

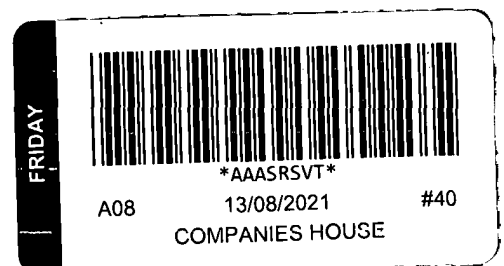
**The DHL UK  
Foundation**

**Annual Report and Financial  
Statements**

31 March 2021

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

Charity Registration Number  
327880



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## Legal and administrative information

<b>Trustees</b>	L Bridges P K Butchart N Calvert P Fuller N Mahendru J Nestor C Selig B Storch P Watts (Chairman) I Wilson M Young
<b>Registered office</b>	Ocean House The Ring Bracknell RG12 1AN
<b>Company registration number</b>	2223373 (England and Wales)
<b>Charity registration number</b>	327880
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<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

## Legal and administrative information

### Investment managers

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  
(Newton Fund)  
BNY Mellon Centre  
160 Queen Victoria Street  
London  
EC4V 4LA

Alliance Bernstein Investor Services  
2-4 Rue Eugene Ruppert  
L-2453  
Luxembourg

Aviva Investors Global Services Limited  
(AIGSL)  
St Helens  
1 Undershaft  
London  
EC3P 3DQ

### Solicitor

Stone King  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

## **Trustees' report Year to 31 March 2021**

The trustees present their annual report together with the financial statements of The DHL UK Foundation for the year ended 31 March 2021.

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 27 to 30 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 revised Vision and Mission of the Foundation approved by the Board in November 2020 are as follows:

#### ***DHL UK Foundation Vision:***

An end to youth unemployment

#### **DHL UK Foundation Mission:**

For the Foundation, and DHL colleagues across the UK, to work together to help our charity and school partners ensure that disadvantaged young people aged 5 to 25 years have access to the best possible education, develop essential life skills and the opportunity to secure meaningful and sustainable employment.

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; and

## **Trustees' report Year to 31 March 2021**

- ◆ 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.

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 DHL UK & Ireland (previously Exel plc and Ocean Group) 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 two or three years and are eligible for re-appointment for a further one consecutive term up to a maximum term of 6 years. 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 2021

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	
Neil Calvert	
Ralf Dürrwang (DP DHL employee)	Resigned 4 November 2020
Peter Fuller	
Neha Mahendru	
John Nestor	
Christoph Selig (DP DHL employee)	Appointed 4 November 2020
Barbara Storch	
Perry Watts (Chairman)	
Ian Wilson	
Michael Young	

### 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 Lindsay Bridges (DHL business representative 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) and Harry Wade (DHL UK 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 2021**

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 and two independent representatives also joined the Investment Committee - Helen Copinger-Symes was appointed in September 2020 and Graham Jung in January 2021.

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.

### ***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.

No trustee received any remuneration from the charity during the year (2019/20 - none). Out of pocket travelling expenses totalling £245.21 (2020 - £1,239) were reimbursed to one (2020 - two) 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 Remuneration Committee, which was established in February 2021. The Remuneration Committee is Chaired by Neil Calvert, Foundation Trustee, with Perry Watts, Chair of the Foundation Board of Trustees, and Lindsay Bridges, Foundation Trustee as committee members. Foundation Team salaries are benchmarked against similar roles in other charities and where possible also against similar posts in the DHL business. The trustees give their time freely.



## **Trustees' report Year to 31 March 2021**

### ***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.

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.

## **Trustees' report** Year to 31 March 2021

### ***Related Parties***

The Foundation is independent of any other body. However, it was originally endowed by the National Freight Consortium (NFC) plc and 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, which was renamed DHL.

The DHK UK Foundation is currently undertaking an exercise to draft a Framework Agreement to formalise arrangements that have been in place since the original endowment by NFC for the services provided to the Foundation by DHL, including salary costs, office space and Infrastructure costs. It is expected that the Framework Agreement will be in place during 2021/22.

The DHL UK Foundation runs specific programmes that are linked to DHL employees, with a focus on the UK, and these are highlighted in the trustees' report.

