New trustees are appointed by the existing trustees on the basis of their skills, experience and background in order to undertake responsibility for the Governance of the charity. The articles of

association provide for a minimum of three trustees and at each AGM one third of trustees must retire by rotation and may offer themselves for re-election. New trustees receive an induction from the Chief Executive Officer and access on-going training on an ad-hoc basis, as required. Visits (in person or, where required due to the COVID pandemic circumstances, digitally) are arranged for trustees to see JPF's work in action. The trustees agree the broader strategy and focus of activity for JPF, including consideration of grant making, oversight of finances, risk management, policies and performance. The day to management of JPF is delegated to the Chief Executive Officer, Trudy Kilcullen, and the JPF staff team.

The Board have worked through the seven principles of the Charity Governance Code. They are aware of the updates made to the Code at the end of 2020 and will review them over the course of 2021. The Board will work over the coming year to realise its ambition to reflect the diversity of the communities JPF serves and to implement recommendations from the Board growth and development plan, developed in 2020 with support from the Worshipful Company of Management Consultants who generously contributed £9000 worth of pro bono support to this area of the Foundation's work.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

## Remuneration of Senior Staff

The Jack Petchey Foundation remuneration policy is determined by the Chair of the Board of trustees, with input from JPF trustees. Pay and bonuses are reviewed annually with reference to voluntary sector salary surveys and benchmarking with other similar Charitable Trusts and Foundations to ensure parity with market rates.

## Risk Management

JPF maintains a Risk Register which addresses the risks to which the charity is exposed. This is held under regular review in light of any changes in the external environment. The Register is updated and circulated in advance of each quarterly Board meeting and is a standing item on the Board Agenda. Trustees are confident that the necessary systems are in place to manage identified risks.

In March 2020, additional risks were identified in relation to COVID-19 and were added to the risk register. The top overall risks identified by the Board relate to the negative consequences of the COVID-19 pandemic on our beneficiaries – young people in London and Essex and the organisations that support them – and the increased need for JPF's programmes and funding in order to mitigate against the significant economic and social challenges faced by young people and by the youth sector. The economic uncertainties as a result of Brexit are a second key risk Trustees hold under close review as having potential negative impact on our ability to deliver our mission and achieve our vision. Trustees mitigate against these risks by ensuring JPF

communicates regularly with our grantees and with other trusts and foundations in order to be able to develop effective responses to these economic and social challenges in order to ensure that youth organisations and programmes can support young people through such challenging times. JPF's funding priorities are held under regular review and funding programmes designed and adapted to ensure that our funds are used in ways which have the greatest possible positive impact on the youth sector and on young people across London and Essex. Trustees adopted a new 1 year plan for September 2020 – August 2021 with adapted operational activities to ensure that funding is made available in ways which have the greatest possible positive impact on young people across London and Essex. JPF works within government guidelines to ensure mitigation of risks relating to the impact of COVID on our staff and our programmes and supports partners to adapt their delivery to ensure it is safe.

The Trustees do not consider that any of the risks identified on our risk register pose a threat in the foreseeable future to JPF's ability to operate as a going concern.

In 2021, we will continue to remain vigilant with regard to changes in the external environment which may affect our risk exposure, with particular reference to COVID-19.

## Financial review

The Trustees of the Jack Petchey Foundation consider financial performance for the year to be satisfactory. There was reduced expenditure in many areas as a result of COVID – some of our events and other activities were postponed or cancelled in the year and not all grantees were able to use their grants. Some grants that Trustees had expected to make were postponed until 2021 as grantees were unable to deliver activities during lockdown or with social distancing requirements. Other grantees were given no-cost extensions to enable them to complete their work over a longer period of time. There was limited financial loss of deposits from our postponed events programmes – as theatre venues were able to rebook events for a later date at no additional cost.

The Trustees have only made commitments to grants which can be fulfilled and they have not over-burdened the charity. Total income in 2020 was £7,491,980 (2019: £9,674,896) and the total value of grants committed in 2020 was £5,925,604 (2019: £7,295,729). The value of grants that were cancelled in the year was £(371,293).

There is a restricted reserve of £1,757,273 (2019: £1,751,506), received as a donation from the Hollybase Ltd. for the benefit of the Santa Casa, Pirilampos and Gaviota orphanages, in the district of Albuferia, Portugal.

