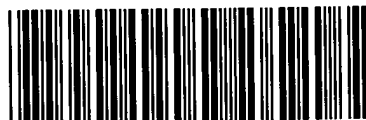


**THE GUARDIAN FOUNDATION
(A Company Limited by Guarantee)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

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THE GUARDIAN FOUNDATION
(A Company Limited by Guarantee)

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TRUSTEES AND ADVISERS

Trustees

L. Forgan DBE (Chair)
G. Proudler
Sir A. Salz
J. Scott
M. Malik (resigned 6 August 2014)

Secretary

Philip Tranter

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

The Royal Bank of Scotland plc
280 Bishopsgate
London
EC2M 4RB

Solicitors

Bates Wells and Braithwait London LLP
10 Queen Street Place
London
EC4R 1BE

Registered Company Number

08437335

Registered Charity Number

1153865

Registered Office

PO Box 68164
Kings Place
90 York Way
London
N1P 2AP

REPORT OF THE TRUSTEES

for the year ended 31 March 2015

The trustees are pleased to present their report together with the audited financial statements for the for the year ended 31 March 2015.

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies. The directors have taken the exemption under this regime not to disclose the strategic report.

Reference and administrative details

The Charity was incorporated on 8 March 2013 (company number 08437335) as a private company limited by guarantee and was registered as a charity (charity number 1153865) on 19 September 2013.

The directors of the Charity (who are charity trustees for the purposes of the Charities Acts) are listed on page 1.

Structure, governance and management

The Guardian Foundation is a company limited by guarantee and its sole member is The Scott Trust Limited (STL).

The Charity was formed to take over the operations of The Scott Trust Foundation (the old Foundation) and the operations and assets of the old Foundation were transferred to the Charity with effect from close of business on 30 September 2014.

Directors of the Charity (Trustees) may be appointed and removed by STL. STL is the ultimate owner of Guardian Media Group plc (GMG). The Old Foundation was formed to carry out charitable activities of GMG and such activities are now carried out by the Charity. On appointment to the charity, Trustees receive appropriate briefings on the Charity and its activities.

The Trustees met during the year to:

- deal with matters relating to the transfer to the Charity of the operations and assets of the Old Foundation.
- review the financial position of the Charity;
- develop and implement the strategy for the Charity; and
- monitor the Charity's performance.

The Trustees are responsible for the management of risk. No material risks have been identified.

The activities of the Charity are split into strands (as detailed below under objectives and activities). The day to day management of each strand is handled separately.

Objectives and activities

The objective of the Charity, as set out in its articles of association, is the advancement of any charitable purpose in accordance with the laws of England and Wales.

The Trustees have taken into consideration Charity Commission guidance on public benefit.

Currently, the Charity carries out the following strands of activity in pursuit of its charitable objective, focusing on the charitable advancement of education, human rights and the right to information. The charity will continue to carry out the following activities:

Guardian Education Centre

The Charity provides an outreach educational centre offering a range of educational programmes for students and adults. The interactive centre can accommodate up to 30 students. State of the art technology, including computers and specially designed software, as well as digital cameras and interactive whiteboards, help students to engage with and learn from the news and archive resources of Guardian News & Media Ltd. This operation benefits around 1,000 children per year, principally catering amongst school groups. For example, the centre offers a variety of free whole-day workshops where students create their own newspaper front page using the latest technology, as well as workshops in podcasting and video editing for secondary schools.

The centre also conducts a range of activities for teachers, further and higher education groups and families that support professional development and provide work related learning, for example, organising a range of conferences for teachers with speakers including journalists, educational advisers and teachers, and providing continuing professional development training to practising teachers.

Archive and exhibitions

The archive preserves and promotes the histories and values of the Guardian and Observer newspapers and the role of journalism in society, by collecting, cataloguing and making accessible to the public material that provides an accurate and comprehensive history of the newspapers.

The Charity also supports a programme of exhibitions which investigate and reflect upon aspects of news and newspapers and the role of journalism. This programme draws on the archive collections and these exhibitions are freely accessible to the public.

The Scott Trust Bursary scheme

The Charity runs the Scott Trust bursary scheme. The aim of this scheme is to assist students who face financial difficulty in attaining the qualifications needed to pursue a career in media.

