

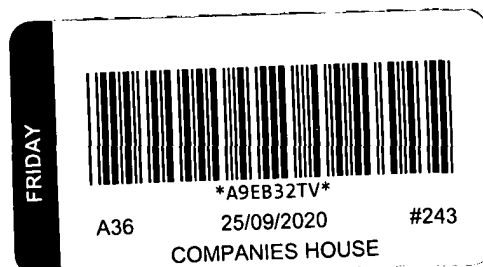
**The DHL UK  
Foundation**

**Annual Report and Financial  
Statements**

31 March 2020

Company Limited by Guarantee  
Registration Number  
2223373 (England and Wales)

Charity Registration Number  
327880



## Contents

### Reports

Legal and administrative information	1
Trustees' report	3
Independent auditor's report	19

### Financial Statements

Statement of financial activities	23
Balance sheet	24
Statement of cash flows	25
Principal accounting policies	26
Notes to the financial statements	30

## Legal and administrative information

<b>Trustees</b>	L Bridges P K Butchart – appointed 28 January 2020 N Calvert – appointed 24 July 2019 R Dürrwang P Fuller N Mahendru – appointed 28 January 2020 J Nestor T Slater (resigned 24 April 2019) B Storch P Watts (Chairman) I Wilson M Young – appointed 24 July 2019
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<b>Registered office</b>	Ocean House The Ring Bracknell RG12 1AN
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<b>Company registration number</b>	2223373 (England and Wales)
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<b>Charity registration number</b>	327880
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<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
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## Legal and administrative information

<b>Bankers</b>	National Westminster Bank plc 81 High Street Bedford MK40 1YN
	Santander UK plc Business Banking Centre Santander House 301 St Vincent Street Glasgow G2 5NT
	Nationwide Bank plc Nationwide House Pipers Way Swindon SN38 1NW
<b>Investment managers</b>	Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN
	Longview Partners LLP Thames Court 1 Queenhithe London EC4V 3RL
	Threadneedle Investment Services Limited Cannon Place 78 Cannon Street London EC4N 6AG
	BNY Mellon Fund Managers Limited BNY Mellon Centre 160 Queen Victoria Street London EC4V 4LA
<b>Solicitor</b>	Farrer and Co 66 Lincoln's Inn Fields London WC2A 3LH

## **Trustees' report Year to 31 March 2020**

The trustees present their annual report together with the financial statements of The DHL UK Foundation for the year ended 31 March 2020.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a directors' report for the purpose of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 29 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### **Principal aims and objects**

The vision of the Foundation is that children from disadvantaged backgrounds in the UK should have access to the best possible education, the opportunity to prepare for the world of work and the chance to achieve their full potential.

The mission of the Foundation is for the Foundation, our charity partners, the DHL business and colleagues across the UK to work together to support and inspire our beneficiaries.

The trustees have agreed that the Foundation's support should be focussed on three key areas of:

### **Education**

Partnering with charities and schools that help struggling students to get the most out of their education during important stages of their time in primary and secondary school, college and university – helping them to become ready for employment and to develop life and citizenship skills

### **Employability**

Partnering with charities that help young people from disadvantaged backgrounds learn about the world of work, the logistics industry and DHL.

### **Engagement**

Encouraging colleagues across DHL to use their passion and skills to help support their local communities and young people in need.

The Foundation's support of the above themes is achieved by:

- ◆ Providing funding and leveraging DHL employee support for highly impactful projects with national charity partners working with children and young people;
- ◆ Providing structured programmes and encouragement for DHL employees to volunteer, fundraise and use their skills in community activity;
- ◆ Maximising the impact of our funds through the structure with a small central team with external 'in kind' support and regular evaluation of all projects supported; and

## Trustees' report Year to 31 March 2020

- ◆ Respecting the wishes of the organisations and individuals who established the Foundation.

The principal objects of the Foundation as laid out in the Memorandum and Articles of Association are:

- ◆ The relief of poverty among employees or former employees of Exel plc or its subsidiaries and their families;
- ◆ To assist in the provision of facilities to improve the conditions of life for deserving persons;
- ◆ To advance the education and training of people at educational establishments; and
- ◆ To make contributions to other charities, which fall within the approved categories.

### **Structure, Governance and Management**

The DHL UK Foundation is a charitable company limited by guarantee with no share capital, governed by its Memorandum and Articles of Association. The Foundation was registered with the Charity Commission on 22 July 1988. The articles were amended to allow for current governance arrangements on 28 July 2006, 8 December 2006 and 19 January 2012. The trustees passed a special resolution on 2 March 2018 to increase the maximum number of trustees on the board from 9 to 11 which has been amended in the Articles of Association.

### ***Appointment, induction and training of trustees***

As set out in the Articles of Association in effect from 28 July 2006, the directors of the Foundation are the trustees and trustees are appointed by the Board. The trustees are normally appointed to serve for a period of three years and are eligible for re-appointment for a further one consecutive term. A trustee who has served in office for the maximum two consecutive terms may be reappointed for a further term by unanimous resolution of the Trustees.

The trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. For new trustees there is an induction process which includes a brief on the trustee obligations under charity and company law, the content of the Memorandum and Articles of Association, the governance structure of the Foundation, the programmes run by the Foundation and recent financial performance of the charity.

## Trustees' report Year to 31 March 2020

The following trustees served throughout the financial year and to the date of this report, except where shown:

Trustees	Appointed/Resigned
Lindsay Bridges	
Patricia Katherine Butchart	Appointed 28 January 2020
Neil Calvert	Appointed 24 July 2019
Ralf Dürrwang (DP DHL employee)	
Peter Fuller	
Neha Mahendru	Appointed 28 January 2020
John Nestor	
Tim Slater	Resigned 24 April 2019
Barbara Storch	
Perry Watts (Chairman)	
Ian Wilson	
Michael Young	Appointed 24 July 2019

### Organisational Structure

The DHL UK Foundation has a board of trustees of up to 11 members who meet quarterly. Their key responsibilities are:

- i. To set the strategic aims of the Foundation;
- ii. To ensure sound financial management (including investment management);
- iii. To ensure compliance with charity and company law; and
- iv. To ensure the bodies to which responsibility has been delegated are performing their duties in a proper manner.

Sonia Chhatwal is the DHL UK Foundation Chief Executive.