In the period covered by this report a donation of £347,720 (2020 - £347,720) was received from DHL and service costs of £465,643 (2020 - £487,609) were paid to DHL to cover certain running costs of the Foundation.

In addition, 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 £71,228. (2020: £179,778). The significant reduction in DHL staff time donated to the Foundation was due to COVID 19 significantly reducing the amount and type of support staff were able to provide to the Foundation's charity and school partnerships.

## **Activities and achievements**

### **Education partners and programmes**

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

The DHL UK Foundation continued its partnership with Teach First in 2020/21. The unrestricted donation of £250,000 enabled Teach First to recruit, train and support newly qualified teachers in schools across the UK and to continue to tackle educational inequality.

In response to COVID 19 and Teach First's '*Digital Divide*' campaign, the DHL UK Foundation made two additional restricted donations totalling over £230,000 to the charity to enable them to purchase 446 home learning kits. Each kit included a new laptop, an internet dongle and a year's supply of data and the 446 kits were distributed to 17 Teach First partner schools nationwide.

#### **2020/21 Partnership Highlights – The DHL UK Foundation and Teach First:**

- 58 colleagues signed up to coach a newly qualified teacher.
- 5 senior DHL colleagues signed up to support a new Head Teacher
- 25 colleagues helped create a suite of pre-recorded virtual careers activities for students, including careers talks, employability skills videos and CV & Interview guidance. These activities were designed to inspire students about the world of work, give an insight into the logistics industry, and help students develop transferable skills.
- Offering virtual careers activities to 25 established school partners.

#### ***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 to meet the requirements of the Gatsby Good Career Guidance Benchmarks. The DHL UK Foundation does not make any direct financial donation to GAT.

#### **2020/21 Partnership Highlights**

- Over 30 colleagues signed up to support a pilot pupil mentoring program with GAT secondary academies.
- Virtual careers activities were offered to 8 GAT secondary academies.

## **Trustees' report Year to 31 March 2021**

### ***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 workplace. The Trust also trains DHL employees as mentors to support the students taking part in the outdoor residential.

In 20/21, The Outward Bound Trust partnership programme was unable to run residential courses due to the COVID 19 lockdown and the restrictions placed on residential education. The trustees of the Foundation agreed to provide a donation of £75,000 of unrestricted funding for core costs to support the Outward Bound Trust. Outward Bound used some of these funds to provide 'In-school adventures', including a range of outdoor activities specially designed to take place in school play areas or local parks.

### ***Coram Beanstalk***

In 2020/21 the DHL UK Foundation continued its partnership with Coram Beanstalk, a national children's literacy charity that provides 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.

### ***Partnership***

The DHL UK Foundation made a donation of £75,000 to Coram Beanstalk in 2020/21. The donation enabled Coram Beanstalk to reach over 450 children with regular one-to-one reading support from a trained volunteer reading helper.

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

Total funding for the programme in 20/21 was £23,637 2020/21. (£9,424 in 2019/20). The TACS programme promotes the importance of road safety around large vehicles 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. From June 2021 employees will also complete a mandatory safeguarding session online before attending their training.

The Foundation funds the costs of TACS materials (for school children, teachers and drivers). The increase in expenditure for TACS during lockdown is due to costs incurred for a research project on the impact of TACS in partnership with the Centre for Health and Development (CHAD) at Staffordshire University, this research was requested by the trustees of the Foundation to explore the amount of knowledge retained over a period of time by the school children receiving a TACS demonstration.

Funds have also been spent on developing an on online interactive road safety activity. The online activity will be available to all primary schools and community groups who express an interest, and will enable TACS to be shared across the UK, including with schools unable to host the large vehicle necessary to deliver a live TACS demonstration.

## **Trustees' report Year to 31 March 2021**

The TACS programme has not been able to deliver any demonstrations since March 2020 due to the pandemic.

### **Employability partners and programmes**

#### ***Street League***

The DHL UK Foundation continued its partnership with Street League in 2020/21. The £291,831 donation supported Street League academies in key locations across the UK and enabled DHL colleagues to engage with each of these academies.

Despite COVID 19 restrictions, the employability programme was delivered at 4 locations, providing Street League beneficiaries with 100 hours paid work experience (wages funded by the DHL business) across 8 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.

