



# ST. JAMES'S PLACE

## CHARITABLE FOUNDATION

### ANNUAL REPORT

**31 December 2019**

**Charity Registration Number: 1144606**

**Company Registration Number: 7819270**



# **ST. JAMES'S PLACE CHARITABLE FOUNDATION**

Annual Report for the year ended 31 December 2019

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# **ST. JAMES'S PLACE CHARITABLE FOUNDATION**

Annual Report for the year ended 31 December 2019

## **Chairman's Report**

It is a great honour to take on the role of Chair of the St. James's Place Charitable Foundation, following my predecessor David Bellamy stepping down as Chair and Trustee of the Foundation at the end of 2019. On behalf of the Trustees, I would like to extend our thanks for his support and commitment to the Foundation over his tenure - he has been a driving force for the Foundation and made a positive and lasting difference to its success. I would also like to welcome three new members to the Board, Sir Mark Weinberg, Andrew Humphries and Robert Edwards, who bring a wealth of experience and enthusiasm to helping us continue to lead the Foundation into the new decade.

## **Review of 2019**

2019 was another successful year for the Foundation raising over £12 million through the St. James's Place community and through company matching from St. James's Place plc. It means that since the Foundation was first formed in 1992 it has raised a staggering £93m for some fantastic causes both in the UK and overseas. I would like to take this opportunity to thank everybody for their generosity and continued commitment to the Foundation. In addition, I would like to extend our thanks to the St. James's Place shareholders for both supporting the day to day running costs of the Foundation and their ongoing commitment to matching the fundraising activities.

The breadth and scale of the fundraising activities that take place across the St. James's Place community is truly inspiring and in 2019 they continued to exceed expectations with some of our flagship events breaking all previous records, cycling from Vienna to Prague, trekking in Montenegro and walking in the Quantock Hills in Somerset collectively raised over £270,000. Added to this is a whole range of fundraising activities across the UK and in Asia from golf days and charity dinners with auctions to quiz nights, cakes bakes and individual sponsored events, all of which contribute to the phenomenal monies raised.

This year we also received several legacy gifts and I would like to acknowledge and express the gratitude of the Foundation to the Estates of, Barbara Hobbs, Christina Collins, Elizabeth Mackay and Elizabeth Bugg for their generosity.

A final area of fundraising that we are also very proud of is that 88% of the Partners and employees of St. James's Place donate a gift monthly from their earnings which, with matching, raised over £3.4 million in the year. St. James's Place is recognised as industry leading in terms of the level of sign up for this form of giving.

## **Making a positive and lasting difference to people's lives**

The grant-making efforts of the Charitable Foundation exceeded all previous years with £13.9 million in grants being given to over 1,000 individual charities across the UK, Asia and other parts of the world.

In the last year we have continued to support smaller grassroots charities, where with our help we feel we can make a bigger impact. The largest area of support is to charities working with children and young people who have either a disability or are disadvantaged. In addition, we also support the hospice sector, charities working in cancer support and in the field of mental health. We are honoured to work with some incredible charities, who are so often delivering transformational change to so many lives.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## **Chairman's Report *continued***

I am also delighted to report that following our continued growth, the Foundation continues to be listed in the top 10 of Corporate Foundations\*, which is further testament to the ongoing commitment and dedication of the St. James's Place community.

### **Looking ahead to a new decade**

Looking ahead to a new decade, we are as ambitious as ever to raising more money so that we can continue to support the many charities we have been privileged to support in the past and those we have yet to get to know. These charities are our inspiration and their tenacity, enthusiasm and energy to make real and positive change in people's lives, spurs us on to reach out and enable them to do what they do best. Over the years we have built some strong partnerships and we aim to continue these and identify new charities that have the potential to grow and evolve and do great things in the wider community.

2020 will see us reach a major milestone in the amount we will have raised since our small beginnings - £100 million. We are very proud of the difference this will have made to people in need.