The Chairmanship of the Operations Committee was undertaken by Tim Slater (DHL business representative and Vice Chair of trustees) for the April 2019 meeting and thereafter by Lindsay Bridges (DHL Business representative and trustee). The Operations Committee consists of Sonia Chhatwal (DHL UK Foundation Chief Executive), Lindsay Bridges (DHL Business representative and trustee), Duncan Butler (DHL business representative), Nicky Donovan (DHL UK Foundation representative), Andrew Button-Stephens (DHL UK Foundation representative), Jen Simkin (DHL UK Foundation representative), Karen Tatham (DHL UK Foundation representative), Harry Wade (DHL UK Foundation representative) and Atika Sundus (DHL Foundation representative).

The Operations Committee normally meets a minimum of seven times each year and is responsible for:

- ◆ Approving requests in respect of the Helping Hands programme;
- ◆ Reviewing financial statements and agreeing any necessary actions; and
- ◆ Identifying and resolving any operational issues.

## Trustees' report Year to 31 March 2020

The Chairmanship of the Investment Committee is undertaken by John Nestor (trustee). The Investment Committee consists of Sonia Chhatwal (DHL UK Foundation Chief Executive), John Nestor (trustee), Perry Watts (Chairman of trustees), Duncan Butler (DHL business representative), and Andrew Button-Stephens (DHL UK Foundation representative). Neil Calvert was appointed to the Investment Committee in April 2020.

From 2007 to July 2019, Tim Gardener, an external representative with many years of experience in managing global investments, provided expert advice and support to the Investment Committee. The Committee were greatly saddened when Tim passed away in 2019 and will be ever thankful for his invaluable contribution to the Foundation.

The Investment Committee normally meets a minimum of four times a year. The role of the Investment Committee is to:

- ◆ Advise the trustees in taking decisions in all investment related areas;
- ◆ Monitor progress towards the achievement of the trustees' investment goals
- ◆ Manage the trustees' investment managers and any other provider of investment services; and
- ◆ Monitor the investment managers and, if necessary, advise the trustees of a need for change.

The Transform It! programme was established in 2011 to enable DHL employees working with local charities or community groups to apply for grants of up to £10,000 to help transform their facilities.

The Chairmanship of the Transform It! steering group was undertaken by Nick Archer (DHL business representative). The Transform It! steering group consisted of Nick Archer (Transform It Chairman and DHL business representative), Sonia Chhatwal (DHL UK Foundation Chief Executive), Carol Morrin (DHL business representative), Nicky Donovan (DHL UK Foundation representative) and Jen Simkin (DHL UK Foundation representative). The group met a minimum of twice a year.

The role of the steering group was to consider applications to Transform It! and approve in line with programme criteria. The programme was closed to new applications in March 2019, but there were some legacy applications that were progressed and completed during the 2019/20 financial year.

### **Trustees**

The trustees constitute directors of the Foundation for the purpose of the Companies Act 2006.

Constant regard is given to the skills mix of the trustees to ensure that the Board of trustees has all the necessary skills required to contribute fully to the Foundation's development.



## Trustees' report Year to 31 March 2020

No trustee received any remuneration from the charity during the year (2018/19 - none). Out of pocket travelling expenses totalling £1,239 (2019 - £1,061) were reimbursed to two (2019 - three) trustees during the year.

No trustee had any beneficial interest in any contract with the Foundation during the year.

### ***Key management personnel***

The trustees consider that the Foundation Chief Executive, the three Foundation Programme Managers, the Foundation Manager (job share - responsible for Finance and Administration) and the Foundation Programme Coordinator comprise the key management personnel in charge of directing, running and operating the DHL UK Foundation on a day to day basis.

The pay and performance of the Foundation Team is reviewed annually by the trustees and is benchmarked against similar roles in the DHL business and other charities. The trustees give their time freely.

### ***Statement of trustees' responsibilities***

The trustees (who are also directors of the DHL UK Foundation for the purposes of company law) are responsible for preparing the trustees' report and 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 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 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);
- ◆ Make judgements and estimates that are reasonable and prudent;
- ◆ State whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

## Trustees' report Year to 31 March 2020

The trustees are responsible for keeping proper 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.

Each of the trustees confirms that:

- ◆ So far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ Each trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### ***Related Parties***

The Foundation is independent of any other body. However it was endowed by the National Freight Consortium (NFC) plc. In May 2000, NFC plc merged with Exel plc and on 12 December 2005, Deutsche Post DHL (previously called Deutsche Post World Net) acquired Exel plc.

Deutsche Post DHL is the parent company of DHL. The DHL UK Foundation programmes are now linked to DHL employees, with a major focus in the UK. In the period covered by this report a donation of £347,720 (2018/19 £355,000) has been received from DHL.

DHL also donates staff time to the Foundation which is recognised as a gift in kind. The estimated value of donated services in this period was £179,778. (2019: £234,753).

## Activities and achievements

### Education partners and programmes

#### ***Teach First***

The DHL UK Foundation continued its partnership with Teach First in 2019/20. The £250,000 donation enabled Teach First to recruit, train and support newly qualified teachers in schools across the UK and to continue to tackle educational inequality.

#### **2019/20 Partnership Highlights – The DHL UK Foundation and Teach First:**

- Strengthened relationships with 20 established school partners
- Received interest from 20+ new school partners in communities close to DHL sites
- Created and piloted a new engagement activity for primary schools
- Continued to collaborate with the Greenwood Academies Trust (GAT) – rolling out the Teach First developed careers activities to their academies
- Increased the number of year groups and students supported in each partner school – supporting schools to fulfil their careers and employability skills strategy and the Gatsby Good Career Guidance Benchmarks

Across these school partners over 175 DHL employees delivered 65 activities to over 3,000 students. The activities delivered by DHL colleagues include:

- ♦ Coaching a newly qualified teacher
- ♦ Delivering the following careers and employability activities:
  - Assembly and Classroom activities.
  - Site Visits.
  - Employability Skills Workshops.
  - CV & Interview Skills Workshops.

These activities inspired students about the world of work, gave an insight into the logistics industry, helped students develop transferable skills and practice interview techniques and showcased DHL and career opportunities in the logistics industry.

#### ***Greenwood Academies Trust (GAT)***

The DHL UK Foundation works in partnership with the Greenwood Academies Trust to support the careers and employability education of their students. The partnership enables GAT academies to fulfil their careers strategy and the Gatsby Good Career Guidance Benchmarks. The DHL UK Foundation does not make any direct financial donation to GAT.

#### **2019/20 Partnership Highlights**

- Delivered careers activities across 18 of the GAT academies (8 Secondary and 10 Primary)
- Developed a new model for primary engagement – incorporating TACS into a "DHL Schools Takeover Day"
- Increased the number of year groups supported in each partner school – with targeted activities for different year groups

Across these school partners over 150 DHL employees delivered 50 activities to over 2,500 students.

