

Company registration number: 08437335

Charity registration number: 1153865

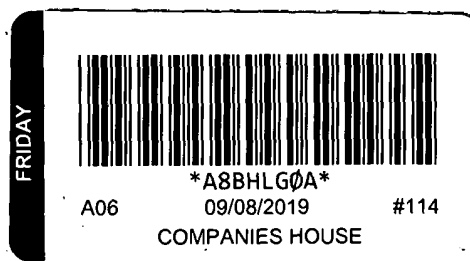
The Guardian Foundation

(A company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 March 2019

The Guardian Foundation



The Guardian Foundation

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The Guardian Foundation

Reference and Administrative Details

Trustees	Elizabeth Forgan DBE (Chair) Geraldine Proudler Sir Anthony Salz Jonathan Scott Melody Patry Gary Younge
Secretary	Stephen Godsell
Senior Management Team	Ben Hicks, Executive director (to 14 June 2019) Kirstine Føge Jensen, Interim Executive Director (from 14 June 2019)
Principal Office	PO Box 68164 Kings Place 90 York Way London N1P 2AP
Company Registration Number	08437335
Charity Registration Number	1153865
Solicitors	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Bankers	The Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

The Guardian Foundation

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the audited financial statements and auditors' report of the charitable company for the year ended 31 March 2019.

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

Trustees

Elizabeth Forgan DBE (Chair)

Geraldine Proudler

Sir Anthony Salz

Jonathan Scott

Melody Patry

Gary Younge

Objectives, strategies and activities

Objects and aims

The objects of the charity, as set out in its articles of association, are for public benefit, the advancement of charitable purpose in accordance with the laws of England and Wales.

Currently, the charity carries out the following strands of activity in pursuit of its charitable objects, focusing on the charitable advancement of education, human rights and the right to information. All activities of the charity in furtherance of its objects are carried out for the public benefit.

The Guardian Foundation

Trustees' Report

Objectives, strategies and activities

News literacy education for school children

The charity provides an education 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. The Education Centre also runs an outreach project which involves staff running workshops in schools.

The charity also works in partnership with the National Literacy Trust and the PSHE Association to run NewsWise. The project is funded by Google.org. It is a free project aimed at 9-11 year old children in the UK. NewsWise teaches children news literacy skills: how to navigate the news & spot fake news, bias, opinion, speculation etc. It helps children to create their own news reports, in their own words and thereby giving children a voice. We create free lesson plans and resources for schools and training sessions for teachers workshops which we will deliver in schools across the UK.

Archive and exhibitions

The archive preserves 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. In 2018-19, the gallery hosted 10 exhibitions. This involved the usual mix of historical/archival material (e.g. Guardian redesign since 1821 to coincide with the tabloid launch; the Observer's coverage of the death of Steve Biko) as well as supporting significant editorial initiatives such as the Guardian's focus on modern-day slavery. The space was made available to third party charities that share our overall ethos and values: Accumul8 which works with the homeless to teach them photography skills and New Horizon, the Kings Cross based resource which works with homeless young people. The most important new initiative was a collaboration with the picture agency Picfair, a photo competition aimed specifically at women.

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 three bursaries each year to assist aspiring journalists to study for a postgraduate qualification in newspaper, web or broadcast journalism. Bursaries are offered at City University, London (MA in Newspaper Journalism), Goldsmiths College, University of London (MA in Journalism) and 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. The benefits and effectiveness of the bursary programme includes a mentoring scheme and workshops. There is also an opportunity for bursary alumni to apply for a year's contract with the Guardian – though this is beyond the scope of the charity.

The Guardian Foundation

Trustees' Report

International 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. It runs a capacity building programme in partnership with TGS (Turkish Journalists Union) and Newslab Turkey and funded by the Swedish Consulate in Istanbul. In addition, The charity hosts a training programme for young Syrian journalists living in exile in Turkey. It also provides some training to Syrian media organisations. This activity is run in partnership with and funded by International Media Support (IMS).

Fundraising

The fundraising activities of The Guardian Foundation are carried out only by The Guardian Foundation staff, and are limited to seeking funds from corporations, governmental bodies and organisations rather than any approach to individuals or the public. In order to secure funds, The Guardian Foundation will approach organisations directly when they have expressed an interest in the strategic aims of the charity. The Guardian Foundation can also be approached directly by funders seeking to make grants for purposes within the Charity's area of expertise.

The Guardian Foundation has received no complaints regarding its fundraising activities. Given that approaching of individuals and members of the public does not currently form part of the charity's fundraising operations, there is deemed to be a very low risk to any vulnerable persons.

