

Company registration number: 08437335

Charity registration number: 1153865

The Guardian Foundation

Annual Report and Financial Statements

for the year ended 31 March 2020

The Guardian Foundation

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The Guardian Foundation

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The Guardian Foundation

Reference and Administrative Details

Trustees	Elizabeth Forgan DBE (Chair) Geraldine Proudler Jonathan Scott Melody Patry Gary Younge Nina Blackwell
Senior Management Team	Ben Hicks, Executive director (to 14 June 2019) Kirstine Føge Jensen, Interim Executive Director (from 14 June 2019 to 21 October 2019) Kelly Walls, Executive Director (from 21 October 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 2020.

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.

The Guardian Foundation is registered with the Charity Commission under the charity number 1153865 and with Companies House under the company number 08437335.

The principal office is PO Box 68164, Kings Place, 90 York Way, London N1 2AP.

Trustees

Elizabeth Forgan DBE (Chair)

Geraldine Proudler

Sir Anthony Salz (resigned 27 March 2020)

Jonathan Scott

Melody Patry

Gary Younge

Nina Blackwell (appointed 25 May 2020)

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 6,000 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. This takes the total number of people benefiting from the Education Centre each year is over 8,000.

The charity also works in partnership with the National Literacy Trust and the PSHE Association to run NewsWise. The programme is currently funded by Google.org. It is a free outreach programme aimed at 7-11 year old children in the UK from the most disadvantaged areas. 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. NewsWise reaches children in a vital window when they are about to have their own devices for the time and can develop critical digital thinking before habits become ingrained. The programme creates free lesson plans and resources for schools which complement the existing curriculum, runs teacher training sessions in schools and organises family festivals in towns across the UK, enabling parents to also participate. In FY 2019/20 NewsWise worked with over 2,500 children and 500 teachers, won a Unesco Gapmil award for media literacy and was recognised as a Democracy Pioneer by Nesta.

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 archive is a valuable resource for researchers and is open to the public by appointment. It holds official records of the Guardian and the Observer and also seeks to acquire material from people who have been associated with the papers. As well as corporate records the archive therefore holds correspondence, diaries, notebooks, original cartoons, photographs and oral histories created by people who have worked for either paper. In 2019/20 it answered more than 1,000 inquiries and digitised more than 3,500 archive images.

The Guardian Foundation

Trustees' Report

The Scott Trust Bursary scheme

The charity runs the Scott Trust bursary scheme. The primary aim of these bursary awards is to assist students who face financial difficulty in attaining the qualifications needed to pursue a career in journalism, and who come from backgrounds that are underrepresented in the media. In particular those from a lower socio-economic background, BAME, LGBTQ+ and those with a disability.

The charity currently offers three bursaries each year to assist aspiring journalists to study for a postgraduate qualification in newspaper, interactive or digital journalism. In FY 2019/20 bursaries were offered at City University, London (MA Interactive Journalism), Goldsmiths College, University of London (MA Journalism) and University of Sheffield (MA Journalism). We aim to expand the course options in the coming year.

The benefits and effectiveness of the bursary programme includes a mentoring scheme, workshops and work experience at Guardian News & Media. There is also an opportunity for bursary alumni to continue on to a contract with the Guardian although this is beyond the scope of the charity.

Hugo Young Award

The Hugo Young Award is an annual competition championing the best political opinion writing among journalism students across the UK. Students are set the challenge to write on a topic they feel is not receiving enough attention, using new ideas, subjects and perspectives. This year we also piloted a 'Young Hugo' award for 16-18 year old sixth form students to reach even younger aspiring journalists.

The competition is an opportunity to celebrate the legacy of Hugo Young, who died in 2003 and was a political columnist for the Guardian for 18 years, by encouraging fresh voices, new perspectives and good writing which, now more than ever, are essential to the future of quality, independent political journalism.

International programme

The charity's overseas programmes are focused on activity supporting independent media and on building the capacity of journalists, particularly focused in Turkey. It runs a training, mentoring and local project support programme (the 'New Media Academy') in partnership with NewsLabTurkey and currently funded by the Swedish Consulate in Istanbul. The academy teaches the latest new media skills to a generation of Turkish journalists who are working in a very challenging environment. This academy is based in Istanbul but also 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. Separately, the charity hosts a training and mentoring programme for young Syrian journalists living in exile in Turkey and across Europe. This activity is run in partnership with and funded by International Media Support (IMS).