### ***Outward Bound***

The Outward Bound Trust programme provides bursary support for young people from disadvantaged backgrounds to take part in outdoor learning activities and personal development courses. The overall programme includes an employability skills theme to empower students to become well-rounded individuals ready to enter the work place. The Trust also trains DHL employees as mentors to support the students taking part in this programme.

In 2019/20, The Outward Bound Trust received funding totalling £116,395 to support 216 students from 6 English schools to attend a five-day residential course at the Outward Bound Trust centre in Aberdovey, Wales, and a further 60 students from two schools in Scotland to attend a five-day course at the Outward Bound Trust centre in Loch Eil, Scotland.

### ***Coram Beanstalk***

In April 2019 the DHL UK Foundation Trustees approved a new education partnership with Coram Beanstalk, a national children's literacy charity that provides high-quality one-to-one reading support to disadvantaged children at risk of falling behind with their literacy skills. Coram Beanstalk recruit, train and support volunteer reading helpers, who work with children in schools for a minimum of one year, building a reading bond that allows every child to grow in confidence and develop a passion and love of reading.

In 2018/19 Coram Beanstalk recruited and supported 3,700 volunteers across the country who delivered one-to-one reading help to over 13,440 children.

### **Partnership**

The DHL UK Foundation made a donation of £50,000 to Coram Beanstalk in 2019/20. The donation enabled Coram Beanstalk to reach over 300 children with regular one-to-one reading support from a trained volunteer reading helper.

This donation allows Coram Beanstalk to invest the money where it is most needed and they are using the money to fund Story Starters, an early years reading programme for children aged 3+.

It currently costs Beanstalk £160 per child to deliver the programme, with reading interventions focused on disadvantaged children with literacy levels well-below age-expected levels.

### **2019/20 Partnership Highlights**

- Launched the new partnership with Coram Beanstalk in September 2019
- Delivered a fun and engaging Story Readers Day with the GoTeach UK Ambassador Board in October
- Recruited 25 colleagues to be volunteer reading helpers

### ***Edinburgh University - DHL UK Foundation Scholarship Fund***

The DHL UK Foundation Edinburgh Scholarship Fund was established in 2015 to support aspiring young people of limited means, to help them to pursue a world-class education in Science, Technology, Engineering or Maths.

Since 2015 the DHL UK Foundation has supported 75 students through the fund, each of whom are receiving a £2,000 a year bursary for each year of their course (maximum course

term is 5 years). No donation was made to The University of Edinburgh in 2019/20 and students will continue to benefit from the fund up until 2023/24.

### ***Go Teach***

There is a budget that covers the cost of travel and catering for student beneficiaries to attend site visits. At the end of 2019/20 the total spent was £703 however, expenses accrued in prior years were released, giving an overall credit for the year of £1,512.

### ***Trucks and Child Safety (TACS)***

The TACS programme promotes road safety to primary school aged children in the UK. Specially trained DHL employees provide interactive awareness sessions to schools and local community organisations.

DHL employees who support the TACS programme undergo a DBS (police check) and a mandatory training day in order to deliver the programme.

Supplier invoices related to TACS materials (for school children, teachers and drivers) are received into and paid directly by the Foundation during the financial year. There are currently 76 active DHL TACS demonstrators, and in the last year these colleagues visited 119 schools and community organisations to deliver the safety message to 21,671 children. Total funding for the programme was £9,424 made to the business in 2019/20 (£25,000 in 2018/19).

## **Employability partners and programmes**

### ***Street League***

The DHL UK Foundation continued its partnership with Street League in 2019/20. The £274,140 donation supported Street League academies in key locations across the UK and enabled DHL colleagues to engage with each of these academies.

The employability programme was delivered in the 6 locations, providing Street League beneficiaries with paid work experience (wages funded by the business) at DHL sites, along with aftercare support from the charity (funded by the Foundation) to ensure that the young people had the best chance to succeed in the work placement.

200 DHL colleagues took part in the employability programme, hosting work placements, leading site visits and delivering classroom sessions.

### **2019 Partnership Highlights**

- Academies funded in 6 City locations
- 9 DHL sites partnered with these Street League academies
- 114 young people took part in paid work experience and training with DHL
- 38 young people gained permanent employment with DHL

These activities inspired students about the world of work, gave an insight into the logistics industry, helped students develop transferable employability skills and practice interview techniques and showcased DHL and career opportunities in the logistics industry.

### ***ThinkForward***

ThinkForward specialise in working with some of the most disadvantaged young people in the country, who have been identified by their school as likely to leave education without a job or any further training. Their work focusses on providing specially trained coaches in schools working directly with these targeted students over a 5-year period.

The Foundation's donation of £50,000 is contributing to core costs with a particular focus on supporting the running of the programme in ThinkForward partner schools in Maidstone, Dover and Nottingham, providing students with a dedicated coach and ready for work activities.

In the 2019/20 academic year, DHL colleagues will provide mentoring support to up to 10 students in Year 10 and deliver Go Teach activities in targeted schools. The unrestricted donation also provides support to ThinkForward to continue to develop and refine their programme.

### **2019 Partnership Highlights**

- Funded programme to allow ThinkForward to support the delivery of the programme
- Introducing colleagues to programme and planning 2020 activity

### ***City Year UK***

The DHL UK Foundation continued its partnership with City Year in 2019/20. The £134,323 donation enabled City Year to recruit and support 110 volunteer mentors, who worked in 22 schools across London, the West Midlands and Greater Manchester. The City Year young volunteers supported students to improve their attendance, behaviour and curriculum attainment.

In addition to this, 45 DHL employees have supported with Mentoring of the City Year volunteers and also engaged in classroom activities.

### **2019/20 Partnership Highlights**

- Over 20 DHL Colleagues signed up to mentor City Year Mentors
- Employability skills sessions delivered to CY volunteer mentors in each region
- CMI Award in Leadership & Management rolled out to 50 City Year volunteer mentors supported by Foundation funding

### **Engagement partners and programmes**

#### ***Match It!***

Match It! aims to support and encourage current and retired DHL employees to take part in fundraising and volunteering activities by matching up to a certain limit, the funds they raise for their chosen charities.

672 applicants received funding for their chosen charity or community organisation as a result of taking part in fundraising (613 applications) and volunteering (59 applications). There was a decrease from 2018/19 in the overall number of applications received of 12% (765 applications) with a decrease in fundraising applications of 13% (706 applications) but volunteering applications remained the same (59 applications).