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

#### **2020/21 Partnership Highlights**

- Academies funded in 4 City locations.
- 8 DHL sites partnered with the above Street League academies.
- 19 young people took part in paid work experience and training with DHL.
- 13 young people gained permanent employment with DHL

These activities inspired Street League 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 secondary schools working directly with these targeted students over a 5-year period.

The Foundation's donation of £75,000 contributed 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 2020/21 academic year, DHL colleagues were recruited to provide mentoring support to up to 25 students in Year 10 and to deliver virtual career activities in targeted schools. The unrestricted donation also provided support to ThinkForward to continue to develop and refine their programme.

#### **2020/21 Partnership Highlights**

- The donation enabled ThinkForward to support the delivery of the programme.

## **Trustees' report Year to 31 March 2021**

- New DHL colleagues recruited to support the programme.
- Recruitment of new DHL colleagues to act as ThinkForward mentors.

### ***City Year***

The DHL UK Foundation continued its partnership with City Year in 2020/21. The £135,000 donation enabled City Year to recruit and support 123 Volunteer Mentors, who worked in 25 schools across London, the West Midlands and Greater Manchester. The City Year Volunteer Mentors support students to improve their attendance, behaviour and curriculum attainment in school.

In addition, 48 DHL employees have supported with Mentoring of the City Year volunteers and a further 22 also engaged in virtual classroom activities with City Year partner schools and students.

### **2020/21 Partnership Highlights**

- 48 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.

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

Match It (MI) 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.

The MI! programme was significantly affected by COVID due to employees having very limited opportunities to fundraise or volunteer. 249 MI! applicants received funding for their chosen charity or community organisation as a result of taking part in fundraising (217 applications) and volunteering (32 applications). This was a decrease from 2019/20 in the overall number of applications received of 63% (672 applications) with a decrease in fundraising applications of 65% (613 applications) and volunteering applications decreased by 46% (59 applications).

MI! expenditure was £106,547 for the year ending 31 March 2021, (a decrease from 2019/20 £295,094).

### ***Grant Making***

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

### ***Helping Hands***

The Helping Hands programme provides grants to current and retired employees of DHL who are in financial hardship. Members of the Operations Committee are responsible for approving the applications on a regular basis. In April 2020/21, due to the onset of the pandemic and the expectation that many more DHL colleagues might be in need of help, the trustees agreed to increase the budget for the programme from £40,000 to £190,000. A further £9,615 was raised for the Helping Hands programme by DHL senior management through a DHL UK Foundation Just Giving page, with the funds raised focussed solely on supporting the programme.

## **Trustees' report Year to 31 March 2021**

During 2020/2021, 153 applications were made to the Helping Hands programme, 114 were awarded grants and the total Helping Hands budget spend was £110,047. This is a very significant increase on the 33 Helping Hands applications totalling £42,327 that were awarded in 2019/20, with the increase in applications and support due to the significant impact of COVID 19 on DHL colleagues.

To support with the significant increase in applications received in 2020/21, more Foundation staff members were trained in processing applications. Training was also provided to all Foundation staff involved in Helping Hands to help deal with complicated and emotional applications. The Foundation has also improved awareness of and access to the Helping Hands programme for DHL employees by increasing the frequency and extent of internal communications about the programme and by moving the application form online.

### ***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.

### ***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. The Foundation's public benefit is focussed on supporting young people.

The DHL UK Foundation is an independent registered charity that helps disadvantaged children and young people aged 5 to 25 years in the UK.

Young people from disadvantaged backgrounds have struggled to do well in school and at work for decades and research tells us that in 2020/21, and with the impact of COVID19 only just beginning to be felt, the need for increased support for young people from low income families has never been greater. This is highlighted by respected research bodies including the Education Endowment Fund and Impetus who confirm that:

- Over 2 million young people live in poverty in Britain today.
- Only 40% of young people on free school meals pass English and Math's GCSEs and a majority have still not achieved a good standard in English and Math's by age 19.
- Young people under the age of 25 were already four times as likely to be unemployed than the rest of the working age population, even before the pandemic.
- Youth unemployment could potentially rise to 2 million in the near future.

The DHL UK Foundation wants to play a part in helping young people from poorer communities have the same chances in life as their wealthier peers. Through making donations to charities that run successful education and employability programs and by harnessing the skills and enthusiasm of DHL colleagues to inspire students about the world

## **Trustees' report Year to 31 March 2021**

of work, the Foundation aims to help disadvantaged young people access the successful futures they deserve.