Trustees have designated £951,300 from the general reserve for an internship programme – in order to expand the Jack Petchey Internship Programme and provide grants to youth organisations for 40 internships.

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 at the present levels until at least 31<sup>st</sup> December 2022.

### Reserves policy and going concern

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

As part of JPF's cash management strategy, regular meetings are held between the Chair and the CEO of JPF and the Finance Director of Petchey Holdings Limited, to determine the monthly cash flow requirements of JPF for the following 12 months. As part of its commitments to JPF, a letter of intent has been provided to JPF by IHL, setting out funding to be provided during 2021 and 2022. 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.

The Jack Petchey Foundation Board of Trustees have taken into consideration the long history and strong relationship with IHL and its subsidiaries, and their understanding of both cash reserves and property investments within the control of IHL. The Board of Trustees are confident that IHL and its subsidiaries are able to and will provide all necessary funding required to support JPF and its activities for a period of not less than 19 months from the date of approval of these financial statements. As such, the Board of Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In the very 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 beneficiaries.

Trustees target total reserves level is funding sufficient to cover grant commitments outstanding at year end. At the end of 2020 this was £2,020,985. The total free reserves held at the end of 2020 were £708,711. Trustees are aware of the shortfall and are comfortable that there are sufficient reserves available to meet the ongoing working capital requirements of the Foundation. The Board of Trustees will review its reserves policy during the 2021 financial year, to ensure it remains suitable for our operating model.



## Fundraising

The Jack Petchey Foundation does not undertake widespread fundraising from the general public and does not use professional fundraisers or commercial participators. We occasionally receive a very small number of unsolicited donations from members of the public in appreciation of our work. The day to day management of all income generation is delegated to the executive team, who are accountable to the Jack Petchey Foundation Board of 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 relating to fundraising. We have received no complaints in relation to any fundraising activities. Our terms of employment require staff to behave reasonably at all times and as we do not approach individuals for the purpose of raising funds, we do not have specific requirements related to fundraising activities, nor do we consider it necessary to design specific procedures to monitor such activities.

## Public Benefit

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. Trustees are confident that JPF operates for public benefit and fully considers how planned activities will contribute to the aims and objectives they have set to further JPF's charitable purposes.

## Plans for the future

At the time of signing the accounts, the third national lockdown is in the process of being eased. Young people are back in school and youth organisations are starting to resume activity. Trustees have approved the 2021 budget at a level consistent with the 2020 budget. It will be held under regular review over the year in order to identify where activities are not possible as a result of the impact of the COVID restrictions and consequent budget underspends can be utilised for other activities to support young people.

Staff will continue to work to the one year COVID plan, which runs to the end of August 2021 and we will be flexible with grantees and with delivery timescales whilst retaining a focus on value for money. The Board will review the operating plan in the summer and approve a new plan to realise the Board's ambition to deliver maximum opportunities for young people, in line with our vision and mission. JPF will continue to be informed by the priorities young people identified in our 2020 *Shaping Our Future* survey and will invest in programmes and activities that support young people's education, employment, mental and emotional wellbeing, activities outside of school and volunteering opportunities.

Specific priority areas of work to deliver our strategic aims include:

1. Continued delivery of our **Jack Petchey Achievement Award Scheme**, supporting schools and youth organisations to participate and run the scheme successfully. Staff will support new secondary schools and youth organisations to join the 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.
2. Delivering an **adapted Leader Award Grant** programme with more flexible deadlines for leader award winners to apply for funds that provide additional opportunities for the young people they work with.
3. Re-opening our **Volunteering Grants** for young volunteers and our **Educational Visits** grant programme and as soon as circumstances allow young people to take part safely in these activities.
4. Delivering our largest ever funded cohort of the **Jack Petchey Internship** programme, strengthening the youth sector and providing paid employment and development opportunities for 40 interns across London and Essex.
5. Continuing to build on the work of **Jack Petchey's "Speak Out" Challenge!**, aiming to work with our partner, the Speakers Trust, to train more young people.
6. Supporting the popular and inclusive **Step into Dance** programme with the Royal Academy of Dance to offer training and performance opportunities to young people in 200 secondary schools.
7. Maintaining our partnership with the **Panathlon Challenge** to ensure that more young people with disabilities can participate in competitive sports.
8. Continuing with our successful partnership with **Table Tennis England** to ensure young people have access to training, tables and competitive opportunities across London and Essex.
9. Re-launching our **Perfect Pitch** and **Glee Club Challenges** as soon as it is safe to provide young people with these musical training and performance opportunities.
10. Working closely with the Media Trust to provide more young people with opportunities to build their skills and engage in the **Vlogstar Challenge**.
11. Growing our pilot **Jack Petchey Spark** programme in partnership with BTS Spark, equipping more young people with the tools and insights to help them be at their best more of the time, even when facing tricky challenges and stressful situations.
12. Supporting our **other partnership programmes**, including First Give, Wallball UK, the Jack Petchey Count on us Maths Challenge and Faraday engineering challenge to resume, expand and deliver opportunities for young people.
13. **Developing new programmes** that respond to young people's feedback in our *Shaping Our Future* survey.
14. Providing more opportunities for **young people to express their views** and share them with decision-makers and others in positions of power so that they can influence policies and processes and affect young people in London and Essex.
15. Resuming in-person **events** once it is safe to do so, whilst retaining digital event elements that enable increased participation.