Public benefit

The activities of The Guardian Foundation focus on the object of advancing education, the right to information 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 News Literacy projects provide 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.
- 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 international programme offers training and capacity building to overseas journalists and provides educational support to applicants and organisations who best satisfy the established criteria.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Guardian Foundation

Trustees' Report

Financial review

The reserves of the charity constitute both unrestricted and restricted funds. Unrestricted reserves are maintained at a level sufficient to ensure financial stability, taking account of the support committed by Guardian Media Group plc. At 31 March 2019, the level of reserves was £119,974 (2018: £76,717).

Restricted funds relate to amounts received from third parties for specified purposes, as detailed in note 15. The level of restricted reserves at 31 March 2019 was £49,099 (2018: £199,905).

Policy on reserves

Unrestricted reserves are maintained at a level which ensures that the charity is able to deliver its core activity, supported by the principal funding received from Guardian Media Group plc. The policy on these reserves is reviewed annually.

Reserves related to restricted funds are only used for their specified purpose and managed to ensure the timely delivery of the associated project.

Principal funding sources

The principal source of funding is donations from Guardian Media Group plc. Guardian Media Group plc has undertaken to donate sufficient monies during the 2019/2020 financial year in order to fund the core objectives and activities of the charity for 2019/2020.

GMG will consider and review further funding beyond 2018/2019 during the annual budget process. Funding from GMG beyond 2019/2020 is likely to remain at similar levels to previous years but not to exceed these levels.

Plans for future periods

Aims and key objectives for future periods

In furtherance of its charitable objects, the charity will continue to focus on the charitable advancement of education, human rights and the right to information. The charity's longer term aims and key objectives include: develop a training and capacity building model that can support any international media under threat; develop an educational pipeline for underrepresented groups to access the news media, from primary school to professionals; create a governance and funding model that ensures the charity's long term resilience and sustainability; establishing an international, measureable and inclusive training programme; expanding our educational activities nationally and work in partnership with other charities in order to reach more disadvantaged children; opening up the Archive through innovative projects and allow the public to engage with the history of the Guardian; enhance and enlarge our volunteering scheme which enables us to access and harness the talent and skills of journalists across the UK.

The Guardian Foundation

Trustees' Report

Activities planned to achieve aims

The charity will continue to pursue the activities outlined above. It is proposed to expand the scope of these activities to include:

News literacy education programmes – In 2019/20 we intend to further expand this work across the UK and ensure that The Education Centre and NewsWise complement each other. We will also be sharing our model internationally and linking with similar projects across the world.

Archive and Exhibitions – We are also piloting archive workshops with school children from the education centre. It is proposed to increase public access to the Archive through exhibitions and other innovative projects.

The Scott Trust Bursary Scheme – The further expansion of the Hugo Young Award event which combines an annual alumni event for past and present bursary students with an essay competition aimed at post-graduate journalism students.

International Programme – We are launching a New Media Academy for young Turkish journalists in 2019/20. The idea being to teach the latest new media skills to a generation of Turkish journalists who have been left isolated. This includes a week of training at the Guardian's London office for selected Turkish journalists and/or academics and partnerships with academic institutions and media orgs in Turkey.

The charity will continue its active facilitation and participation in the European Press Prize.

The charity will seek further funding from philanthropic organisations to support its proposed activities. Where funding is subject to restrictions we will only accept them once all considerations have been reviewed.

Structure, governance and management

Nature of governing document

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

Recruitment and appointment of trustees

Directors of the charity (trustees) may be appointed and removed by STL. STL is the ultimate owner of Guardian Media Group plc (GMG). On appointment to the charity, trustees receive appropriate briefings on the charity and its activities.

Arrangements for setting remuneration

The trustees received no remuneration for their services during the year and were not reimbursed for any expenses incurred.

Remuneration for key management can be found in note 10 staff costs.

The Guardian Foundation

Trustees' Report

Relationships with related parties

STL

STL is the member of the charity and is also the ultimate holding company of GMG and thus Guardian News & Media Limited (GNM).

GMG

GMG is the parent company of Guardian News & Media Limited (GNM), publisher of theguardian.com, one of the world's leading news websites, and the Guardian and Observer newspapers.

GNM

GNM is the publisher of theguardian.com, one of the world's leading news websites, and the Guardian and Observer newspapers.