## **Trustees' report Year to 31 March 2020**

Match It! expenditure was £295,094 for the year ending 31 March 2020, (a decrease from 2018/19 £355,716).

### ***Transform It!***

The Transform It! programme was established in 2011 to enable DHL employees working with local charities or community groups to apply for grants of up to £10,000 to help transform their facilities. Applications were reviewed by a steering group which comprised of members of the Foundation and the DHL business. The Transform It! programme closed at the end of March 2019 but there were a few applications that were finalised during the 2019/20 financial year. At the end of 2019/20 there was a balance sheet release of £20,700 which is a result of applications accrued for that are no longer going ahead.

During its time, Transform It! supported over 66 applications with £923k worth of funding that included the following projects:

- New equipment for young people in boxing clubs
- State of the art equipment for a young person's radio station
- Materials and equipment for young children's multi-sensory rooms
- New all-weather surfaces in playgrounds
- Creation of an outside beach school and play area
- Installation of a new kitchen for a youth homeless charity
- Providing a wheelchair ramp and driveway for a gardening charity
- Transformed libraries in disadvantaged schools

### ***Grant Making***

The Foundation provides grants to organisations that work with disadvantaged young people to achieve their full potential despite social and economic obstacles.

### ***Helping Hands***

The Helping Hands programme provides grants to current and retired employees of DHL in need of welfare support. The Operations Committee are responsible for approving the applications. During 2019/20, 53 applications were made to the Helping Hands programme, 33 were awarded grants and the total Helping Hands spend in 2019/20 was £42,327

### ***Grant making policy***

For the programmes described above which include grant giving, the Foundation assesses applications through structured procedures.

For grants made via Match It! applicants are required to complete a form and provide information including proof of their fundraising or volunteering activity. The DHL UK Foundation Chief Executive then approves those applications which have met the programme criteria, and this decision is then ratified by the trustees.

For grants made via Transform It! applicants and the community organisation they worked with were required to provide detailed information about the proposed project. The Transform It! steering group then approved those applications which met the programme criteria.

### ***Public Benefit***

When setting the objectives and planning the work of the Foundation for the year, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and, where relevant, its supplementary guidance.

## Trustees' report Year to 31 March 2020

The mission of the Foundation is for the Foundation, its charity partners, the DHL business and colleagues across the UK to work together to support and inspire beneficiaries

The trustees ensure that this mission is delivered for the public benefit by running a range of programmes, including:

- ◆ Charity Partnerships;
- ◆ Match It!
- ◆ Transform It! (closed to new applications in March 2019) and
- ◆ Trucks and Child Safety

### Foundation Strategy 2017- 2020

In the 2016 Strategic Review, the trustees agreed that by 2020 the Foundation will have achieved the following objectives:

- Continue to support disadvantaged children and young people, with a particular emphasis on beneficiaries aged 5 years to 25 years.
- Focus support in the UK, with discretionary donations provided to international charities supporting children affected by disasters, where DP DHL is also providing support.
- Focus funding on the following three areas:
  - **Education** programmes that support disadvantaged students to get the most out of their time in primary and secondary school and from college/university
  - **Employability** programmes that help unemployed young people prepare for the world of work
  - **Engagement** programmes that are led by or directly involve DHL employees and include Match It! Transform It! and Helping Hands.
- Ensure that by 2020, the Foundation's annual donation spend will be allocated as follows:
  - 80% to fund Education programmes and Employability programmes
  - 20% to fund Engagement programmes
- **Widen the skills base of the Board** to include trustees with a background in supporting disadvantaged children and young people, charity law and governance. This objective was initiated in April 2017 with the appointment of Barbara Storch Director of Strategy at Bridges Impact Foundation. The recruitment of independent expert trustees continued with the appointment of Neil Calvert, Chief Executive of the Northworthy Trust in July 2019 and with the appointments of Neha Mahendru, Investment Director at Impetus and Kate Butchart, Head of the Credit Suisse Foundation, in January 2020. As a result of these 4 appointments, the Foundation is now able to draw on a wealth of knowledge and experience around supporting disadvantaged children and young



## Trustees' report Year to 31 March 2020

people to access the best possible education and prepare for the world of work, and a deeper understanding of charity governance.

- **Improve the diversity of the Board.** This objective is in progress with the appointment of Barbara Storch, Lindsay Bridges (Senior Vice President, Human Resources, DHL Supply Chain, UK&I), Neha Mahendru and Kate Butchart.
- **Be working in partnership with the DHL UK businesses to increase colleague engagement** in Foundation programmes. This objective is in progress and colleague involvement continues to increase significantly year on year - with over 1850 DHL colleagues engaging in DHL UK Foundation programmes and activities in 2019.
- **Conduct an independent review and impact assessment of the Foundation's programmes** by 2020. This objective is in progress and to date includes a trustee workshop facilitated by Pro Bono Economics, after which the Board agreed that where a charity partner is already reviewing the impact of their work, it is not necessary for the Foundation to fund separate impact evaluations. However, the Board have agreed to conduct independent evaluations of projects that are funded by the Foundation where there is no charity partner involvement. The Trucks and Child Safety Programme (TACS), will be evaluated by the research team at Staffordshire University during the 2019/20 academic year. A proposal for the independent evaluation of DHL colleague led career activities in Foundation partner schools will be shared with the trustees during 2020.

### Foundation Strategy 2021 – 2024

The Foundation CEO is currently drafting the next stage of the Foundation's Strategy, due to be approved by the Foundation Board in November 2020. There are no major changes planned and it is expected that the Foundation will continue to focus on the themes of Education and Employability, to ensure that disadvantaged children and young people in the UK get the most out of their time in school and college/university and are well prepared for the world of work. It is also expected that the Foundation will significantly increase Engagement with DHL colleagues, including recruiting more employees to deliver expertly developed career support activities to the Foundation's beneficiaries.

## Trustees' report Year to 31 March 2020

### ***Financial report***

Income for the year was £596,260 (2019 - £684,127). The Foundation's two main sources of funding during this year were investment income, being interest on cash deposits of £68,762 and donations of £527,498.

Charitable expenditure on activities in furtherance of the Foundation's objectives was £2,035,044 of which £2,003,813 relates to charitable grants and donations. The costs of governance of the charity increased from £125,916 to £129,753.