The Foundation's Vision and Mission are as follows:

### ***DHL UK Foundation Vision:***

'An end to youth unemployment'

### ***DHL UK Foundation Mission:***

For the Foundation, and DHL colleagues across the UK, to work together to help our charity and school partners ensure that disadvantaged young people aged 5 to 25 years have access to the best possible education, develop essential life skills and the opportunity to secure meaningful and sustainable employment.

**The Foundation's Mission will be delivered through the following Strategic Plans:**

### ***Grant Making Strategy:***

- Making grants to charity partners that are focussed on the education and employability of disadvantaged young people, and where possible, work where DHL operates in the UK.
- 80% of the Foundation's annual budget is allocated to delivering the Grant Making Strategy.

### ***DHL Colleague Engagement Strategy:***

- Partnering with DHL and engaging colleagues in the Foundation's national programmes.
- 20% of the Foundation's annual budget is allocated to supporting DHL colleague fundraising through the Match It programme and DHL colleague benevolence through the Helping Hands programme.

### ***GoTeach***

The DPDHL GoTeach programme, encourages employees around the world to inspire disadvantaged young people about their future careers and help them prepare to enter the work place. In the UK, the Foundation partners with GoTeach by providing meaningful opportunities for DHL staff to use their skills and experience to add value to the work of our school and charity partners.

### ***Trucks and Child Safety Programme***

The Trucks and Child Safety Programme (TACS) is a national road safety initiative that aims to help keep children safe around larger vehicles on the road and targets pupils aged 7 to 11 years, as they start to travel independently. The Foundation funds the cost of TACS materials and the recruitment and training of DHL colleagues to become TACS Demonstrators.

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

The Foundation's Match It! programme enables DHL colleagues to have their fundraising and volunteering activities matched to agreed levels, boosting staff support of schools and local and national charities.



## **Trustees' report Year to 31 March 2021**

### ***Helping Hands***

Helping Hands is a benevolent fund run by the DHL UK Foundation to help DHL colleagues and pensioners in need. Types of support include contributing towards the cost of funerals, providing supermarket vouchers, help with bills and donating essential white goods such as washing machines and furniture as well as signposting applicants to other support organisations.

### **Foundation Strategy 2021 – 2024**

The Foundation's 2021-2024 Strategy was approved by the Foundation Board in November 2020. There are no major changes to the previous Strategic Plan and 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 in the period 2021-2024, 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.

### ***Financial report.***

Income for the year was £440,877 (2020 - £596,260). The Foundation's two main sources of funding are donations of £428,563 (2020 - £527,496) and investment income, being interest on cash deposits, of £12,314 (2020 - £68,782).

Total charitable expenditure on activities in furtherance of the Foundation's objectives was £2,113,381 (2020 - £2,035,044) of which £1,931,190 related to charitable grants and donations (2020 - £1,685,859) and £106,458 of charitable expenditure incurred on the Truck and Child programme (2020 - £188,201). The costs of governance of the charity amounted to £66,118 (2020 - £129,753).

This resulted in net expenditure of £1,672,504 (2020 - £1,438,784) before investment gains and losses. The Foundation generated realised and unrealised investment gains of £10,711,978 (2020 – realised and unrealised investment losses of £517,003) on its investment portfolio, which contributed to a total increase in funds of £9,039,474 (2020 – 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 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 £1.9m forecast for 2021/22 against which the Foundation's unrestricted fund balance at the year-end was £3.8m.

## **Trustees' report** Year to 31 March 2021

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 £37,899,504 (2020 - £28,860,030).

These funds include the expendable endowment fund of £34,161,735 (2020 - £24,949,757). The endowment, whilst expendable, is represented by investments the income from which supports charitable activities of the Foundation.

General funds of the charity at 31 March 2021 total £3,737,769 (2020 - £3,910,273) 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 has introduced a Safeguarding Policy and Code of Conduct that relates to the behaviours 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 an independent safeguarding consultant, a number of charity experts and will be reviewed on an annual basis to ensure that the latest guidance is included. Neha Mahendru is the Trustee lead for Safeguarding.

***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, Foundation Trustee. 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, two independent Investment advisers, 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 2021 of £24,161,735 (2020 - £24,949,757).

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 £3.8m.