16. Ensuring our back-office **systems**, digital tools and IT systems, including our new bespoke grant making and events database, are user friendly and enable us to be a more efficient, effective and responsive grant-maker.
17. Developing our **impact reporting** in order to be able to better understand and aggregate the difference our programmes and grant-making make to young people.

## Statement of responsibilities of the trustees

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 operation

The trustees are responsible for keeping adequate accounting records that 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 also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The directors' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 25<sup>th</sup> May 2021 and signed on their behalf by:

Ron Mills  
Chair of Trustees

## Independent auditor's report

To the members of

Jack Petchey Foundation

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### Opinion

We have audited the financial statements of Jack Petchey Foundation (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2020 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 United Kingdom Generally Accepted Accounting Practice
- 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 that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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 relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Jack Petchey Foundation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Independent auditor's report

To the members of

Jack Petchey Foundation

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### 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 trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has 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 trustees' annual 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, 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 directors 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 trustees' annual report and from the requirement to prepare a strategic report.

## Independent auditor's report

To the members of

Jack Petchey Foundation

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### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 determine 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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

### Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the board of trustees, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

## Independent auditor's report

### To the members of

#### Jack Petchey Foundation

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- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

Judith Miller (Senior statutory auditor)

8 June 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL



Jack Petchey Foundation

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

|   | Note | Unrestricted<br>£ | Restricted<br>£  | 2020<br>Total<br>£ | Unrestricted<br>£ | Restricted<br>£  | Restated<br>2019<br>Total<br>£ |
|---|------|-------------------|------------------|--------------------|-------------------|------------------|--------------------------------|
| <b>Income from:</b>                       |      |                   |                  |                    |                   |                  |                                |
| Donations and legacies                    | 2    | 7,486,213         | -                | <b>7,486,213</b>   | 9,663,390         | -                | 9,663,390                      |
| Investments                               |      | -                 | 5,767            | <b>5,767</b>       | -                 | 11,506           | 11,506                         |
| <b>Total income</b>                       |      | <b>7,486,213</b>  | <b>5,767</b>     | <b>7,491,980</b>   | <b>9,663,390</b>  | <b>11,506</b>    | <b>9,674,896</b>               |
| <b>Expenditure on:</b>                    |      |                   |                  |                    |                   |                  |                                |
| Charitable activities                     |      |                   |                  |                    |                   |                  |                                |
| Inspiring and motivating young people     |      | 6,789,014         | -                | <b>6,789,014</b>   | 8,693,294         | -                | 8,693,294                      |
| <b>Total expenditure</b>                  | 3    | <b>6,789,014</b>  | <b>-</b>         | <b>6,789,014</b>   | <b>8,693,294</b>  | <b>-</b>         | <b>8,693,294</b>               |
| <b>Net movement in funds</b>              |      | <b>697,199</b>    | <b>5,767</b>     | <b>702,966</b>     | <b>970,096</b>    | <b>11,506</b>    | <b>981,602</b>                 |
| <b>Reconciliation of funds:</b>           |      |                   |                  |                    |                   |                  |                                |
| Total funds brought forward               |      | 974,447           | 1,751,506        | <b>2,725,953</b>   | (113,873)         | 1,740,000        | 1,626,127                      |
| Prior period adjustment                   | 17   | -                 | -                | -                  | 118,224           | -                | 118,224                        |
| Total funds brought forward (as restated) |      | 974,447           | 1,751,506        | <b>2,725,953</b>   | 4,351             | 1,740,000        | 1,744,351                      |
| <b>Total funds carried forward</b>        |      | <b>1,671,646</b>  | <b>1,757,273</b> | <b>3,428,919</b>   | <b>974,447</b>    | <b>1,751,506</b> | <b>2,725,953</b>               |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