Going concern

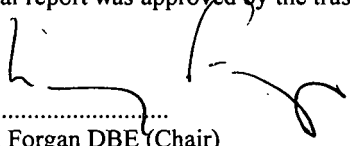
These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom. In addition the financial statements have been prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities SORP (FRS102) and comply with the Companies Act 2006 and the Charities Act 2011.

Disclosure of information to auditors

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

The Statement of Trustees' Responsibilities is considered part of this Trustees' Report.

The annual report was approved by the trustees of the charity on 17 July 2019 and signed on its behalf by:



.....
Elizabeth Forgan DBE (Chair)
Trustee

The Guardian Foundation

Statement of Trustees' Responsibilities

The trustees (who are also the directors of The Guardian Foundation for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Guardian Foundation

Independent Auditors' Report to the Members of The Guardian Foundation

Report on the audit of the financial statements

Opinion

In our opinion, The Guardian Foundation's financial statements ("the financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019; the statement of financial activities, the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charitable company's trade, customers, suppliers and the wider economy.

Reporting on other information

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

The Guardian Foundation

Independent Auditors' Report to the Members of The Guardian Foundation

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

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

Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 8, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

The Guardian Foundation

Independent Auditors' Report to the Members of The Guardian Foundation

Other required reporting

Companies Act 2006 reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

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



Samuel Tomlinson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

17 July 2019

The Guardian Foundation

Independent Auditors' Report to the Members of The Guardian Foundation

Other required reporting

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

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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 in preparing the Trustees' Annual Report; and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

.....
Samuel Tomlinson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

17 July 2019

The Guardian Foundation

Statement of Financial Activities for the Year Ended 31 March 2019

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income from:					
Donations	3	633,755	154,924	788,679	1,063,928
Other trading activities	4	<u>26,810</u>	<u>-</u>	<u>26,810</u>	<u>27,444</u>
Total Income		<u>660,565</u>	<u>154,924</u>	<u>815,489</u>	<u>1,091,372</u>
Expenditure on:					
Charitable activities	5	<u>(617,308)</u>	<u>(305,730)</u>	<u>(923,038)</u>	<u>(838,326)</u>
Total Expenditure		<u>(617,308)</u>	<u>(305,730)</u>	<u>(923,038)</u>	<u>(838,326)</u>
Net movement in funds		43,257	(150,806)	(107,549)	253,046
Reconciliation of funds					
Total funds brought forward		<u>76,717</u>	<u>199,905</u>	<u>276,622</u>	<u>23,576</u>
Total funds carried forward	15	<u><u>119,974</u></u>	<u><u>49,099</u></u>	<u><u>169,073</u></u>	<u><u>276,622</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

There are no recognised gains or losses other than those passing through the Statement of Financial Activities.

There is no difference between the net movement in funds and the retained results for the year stated above and their historical-cost equivalents.

The funds breakdown for 2018 is shown in note 15.

The Guardian Foundation

(Company Registration number: 08437335)

(Charity registration number: 1153865)

Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Current assets			
Debtors	13	51,296	39,404
Cash at bank and in hand		<u>217,661</u>	<u>309,906</u>
		268,957	349,310
Creditors: Amounts falling due within one year	14	<u>(99,884)</u>	<u>(72,688)</u>
Net assets		<u>169,073</u>	<u>276,622</u>
Funds of the charity:			
Restricted funds		49,099	199,905
Unrestricted income funds			
Unrestricted funds		<u>119,974</u>	<u>76,717</u>
Total funds	15	<u>169,073</u>	<u>276,622</u>

The financial statements on pages 12 to 24 were approved by the trustees, and authorised for issue on 17 July 2019 and signed on their behalf by:

.....
 Elizabeth Forgan DBE (Chair)
 Trustee

The notes on pages 15 to 24 form an integral part of these financial statements.

The Guardian Foundation

Statement of Cash Flows for the year ended 31 March 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (expenditure)/income		(107,549)	253,046
Working capital adjustments			
(Increase)/decrease in debtors	13	(11,892)	997
Increase in creditors	14	<u>27,196</u>	<u>18,034</u>
Net cash flows from operating activities		<u>(92,245)</u>	<u>272,077</u>
Net (decrease)/increase in cash and cash equivalents		(92,245)	272,077
Cash and cash equivalents at 1 April		<u>309,906</u>	<u>37,829</u>
Cash and cash equivalents at 31 March		<u><u>217,661</u></u>	<u><u>309,906</u></u>

All of the cash flows are derived from continuing operations during the above two years.