At the point of writing my report, the world has been struck by an unprecedented challenge of COVID-19. The ramifications of it are still evolving and no doubt will continue too over the course of 2020 and beyond. Like everyone else this is impacting the Foundation and we are trying to manage and be flexible to the changes it is imposing on us. We recognise that our aspirations for income growth this year will be impacted but we will continue to make the most of the fundraising opportunities that will be available to us through these times. Financial due diligence will be ever more important as we manage the financial uncertainty of the current times and we will be monitoring and managing our available funds to ensure that these are placed where they can have greatest impact. Overall, we aim to continue to be there to support and work in partnership with the many charities we have come to know very well and support them where we can.

**Andrew Croft**  
**Chairman, St. James's Place Charitable Foundation**

*\* Association of Charitable Foundations – Foundation Giving Trends 2019 Report*

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Trustees' Annual Report

The Trustees, who are also Directors of the charity for the purposes of the Companies Act 2006, present their annual report along with the financial statements of the charity for the year from 1 January 2019 to 31 December 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's trust deed, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice Accounting and Reporting by Charities and FRS 102.

## Reference and Administrative Details

Charity name	St. James's Place Charitable Foundation
Company registration number	7819270
Charity number	1144606

## Trustees and Directors

Andrew Croft (Chairman)  
Ian Gascoigne  
Malcolm Cooper-Smith  
Sonia Gravestock  
Andrew Humphries (appointed 1 March 2020)  
Sir Mark Weinberg (appointed 1 March 2020)  
Robert Edwards (appointed 1 March 2020)  
David Lamb (resigned 28 February 2019)  
Jonathan McMahon (resigned 17 October 2019)  
David Bellamy (resigned 31 December 2019)

## Bankers

Bank of Scotland plc 150 Fountainbridge Edinburgh EH3 9PE	Barclays Bank plc Bristol Queens Square Leicester LE87 2BB
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## Independent Auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Kingsway  
Cardiff  
CF10 3PW

## Principal Address

St. James's Place House  
1 Tetbury Road  
Cirencester  
Gloucestershire  
GL7 1FP

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Trustees' Annual Report *continued*

### Principal Officers (Managing Committee)

Chairman and Trustee	- Andrew Croft
Trustees and Directors	<ul style="list-style-type: none"><li>- Ian Gascoigne</li><li>- Malcolm Cooper-Smith</li><li>- Sonia Gravestock</li><li>- Andrew Humphries (appointed 1 March 2020)</li><li>- Sir Mark Weinberg (appointed 1 March 2020)</li><li>- Robert Edwards (appointed 1 March 2020)</li><li>- David Lamb (resigned 28 February 2019)</li><li>- Jonathan McMahon (resigned 17 October 2019)</li><li>- David Bellamy (resigned 31 December 2019)</li></ul>
Head of Foundation	<ul style="list-style-type: none"><li>- Catherine Ind (appointed 1 February 2019)</li><li>- Mark Longbottom (resigned 31 January 2019)</li></ul>

### Structure, Governance and Management

The Charitable Foundation is a charitable company incorporated under the Companies Act 2006, limited by guarantee and not having a share capital. It is governed by its memorandum and articles of association. The power of appointing new Trustees of the Charitable Foundation is vested in the Trustees. The minimum number of Trustees to exercise any discretion of power is three, whilst a new Trustee may be appointed at any time, either as a replacement or as an additional Trustee.

The Trustees and the Foundation Team, work with the St. James's Place Group community, clients and suppliers to further the aims and objectives of the Charitable Foundation for the benefit of people whose lives have been adversely affected.

### Trustee Induction and Training

New Trustees are given a formal induction, with the opportunity to meet members of the wider Foundation team, supported charities and relevant materials such as copies of previous reports, financial statements, minutes of Trustee and committee meetings, and a copy of the Charity Commission's guidance "The Essential Trustee: What you need to Know".

Updates on charity administration and specialist articles are provided by means of letters and articles from St. James's Place's legal department and the Charitable Foundation's solicitors as required.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## **Trustees' Annual Report *continued***

### **Management**

The St. James's Place Charitable Foundation is the charitable arm of St. James's Place. Whilst the Trustees have overall responsibility for all activities carried out by the Foundation, the day to day operations are undertaken by a Foundation team led by Catherine Ind (appointed 1 February 2019) who will refer any policy decisions which need to be made to the Trustees. The Foundation team is also supported by a voluntary committee of representatives from each of the offices within the St. James's Place Group.