This resulted in net expenditure of £1,438,784 before investment gains and losses (2019 - net expenditure of £1,585,119 before investment gains). The Foundation incurred net losses of £517,003 on realised and unrealised investment gains and losses, which contributed to a total decrease in funds of £1,955,787.

### ***Reserves policy***

As detailed above the charity carries out a diverse range of activities, the trustees have examined the requirement for free reserves i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed.

The unrestricted fund represents the cumulative surplus arising from investment income exceeding charitable expenditure over the past few years. The trustees consider that, given the nature of the charity's work, the level of free reserves should be approximately two year's annual expenditure on unrestricted funds to ensure that assets are available to provide the liquidity needed to allow the Foundation be in a position to meet its commitments

The Foundation prepares budgets with an anticipated annual grant expenditure of approximately £2m with a deficit of £1.6m forecast for 2020/21 against which the Foundation's unrestricted fund balance at the year-end was £3.9m.

The endowment funds represent the Foundation's investment portfolio. In recent years, the Foundation adopted a policy of profit taking on the investment portfolio in accordance with its investment policy. The DHL UK Foundation has chosen to adopt a total return approach to investment, thus the year end reserve balance is deemed to be prudent given the change to be less dependent in income generating investments and to avoid liquidating investments as a forced seller in a depressed market.

The reserves policy is reviewed annually to reassess the risks and reflect changes to the Foundation's income, capital, financial obligations and long-term plans for charitable expenditure.

### ***Financial position***

The balance sheet shows total funds of £28,860,030 (2019 - £30,815,817).

These funds include the expendable endowment fund of £24,949,757 (2019 - £25,466,760). The endowment, whilst expendable, is represented by investments the income from which supports charitable activities of the Foundation.

## Trustees' report Year to 31 March 2020

General funds of the charity at 31 March 2020 total £3,910,273 (2019 - £5,349,057) and equate to free reserves and the trustees consider that the level of free reserves falls within the reserves policy stated above.

### **Risk management**

The trustees have established a risk management process comprising:

- ◆ An annual review of the risks the charity may face summarised in a 'Risk Register';
- ◆ A safeguarding policy relating to DHL colleague engagement with the beneficiaries of the Foundation's school and charity partners
- ◆ The establishment of systems and procedures to mitigate those risks identified; and
- ◆ The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The principal risks faced by the DHL UK Foundation have been identified as follows:

- ◆ Safeguarding
- ◆ Financial sustainability
- ◆ Investment management

### ***Safeguarding***

The Foundation Chief Executive has secured trustee support for a Foundation Safeguarding Policy that relates to the conduct expected of all DHL colleagues involved in working with the beneficiaries of the Foundation's school and charity partners, and how any breach of these safeguarding principles will be dealt with. This Safeguarding Policy was developed after consultation with a number of charity experts and will be reviewed on an annual basis to ensure that the latest guidance is included. The Board also appointed Neha Mahendru as their Safeguarding Lead.

### ***Financial sustainability***

The key elements in managing the financial sustainability of the DHL UK Foundation are a regular review of available funds with which to meet current and future grant commitments, regular liaison with investment managers and monthly reporting of performance against budget for income and expenditure to the Foundation's Operations Committee, which is led by Lindsay Bridges. In addition, financial risk is mitigated by processes which ensure that all major financial instructions are approved by the Board of trustees.

### ***Investment management***

The key elements in effective investment management are a trustee body with a skill set appropriate to evaluating investment performance, the engagement of professional investment managers with a significant and successful track record, frequent reviews of investment performance, and regular meetings with investment managers. All of these activities are managed for the DHL UK Foundation by the Investment Committee, which includes three trustees, a senior advisor from the DHL business, an independent Investment expert (this position is currently vacant following the bereavement of the previous incumbent in July 2019), the Foundation Chief Executive and a Foundation Programme Manager. The Investment Committee meets quarterly and is accountable to the Board of trustees.

### ***Risk Register***

The Risk Register, referred to above, details other potential risks that the Foundation may face in its day to day operations and is created by the Foundation team with the support of the Operations Committee. The Register is reviewed by the Board of trustees on an annual basis.

### ***Investment policy***

In addition to the cash balances referred to under "Financial Position", the charity has a portfolio of investments with a market value as at 31 March 2020 of £24,949,757 (2019 - £25,466,760)

There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees and takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. The overall investment policy is to maximise total return through a diversified portfolio, aiming to provide the level of income advised by the trustees and, at the same time, with a view to ensuring that capital appreciation of the fund exceeds inflation over any five year period.

The investment policy is to have 10% cash to secure 2 years of future funding. The year-end balance was at 2.5 years as trustees decided to liquidate some holdings whilst markets were high hence more than 2 years cash was held at 31 March 2020.

The trustees meet with the investment managers annually to review the performance of the portfolio and the investment strategy. The trustees are satisfied that their investment policy is being achieved.

### ***Fundraising***

During the 2019/20 financial year, the Foundation did not fundraise directly with individuals. If donations from individuals were to be received, the Foundation would aim to protect personal data and would never sell data or swap data with other organisations.

### ***Volunteers***

The trustees are very grateful to the many volunteers who have given their time to the charity over the past year and who have provided invaluable assistance.

### Impact of COVID 19 on DHL UK Foundation Activities

The Operations Committee and the Investment Committee have no concerns regarding the Foundation's financial standing in light of the pandemic. The decision to liquidate some of the investment returns in previous financial years has enabled a cash reserve of £3.9m, which is sufficient to continue to fund the Foundation's current activities for approximately 2.5 years.

In terms of Foundation programme delivery involving schools and charity partners, the impact of COVID 19 has been that all 'face to face' activities planned between March and September 2020 have been cancelled. These events included Trucks and Child Safety Demonstrations and employability skills activities, which were due to be supported by DHL colleagues and facilitated by Foundation Team staff. This has led to a reduction in workload for the Foundation team, and resulted in two team members being furloughed. The upside of the change in programme delivery has been for the Foundation team to work closely with school and charity partners to develop a range of 'virtual' activities, including interview preparation sessions with City Year young volunteers facilitated via Zoom.

The pandemic has also led to changes in the Foundation's Engagement programmes involving DHL colleagues. Applications to the Match It programme have reduced significantly, as there are very few fundraising events taking place for colleagues to take part in to support their chosen charities. There are also many more DHL colleagues and pensioners in financial need than ever before, and as a result, the Foundation Board agreed to increase the Helping Hands budget significantly from £40k in 2019/20 to £190k in 2020/21.