Jack Petchey Foundation

Balance sheet

Company no. 10872145

As at 31 December 2020

|  | Note | £                  | 2020<br>£                      | £                  | Restated<br>2019<br>£          |
|--|------|--------------------|--------------------------------|--------------------|--------------------------------|
| <b>Fixed assets:</b>                           |      |                    |                                |                    |                                |
| Tangible fixed assets                          | 10   |                    | <u>11,635</u>                  |                    | <u>9,954</u>                   |
|  |      |                    | <b>11,635</b>                  |                    | <b>9,954</b>                   |
| <b>Current assets:</b>                         |      |                    |                                |                    |                                |
| Debtors  | 11   | 71,994             |                                | 96,277             |                                |
| Cash at bank and in hand                       |      | <u>5,433,289</u>   |                                | <u>5,021,955</u>   |                                |
|  |      | <b>5,505,283</b>   |                                | <b>5,118,232</b>   |                                |
| <b>Liabilities:</b>                            |      |                    |                                |                    |                                |
| Creditors: amounts falling due within one year | 12   | <u>(2,087,999)</u> |                                | <u>(2,402,233)</u> |                                |
| <b>Net current assets</b>                      |      |                    | <u><b>3,417,284</b></u>        |                    | <u><b>2,715,999</b></u>        |
| <b>Total net assets</b>                        | 13a  |                    | <u><u><b>3,428,919</b></u></u> |                    | <u><u><b>2,725,953</b></u></u> |
| <b>The funds of the charity:</b>               | 14a  |                    |                                |                    |                                |
| Restricted income funds                        |      |                    | 1,757,273                      |                    | 1,751,506                      |
| Unrestricted income funds:                     |      |                    |                                |                    |                                |
| Designated funds                               |      | 951,300            |                                | -                  |                                |
| General funds                                  |      | <u>720,346</u>     |                                | <u>974,447</u>     |                                |
| Total unrestricted funds                       |      |                    | <u><b>1,671,646</b></u>        |                    | <u><b>974,447</b></u>          |
| <b>Total charity funds</b>                     |      |                    | <u><u><b>3,428,919</b></u></u> |                    | <u><u><b>2,725,953</b></u></u> |

Approved by the trustees on 25 May 2021 and signed on their behalf by

Ron Mills  
Chair of Trustees

Jack Petchey Foundation

Statement of cash flows

For the year ended 31 December 2020

|   | Note | 2020<br>£           | £ | 2019<br>£          | £ |
|---|------|---------------------|---|--------------------|---|
| <b>Cash flows from operating activities</b>   |      |                     |   |                    |   |
| Net income for the reporting period<br>(as per the statement of financial activities) |      | 702,966             |   | 981,602            |   |
| Depreciation charges  |      | 3,811               |   | 3,106              |   |
| Dividends, interest and rent from investments   |      | (5,767)             |   | (11,506)           |   |
| Decrease/(increase) in debtors<br>(Decrease)/increase in creditors                    |      | 24,283<br>(314,234) |   | (7,415)<br>270,447 |   |
| <b>Net cash provided by operating activities</b>                                      |      | <b>411,059</b>      |   | <b>1,236,234</b>   |   |
| <b>Cash flows from investing activities:</b>  |      |                     |   |                    |   |
| Dividends, interest and rents from investments  |      | 5,767               |   | 11,506             |   |
| Purchase of fixed assets  |      | (5,492)             |   | (2,641)            |   |
| <b>Net cash provided by investing activities</b>                                      |      | <b>275</b>          |   | <b>8,865</b>       |   |
| <b>Change in cash and cash equivalents in the year</b>                                |      | <b>411,334</b>      |   | <b>1,245,099</b>   |   |
| Cash and cash equivalents at the beginning of the year                                |      | 5,021,955           |   | 3,776,856          |   |
| Change in cash and cash equivalents due to exchange rate movements                    |      | -                   |   | -                  |   |
| <b>Cash and cash equivalents at the end of the year</b>                               |      | <b>5,433,289</b>    |   | <b>5,021,955</b>   |   |

## 1 Accounting policies

### a) Statutory information

Jack Petchey Foundation is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address and principal place of business is Dockmaster's House, 1 Hertsmere Road, London, E14 8JJ.