## **Trustees' report** Year to 31 March 2021

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 2020/21, the Foundation launched a Just Giving page to enable senior DHL staff to donate to the Foundation's Helping Hands programme to help DHL colleagues experiencing financial hardship. The Just Giving Page was closed at the end of 2021 and a total of £9,615 was raised. The funds raised were used solely to support the Helping Hands programme. The Foundation protected any personal data collected from the activity 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 £3.8m, which is sufficient to continue to fund the Foundation's current activities for approximately 2 years.

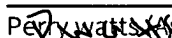
In terms of Foundation programme delivery involving schools and charity partners, the impact of COVID 19 has been that all 'face to face' activities planned between March 2020 and March 2021 were cancelled. These events included Trucks and Child Safety Demonstrations and in school employability skills activities, which were due to be supported by DHL colleagues and facilitated by Foundation Team staff. This led to a reduction in workload for the Foundation team at the start of the pandemic, and resulted in two team members being furloughed during 2020. 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 participate 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 £110k 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:

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 Aug 10, 2021 09:18 GMT+1)

Perry Watts – Chairman of the Trustee Board

Approved by the trustees on 20<sup>th</sup> July 2021

## **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 2021 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 2021 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**

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

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

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

**Other information**

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

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

We have nothing to report in this regard.

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

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

- ◆ the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, 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.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are the Companies Act 2006, the Charities SORP FRS 102 and the Charities Act 2011.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal, compliance and governance procedures. We corroborated our inquiries through our review of trustee meetings and papers provided to the trustees.
- We assessed the susceptibility of the charitable company's financial statements to material misstatements, including how fraud might occur. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design and implementation of controls in place to prevent and detect fraud;
  - Challenging assumptions and judgments made by management and the trustees in its significant accounting estimates;
  - Identifying and testing journal entries, in particular adjustments made at the year-



## Independent auditor's report 31 March 2021

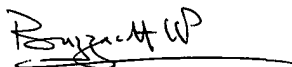
end for financial statement preparation; and

- Assessing the extent of compliance with relevant laws and regulations by reviewing correspondence with regulators and legal advisors.

A further description of our responsibilities for the audit of the accounts 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 this 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.



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

9 August 2021

**Statement of financial activities Year to 31 March 2021**  
**(Including income and expenditure account)**

	Notes	Unrestricted funds £	Expendable Endowment funds £	Restricted funds £	2021 Total funds £	Unrestricted funds £	Endowment funds £	2020 Total funds £
<b>Income from:</b>								
Donations	1	418,948	—	9,615	428,563	527,498	—	527,498
Investments	2	12,314	—	—	12,314	68,762	—	68,762
<b>Total income</b>		<b>431,262</b>	<b>—</b>	<b>9,615</b>	<b>440,877</b>	<b>596,260</b>	<b>—</b>	<b>596,260</b>
<b>Expenditure on:</b>								
Raising funds	6	—	—	—	—	31,231	—	31,231
Charitable expenditure	3	2,103,766	—	9,615	2,113,381	2,003,813	—	2,003,813
<b>Total expenditure</b>		<b>2,103,766</b>	<b>—</b>	<b>9,615</b>	<b>2,113,381</b>	<b>2,035,044</b>	<b>—</b>	<b>2,035,044</b>
<b>Net expenditure before investment gains</b>		<b>(1,672,504)</b>	<b>—</b>	<b>—</b>	<b>(1,672,504)</b>	<b>(1,438,784)</b>	<b>—</b>	<b>(1,438,784)</b>
<b>Net gains and losses on investments</b>								
Realised gains on investments	11	—	565,439	—	565,439	—	770	770
Unrealised gains (losses) on investments	11	—	10,146,539	—	10,146,539	—	(517,773)	(517,773)
		<b>—</b>	<b>10,711,978</b>	<b>—</b>	<b>10,711,978</b>	<b>—</b>	<b>(517,003)</b>	<b>(517,003)</b>
<b>Net income/(expenditure)</b>	8	<b>(1,672,504)</b>	<b>10,711,978</b>	<b>—</b>	<b>9,039,474</b>	<b>(1,438,784)</b>	<b>(517,003)</b>	<b>(1,955,787)</b>
<b>Transfers between funds</b>		<b>1,500,000</b>	<b>(1,500,000)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net movement in funds</b>		<b>(172,504)</b>	<b>9,211,978</b>	<b>—</b>	<b>9,039,474</b>	<b>(1,438,784)</b>	<b>(517,003)</b>	<b>(1,955,787)</b>
<b>Fund balances brought forward at 1 April 2020</b>		<b>3,910,273</b>	<b>24,949,757</b>	<b>—</b>	<b>28,860,030</b>	<b>5,349,057</b>	<b>25,466,760</b>	<b>30,815,817</b>
<b>Fund balances carried forward at 31 March 2021</b>		<b>3,737,769</b>	<b>34,161,735</b>	<b>—</b>	<b>37,899,504</b>	<b>3,910,273</b>	<b>24,949,757</b>	<b>28,860,030</b>