### **The Charitable Foundation's Aims and Objectives**

The aims and objectives of the Charitable Foundation are to promote such purposes that are exclusively charitable according to the law in England and Wales as the Trustees shall determine. In carrying out the aims and objectives, the Charitable Foundation may receive and make donations.

The Trustees believe that their grant making policy is in keeping with the Charity Commission's guidance on public benefit.

### **Grant Making Policy**

Recommendations for grants to be awarded under the current themes are made by a delegated managing committee and the Trustees as appropriate.

### **Risk Management**

The Trustees annually assess the major risks to which the Charitable Foundation is exposed, in particular, those related to the operations and finances of the Charitable Foundation and are satisfied that systems are in place to mitigate the exposure to the major risks.

Key financial risk controls include; Excess cash is invested in high-quality, high-liquidity cash and cash equivalents. It is not the Foundations intention to hold large amounts of funds in order to earn investment income. Any monies so held will be placed on short term or overnight deposits. Interest earned on such monies, although maximised, are not a crucial source of funding for the Foundation.

With the onset of Covid-19, the Trustees held a special meeting to agree the grant-making approach of the Foundation whilst Covid-19 impacts society. In addition, more detailed monthly financial reviews and discussions are undertaken with the Trustees to facilitate appropriate and timely decision-making during this period. The Foundation will receive less income as a result of Covid-19, however the Trustees do not see any long-term impact to the ability of the Foundation to continue to raise funds and make charitable Grants.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Trustees' Annual Report *continued*

### Investment Policy

There are no restrictions on the Charitable Foundation's power to invest. In practice, all funds are maintained either in interest bearing bank current accounts or in a Sterling Money Market Fund which operates as an open-ended investment company. Cash is held within Money Market Funds or interest-bearing bank accounts where funds are immediately available to meet the cost of grants as and when they arise. Surplus cash is retained until grants are paid out. Whilst interest is generated from cash being held in interest bearing accounts, cash is raised for the purposes of making grants as opposed to being held long term as an investment.

### Review of reserves and reserves policy

As at 31 December 2019 the total funds were £5,732,419 (2018: £7,767,215).

It is the intention of the Trustees to be able to meet requests for donations under the following themes:- Children and young people who are disadvantaged or have special needs; Supporting people with cancer; the hospice movement; mental health; and support for armed services, subject to the Trustees' approval, as they are considered.

The funds of the Charitable Foundation are all readily realisable and are retained in interest bearing accounts. The level of this reserve is reviewed monthly.

The funds of the Charitable Foundation are all readily realisable and are retained in interest bearing accounts, within which £250,000 is maintained as an operating reserve. The level of this reserve is reviewed annually.

### Disclosure of information to auditors

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Charitable Foundation's auditors are unaware; and each Trustee has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the Charitable Foundation's auditors are aware of that information.

### Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

### Post Balance Sheet events

With the onset of Covid-19 in early 2020, certain planned fundraising activities have had to be cancelled or postponed. To maintain our Grant making commitment, we will be utilising some of our reserves to cover this shortfall, as well as concentrating on our existing charitable relationships to ensure that charities have our help during this period. The Trustees do not foresee any long-term impact in the ability of the Foundation to continue to raise funds and make charitable Grants. As the impact of Covid-19 evolve, the Trustees will continue to monitor the situation and review the impact to the Foundation as soon as it is realistic to do so. This is considered to be a non-adjusting post balance sheet event for 2019.



# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Statement of Trustees' Responsibilities

The Trustees (who are also Directors of St. James's Place Charitable 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).

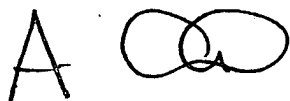
Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice Accounting and Reporting by Charities, and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 year.

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 Statement of Recommended Practice: Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

This report was approved by the Trustees on **23 July 2020** and signed on their behalf by:

A handwritten signature in black ink, consisting of a large capital 'A' followed by a stylized, cursive 'C'.

**Andrew Croft**  
**Chair of Trustees**

# **ST. JAMES'S PLACE CHARITABLE FOUNDATION**

Annual Report for the year ended 31 December 2019

## **Independent auditors' report to the members of St. James's Place Charitable Foundation**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, St. James's Place Charitable Foundation's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of incoming resources and application of resources, including its income and expenditure, and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 December 2019; statement of the financial activities, cash flow statement for the year then ended; and the notes to the financial statements.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern.