### b) 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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

### c) Public benefit entity

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

### d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Trustees have a letter of intent from IHL, JPF's long-standing donor, confirming funding to be provided to JPF for 2021 and 2022. Trustees have taken into consideration the long history and strong relationship with IHL and its subsidiaries and their understanding of cash reserves and property investments within the control of IHL to support Trustees' belief that JPF is a going concern. The Board of Trustees are happy that IHL and its subsidiaries are able to and will provide all necessary funding required to support the Foundation and its activities until at least 31 December 2022, with the vision for this arrangement to be long-lasting. The Chair of JPF has seen evidence that confirms that IHL has sufficient cash reserves to meet their commitment outlined in their letter of comfort.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**1 Accounting policies (continued)**

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

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

**g) Interest receivable**

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

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of grant making and associated activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**j) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

**k) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**1 Accounting policies (continued)**

**l) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**m) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings 10% straight line
- Computer equipment 25% straight line

**n) Debtors**

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

**o) Short term deposits**

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

**p) Cash at bank and in hand**

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

**q) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**r) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**s) Pensions**

The Foundation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Foundation in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the Foundation to the fund. The Foundation has no liability under the scheme other than for the payment of those contributions.

**t) Accounting estimates and judgements**

There are no significant accounting estimates or judgements in the current or prior year.

## Jack Petchey Foundation

### Notes to the financial statements

#### For the year ended 31 December 2020

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#### 2 Income from donations and legacies

|                  | Unrestricted<br>£ | Restricted<br>£ | 2020<br>Total<br>£      | Unrestricted<br>£ | Restricted<br>£ | 2019<br>Total<br>£ |
|------------------|-------------------|-----------------|-------------------------|-------------------|-----------------|--------------------|
| Gifts            | 7,333,339         | -               | <b>7,333,339</b>        | 9,516,052         | -               | 9,516,052          |
| Donated services | 152,874           | -               | <b>152,874</b>          | 147,338           | -               | 147,338            |
|                  | <u>7,486,213</u>  | <u>-</u>        | <u><b>7,486,213</b></u> | <u>9,663,390</u>  | <u>-</u>        | <u>9,663,390</u>   |

Donated services primarily comprises rent free accomodation.

Jack Petchey Foundation

Notes to the financial statements

For the year ended 31 December 2020

3a Analysis of expenditure (current year)

|                               | Inspiring and<br>motivating<br>young people<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | 2020<br>Total<br>£      | Restated<br>2019<br>Total<br>£ |
|-------------------------------|--|--------------------------|-----------------------|-------------------------|--------------------------------|
| Staff costs (note 6)          | 739,299  | 36,899                   | -                     | <b>776,198</b>          | 759,330                        |
| Grant making (note 4)         | 5,554,311  | -                        | -                     | <b>5,554,311</b>        | 7,295,729                      |
| Presentation events           | 117,766  | -                        | -                     | <b>117,766</b>          | 331,951                        |
| Professional fees             | -  | 14,408                   | -                     | <b>14,408</b>           | 11,520                         |
| Organisational costs          | -  | -                        | 326,331               | <b>326,331</b>          | 294,764                        |
|                               | <u>6,411,376</u>                                 | <u>51,307</u>            | <u>326,331</u>        | <u><b>6,789,014</b></u> | <u>8,693,294</u>               |
| Support costs                 | 326,331  | -                        | (326,331)             | -                       | -                              |
| Governance costs              | 51,307   | (51,307)                 | -                     | -                       | -                              |
| <b>Total expenditure 2020</b> | <u><b>6,789,014</b></u>                          | <u>-</u>                 | <u>-</u>              | <u><b>6,789,014</b></u> |                                |
| Total expenditure 2019        | <u>8,693,294</u>                                 | <u>-</u>                 | <u>-</u>              |                         | <u>8,693,294</u>               |

With organisational costs are donated services of £152,874 (2019: £147,338).