Finally, the Foundation Chief Executive has been in regular contact with the CEO's of each of the Foundation's charity partners to understand how their work has been impacted by COVID 19. A detailed report is being provided to the Trustees each quarter, and it is has been reassuring to hear that the vast majority of partners have been able to move much of their programme work online.

Approved by the trustees and signed on their behalf by:

  
P. WATTS P Watts

Trustee

Approved by the trustees on 16 July 2020

## **Independent auditor's report to the members of The DHL UK Foundation**

### **Opinion**

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

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

### **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**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- ◆ the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' 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' 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 trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees 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.

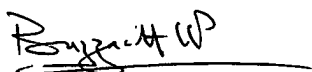
### **Auditor's responsibilities for the audit of the financial statements**

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.

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 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.



Buzzacott LLP

Avnish Savjani (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

23 September 2020



**Statement of financial activities Year to 31 March 2020**  
**(Including income and expenditure account)**

	Notes	Unrestricted funds £	Endowment funds £	2020 Total funds £	Unrestricted funds £	Endowment funds £	2019 Total funds £
<b>Income from:</b>							
Donations	1	527,498	—	527,498	589,753	—	589,753
Investments	2	68,762	—	68,762	94,374	—	94,374
<b>Total income</b>		<b>596,260</b>	<b>—</b>	<b>596,260</b>	<b>684,127</b>	<b>—</b>	<b>684,127</b>
<b>Expenditure on:</b>							
Raising funds	6	31,231	—	31,231	31,195	—	31,195
Charitable expenditure	3	2,003,813	—	2,003,813	2,238,051	—	2,238,051
<b>Total expenditure</b>		<b>2,035,044</b>	<b>—</b>	<b>2,035,044</b>	<b>2,269,246</b>	<b>—</b>	<b>2,269,246</b>
<b>Net expenditure before investment gains</b>		<b>(1,438,784)</b>	<b>—</b>	<b>(1,438,784)</b>	<b>(1,585,119)</b>	<b>—</b>	<b>(1,585,119)</b>
<b>Net gains and losses on investments</b>							
Realised gains on investments	11	—	770	770	—	980,489	980,489
Unrealised (losses) gains on investments	11	—	(517,773)	(517,773)	—	503,270	503,270
		<b>—</b>	<b>(517,003)</b>	<b>(517,003)</b>	<b>—</b>	<b>1,483,759</b>	<b>1,483,759</b>
<b>Net (expenditure)/income</b>	<b>8</b>	<b>(1,438,784)</b>	<b>(517,003)</b>	<b>(1,955,787)</b>	<b>(1,585,119)</b>	<b>1,483,759</b>	<b>(101,360)</b>
<b>Transfers between funds</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>2,351,982</b>	<b>(2,351,982)</b>	<b>—</b>
<b>Net movement in funds</b>		<b>(1,438,784)</b>	<b>(517,003)</b>	<b>(1,955,787)</b>	<b>766,863</b>	<b>(868,223)</b>	<b>(101,360)</b>
<b>Fund balances brought forward at 1 April 2019</b>		<b>5,349,057</b>	<b>25,466,760</b>	<b>30,815,817</b>	<b>4,582,194</b>	<b>26,334,983</b>	<b>30,917,177</b>
<b>Fund balances carried forward at 31 March 2020</b>		<b>3,910,273</b>	<b>24,949,757</b>	<b>28,860,030</b>	<b>5,349,057</b>	<b>25,466,760</b>	<b>30,851,817</b>

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised.

**Balance sheet 31 March 2020**

	Notes	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investments	11		24,949,757		25,466,760
<b>Current assets</b>					
Debtors	12	184,354		107,315	
Cash at bank and in hand		4,250,593		5,907,026	
		4,434,947		6,014,341	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(524,674)		(665,284)	
<b>Net current assets</b>			3,910,273		5,349,057
<b>Total net assets</b>			28,860,030		30,815,817
<b>The funds of the charity</b>					
<b>Capital funds:</b>					
Endowment funds	14		24,949,757		25,466,760
<b>Income funds:</b>					
Unrestricted funds			3,910,273		5,349,057
			28,860,030		30,815,817

Signed on behalf of the trustees by:



P Watts

Trustee

16 July 2020

The DHL UK Foundation, Company Limited by Guarantee  
Registration Number 2223373

## Statement of cash flows 31 March 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(1,681,436)	(1,448,938)
<b>Cash flows from investing activities:</b>			
Investment income		25,003	94,374
Proceeds from the disposal of investments		13,000,000	4,241,971
Purchase of investments		(13,000,000)	(1,889,989)
<b>Net cash provided by investing activities</b>		<b>25,003</b>	<b>2,446,356</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(1,656,433)</b>	<b>997,418</b>
<b>Cash and cash equivalents at 1 April 2019</b>	B	<b>5,907,026</b>	<b>4,909,608</b>
<b>Cash and cash equivalents at 31 March 2020</b>	B	<b>4,250,593</b>	<b>5,907,026</b>

Notes to the statement of cash flows for the year to 31 March 2020.

### A Reconciliation of net movement in funds to net cash used in operating activities

	2020 £	2019 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>(1,955,787)</b>	<b>(101,360)</b>
<b>Adjustments for:</b>		
Losses (Gains) on investments	517,003	(1,483,759)
Investment income	(68,762)	(94,374)
(Increase) decrease in debtors	(33,280)	83,514
(Decrease) increase in creditors	(140,610)	147,041
<b>Net cash used in operating activities</b>	<b>(1,681,436)</b>	<b>(1,448,938)</b>

### B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	4,250,593	5,907,026
<b>Total cash and cash equivalents</b>	<b>4,250,593</b>	<b>5,907,026</b>

## **Principal accounting policies 31 March 2020**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2020.

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 United Kingdom 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention except for the modification to a fair value basis as specified in the accounting policies below.

The charity constitutes a public benefit entity as defined by FRS 102.

All financial information is presented in British Pounds Sterling (£), the charity's functional currency, and has been rounded to the nearest pound (£).

### **Critical accounting estimates and areas of judgement**

The preparation of financial statements requires the use of certain critical accounting estimates and judgements. It also requires the trustees' to exercise judgement in the process of applying accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including an expectation of future events that are believed to be reasonable under the circumstances. Although these estimates are based on the trustees' best knowledge of the amount, event or actions, actual results may differ from those estimates.

Areas requiring the use of estimates and critical judgements that may impact on the charity's financial activities and financial position include multi-year grant commitment, where judgements are made for recognising grants payable where the payment is not due until future periods. In accordance with the charity's accounting policy for expenditure recognition, multi-year grant commitments are only recognised when approved and all conditions have been satisfied.