# **ST. JAMES'S PLACE CHARITABLE FOUNDATION**

Annual Report for the year ended 31 December 2019

## **Independent auditors' report to the members of St. James's Place Charitable Foundation *continued***

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **Trustees' Annual Report**

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.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Trustees' Annual Report. We have nothing to report in this respect.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the Trustees for the financial statements**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, 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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## **Independent auditors' report to the members of St. James's Place Charitable Foundation *continued***

### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located 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 auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Other required reporting**

#### **Under the Companies Act 2006 exception reporting**

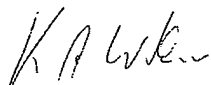
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to: prepare financial statements in accordance with the small companies' regime; and take advantage of the small company's exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.



**Kevin Williams (Senior Statutory Auditor)**

**for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff**

**Date: 23 July 2020**

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Statement of the Financial Activities for the year ended 31 December 2019

Company no: 7819270 / Charity no: 1144606

	Note	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<b>Income from</b>					
Voluntary Income	2	6,095,030	979,927	7,074,957	6,260,442
Investment Income		40,276	-	40,276	34,923
Other incoming resources					
- Company matching		<u>5,738,904</u>	<u>-</u>	<u>5,738,904</u>	<u>4,506,011</u>
<i>Total</i>		<b>11,874,210</b>	<b>979,927</b>	<b>12,854,137</b>	<b>10,801,376</b>
<b>Resources expended</b>					
Cost of generating funds					
- Costs of generating voluntary income	3	127,191	-	127,191	415,982
Charitable activities – grant making	4	<u>13,630,815</u>	<u>930,927</u>	<u>14,561,742</u>	<u>11,387,991</u>
<i>Total resources expended</i>		<b>13,758,006</b>	<b>930,927</b>	<b>14,688,933</b>	<b>11,803,973</b>
<i>Net (Expenditure)/Income for the Year</i>		<b>(1,883,796)</b>	<b>49,000</b>	<b>(1,834,796)</b>	<b>(1,002,597)</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 January 2019		<u>7,652,590</u>	<u>114,625</u>	<u>7,767,215</u>	<u>8,769,812</u>
Fund balances carried forward at 31 December 2019	9	<u><b>5,768,794</b></u>	<u><b>163,625</b></u>	<u><b>5,932,419</b></u>	<u><b>7,767,215</b></u>

The full analysis of the prior year income and expenditure between unrestricted and restricted income can be found in note 13.

The statement incorporates the Income and Expenditure account.

All recognised gains and losses have been included in the Statement of Financial Activities and the amounts included are derived from the continuing activities of St. James's Place Charitable Foundation.

The notes on pages 16 to 24 form part of these financial statements.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Balance sheet at 31 December 2019

Company no: 7819270 / Charity no: 1144606

	Note	2019 £	2018 £
<b>Current Assets</b>			
Debtors	6	1,599,708	2,135,290
Investments; Unrestricted funds		3,995,690	5,753,432
Restricted funds		163,626	114,626
Cash at bank and in hand		<u>553,566</u>	<u>369,707</u>
<b>Total current assets</b>		<b>6,312,590</b>	<b>8,373,055</b>
<b>Liabilities</b>			
Creditors: amounts falling due within one year		<u>(380,171)</u>	<u>(605,840)</u>
<b>Net assets</b>		<b><u>5,932,419</u></b>	<b><u>7,767,215</u></b>
<b>The funds of the Charity</b>			
Restricted income funds	9	163,626	114,625
Unrestricted income funds	9	<u>5,768,793</u>	<u>7,652,590</u>
<b>Total charity funds</b>		<b><u>5,932,419</u></b>	<b><u>7,767,215</u></b>

The financial statements on pages 13 to 24 were approved by the Trustees on 23 July 2020 and signed on its behalf by:



**Andrew Croft**  
**Chair of Trustees**

The notes on pages 16 to 24 form part of these financial statements.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Cash Flow Statement for the year ended 31 December 2019