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2019

1 Charity status

The charity is a company limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Guardian Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The financial statements have been prepared on a going concern basis.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charity to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

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

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2019

Gifts in kind

Gifts in kind represents services performed by related parties on behalf of the charity. Gifts in kind are recognised at the open market rate and within both income and expenditure.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation for that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2019

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Pensions and other post retirement obligations

Guardian Media Group plc operates a defined contribution pension scheme, of which the Charity's staff are members. Contributions are made in accordance with the scheme rules, and charged to operating profit as incurred.

3 Income from donations and legacies

	Unrestricted funds			
	General £	Restricted funds £	Total 2019 £	Total 2018 £
Donations and legacies;				
Donations from Guardian Media Group plc	505,000	-	505,000	532,000
Donations from companies, trusts and similar proceeds	49,134	154,924	204,058	465,849
Gifts in kind	79,621	-	79,621	66,079
	<u>633,755</u>	<u>154,924</u>	<u>788,679</u>	<u>1,063,928</u>

4 Income from other trading activities

	Unrestricted funds			
	General £	Total 2019 £	Total 2018 £	
Trading income;				
Other trading income	26,810	26,810	27,444	
	<u>26,810</u>	<u>26,810</u>	<u>27,444</u>	

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Notes to the Financial Statements for the year ended 31 March 2019

5 Expenditure on charitable activities

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	General £	£	£	£
Guardian Education Centre	299,299	154,532	453,831	423,446
Archive and exhibitions	176,723	-	176,723	146,835
The Scott Trust Bursary scheme	73,109	-	73,109	81,430
International programmes	68,177	151,198	219,375	186,615
	<u>617,308</u>	<u>305,730</u>	<u>923,038</u>	<u>838,326</u>
	Activity undertaken directly £	Activity support costs £	Total 2019 £	Total 2018 £
Guardian Education Centre	312,789	141,042	453,831	423,446
Archive and exhibitions	121,801	54,922	176,723	146,835
The Scott Trust Bursary scheme	50,389	22,720	73,109	81,430
International programmes	151,198	68,177	219,375	186,615
	<u>636,177</u>	<u>286,861</u>	<u>923,038</u>	<u>838,326</u>

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Notes to the Financial Statements for the year ended 31 March 2019

6 Analysis of governance and support costs

Support costs allocated to charitable activities

		Governance costs	Finance costs	Staff costs	Premises costs including depreciation	Other support costs	Total 2019	Total 2018
	Basis	£	£	£	£	£	£	£
Guardian Education Centre	A	2,315	6,669	94,336	32,479	5,243	141,042	113,310
Archive and exhibitions	A	902	2,597	36,734	12,647	2,042	54,922	39,291
The Scott Trust Bursary scheme	A	373	1,074	15,197	5,232	844	22,720	21,790
International programmes	A	1,119	3,223	45,601	15,700	2,534	68,177	49,936
		<u>4,709</u>	<u>13,563</u>	<u>191,868</u>	<u>66,058</u>	<u>10,663</u>	<u>286,861</u>	<u>224,327</u>

Basis of allocation

Reference	Method of allocation
A	Pro-rata on costs

Governance costs

	Unrestricted funds	Total 2019	Total 2018
	General £	£	£
Audit fees			
Audit of the financial statements	3,709	3,709	3,619
Other governance costs	<u>1,000</u>	<u>1,000</u>	<u>-</u>
	<u>4,709</u>	<u>4,709</u>	<u>3,619</u>

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Notes to the Financial Statements for the year ended 31 March 2019

7 Grant-making

Analysis of grants

	Grants to institutions		Grants to individuals	
	2019	2018	2019	2018
	£	£	£	£
Analysis				
Education - postgraduate scholarships	29,017	34,894	19,290	18,715
Funding - Turkish journalism initiative	53,604	89,073	-	-
Partnership - journalist recognition awards	13,853	13,711	-	-
Education - News literacy project	-	148,774	-	-
	<u>96,474</u>	<u>286,452</u>	<u>19,290</u>	<u>18,715</u>

The support costs associated with grant-making are £89,400 (31 March 2018 - £70,560).

Below are details of material grants made to institutions by the charity

Name of institution	Activity	2019	2018
		£	£
City University of London	The Scott Trust Bursary scheme	9,948	13,990
University of Sheffield	The Scott Trust Bursary scheme	9,350	11,917
Goldsmiths College	The Scott Trust Bursary scheme	9,719	8,987
Article 19	International programmes	-	18,750
P24	International programmes	-	22,000
Dokuz8	International programmes	3,972	8,000
Sendika	International programmes	3,972	20,141
Diken	International programmes	27,673	20,182
MintLab	International programmes	17,987	-
European Press Prize	Guardian Education Centre	13,853	13,711
National Literacy Trust	Guardian Education Centre	-	111,274
PSHE Association	Guardian Education Centre	-	37,500
		<u>96,474</u>	<u>286,452</u>

8 Net income/expenditure

Net expenditure for the year includes:

	2019	2018
	£	£
Audit fees	<u>(3,709)</u>	<u>(3,619)</u>

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2018: £nil).