European Press Prize

The charity supports the European Press Prize, which salutes and encourages the highest achievements in European journalism. Each year, awards are made to journalists in four different categories. Each award is 10,000 euros, to be spent wherever possible on a personal project that may, in turn, enrich the practice of journalism.

The Guardian Foundation

Trustees' Report

Fundraising

The fundraising activities of The Guardian Foundation are carried out only by The Guardian Foundation staff, and are focused on seeking funds from corporations, governmental bodies and organisations. The charity does receive a small number of donations from the general public who wish to support the work and this is done via the Charities Aid Foundation website or occasionally via cheques received directly. In order to secure funds, The Guardian Foundation will approach organisations directly when they believe there is alignment of strategic aims. 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. The mission of the charity is to support media under threat, promote diversity in the media and empower children and young people to engage with the news. 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 postgraduate qualifications in print and digital 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 17 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 2020, the level of reserves was £151,144 (2019: £119,974).

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 2020 was £245,186 (2019: £49,099).

The Covid-19 pandemic began to have a direct impact on the charity from 11th March 2020. This meant that the financial year was almost complete and therefore had no material impact on the financials during that reporting period. The impacts during that period were focused on activities planned for March which had to be cancelled or postponed. Specifically, the direct effects were:

- The Education Centre was closed to visitors from 12 March 2020.
- All external visitors to the Archive were cancelled from 12 March 2020.
- The annual Hugo Young event due to take place on 12 March 2020 was cancelled.
- The final weekend of the New Media Academy programme due to take place in Turkey on 14/15 March 2020 was postponed and associated staff travel was cancelled.
- All NewsWise in-person activity stopped from 16th March 2020, including no school visits and the cancellation of a family festival event planned in London for 29 March 2020.
- All staff began to work from home from 16 March 2020.
- A teacher training conference for 35 delegates due to be hosted by the Education Centre on 27 March 2020 was cancelled.

The Guardian Foundation

Trustees' Report

Policy on reserves

The optimal amount that the charity aims to maintain in its unrestricted reserves is £145k. This level ensures that the charity has the ability to deliver its core activity for 3 months, to cover the cost of an unexpected drop in income, unforeseen and essential staff cover, or unexpected closure, supported by the principal funding received from Guardian Media Group plc.

Reserves levels are monitored through the following process: A reserves target is budgeted at the beginning of each financial year, then forecast every quarter throughout the year and assessed at the end of the year.

Anything held in excess of the target figure may be utilised for re-investment into the strategic operations of the charity in line with its mission.

The reserves can be released and used for the purposes stated below, and any spend must be officially signed off by the board of trustees.

A. Unforeseen emergency or other unexpected and unavoidable need for funds, eg essential legal costs incurred but not foreseen

B. Unforeseen day-to-day operational costs, eg employing temporary staff to cover a long-term sick absence or paternity leave.

C. A source of income, eg a grant, not being renewed or dramatically reducing in value. Funds might be needed to give the trustees time to take action if income falls below expectations.

D. The need to fund short-term deficits in a cash budget, eg money may need to be spent before a funding grant is received.

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

The reserves policy will be reviewed annually by the board of Trustees and adjusted if deemed necessary.

Principal funding sources

The principal source of unrestricted funding is a donation from Guardian Media Group plc. Guardian Media Group plc has undertaken to donate sufficient monies during the 2020/2021 financial year in order to fund, in part, the objectives and activities of the charity for 2020/2021.

GMG will consider and review further funding beyond 2020/21 during the annual budget process. Funding from GMG beyond 2020/2021 is likely to remain at similar levels to previous years but not to exceed these levels.

In 2019/20, the amount of funding received from Google.org exceeded the total funds received from GMG. However, this amount is restricted funding which carries conditions on deliverables - it is therefore not considered as a principal funding source for the core operations of the Guardian Foundation.

The Guardian Foundation

Trustees' Report

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 with a mission to support media under threat, promote diversity in the media and empower children and young people to engage with the news.

The charity's longer term strategic aims and key objectives include to: grow our training and capacity building model so it can be used support more international media under threat; develop an educational pipeline for underrepresented groups to access the news media, from primary school to professionals; continue to develop a governance and funding model that ensures the charity's long term resilience and sustainability; expand our educational activities nationally and work in partnership with other charities in order to reach more disadvantaged children; open up the Archive through innovative projects to allow the public to engage with the history of the Guardian.

The Covid-19 pandemic will make these aims more difficult to achieve, both from a fundraising and a delivery perspective, but will not fundamentally alter them. A thorough review of activities and detailed planning has taken place to consider the adaptations required to adjust to remote delivery where necessary and the charity will continue to work with its partners and funders to agree any revisions to plans.