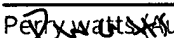
All income and expenditure derives from continuing activities.

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

## Balance sheet 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Investments	11		34,161,735		24,949,757
<b>Current assets</b>					
Debtors	12	42,233		184,354	
Cash at bank and in hand		3,805,547		4,250,593	
		<u>3,847,780</u>		<u>4,434,947</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(110,011)		(524,674)	
<b>Net current assets</b>			3,737,769		3,910,273
<b>Total net assets</b>			<u>37,899,504</u>		<u>28,860,030</u>
<b>The funds of the charity</b>					
<b>Capital funds:</b>					
Endowment funds	14		34,161,735		24,949,757
<b>Income funds:</b>					
Unrestricted funds			3,737,769		3,910,273
			<u>37,899,504</u>		<u>28,860,030</u>

Signed on behalf of the trustees by:

 Aug 10, 2021 09:18 GMT+1)

Perry Watts – Chairman of the Trustee Board

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

## Statement of cash flows 31 March 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	(1,957,360)	(1,681,436)
<b>Cash flows from investing activities:</b>			
Investment income		12,314	25,003
Proceeds from the disposal of investments		1,500,000	13,000,000
Purchase of investments		—	(13,000,000)
<b>Net cash provided by investing activities</b>		<b>1,512,314</b>	<b>25,003</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(445,046)</b>	<b>(1,656,433)</b>
<b>Cash and cash equivalents at 1 April 2020</b>	B	<b>4,250,593</b>	<b>5,907,026</b>
<b>Cash and cash equivalents at 31 March 2021</b>	B	<b>3,805,547</b>	<b>4,250,593</b>

Notes to the statement of cash flows for the year to 31 March 2021.

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

	2021 £	2020 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>9,039,474</b>	<b>(1,955,787)</b>
<b>Adjustments for:</b>		
(Gains) Losses on investments	(10,711,978)	517,003
Investment income	(12,314)	(68,762)
Decrease (increase) in debtors	142,121	(33,280)
(Decrease) increase in creditors	(414,663)	(140,610)
<b>Net cash used in operating activities</b>	<b>(1,957,360)</b>	<b>(1,681,436)</b>

### B Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	3,805,547	4,250,593
<b>Total cash and cash equivalents</b>	<b>3,805,547</b>	<b>4,250,593</b>

## Principal accounting policies 31 March 2021

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 2021.

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 continuing impact of the Covid-19 pandemic on the Foundation and have concluded that 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.

## Principal accounting policies 31 March 2021

### **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 2021**

### **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 2021

### 1 Donations

	Unrestricted 2021 £	Restricted 2021 £	2021 Total funds £	Unrestricted 2020 Total funds £
Donation from DHL	347,720	—	347,720	347,720
Other donations – Just Giving	—	9,615	9,615	—
Gift in kind from DHL	71,228	—	71,228	179,778
<b>Total funds</b>	<b>418,948</b>	<b>9,615</b>	<b>428,563</b>	<b>527,498</b>

Gifts in kind represent the donation of DHL employee time spent on Foundation activities in the year. It represents approximately 2,900 hours of volunteer time (2020 – 6,500 hours), the reduction in volunteer time being due to activities not taking place as a result of coronavirus restrictions.

Other donations represents donations made by individuals in order to support the Foundation's Helping Hands project. No restricted income was received in 2020.