The Charity currently offers five bursaries each year to assist aspiring journalists to study for a postgraduate qualification in newspaper, web or broadcast journalism. Two bursaries are offered at City University, London (MA in Newspaper Journalism); one at Goldsmiths College, University of London (MA in Journalism); and two at University of Sheffield (MA in Newspaper Journalism).

The bursaries are particularly aimed at encouraging graduates from diverse social and ethnic backgrounds to apply for post-graduate training, particularly those from minority ethnic groups – recognised as being under-represented in the media.

Overseas programme

The Charity's overseas programme is focused on activity supporting rights to information and on building the capacity of journalists in Turkey and the Balkans. The Charity is currently working with Article 19, a charity whose mission is to defend the right to freedom of expression and freedom of information across the world, and Punto 24, an initiative to support and promote awareness of rights to information in Turkey and editorial independence in the Turkish press.

REPORT OF THE TRUSTEES (CONTINUED)

for the year ended 31 March 2015

Public Benefit

The Scott Trust Foundation has, in the past been a grant giver. With effect from close of business on 30 September 2014 its operations and assets were transferred to The Guardian Foundation. However, the current activities of The Guardian Foundation (and therefore the Charity) focus on the object of advancing education, research and human rights. All activities of the Charity in furtherance of this object will be carried out for the public benefit. In particular:

- The Guardian Education Centre provides educational services to a wide variety of school children, teachers and educational professionals in order to support education in journalism and teaching practises.
- The archive and exhibitions programme preserves for the public benefit and makes accessible to the public material of historic, artistic and educational value.
- The media development programme supports projects which further education in journalism and its practices, thus benefitting the public through the improvement of journalistic practices and the delivery of reliable and ethical news.
- Bursaries for post-graduate qualifications in print journalism and web journalism will be provided to the applicants who best satisfy the established criteria, taking account of the desire to encourage graduates from diverse social and/or ethnic backgrounds.
- The support of training to overseas journalism students is offered to applicants who best satisfy the established criteria.

Achievements and performance

The Charity has achieved its objectives, i.e. the advancement of any charitable purpose in accordance with the laws of England and Wales, during the year under review.

Financial review

The results for the year are set out on pages 6 and 7.

The trustees consider that the reserves of the Charity constitute a single unrestricted fund. Reserves are maintained at a level sufficient to ensure financial stability. The policy on reserves will be reviewed annually, from 2015/2016 onwards. At 31 March 2015, the level of reserves was £38,157.

The principal source of funding is donations from Guardian Media Group plc. Guardian Media Group plc has undertaken to donate sufficient monies during the 2015/2016 financial year in order to fully fund the objectives and activities of the charity for 2015/2016.

Plans for future periods

The charity intends that its current activities continue into the foreseeable future.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and regulations. The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

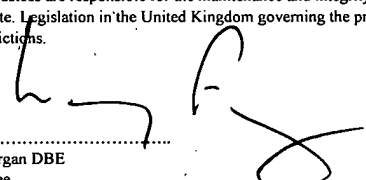
The trustees are responsible for keeping accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

In so far as the trustees are aware:

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

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


L. Forgan DBE
Trustee

1 July 2015

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE GUARDIAN FOUNDATION

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by The Guardian Foundation, comprise:

- the balance sheet as at 31 March 2015;
- the statement of financial activities and the summary income and expenditure account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the trustees were not entitled to take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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



John Baker (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

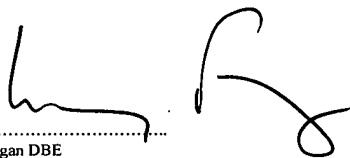
1 July 2015

BALANCE SHEET as at 31 March 2015

	Note	2015 £
Current assets		
Debtors	3	19,969
Cash at bank and in hand		32,507
Creditors: amounts falling due within one year	4	(14,318)
Net assets		<u>38,158</u>
The funds of the charity		<u>38,158</u>
Unrestricted income funds		

The notes on pages 7 and 8 form part of these financial statements.