Company no: 7819270 / Charity no: 1144606

	Note	2019 £	2018 £
<b>Reconciliation of net expenditure to net cash used in operating activities:</b>			
Net expenditure		(1,834,796)	(1,002,597)
Adjustments for:			
Investment income		(40,276)	(34,923)
Add:			
Decrease/(Increase) in debtors		535,582	(1,375,778)
(Decrease)/Increase in creditors		(225,669)	605,840
<b>Net cash used in operating activities</b>		<b>(1,565,159)</b>	<b>(1,807,458)</b>
<b>Statement of cash flows:</b>			
Cash flows used in operating activities:		(1,565,159)	(1,807,458)
<i>Net cash used in operating activities</i>			
Cash flows used in investing activities:			
Investment income		40,276	34,923
<i>Net cash provided by investing activities</i>		<b>40,276</b>	<b>34,923</b>
<b>Change in cash and cash equivalents</b>		<b>(1,524,883)</b>	<b>(1,772,535)</b>
<b>Cash and cash equivalents at 1 January:</b>			
At bank and in hand		369,707	102,162
Money market accounts		5,868,058	7,908,138
<b>Total cash and cash equivalents</b>		<b>6,237,765</b>	<b>8,010,300</b>
<b>Cash and cash equivalents at 31 December</b>			
At bank and in hand		553,566	369,707
Money market accounts		4,159,316	5,868,058
		<b>4,712,882</b>	<b>6,237,765</b>
<b>Change in cash and cash equivalents</b>		<b>(1,524,883)</b>	<b>(1,772,535)</b>

<b>Analysis of changes in net funds:</b>	<b>At 1 Jan 2019</b>	<b>Cash flows</b>	<b>At 31 Dec 2019</b>
Cash at bank	369,707	183,859	553,566
Short term deposits	5,868,058	(1,708,742)	4,159,316
<b>Cash and cash equivalents at 31 December</b>	<b>6,237,765</b>	<b>(1,524,883)</b>	<b>4,712,882</b>

# **ST. JAMES'S PLACE CHARITABLE FOUNDATION**

Annual Report for the year ended 31 December 2019

## **Notes to the Financial Statements for the year ending 31 December 2019**

### **1. Principal Accounting Policies**

The individual financial statements have been prepared under the historical cost convention, on a going concern basis, and in accordance with applicable United Kingdom Accounting Standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities, FRS 102 and in accordance with the Companies Act 2006 and the Charities Act 2011, using consistently applied accounting policies.

#### **Company status**

The Charitable Foundation is a company limited by guarantee not having a share capital. The liability of the members is limited by the Articles of Association to £1 each.

The Company's functional and presentation currency is pound sterling.

The particular accounting policies adopted, which have been applied consistently through the current and prior financial year, are described below. St. James's Place Charitable Foundation is a public benefit entity.

#### **Income**

Covenant income, fundraising events and investment income are accounted for on a receivable basis. Gift Aid contributions include tax recoverable from HMRC.

Investment income represents returns on money market accounts and cash at bank.

Company matching represents income received from St. James's Place plc which matches pound for pound, subject to certain restrictions and / or promotions on all income received by the Foundation. The amount is therefore determined by the amounts raised from covenants, fundraising activities (less any associated costs) and donations received.

#### **Fund Accounting**

The Charitable Foundation holds both restricted and unrestricted funds.

All income raised by individuals to support a specific charity other than the Charitable Foundation are reported as restricted funds. Restricted funds are paid out to their nominated charities when received and are not held onto or invested by the Foundation.

All other income is shown in the unrestricted fund and is available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Foundation.



# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Notes to the Financial Statements for the year ending 31 December 2019

### *Principle Accounting Policies continued*

#### **Investment Policy**

Investments are held in a UK money market account at amortised cost.

#### **Donated services**

Employee and other administration support costs totalling £637,124 (2018: £593,827) are donated services received from St. James's Place Management Services Limited ("SJPMs"). They are accounted for within Note 2 "Voluntary Income" and as Support Costs within Note 4 "Charitable activities". The valuation basis is the actual costs that are incurred by SJPMs. The PricewaterhouseCoopers LLP audit fees of £8,000 for 2019 and 2018 were donated services.

#### **Expenditure**

##### *Grants payable*

Grants are recognised in the financial statements when approved by the Trustees, and the charities have fulfilled their obligations for payment to be made.