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 2020/21 we intend to further expand this work across the UK and ensure that The Education Centre and NewsWise programmes work in partnership and complement each other. We will enhance our digital offering to ensure even wider reach and impact, and aim to share our model internationally, linking with similar projects across the world.

Archive – We are increasing public access to the Archive, particularly for those who would not normally visit. A grant awarded by the Heritage Lottery Fund will allow us to carry out 12 interactive workshops for 11-14 year olds, in collaboration with the Education Centre, to bring the archives and the history of journalism to life for young people who wouldn't have ordinarily had access to it.

In addition, following an award of grant funding from The National Archive's Collaborate and Innovate Testbed Fund, we will be running a pilot project to digitise and transcribe a sample of the notebooks of the Guardian's first Africa correspondent. If successful, it opens up an important collection in our archive and the methods trialled could improve access to similar records, in our own repository and elsewhere.

The Scott Trust bursary scheme and Hugo Young Award – A sharper focus on outreach and communications for these programmes to ensure they attract applicants from the hardest to reach areas and underrepresented communities. Also the official inclusion on Interactive and Digital Journalism courses to address the skills gaps we are seeing in the industry, eligible courses for 2020/21 will include City University, London (MA Newspaper Journalism / MA Interactive Journalism), Goldsmiths College, University of London (MA Journalism / MA Digital Journalism) and University of Sheffield (MA Journalism). The charity will, in addition, be seeking further opportunities to advance inclusion for under-represented voices in the news industry.

International Programme – Further enhance the New Media Academy which was piloted 2019/20 to include an 'incubator' to nurture, support and develop new ideas that will enhance the media landscape in Turkey. This includes an expansion to reach journalists outside of the main metropolis of Istanbul or Ankara.

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.

The Guardian Foundation

Trustees' Report

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.

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.

Trustee's liabilities

As permitted by the Articles of Association, the trustee have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Charity also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its trustees.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

The Guardian Foundation

Trustees' Report

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

The annual report was approved by the trustees of the charity on 9 July 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Elizabeth Forgan', written over a dotted line.

.....
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 2020 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 2020; 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 12, 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

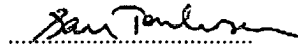
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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

9 July 2020

The Guardian Foundation

Statement of Financial Activities for the Year Ended 31 March 2020

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income from:					
Donations	3	624,915	860,206	1,485,121	788,679
Other trading activities	4	19,185	-	19,185	26,810
Total Income		<u>644,100</u>	<u>860,206</u>	<u>1,504,306</u>	<u>815,489</u>
Expenditure on:					
Charitable activities	5	<u>(612,930)</u>	<u>(664,120)</u>	<u>(1,277,050)</u>	<u>(923,038)</u>
Total Expenditure		<u>(612,930)</u>	<u>(664,120)</u>	<u>(1,277,050)</u>	<u>(923,038)</u>
Net movement in funds		31,170	196,086	227,256	(107,549)
Reconciliation of funds					
Total funds brought forward		<u>119,974</u>	<u>49,099</u>	<u>169,073</u>	<u>276,622</u>
Total funds carried forward	16	<u>151,144</u>	<u>245,185</u>	<u>396,329</u>	<u>169,073</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 2019 is shown in note 16.

The Guardian Foundation

(Company Registration number: 08437335)

(Charity registration number: 1153865)

Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Current assets			
Debtors	13	22,419	51,296
Cash at bank and in hand	14	<u>465,301</u>	<u>217,661</u>
		487,720	268,957
Creditors: Amounts falling due within one year	15	<u>(91,391)</u>	<u>(99,884)</u>
Net assets		<u>396,329</u>	<u>169,073</u>
Funds of the charity:			
Restricted income funds			
Restricted funds		245,185	49,099
Unrestricted income funds			
Unrestricted funds		<u>151,144</u>	<u>119,974</u>
Total funds	16	<u>396,329</u>	<u>169,073</u>

Prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies.

The financial statements on pages 16 to 30 were approved by the trustees, and authorised for issue on 9 July 2020 and signed on their behalf by:



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

The notes on pages 19 to 30 form an integral part of these financial statements.