The financial statements on pages 5 to 8 were approved by the Board of Trustees on 1 July 2015 and signed on its behalf by:


.....
L. Forgan DBE
Trustee

1 July 2015

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income & Expenditure Account)

for the year ended 31 March 2015

	Note	2015 £
Incoming resources		
Voluntary income		
Donations	5	179,590
Total incoming resources		<u>179,590</u>
Resources expended		
Charitable activities	7	134,325
Governance costs	9	7,107
Total resources expended	10	<u>141,432</u>
Net Income		38,158
Net movement in funds		38,158
Fund balances brought forward at 1 April		-
Fund balances carried forward at 31 March		<u>38,158</u>

All results derive from continuing operations.

There is no material difference between the net incoming/(outgoing) resources on ordinary activities before taxation and the incoming/(outgoing) resources for the financial year stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

The notes on pages 7 and 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1. Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom. In addition the financial statements have been prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 (SORP 2005) and comply with the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared under the going concern basis.

The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities.

2. Principal accounting policies

The following accounting policies have been applied consistently.

Incoming resources

Incoming resources are recognised when the Charity is entitled to the amount, the amount can be reasonably estimated and receipt is reasonably certain.

Donations

Donations are recognised in the financial statements when entitlement is demonstrable and are credited to unrestricted funds unless they are made for specific beneficiaries in which case they are credited to restricted funds.

Cash flow

The Charity has taken advantage of the exemption from preparing a cash flow statement given to the small entities in Financial Reporting Standard Number 1 (revised 1996), "Cash flow statements".

Expenditure

Direct charitable expenditure comprises expenditure that is directly attributable to activities in furtherance of the charity's objects, included on an accruals basis. Irrecoverable VAT is included within the appropriate expenditure category.

Bursaries are accounted for when either the recipient has a reasonable expectation that they will receive a bursary and the trustees have agreed to pay the bursary without condition, or the recipient has a reasonable expectation that they will receive a bursary and any condition attaching to the bursary is outside the control of the Charity.

Allocation of support costs

Support costs have been allocated first between charitable activity and governance. Support costs relating to Charitable Activities have been apportioned based on the direct costs of each activity. The allocation of support costs is analysed in note 6.

Pension costs

The group operates defined contribution pension schemes. Contributions are made in accordance with the scheme rules, and charged to operating profit as incurred.

3. Debtors

	2015 £
Prepayments	19,969
	<u>19,969</u>

4. Creditors: amounts falling due within one year

	2015 £
Amounts owed to group undertakings (note 13)	10,536
Accruals	3,782
	<u>14,318</u>

5. Incoming resources

	2015 £
Donations	179,590
	<u>179,590</u>

6. Allocation of support costs

Cost Type	Basis of apportionment	Total allocated £	Governance £	Charitable activities £
Staff costs	Staff time	10,557	-	10,557
		<u>10,557</u>	<u>-</u>	<u>10,557</u>

It is not considered appropriate to apportion support costs to governance given the negligible time on which staff spent on governance.

7. Charitable activities

	Direct costs £	Support costs £	Total £
Guardian Education Centre	24,414	2,083	26,496
Overseas programme	49,954	4,261	54,215
The Scott Trust Bursary scheme	49,401	4,213	53,614
	<u>123,768</u>	<u>10,557</u>	<u>134,325</u>

8. Analysis of bursaries

	Grants to institutions £	Grants to individuals £
Education - postgraduate scholarships	-	49,401
	<u>-</u>	<u>49,401</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2015

9. Governance costs

	2015
	£
Governance costs	7,107
	<u>7,107</u>

10. Resources expended

	2015
	£
Resources expended are stated after charging:	
Wages and salaries	9,136
Social security costs	1,011
Other pension costs	410
	<u>10,557</u>
Staff costs	
Services provided by the company's auditors:	
Fees payable for the audit	6,688

The monthly average number of persons employed during the year were:

	2015
	No.
Administration	

The trustees received no remuneration for their services during the year and were not reimbursed for any expenses incurred.
There are no employees earning above £60,000.

11. Reconciliation of movement of funds

	2015
	£
Opening funds at 1 April 2014	
Net movement in fund balances in the year	38,158
	<u>38,158</u>
Closing funds at 31 March 2015	

12. Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these surpluses are applied solely for charitable purposes.

13. Related party transactions

The charitable donations of £179,590 have been received from Guardian Media Group Plc, a related party of the Charity.

At the year end the charitable company owed Guardian Media Group plc £6,688 and owed Guardian News and Media Limited £3,848.