##### *Other expenditure*

Expenditure is recognised on an accruals basis as the liability is incurred.

Costs of generating voluntary income are incidental costs incurred in fundraising events together with Lottery winnings and bank charges.

Charitable activities include all grants made in the year and grants over one year, together with support costs including expenses.

#### **Taxation**

The Charitable Foundation has no liability for corporation tax due to its charitable status. There have been no non-charitable activities in the year and no provision for taxation is considered necessary. St. James's Place Charitable Foundation is able to recover income tax deducted at source.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Notes to the Financial Statements for the year ending 31 December 2019 *continued*

### 2. Voluntary Income

	Unrestricted funds £	Restricted funds £	31 Dec 2019 Total £	31 Dec 2018 Total £
Covenant income	1,734,750	-	1,734,750	1,612,270
Gift Aid contributions	484,378	-	484,378	563,962
Donations	48,618	-	48,618	138,661
Legacies received	899,211	-	899,211	415,415
Donated services – audit fee	8,000	-	8,000	8,000
Donated services – staff & support costs	637,124	-	637,124	593,827
Fundraising events	2,282,949	979,927	3,262,876	2,928,307
	<b>6,095,030</b>	<b>979,927</b>	<b>7,074,957</b>	<b>6,260,442</b>

### 3. Costs of generating voluntary income

	Unrestricted funds £	Restricted funds £	31 Dec 2019 Total £	31 Dec 2018 Total £
Costs of fundraising events	126,958	-	126,958	415,200
Bank charges	233	-	233	782
	<b>127,191</b>	<b>-</b>	<b>127,191</b>	<b>415,982</b>

The foundation does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity during the year (2018: None).

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Notes to the Financial Statements for the year ending 31 December 2019 *continued*

### 4. Charitable activities – grant making

	Unrestricted funds £	Restricted funds £	31 Dec 2019 Total £	31 Dec 2018 Total £
Grants payable in the year	12,985,691	930,927	13,916,618	10,786,164
Support costs	645,124	-	645,124	601,827
	13,630,815	930,927	14,561,742	11,387,991

We continue to focus Grants on our core themes, as chosen by our community. Supporting children who are disadvantaged or have a physical or mental disability remains the main area of our funding. Such funding's are always made through registered charities. An analysis of our Grant making themes during the year can be broken down between;

47%	Disadvantaged Children & Youth
19%	Special Needs Children & Youth
13%	Mental Health
12%	Hospices
6%	Cancer
3%	Other

All grants in 2019 and 2018 were made to institutions only.

#### Support costs

	31 Dec 2019 £	31 Dec 2018 £
Audit fee	8,000	8,000
Travel	20,504	31,727
Staff costs (note 5)	452,349	429,784
Consultancy & Other	164,271	132,316
	645,124	601,827

The auditors are appointed on an honorary basis. The value of the audit has been included in Incoming Resources as a donated service and as Audit fee in Support Costs.

### 5. Trustees and employee information

The Trustees were not paid during the year (2018: nil) and no Trustee received any emolument or payment for professional or other services (2018: nil).

The Charitable Foundation employs no staff directly. SJPMS employs 10 staff (2018: 9) who provide administration support to the Charitable Foundation. All employee costs are met by SJPMS.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Notes to the Financial Statements for the year ending 31 December 2019 *continued*

### *Continued Note 5. Trustees and employee information*

The number of employees (including key management personnel) whose total remuneration for the year fell within each band of £10,000 from £60,000 upwards was;

	31 Dec 2019	31 Dec 2018
£60,000-£70,000	1	1
£70,000-£80,000	-	1

The aggregate payroll cost of these employees was as follows:

	31 Dec 2019	31 Dec 2018
	£	£
Wages and salaries	349,013	351,374
Social security costs	48,128	34,800
Pension costs	44,465	41,764
Temporary Staff Costs	10,743	1,846
	<b>452,349</b>	<b>429,784</b>

The aggregate payroll cost includes total payroll costs of £122,828 (2018: £137,580) made to key management personnel.