Jack Petchey Foundation

Notes to the financial statements

For the year ended 31 December 2020

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3b Analysis of expenditure (prior year)

|                               | Inspiring and<br>motivating<br>young people<br>£ | Governance<br>costs<br>£ | Support<br>costs<br>£ | Restated<br>2019<br>Total<br>£ |
|-------------------------------|--|--------------------------|-----------------------|--------------------------------|
| Staff costs (note 6)          | 724,810  | 24,855                   | 9,665                 | 759,330                        |
| Grant making (note 4)         | 7,295,729  | -                        | -                     | 7,295,729                      |
| Presentation events           | 331,951  | -                        | -                     | 331,951                        |
| Professional fees             | -  | 11,520                   | -                     | 11,520                         |
| Organisational costs          | -  | -                        | 294,764               | 294,764                        |
|                               | <hr/>  | <hr/>                    | <hr/>                 | <hr/>                          |
|                               | 8,352,490  | 36,375                   | 304,429               | 8,693,294                      |
| Support costs                 | 304,429  | -                        | (304,429)             | -                              |
| Governance costs              | 36,375   | (36,375)                 |                       | -                              |
|                               | <hr/>  | <hr/>                    | <hr/>                 | <hr/>                          |
| <b>Total expenditure 2019</b> | <b>8,693,294</b>                                 | <b>-</b>                 | <b>-</b>              | <b>8,693,294</b>               |

With organisational costs are donated services of £147,338.

4 Grant making

|                                   | 2020<br>£               | Restated<br>2019<br>£   |
|-----------------------------------|-------------------------|-------------------------|
| Grant commitments brought forward | 2,347,905               | 1,937,304               |
| Grants committed in the year      | 5,925,604               | 7,295,729               |
| Grants cancelled in the year      | (371,293)               | -                       |
| Total net commitments in the year | <u>5,554,311</u>        | <u>7,295,729</u>        |
| Grants paid in the year           | (5,881,231)             | (6,885,128)             |
| Grant commitments carried forward | <u><u>2,020,985</u></u> | <u><u>2,347,905</u></u> |

A breakdown of the major grants with a total value in excess of £20,000 are on pages 6–10 of the Trustees' report, as well as grants made under our 2020 Open Grants Programme and our Internship Programme.

Grants payable include £2,020,985 (2019: £2,347,905) for grants agreed prior to the year-end but to be paid in the next. 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.

5 Net income for the year

This is stated after charging / (crediting):

|   | 2020<br>£    | 2019<br>£     |
|---|--------------|---------------|
| Depreciation                            | 3,811        | 3,106         |
| Operating lease rentals payable:        |              |               |
| Property                                | -            | -             |
| Auditor's remuneration (excluding VAT): |              |               |
| Audit                                   | <u>9,600</u> | <u>11,520</u> |

**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Salaries and wages  | 658,935        | 671,911        |
| Redundancy and termination costs                                | 28,043         | –              |
| Social security costs   | 74,154         | 73,705         |
| Employer's contribution to defined contribution pension schemes | 15,066         | 13,714         |
|   | <u>776,198</u> | <u>759,330</u> |

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

|                   | 2020<br>No. | 2019<br>No. |
|-------------------|-------------|-------------|
| £60,000 – £69,999 | 1           | 1           |
| £70,000 – £79,999 | –           | –           |
| £80,000 – £89,999 | 1           | –           |
| £90,000 – £99,999 | –           | 1           |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £182,318 (2019: £170,249). Key management personnel of the charity comprises the trustees, who are unpaid, as well as the Chief Executive Officer and the Deputy Chief Executive.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £435 (2019: £1,852) incurred by two (2019: two) members relating to attendance at meetings of the trustees.

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 17 (2019: 17).

**8 Related party transactions**

During the year there were grants payable to The Petchey Academy of £153,030 (2019: £149,178) with £NIL (2019: £113,086) 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 was employee of The Petchey Academy until August 2019. Trudy Kilcullen MBE is an employee of Jack Petchey Foundation, is a Member of The Petchey Academy and was a Governor/Trustee of The Petchey Academy until July 2019. Gemma Juma is an employee of the Jack Petchey Foundation and a Governor/Trustee 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 £68,250 (2019: £5,500) was made to Barking and Dagenham Future Youth Zone with £68,250 (2019: £NIL) 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 both JPF and Future Onside Youth Zone – Barking and Dagenham.