### 2 Investments

	Unrestricted 2021 Total funds £	2020 Total funds £
Interest receivable	12,314	68,762
<b>Total funds</b>	<b>12,314</b>	<b>68,762</b>

### 3 Charitable expenditure

	Unrestricted 2021 £	Restricted 2021 £	2021 Total funds £	Unrestricted 2020 Total funds £
Grants payable (note 4)	1,931,190	9,615	1,940,805	1,685,859
Other activities (note 5)	106,458	—	106,458	188,201
Governance costs (note 7)	66,118	—	66,118	129,753
<b>Total funds</b>	<b>2,103,766</b>	<b>9,615</b>	<b>2,113,381</b>	<b>2,003,813</b>

## Notes to the financial statements 31 March 2021

### 4 Grants payable

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

	Unrestricted 2021 £	Restricted 2021 £	2021 Total funds £	Unrestricted 2020 Total funds £
<b>Engagement:</b>				
. Match it!	106,547	—	<b>106,547</b>	295,094
. Transform It! *	—	—	<b>—</b>	(20,700)
. Helping Hands Scheme	100,432	9,615	<b>110,047</b>	42,327
<b>Education:</b>				
. Outward Bound Trust	75,000	—	<b>75,000</b>	116,395
. Teach First*	480,268	—	<b>480,268</b>	250,000
. Go Teach	954	—	<b>954</b>	(1,512)
. Coram Beanstalk	75,000	—	<b>75,000</b>	50,000
<b>Employability:</b>				
. Think Logistics	—	—	<b>—</b>	2,927
. Street League	291,831	—	<b>291,831</b>	274,140
. City Year UK	135,000	—	<b>135,000</b>	134,323
. Think Forward	75,000	—	<b>75,000</b>	50,000
. Other: Trustee donations	7,400	—	<b>7,400</b>	6,900
. Other: International disasters	30,030	—	<b>30,030</b>	5,000
	<b>1,377,462</b>	<b>9,615</b>	<b>1,387,077</b>	<b>1,204,894</b>
Allocation of support costs (note 6)	553,728	—	<b>553,728</b>	480,965
<b>Total funds</b>	<b>1,931,190</b>	<b>9,615</b>	<b>1,940,805</b>	<b>1,685,859</b>

\*Teach First: Two separate grants were made in the year, a £250,000 grant in respect of the Foundation's continuing partnership arrangements and a further £230,268 of grants towards Teach First's "Digital Divide" campaign.

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

	2021 Total funds £	2020 Total funds £
Grant commitments at 1 April 2019	<b>81,292</b>	192,324
Grants made in the year	<b>1,387,077</b>	1,204,894
Grants paid in the year	<b>(1,452,477)</b>	(1,315,926)
<b>Grant commitments at 31 March 2021</b>	<b>15,892</b>	81,292

## 5 Other charitable activities

	Unrestricted	
	2021 Total funds £	2020 Total funds £
Direct costs		
Trucks and Child Safety	23,637	9,424
Gifts in kind – DHL employee services	52,058	160,038
	<b>75,695</b>	<b>169,462</b>
Allocation of support costs (note 6)	30,763	18,739
<b>Total funds</b>	<b>106,458</b>	<b>188,201</b>

## 6 Support costs

The support costs incurred during the year to 31 March 2021 and the bases of their allocation were as follows:

	Cost of raising funds £	Grants payable £	Other charitable activities £	Governance £	2021 Total £
Staff costs	—	333,994	18,555	18,555	371,104
Consultancy	—	34,621	1,923	1,923	38,467
Irrecoverable VAT	—	83,525	4,640	4,641	92,806
Accommodation and travel	—	91,384	5,077	5,077	101,538
Sundry expenses	—	10,204	568	567	11,339
	—	<b>553,728</b>	<b>30,763</b>	<b>30,763</b>	<b>615,254</b>

	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>

Support costs are allocated using estimates of the proportion of staff time spent on each activity and were revised in the current financial year to reflect the activities absorbing staff time (see note 9).