6. Debtors	31 Dec 2019	31 Dec 2018
	£	£
Amounts due from SJPMS	608,937	1,677,977
Accrued income	952,781	439,582
Other debtors	37,990	17,731
	<b>1,599,708</b>	<b>2,135,290</b>

### 7. Contingent Liabilities

	31 Dec 2019	31 Dec 2018
	£	£
Amounts falling due within one year: grants payable	4,797,538	7,857,834
Amounts falling due after more than one year: grants payable	1,683,301	2,292,342
	<b>6,480,839</b>	<b>10,150,176</b>

All of the above meet the definition of contingent liabilities as each grant recipient must meet conditions set by the Charitable Foundation in order to receive the grant funding. No constructive obligations exist. There are no legal arrangements relating to any of the contingent liabilities detailed above. No security is provided in relation to any of the contingent liabilities detailed above. None of the contingent liabilities above relate to capital projects.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Notes to the Financial Statements for the year ending 31 December 2019 *continued*

### 8. Financial Risk

Exposure to the following risks for the categories of assets is analysed separately in the following sections, in line with the requirements of FRS 102;

- credit risk;
- liquidity risk;
- market risk; and
- currency risk.

**Credit risk** arises from holdings of cash and cash equivalents, and deposits with banks and financial institutions. The Foundation has adopted a risk averse approach to such risk and has a stated policy of not actively pursuing or accepting credit risk.

Risk	Description	Management
Foundations' assets	Loss of assets or reduction in value	Foundation funds are predominantly invested in AAA-rated money market funds, which are classified as investments in Cash and cash equivalents as well as deposits with approved banks.

The value of cash and cash equivalents at 31 December 2019 was £4,712,882 (2018 - £6,237,765).

**Liquidity risk** is the risk that the Foundation, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost. The Foundation is averse to liquidity risk and seeks to minimise this risk by not actively pursuing or accepting liquidity risk.

Risk	Description	Management
Cash or expense requirement	A significant cash or expense requirement needs to be met at short notice	The majority of assets are invested in cash or cash equivalents. The cash position and forecast are monitored on a monthly basis.

The Foundation holds cash or cash equivalent short-term access deposits of £4,712,882 (2018 - £6,237,765).

**Market risk** is the impact a fall in the value of investments or other assets, the market may have on the Foundation. The Foundation adopts a risk-averse approach to market risk, with a stated solvency policy of not actively pursuing or accepting market risk.

Risk	Description	Management
Foundations' assets	Loss of assets or reduction in value	Foundation funds are predominantly invested in AAA-rated money market funds, which are classified as investments in cash and cash equivalents, and deposits with approved banks.

The Foundation has investments exposed to interest rate fluctuations of £4,712,882 (2018 - £6,237,765), earning interest of £40,276 (2018 - £34,923).

**Currency risk;** The Foundation is not subject to any significant currency risk, since the Foundations financial assets and financial liabilities are denominated in Sterling. The Foundation does not hold any assets in foreign currencies.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Notes to the Financial Statements for the year ending 31 December 2019 *continued*

### *Continued Note 8. Financial Risk*

#### Categories of financial assets and financial liabilities

The financial assets and financial liabilities of the Foundation are measured at amortised cost. The carrying values of the Foundations financial assets and liabilities in the Company's Balance sheet are summarised below:

	31 Dec 2019	31 Dec 2018
	£	£
<b>Financial assets</b>		
Cash and cash equivalents <sup>1</sup>	4,712,882	6,237,765
Other receivables	1,599,708	2,135,290
<b>Total financial assets</b>	<b>6,312,590</b>	<b>8,373,055</b>
<b>Financial liabilities</b>		
Other payables	380,171	605,840
<b>Total financial liabilities</b>	<b>380,171</b>	<b>605,840</b>

<sup>1</sup> All assets included in cash and cash equivalents above are holdings of high-quality, highly liquid money market funds or deposits held in approved banks.

The Foundation's financial assets and liabilities have a remaining contractual maturity of up to one year as they are payable on demand.

#### Sensitivity analysis to market risks

Cash is denominated in Sterling and held in money market funds and banking institutions. Due to the low volatility and short-term nature of these investments, changes in interest rates will not have a material impact on the value of these investments. Similarly, due to their nature, other financial assets and liabilities are not materially subjected to market risks. Therefore, movements in currency and interest rates at the reporting date will not have a material impact on the income and funds held.