The Guardian Foundation

Statement of Cash Flows for the year ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash income/(expenditure)		227,256	(107,549)
Working capital adjustments			
Decrease/(increase) in debtors	13	28,877	(11,892)
(Decrease)/increase in creditors	15	<u>(8,493)</u>	<u>27,196</u>
Net cash flows from operating activities		<u>247,640</u>	<u>(92,245)</u>
Net increase/(decrease) in cash and cash equivalents		247,640	(92,245)
Cash and cash equivalents at 1 April		<u>217,661</u>	<u>309,906</u>
Cash and cash equivalents at 31 March		<u><u>465,301</u></u>	<u><u>217,661</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 2020

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.

The address of its registered office is:

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

The principal place of business is:

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

These financial statements were authorised for issue by the trustees on 9 July 2020.

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.

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2020

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 trustees have a reasonable expectation that the Charity has adequate resources and will continue to receive funding to continue in operational existence for the next year. The trustees have considered the impact of Covid-19 in this assessment of both the future operational performance along with the value of its resources.

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.

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.

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2020

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.

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.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2020

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	Total	Total
	£	funds	2020	2019
		£	£	£
Donations and legacies;				
Donations from Guardian Media				
Group plc	450,000	-	450,000	505,000
Donations from companies, trusts				
and similar proceeds	87,613	860,206	947,819	204,058
Gifts in kind	87,302	-	87,302	79,621
	<u>624,915</u>	<u>860,206</u>	<u>1,485,121</u>	<u>788,679</u>

4 Income from other trading activities

	Unrestricted funds			
	General	Total	Total	
	£	2020	2019	
		£	£	
Trading income;				
Other trading income	19,185	19,185	26,810	
	<u>19,185</u>	<u>19,185</u>	<u>26,810</u>	

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2020

5 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2020 £	Total 2019 £
Guardian Education Centre	656,148	200,715	856,863	453,831
Archive and exhibitions	94,437	28,888	123,325	176,723
The Scott Trust Bursary scheme	52,295	15,997	68,292	73,109
International programmes	175,029	53,541	228,570	219,375
	<u>977,909</u>	<u>299,141</u>	<u>1,277,050</u>	<u>923,038</u>
	Unrestricted funds			
	General £	Restricted funds £	Total 2020 £	Total 2019 £
Guardian Education Centre	367,772	489,091	856,863	453,831
Archive and exhibitions	123,325	-	123,325	176,723
The Scott Trust Bursary scheme	68,292	-	68,292	73,109
International programmes	53,541	175,029	228,570	219,375
	<u>612,930</u>	<u>664,120</u>	<u>1,277,050</u>	<u>923,038</u>

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Notes to the Financial Statements for the year ended 31 March 2020

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 2020	Total 2019
	Basis	£	£	£	£	£	£	£
Guardian Education Centre	A	3,364	7,954	122,973	50,624	15,800	200,715	141,042
Archive and exhibitions	A	484	1,144	17,699	7,286	2,275	28,888	54,922
The Scott Trust Bursary scheme	A	268	634	9,801	4,035	1,259	15,997	22,720
International programmes	A	897	2,122	32,804	13,503	4,215	53,541	68,177
		<u>5,013</u>	<u>11,854</u>	<u>183,277</u>	<u>75,448</u>	<u>23,549</u>	<u>299,141</u>	<u>286,861</u>

Basis of allocation

Reference	Method of allocation
A	Pro-rata on costs

Governance costs

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Audit fees			
Audit of the financial statements	3,894	3,894	3,709
Other governance costs	<u>1,119</u>	<u>1,119</u>	<u>1,000</u>
	<u>5,013</u>	<u>5,013</u>	<u>4,709</u>

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2020

7 Grant-making

Analysis of grants

	Grants to institutions		Grants to individuals	
	2020	2019	2020	2019
	£	£	£	£
Analysis				
Education - postgraduate scholarships	29,965	29,017	19,200	19,290
Funding - Turkish journalism initiative	81,231	53,604	-	-
Partnership - journalist recognition awards	13,493	13,853	-	-
Education - News literacy project	253,987	-	-	-
	<u>378,676</u>	<u>96,474</u>	<u>19,200</u>	<u>19,290</u>

The support costs associated with grant-making are £68,373 (31 March 2019 - £89,400).