Aggregate donations from related parties were £0 (2019: £0).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

10 Tangible fixed assets

|                               | Fixtures and<br>fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£           |
|-------------------------------|-------------------------------|----------------------------|----------------------|
| <b>Cost</b>                   |                               |                            |                      |
| At the start of the year      | 16,866                        | 39,215                     | 56,081               |
| Additions in year             | –                             | 5,492                      | 5,492                |
| Disposals in year             | –                             | –                          | –                    |
| At the end of the year        | <u>16,866</u>                 | <u>44,707</u>              | <u>61,573</u>        |
| <b>Depreciation</b>           |                               |                            |                      |
| At the start of the year      | 10,882                        | 35,245                     | 46,127               |
| Charge for the year           | 748                           | 3,063                      | 3,811                |
| Eliminated on disposal        | –                             | –                          | –                    |
| At the end of the year        | <u>11,630</u>                 | <u>38,308</u>              | <u>49,938</u>        |
| <b>Net book value</b>         |                               |                            |                      |
| <b>At the end of the year</b> | <u><u>5,236</u></u>           | <u><u>6,399</u></u>        | <u><u>11,635</u></u> |
| At the start of the year      | <u><u>5,984</u></u>           | <u><u>3,970</u></u>        | <u><u>9,954</u></u>  |

All of the above assets are used for charitable purposes.

11 Debtors

|               | 2020<br>£            | 2019<br>£            |
|---------------|----------------------|----------------------|
| Other debtors | <u>71,994</u>        | 96,277               |
|               | <u><u>71,994</u></u> | <u><u>96,277</u></u> |

12 Creditors: amounts falling due within one year

|                              | 2020<br>£               | Restated<br>2019<br>£   |
|------------------------------|-------------------------|-------------------------|
| Taxation and social security | 25,750                  | 29,037                  |
| Grants payable               | 2,020,985               | 2,347,905               |
| Accruals                     | 41,264                  | 25,291                  |
|                              | <u><u>2,087,999</u></u> | <u><u>2,402,233</u></u> |

13a Analysis of net assets between funds (current year)

|                                       | General<br>unrestricted<br>£ | Designated<br>£ | Restricted<br>£  | Total funds<br>£ |
|---------------------------------------|------------------------------|-----------------|------------------|------------------|
| Tangible fixed assets                 | 11,635                       | -               | -                | 11,635           |
| Net current assets                    | 708,711                      | 951,300         | 1,757,273        | 3,417,284        |
| <b>Net assets at 31 December 2020</b> | <b>720,346</b>               | <b>951,300</b>  | <b>1,757,273</b> | <b>3,428,919</b> |

13b Analysis of net assets between funds (prior year)

|                                       | General<br>unrestricted<br>£ | Restricted<br>£  | Restated<br>Total funds<br>£ |
|---------------------------------------|------------------------------|------------------|------------------------------|
| Tangible fixed assets                 | 9,954                        | -                | 9,954                        |
| Net current assets                    | 964,493                      | 1,751,506        | 2,715,999                    |
| <b>Net assets at 31 December 2019</b> | <b>974,447</b>               | <b>1,751,506</b> | <b>2,725,953</b>             |

14a Movements in funds (current year)

|                                 | Restated<br>At 1 January<br>2020<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£   | At 31<br>December<br>2020<br>£ |
|---------------------------------|---------------------------------------|------------------------|------------------------------|------------------|--------------------------------|
| <b>Restricted funds:</b>        |                                       |                        |                              |                  |                                |
| Portugal Children's Home        | 1,751,506                             | 5,767                  | -                            | -                | 1,757,273                      |
| <b>Total restricted funds</b>   | <b>1,751,506</b>                      | <b>5,767</b>           | <b>-</b>                     | <b>-</b>         | <b>1,757,273</b>               |
| <b>Unrestricted funds:</b>      |                                       |                        |                              |                  |                                |
| Designated funds:               |                                       |                        |                              |                  |                                |
| Jack Petchey Internship Scheme  | -                                     | -                      | -                            | 951,300          | 951,300                        |
| Total designated funds          | -                                     | -                      | -                            | 951,300          | 951,300                        |
| <b>General funds</b>            | <b>974,447</b>                        | <b>7,486,213</b>       | <b>(6,789,014)</b>           | <b>(951,300)</b> | <b>720,346</b>                 |
| <b>Total unrestricted funds</b> | <b>974,447</b>                        | <b>7,486,213</b>       | <b>(6,789,014)</b>           | <b>-</b>         | <b>1,671,646</b>               |
| <b>Total funds</b>              | <b>2,725,953</b>                      | <b>7,491,980</b>       | <b>(6,789,014)</b>           | <b>-</b>         | <b>3,428,919</b>               |

The narrative to explain the purpose of each fund is given at the foot of the note below.