### **Assessment of going concern**

The trustees of the charity have not identified any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern.

The trustees have considered the impact of the Covid-19 pandemic on the Foundation and have concluded that although there may be some negative consequences, it is appropriate for the Foundation to continue to prepare its accounts on the going concern basis, not least because the Foundation's cash reserves have been managed to ensure they are sufficient to meet the anticipated grant commitments for the ensuing years.

### **Income**

Income from donations is recognised in the period in which the charity becomes entitled to the donation and where receipt is probable and its amount can be measured reliably.

Investment income comprises interest on the charity's cash balances and is recognised when receipt is probable and the amount can be measured reliably using the effective interest method.

### **Expenditure**

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. It includes VAT which cannot be recovered.

Expenditure on charitable activities comprises grants payable and related support and governance costs.

#### *Grants payable*

Grants payable are recognised when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions.

Grants are not accrued, but are noted as financial commitments in the notes to the financial statements, under the following circumstances:

- Where the beneficiary has not been informed; or
- Where the beneficiary has to meet certain explicit conditions before the grant is released; or
- Where the amount and timing of matched funding payments is uncertain.

#### *Support and governance costs*

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, personnel and governance costs. Governance costs include audit costs and legal costs relating to the charity's compliance with regulation and good practice.

### **Fixed asset investments**

The charity's investment in quoted shares and similar investments are initially measured at cost and subsequently at market value. Investment gains and losses, whether realised or unrealised, are recognised in the statement of financial activities in the period in which they arise.

### **Financial instruments**

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments.

*Cash at bank* – is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* –accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### **Debtors**

Trade and other debtors are initially recognised at their settlement amount and subsequently at amortised cost or their recoverable amount. Impairment provisions are recognised when there is objective evidence, such as significant financial difficulties on the part of the counterparty or default or a significant delay in payment, that the charity will be unable to collect all of the amounts due.

Prepayments are valued at the amount prepaid.

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be measured or estimated reliably.

Creditors and provisions are initially recognised at fair value, being the amount the charity anticipates it will pay to settle the debt, and subsequently at amortised cost.

## **Principal accounting policies 31 March 2020**

### **Funds**

The expendable endowment fund represents the market value of the charity's investment portfolio and comprises of monies set aside out of general funds in pursuit of the objectives of the charity.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

### **Pension costs**

Employer's contributions in respect of defined contribution pension schemes are charged to the statement of financial activities in the year in which they are payable to the scheme.

## Notes to the financial statements 31 March 2020

### 1 Donations

	Unrestricted	
	2020	2019
	Total	Total
	funds	funds
	£	£
Donation from DHL	347,720	355,000
Gift in kind from DHL	179,778	234,753
<b>Total funds</b>	<b>527,498</b>	<b>589,753</b>

Gifts in kind represents the donation of DHL employee time spent on Foundation activities in the year. It represents approximately 6,500 hours of volunteer time (2019 – 9,900 hours).

### 2 Investments

	Unrestricted	
	2020	2019
	Total	Total
	funds	funds
	£	£
Income from listed investments	—	73,905
Interest receivable	68,762	20,469
<b>Total funds</b>	<b>68,762</b>	<b>94,374</b>

### 3 Charitable expenditure

	Unrestricted	
	2020	2019
	Total	Total
	funds	funds
	£	£
Grants payable (note 4)	1,685,859	1,855,305
Other activities (note 5)	188,201	256,830
Governance costs (note 7)	129,753	125,916
<b>Total funds</b>	<b>2,003,813</b>	<b>2,238,051</b>



## Notes to the financial statements 31 March 2020

### 4 Grants payable

Grants payable analysed between activities and projects with the main recipients were as follows:

	Unrestricted	
	2020 Total funds £	2019 Total funds £
<b>Engagement:</b>		
. Match it!	295,094	355,716
. Transform It! *	(20,700)	66,434
. Helping Hands Scheme	42,327	40,000
<b>Education:</b>		
. Outward Bound Trust	116,395	127,725
. Teach First	250,000	200,000
. University of Edinburgh	-	150,750
. Go Teach	(1,512)	3,000
. Coram Beanstalk	50,000	—
<b>Employability:</b>		
. Think Logistics	2,927	50,125
. Street League	274,140	260,000
. City Year UK	134,323	110,168
. Think Forward	50,000	—
. Other	11,900	6,400
. Community Heroes	—	4,582
	1,204,894	1,374,900
Allocation of support costs (note 6)	480,965	480,405
<b>Total funds</b>	<b>1,685,859</b>	<b>1,855,305</b>

\* Includes

A reconciliation of grants paid and grant commitments is as follows:

	2020 Total funds £	2019 Total funds £
Grant commitments at 1 April 2019	192,324	103,340
Grants made in the year	1,204,894	1,374,900
Grants paid in the year	(1,315,926)	(1,285,916)
<b>Grant commitments at 31 March 2020</b>	<b>81,292</b>	<b>192,324</b>

## Notes to the financial statements 31 March 2020

### 5 Other charitable activities

	Unrestricted	
	2020 Total funds £	2019 Total funds £
Direct costs		
. Trucks and Child Safety	9,424	25,000
. Community Heroes		
. Gifts in kind – DHL employee services	160,038	213,113
	<b>169,462</b>	<b>238,113</b>
Allocation of support costs (note 6)	18,739	18,717
<b>Total funds</b>	<b>188,201</b>	<b>256,830</b>

### 6 Support costs

The support costs incurred during the year to 31 March 2020 and the bases of their allocation were as follows:

	Cost of raising funds £	Grants payable £	Other charitable activities £	Governance £	2020 Total £
Staff costs	18,119	279,035	10,871	54,357	362,382
Consultancy	1,660	25,569	996	4,981	33,206
Irrecoverable VAT	4,618	71,121	2,771	13,855	92,365
Accommodation and travel	6,288	96,834	3,773	18,864	125,759
Sundry expenses	546	8,406	328	1,637	10,917
	<b>31,231</b>	<b>480,965</b>	<b>18,739</b>	<b>93,694</b>	<b>624,629</b>

	Cost of raising funds £	Grants payable £	Other charitable activities £	Governance £	2019 Total £
Staff costs	16,947	260,985	10,168	50,841	338,941
Consultancy	1,848	28,451	1,109	5,654	36,951
Irrecoverable VAT	4,426	68,169	2,656	13,279	88,530
Accommodation and travel	6,816	104,965	4,090	20,448	136,319
Sundry expenses	1,158	17,835	694	3,474	23,161
	<b>31,195</b>	<b>480,405</b>	<b>18,717</b>	<b>93,585</b>	<b>623,902</b>

Support costs are allocated using estimates of the proportion of staff time spent on each activity (see note 9).