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

Name of institution	Activity	2020 £	2019 £
City University of London	The Scott Trust Bursary scheme	10,117	9,948
Goldsmiths College	The Scott Trust Bursary scheme	10,015	9,719
University of Sheffield	The Scott Trust Bursary scheme	9,833	9,350
MintLab	International programmes	80,503	17,987
Swedish Consulate	International programmes	728	-
Diken	International programmes	-	27,673
Dokuz8	International programmes	-	3,972
Sendika	International programmes	-	3,972
National Literacy Trust	Guardian Education Centre	231,487	-
PSHE Association	Guardian Education Centre	22,500	-
European Press Prize	Guardian Education Centre	13,493	13,853
		<u>378,676</u>	<u>96,474</u>

8 Net income/expenditure

Net incoming/(outgoing) for the year includes:

	2020 £	2019 £
Audit fees	<u>(3,894)</u>	<u>(3,709)</u>

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year (2019: £nil).

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2020

No trustees have received any reimbursed expenses or any other benefits from the charity during the year (2019: £nil).

10 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	454,582	419,676
Social security costs	44,778	40,991
Pension costs	41,245	39,446
	<u>540,605</u>	<u>500,113</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:

	2020 No	2019 No
Management	3	3
Charitable activities	7	7
	<u>10</u>	<u>10</u>

10 (2019 - 10) of the above employees participated in the Defined Contribution Pension Schemes.

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

	2020 No	2019 No
£60,001 - £70,000	1	-
£70,001 - £80,000	2	1

11 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>3,894</u>	<u>3,709</u>

12 Taxation

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

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2020

13 Debtors

	2020	2019
	£	£
Prepayments	15,958	12,267
Accrued income	6,311	23,613
Other debtors	150	15,416
	<u>22,419</u>	<u>51,296</u>

14 Cash and cash equivalents

	2020	2019
	£	£
Cash at bank	<u>465,301</u>	<u>217,661</u>

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	18,015	13,669
Due to related parties	67,074	72,501
Other taxation and social security	102	2,054
Accruals	6,200	11,660
	<u>91,391</u>	<u>99,884</u>

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Notes to the Financial Statements for the year ended 31 March 2020

16 Funds

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Unrestricted funds				
<i>General</i>				
Donations	119,974	644,099	(612,929)	151,144
Restricted funds				
International Media Support donation (Syria in Depth programme)	46	43,495	(35,670)	7,871
Swedish Consulate donation (New Media Academy programme)	2,680	140,322	(129,315)	13,687
Google.org donation (NewsWise programme)	46,373	659,506	(484,091)	221,788
London College of Communication donation (Refugee Journalism project)	-	5,000	(5,000)	-
Swedish Institute donation (Podcast training project)	-	11,883	(10,044)	1,839
Total restricted funds	<u>49,099</u>	<u>860,206</u>	<u>(664,120)</u>	<u>245,185</u>
Total funds	<u>169,073</u>	<u>1,504,305</u>	<u>(1,277,049)</u>	<u>396,329</u>

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Notes to the Financial Statements for the year ended 31 March 2020

	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 (Syria in Depth programme)	-	49,638	(49,592)	46
Swedish Consulate donation (New Media Academy programme)	-	104,286	(101,606)	2,680
Google.org donation (NewsWise programme)	199,905	-	(153,532)	46,373
London College of Communication donation (Refugee Journalism project)	-	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><u>276,622</u></u>	<u><u>815,489</u></u>	<u><u>(923,038)</u></u>	<u><u>169,073</u></u>

The Guardian Foundation

Notes to the Financial Statements for the year ended 31 March 2020

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

International Media Support donation (Syria in Depth programme)

Funding provided was to deliver training and mentoring for Syrian journalists and organisations who are in exile, focusing on in-depth stories and investigations, in order to help build capacity of their organisations..

Swedish Consulate donation (New Media Academy programme)

Funding provided was to facilitate an education programme including capacity building for journalists and small, independent media organisations based in Turkey. The purpose was to help enhance journalism plurality in Turkey through the supporting of new journalism project ideas and to promote to create a culture for skills sharing.

Google.org donation (NewsWise programme)

Funding provided was 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.

London College of Communication donation (Refugee Journalism project)

Funding provided was for a series of workshops and journalism masterclasses at the Guardian's headquarters for refugee and exiled journalists seeking to re-start their careers in the UK.

Swedish Institute donation (Podcast training project)

Funding provided was to facilitate training in podcasting to Turkish journalists, including technical skills, interviewing and pitching. The aim was to support and improve independent journalism within Turkey, build skills in modern technologies to tell stories in new ways and reduce barriers to entry for journalists.

17 Related party transactions

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

Guardian Media Group plc

Charitable donations at arms length of £450,000 (2019:£505,000) 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 £3,894 (2019 - £3,709).

Guardian News & Media Limited

Gifts in kind at arms length of £87,302 (2019:£79,621) 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 £63,180 (2019 - £68,792).