## 14b Movements in funds (prior year)

|                                 | Restated<br>At 1 January<br>2019<br>£ | Income &<br>gains<br>£ | Expenditure<br>& losses<br>£ | Transfers<br>£ | Restated<br>At 31<br>December<br>2019<br>£ |
|---------------------------------|---------------------------------------|------------------------|------------------------------|----------------|--|
| <b>Restricted funds:</b>        |                                       |                        |                              |                |  |
| Portugal Children's Home        | 1,740,000                             | 11,506                 | -                            | -              | 1,751,506                                  |
| <b>Total restricted funds</b>   | <b>1,740,000</b>                      | <b>11,506</b>          | <b>-</b>                     | <b>-</b>       | <b>1,751,506</b>                           |
| <b>Unrestricted funds:</b>      |                                       |                        |                              |                |  |
| <b>General funds</b>            | <b>4,351</b>                          | <b>9,663,390</b>       | <b>(8,693,294)</b>           | <b>-</b>       | <b>974,447</b>                             |
| <b>Total unrestricted funds</b> | <b>4,351</b>                          | <b>9,663,390</b>       | <b>(8,693,294)</b>           | <b>-</b>       | <b>974,447</b>                             |
| <b>Total funds</b>              | <b>1,744,351</b>                      | <b>9,674,896</b>       | <b>(8,693,294)</b>           | <b>-</b>       | <b>2,725,953</b>                           |

**Purposes of restricted funds**

**Portugal Children's Home** – In 2018, JPF received a restricted donation of £1.74m from Hollybase Ltd. to support the work of Santa Casa Albufeira, Portugal (Est 1498), providing care for children and young people who are in need. The JPF Board is working with Santa Casa Albufeira on appropriate development of their work at the Pirilamos Children's Home, with a view to a making a grant to support this.

**Purposes of designated funds**

Trustees designated £951,300 for the 2021 Jack Petchey Internship Scheme to provide grants and associated training and development for 40 year-long paid internships at youth organisations in London and Essex.

15 **Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

## 16 Prior period adjustment

| Reserves position                                   | Unrestricted     | Restricted       | Total            | Unrestricted   | Restricted       | Total            |
|---|------------------|------------------|------------------|----------------|------------------|------------------|
|   | 31 December 2019 |                  |                  | 1 January 2019 |                  |                  |
|   | £                | £                | £                | £              | £                | £                |
| <b>Funds previously reported</b>                    | 767,906          | 1,740,000        | <b>2,507,906</b> | (113,873)      | 1,740,000        | <b>1,626,127</b> |
| <b>Adjustments on restatement</b>                   |                  |                  |                  |                |                  |                  |
| Removal of accrued programme costs                  | 218,047          | -                | <b>218,047</b>   | 118,224        | -                | <b>118,224</b>   |
| Allocation of investment income to restricted funds | (11,506)         | 11,506           | -                | -              | -                | -                |
| <b>Funds restated</b>                               | <b>974,447</b>   | <b>1,751,506</b> | <b>2,725,953</b> | <b>4,351</b>   | <b>1,740,000</b> | <b>1,744,351</b> |

| Impact on income and expenditure                    | Unrestricted     | Restricted    | Total          |
|---|------------------|---------------|----------------|
|   | 31 December 2019 |               |                |
|   | £                | £             | £              |
| <b>Net income as previously reported</b>            | 881,779          | -             | <b>881,779</b> |
| <b>Adjustments on restatement</b>                   |                  |               |                |
| Removal of accrued programme costs                  | 99,823           | -             | <b>99,823</b>  |
| Allocation of investment income to restricted funds | (11,506)         | 11,506        | -              |
| <b>Net income as restated</b>                       | <b>970,096</b>   | <b>11,506</b> | <b>981,602</b> |

**Details of adjustments**

Removal of accrued programme costs

The financial statements for 2018 and 2019 originally included accruals for anticipated programme costs for which an obligation did not exist at the relevant financial year end. An adjustment has been made to remove these accruals so that expenditure is only recognised in the period in which an obligation was created.

Allocation of investment income to restricted funds

Investment income earned in 2019 as a result of restricted funds held had not originally been allocated to the restricted fund. An adjustment has been made to allocate this income resulting in an increase in the available fund value.