**7 Governance costs**

	Unrestricted	
	2021 Total funds £	2020 Total funds £
Direct costs:		
. Audit fees	10,020	10,619
. Meeting expenses	246	1,239
. Bank charges	631	637
. Legal, professional and subscriptions	5,288	3,824
. Gifts in kind – DHL employee services	19,170	19,740
	<b>35,355</b>	<b>36,059</b>
Allocation of support costs (note 6)	30,763	93,694
<b>Total funds</b>	<b>66,118</b>	<b>129,753</b>

**8 Net (expenditure)/income**

This is stated after charging:

	Unrestricted	
	2021 Total funds £	2020 Total funds £
Staff costs (note 9)	371,104	362,382
Auditor's remuneration for statutory audit services	10,020	10,619

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

Staff costs during the year were as follows:

	2021 £	2020 £
Wages and salaries	307,785	291,391
Social security costs	35,569	36,549
Other pension costs	35,943	34,442
	<b>379,297</b>	<b>362,382</b>
Less: Furlough Scheme	(8,193)	—
	<b>371,104</b>	<b>362,382</b>

One employee earned over £60,000 (including taxable benefits but excluding employer pension contributions) during the year (2020 - one).

The average number of employees during the year was seven (2020 – seven). The employees were all engaged in support activities on the following estimated proportions: 95% on charitable activities and 5% on governance. The estimates were revised for 2020/21 and the percentages previously applied were 80% on charitable activities, 18% on governance and 5% on generating funds.

The Foundation's staff have employment contracts with DHL and staff costs are invoiced to the Foundation (see note 16).

**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 seven (2020: 7).

The total emoluments received by the key management personnel was £379,297 (2020: £362,383).

***Trustees' remuneration***

None of the trustees received any remuneration in respect of their services during the year (2020 - none).

During the year out of pocket travelling expenses amounting to £245 (2020 - £1,239) were reimbursed to one trustees (2020 – two).

**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**

	2021 £	2020 £
<b>Listed investments</b>		
Market value at 1 April 2020	24,949,757	25,466,760
Additions at cost	—	13,000,000
Disposals (proceeds: £1.5m; gain: £565,439)	(934,561)	(12,999,239)
Movement in investment market value	10,146,539	(517,773)
Market value at 31 March 2021	34,161,735	24,949,757
Cost of listed investments at 31 March 2021	20,723,274	21,657,835

Investments held at 31 March 2021 comprised the following:

	2021 £	2020 £
OEIC Funds	34,161,735	24,949,757
	34,161,735	24,949,757

## Notes to the financial statements 31 March 2021

### 11 Investments (continued)

At 31 March 2021 the following individual investment holdings are deemed material when compared to the overall investment values:

Holding	2021		2020	
	Market value of holding £	Percentage of total portfolio %	Market value of holding £	Percentage of total portfolio %
LPI Global Equity Fund	7,518,858	22%	5,130,404	31%
LTGG Fund B	12,252,248	36%	7,805,780	21%
Dynamic Real Return S Accumulation	7,237,498	22%	6,011,303	24%
BNY Mellon Real Return Fund Newton	7,154,131	20%	6,002,270	24%

### 12 Debtors

	2021 £	2020 £
Trade debtors	—	40,000
Other debtors	31,706	100,595
Prepayments and accrued income	10,527	43,759
	<b>42,233</b>	<b>184,354</b>

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

	2021 £	2020 £
Trade creditors	44,879	40,885
Grants payable	15,892	81,292
Accruals	49,240	54,777
Deferred income	—	347,720
	<b>110,011</b>	<b>524,674</b>

### 14 Endowment funds

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

	At 1 April 2020 £	Incoming resources £	Transfers Gains and losses £	At 31 March 2021 £
Endowment fund	24,949,757	—	9,211,978	34,161,735

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

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

## 15 Analysis of net assets between funds

	General fund £	Endowment funds £	Total 2021 £
<b>Fund balances at 31 March 2021 are represented by:</b>			
Investments	—	34,161,735	34,161,735
Current assets	3,847,780	—	3,847,780
Creditors: amounts falling due within one year	(110,011)	—	(110,011)
<b>Total net assets</b>	<b>3,737,769</b>	<b>34,161,735</b>	<b>37,899,504</b>
	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>

## 16 Capital commitments

The company had no capital commitments as at 31 March 2021 (2020 – 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, which was renamed DHL.

The DHL UK Foundation had the following transactions with DHL:

- Donations of £347,720 (2020 - £347,720) were received from DHL in the year ended 31 March 2021;
- Service costs of £465,643 (2020 - £487,609) were paid by the Foundation to DHL for staff costs and infrastructure expenses; and
- DHL employees provided unpaid volunteer hours with an estimated value of £71,228 (2020 - £179,778).