### 9. Funds

	Unrestricted funds	Restricted funds	Total
	£	£	£
Fund balances at 1 January 2019	7,652,590	114,625	7,767,215
Income	11,874,210	979,927	12,854,137
Expenditure	(13,758,006)	(930,927)	(14,688,933)
<b>Fund balances at 31 December 2019</b>	<b>5,768,794</b>	<b>163,625</b>	<b>5,932,419</b>

Restricted funds are those funds raised by donors who wish to donate to causes the Charitable Foundation supports in which the donors have a particular interest. These restricted funds are paid to these nominated charities as funds are received.

# **ST. JAMES'S PLACE CHARITABLE FOUNDATION**

Annual Report for the year ended 31 December 2019

Resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions imposed.

## **Notes to the Financial Statements for the year ending 31 December 2019** *continued*

### **10. Related Parties**

The following are related parties of the Charitable Foundation.

Some of the Trustees, Directors and key management personnel of the Charitable Foundation are also Directors or key personnel of St. James's Place plc or other companies in the St. James's Place Group. The only transactions with such individuals were donations and fundraising event contributions made to the Charitable Foundation. The value of these donations and contributions were £42,743 (2018 - £38,049). Remuneration paid to Trustees and key management personnel have been disclosed in Note 5.

St. James's Place plc donates to the Charitable Foundation in the form of pound for pound matching, for certain donations that are made by Partners, staff and some other third parties to the Charitable Foundation. This is explained further in Note 1. The amount donated by St. James's Place plc during the year was £5,738,904 (2018: £4,506,011). The payment of the donations is facilitated through SJPMS, which also donates the costs of the staff that administer the charity (see note 5).

### **11. Guarantee Company and Capital**

The Foundation is a company limited by guarantee not having share capital. The liability of the members is limited by the Memorandum of Association to £1 each. The sole member and guarantor for the Foundation is St. James's Place plc. This is unchanged from 2018.

The Foundation does not have any share capital. The company therefore looks to its Unrestricted Funds to ensure it can meet its liabilities and obligations. The Trustees review the Funds and the Financial assets and financial liabilities on a monthly basis.

### **12. Subsequent Events**

With the onset of Covid-19 in early 2020, certain planned fundraising activities have had to be cancelled or postponed. To maintain our Grant making commitment, we will be utilising some of our reserves to cover this shortfall, as well as concentrating on our existing charitable relationships to ensure that charities have our help during this period. The Trustees do not foresee any long-term impact in the ability of the Foundation to continue to raise funds and make charitable Grants. As the impact of Covid-19 evolves, the Trustees will continue to monitor the situation and review the impact to the Foundation as soon as it is realistic to do so. This is considered to be a non-adjusting post balance sheet event for 2019.

# ST. JAMES'S PLACE CHARITABLE FOUNDATION

Annual Report for the year ended 31 December 2019

## Notes to the Financial Statements for the year ending 31 December 2019 *continued*

### 13. Prior year analysis of unrestricted and restricted income and expenditure

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
<b>Income from:</b>				
Voluntary Income	2	5,777,632	482,810	6,260,442
Investment Income		34,923	-	34,923
Other incoming resources - Company matching		<u>4,506,011</u>	<u>-</u>	<u>4,506,011</u>
<i>Total</i>		10,318,566	482,810	10,801,376
<b>Resources expended</b>				
Cost of generating funds				
Costs of generating voluntary income		415,982	-	415,982
Charitable activities – grant making		<u>10,936,014</u>	<u>451,977</u>	<u>11,387,991</u>
<i>Total resources expended</i>		11,351,996	451,977	11,803,973
<i>Net (Expenditure)/Income for the Year</i>		<u>(1,033,430)</u>	<u>30,833</u>	<u>(1,002,597)</u>
<b>Reconciliation of funds</b>				
Fund balances brought forward at 1 January 2018		<u>8,686,020</u>	<u>83,792</u>	<u>8,769,812</u>
Fund balances carried forward at 31 December 2018		<u>7,652,590</u>	<u>114,625</u>	<u>7,767,215</u>

This Note forms an integral part of and should be read in conjunction with the Statement of the Financial Activities for the year ended 31 December 2019 on page 13