**7 Governance costs**

	Unrestricted	
	2020 Total funds £	2019 Total funds £
Direct costs:		
. Audit fees	10,619	9,300
. Meeting expenses	1,239	—
. Bank charges	637	491
. Legal, professional and subscriptions	3,824	900
. Gifts in kind – DHL employee services	19,740	21,640
	<b>36,059</b>	<b>32,331</b>
Allocation of support costs (note 6)	93,694	93,585
<b>Total funds</b>	<b>129,753</b>	<b>125,916</b>

**8 Net (expenditure)/income**

This is stated after charging:

	Unrestricted	
	2020 Total funds £	2019 Total funds £
Staff costs (note 9)	362,382	338,941
Auditor's remuneration		
. Statutory audit services	10,619	9,300

**9 Staff costs including key management personnel and trustees remuneration**

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	291,391	278,604
Social security costs	36,549	30,035
Other pension costs	34,442	30,302
	<b>362,382</b>	<b>338,941</b>

One employee earned over £60,000 (including taxable benefits but excluding employer pension contributions) during the year (2019 - one).

The average number of employees during the year was seven (2019 – seven). The employees were all engaged in support activities on the following estimated proportions: 5% generating funds, 80% charitable activities, 15% governance.

**9 Staff costs including key management personnel and trustees remuneration**  
(continued)

***Key management personnel***

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the charity and are represented by the Trustees, the Chief Executive, Programme Directors and the Foundation Manager.

The number of key management personnel was 7 (2019: 7).

The total emoluments received by the key management personnel was £362,383 (2019: £338,941).

***Trustees' remuneration***

None of the trustees received any remuneration in respect of their services during the year (2019 - none).

During the year out of pocket travelling expenses amounting to £1,239 (2019 - £1,061) were reimbursed to two trustees (2019 – three).

**10 Taxation**

The DHL UK Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

**11 Investments**

	2020 £	2019 £
<b>Listed investments</b>		
Market value at 1 April 2019	25,466,760	26,334,983
Additions at cost	13,000,000	1,889,989
Disposals (proceeds: £13m; gain: £770)	(12,999,231)	(3,261,482)
Movement in investment fair values	(517,773)	503,270
Market value at 31 March 2020	24,949,757	25,466,760
 Cost of listed investments at 31 March 2020	 21,657,835	 20,864,572

Investments held at 31 March 2020 comprised the following:

	2020 £	2019 £
OEIC Funds	24,949,757	25,466,760
	24,949,757	25,466,760

## Notes to the financial statements 31 March 2020

### 11 Investments (continued)

At 31 March 2020 the following individual investment holdings are deemed material when compared to the overall investment values:

Holding	2020		2019	
	Market value of holding £	Percentage of total portfolio %	Market value of holding £	Percentage of total portfolio %
LPI Global Equity Fund	5,130,404	31%	6,338,521	25%
LTGG Fund B	7,805,780	21%	6,587,782	26%
Ruffer Absolute Return C Inc	—	—	12,540,457	49%
Dynamic Real Return S Accumulation	6,011,303	24%	—	—
BNY Mellon Real Return Fund Newton	6,002,270	24%	—	—

As explained in note 19, the market value of the investment portfolio rose significantly after the balance sheet date.

### 12 Debtors

	2020 £	2019 £
Trade debtors	40,000	28,000
Other debtors	100,595	79,315
Prepayments and accrued Income	43,759	—
	<b>184,354</b>	<b>107,315</b>

### 13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	40,885	50,101
Grants payable	81,292	192,324
Accruals	54,777	95,138
Deferred income	347,720	327,720
	<b>524,674</b>	<b>665,284</b>

Deferred income consists of donations received in advance relating to the financial year 2020/21.

### 14 Endowment funds

Movements on the expendable endowment funds during the year can be summarised as follows:

	At 1 April 2019 £	Incoming resources £	Gains and losses £	At 31 March 2020 £
Endowment fund	25,466,760	—	(517,003)	24,949,757

	At 1 April 2018 £	Incoming resources £	Gains and losses £	At 31 March 2019 £
Endowment fund	26,334,983	—	(868,223)	25,466,760

## Notes to the financial statements 31 March 2020

### 14 Endowment funds (continued)

The endowment funds are represented in full by the investments portfolio..

### 15 Analysis of net assets between funds

	General fund £	Endowment funds £	Total 2020 £
<b>Fund balances at 31 March 2020 are represented by:</b>			
Investments	—	24,949,757	22,538,017
Current assets	4,434,947	—	4,434,947
Creditors: amounts falling due within one year	(524,674)	—	(534,674)
<b>Total net assets</b>	<b>3,910,273</b>	<b>24,949,757</b>	<b>28,860,030</b>
	General fund £	Endowment funds £	Total 2019 £
<b>Fund balances at 31 March 2019 are represented by:</b>			
Investments	—	25,466,760	25,466,760
Current assets	6,014,341	—	6,014,341
Creditors: amounts falling due within one year	(665,284)	—	(665,284)
<b>Total net assets</b>	<b>5,349,057</b>	<b>25,466,760</b>	<b>30,815,817</b>

### 16 Capital commitments

The company had no capital commitments as at 31 March 2020 (2019 – none).

### 17 Liability of members

The DHL UK Foundation is a company limited by guarantee. In the event of winding up, the maximum amount guaranteed to be contributed by each member is £1.

### 18 Related Parties

The Foundation is independent of any other body. However it was endowed by the National Freight Consortium (NFC) plc. In May 2000, NFC plc merged with Exel plc and on 12 December 2005, Deutsche Post DHL (previously called Deutsche Post World Net) acquired Exel plc.

Deutsche Post DHL is the parent company of DHL. The DHL UK Foundation programmes are now linked to DHL employees with a major focus in the UK. In the period covered by this report a donation of £347,720 (2019 - £355,000) has been received from DHL. In addition, DHL employees provided unpaid volunteer hours with an estimated value of £179,778 (2019 - £234,753).

**19. Post balance sheet events**

Covid-19 has caused volatility in financial markets resulting in significant movements in the market value of the charity's investment portfolio over short periods of time. The most recent valuation at 30 April 2020 indicated an increase of £2.2m or 9% since the 31 March 2020 in the value of the investment portfolio.