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Notes to the Financial Statements for the year ended 31 March 2019

No trustees have received any reimbursed expenses or any other benefits from the charity during the year (2018: £nil).

10 Staff costs

The aggregate payroll costs were as follows:

	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	419,676	295,210
Social security costs	40,991	28,893
Pension costs	39,446	28,568
	<u>500,113</u>	<u>352,671</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2019 No	2018 No
Management	3	2
Charitable activities	7	7
	<u>10</u>	<u>9</u>

10 (2018 - 9) of the above employees participated in the Defined Contribution Pension Schemes.

The number of employees whose emoluments fell within the following bands was:

	2019 No	2018 No
£70,001 - £80,000	<u>1</u>	<u>1</u>

11 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>3,709</u>	<u>3,619</u>

12 Taxation

The charity is a registered charity and is therefore exempt from taxation.

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Notes to the Financial Statements for the year ended 31 March 2019

13 Debtors

	2019 £	2018 £
Prepayments	12,267	11,844
Accrued income	23,613	27,560
Other debtors	15,416	-
	<u>51,296</u>	<u>39,404</u>

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	13,669	6,662
Due to related parties	72,501	45,739
Other taxation and social security	2,054	935
Accruals	11,660	19,352
	<u>99,884</u>	<u>72,688</u>

15 Funds

	Balance at 1 April 2018 £	Income £	Expenditure £	Balance at 31 March 2019 £
Unrestricted funds				
<i>General</i>				
Donations	76,717	660,565	(617,308)	119,974
Restricted funds				
International Media Support donation	-	49,638	(49,592)	46
Swedish Consulate donation	-	104,286	(101,606)	2,680
News Wise donation	199,905	-	(153,532)	46,373
Refugee Journalism donation	-	1,000	(1,000)	-
Total restricted funds	<u>199,905</u>	<u>154,924</u>	<u>(305,730)</u>	<u>49,099</u>
Total funds	<u>276,622</u>	<u>815,489</u>	<u>(923,038)</u>	<u>169,073</u>

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Notes to the Financial Statements for the year ended 31 March 2019

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
Unrestricted funds				
<i>General</i>				
Donations	23,576	625,523	(572,382)	76,717
Restricted funds				
International Media Support donation	-	69,300	(69,300)	-
Swedish Consulate donation	-	46,549	(46,549)	-
News Wise donation	-	350,000	(150,095)	199,905
Total restricted funds	-	465,849	(265,944)	199,905
Total funds	23,576	1,091,372	(838,326)	276,622

The specific purposes for which the restricted funds are to be applied are as follows:

International Media Support donation

Funding provided to facilitate a year long training and mentorship program in Istanbul, for a select group of Syrian media to learn essential skills in areas such as Investigations, Multimedia and Digital Storytelling, Social Media and Conflict Reporting.

Swedish Consulate donation

Funding provided to facilitate education programs and capacity building for small, independent media organisations based in Turkey. The purpose was to promote rights to information, human rights and accountability in Turkey where freedom of speech is under threat.

News Wise donation

Funding provided for a free, cross-curricular news literacy project for 9 to 11-year-olds across the UK in partnership with National Literacy Trust and PSHE Association. The aim of the project is to empower children & young people across the UK to access, understand, critically analyse and participate in the news.

Refugee Journalism donation

Funding provided for a year long series of journalism masterclasses at the Guardian's headquarters for 30 refugee journalists from various regions. The aim of the project is to give the journalists access to the latest new media knowledge tools and story telling techniques.

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Notes to the Financial Statements for the year ended 31 March 2019

16 Related party transactions

During the year the charity made the following related party transactions:

Guardian Media Group plc

Charitable donations of £505,000 (2018:£532,000) have been received from Guardian Media Group plc, a related party of the Charity.

At the balance sheet date the amount due to Guardian Media Group plc was £3,709 (2018 - £3,619).

Guardian News & Media Limited

Gifts in kind of £79,621 (2018:£66,079) have been received from Guardian News & Media Limited, a related party of the Charity.

At the balance sheet date the amount due to Guardian News & Media Limited was £68,792 (2018 - £42,121).