

# Annual Report and Financial Statements

## Yorkshire and Clydesdale Bank Foundation (A Company Limited by Guarantee)

For the year ended 30 September 2013

Scottish Company Number: SC342461  
Scottish Charity Number: SC039747

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# **Yorkshire and Clydesdale Bank Foundation**

## **Annual Report and Financial Statements**

30 September 2013

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# **Yorkshire and Clydesdale Bank Foundation**

## **Trust Information**

### **Trustees**

Douglas Campbell  
Lorna McMillan  
David Thorburn

### **Secretary to the Trustees**

Lorna McMillan

### **Registered office**

30 St Vincent Place  
Glasgow  
G1 2HL

### **Bankers**

Yorkshire Bank  
20 Merrion Way  
Leeds  
LS2 8NZ

### **Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

### **Solicitors**

Dundas Wilson CS LLP  
191 West George Street  
Glasgow  
G2 2LD

# **Yorkshire and Clydesdale Bank Foundation**

## **Report of the Trustees**

The Trustees of Yorkshire and Clydesdale Bank Foundation ("the Foundation") present their Report and Financial Statements for the year ended 30 September 2013. These are prepared in accordance with the revised Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

The Foundation was incorporated and commenced operating on 7 May 2008 as a Company limited by guarantee of £10 per guarantor with no share capital. The guarantors for the Foundation are Clydesdale Bank PLC and Lorna McMillan. The Foundation is registered in Scotland with company number SC342461 and is governed by the Memorandum and Articles of Association adopted by special resolution dated 29 February 2008 and 28 April 2008 respectively, as revised on 9 June 2010 and 17 May 2011 respectively.

The Foundation was registered with the Office of the Scottish Charity Register under number SC039747 on 22 July 2008. The Foundation was recognised as a charity for the purposes of s505 of the Income and Corporation Taxes Act 1988. Consequently there is no liability to taxation on any of its income used for charitable purposes.

Day to day running of the Foundation is delegated to the Corporate Affairs team of Clydesdale Bank PLC. The management team meet with the Trustees on a quarterly basis to discuss the operations of the Foundation.

## **Trustees Appointment**

Trustees are appointed in accordance with the Articles of Association and are recruited for their skills and experience in Corporate Responsibility. Policies and procedures are in place for the induction and training of Trustees.

### Appointments

Douglas Campbell was appointed as Trustee of the Company on 14 February 2013.

### Resignations

Guy Williamson resigned as Trustee of the Company on 14 February 2013.

Steven Reid resigned as Trustee of the Company on 30 April 2013.

# **Yorkshire and Clydesdale Bank Foundation**

## **Report of the Trustees (continued)**

### **Objectives of the Foundation**

The Foundation is established to support the charitable objects and purposes only of registered charities, not for profit organisations and community and other voluntary organisations. Such support shall be provided by way of grants or donations to the relevant organisation provided that the use to which the organisation is to put the grant or donation received falls within one of the following categories:

- the prevention or relief of poverty;
- the advancement of education;
- the advancement of health;
- the advancement of citizenship or community development;
- the advancement of the arts, heritage, culture or science;
- the advancement of public participation in sport;
- the promotion of equality and diversity;
- the advancement of environmental protection or improvement;
- the relief of those in need by reason of age, ill health, disability, financial hardship or disadvantage;
- the advancement of animal welfare;
- the saving of lives; and
- any other purpose that may reasonably be regarded as analogous to any of the preceding purposes.

### **Public Benefit Statement**

Clydesdale Bank PLC has a long tradition of providing funds that help external organisations to make life safer, healthier and better for all of the community. The Foundation will continue this tradition of supporting people and their local communities. The Foundation will provide support to registered charities, not-for-profit organisations, community and other voluntary organisations. Activities should take place inside the Foundation's Beneficial Area (areas covered by branches of the Clydesdale Bank PLC, Business & Private Banking Centres and Head Office locations).

### **Organisation of the Foundation**

In order to achieve the above objectives the Foundation holds capital and income on trust, and will continue to do so for the foreseeable future. The Foundation applies the income and capital for charitable purposes, and makes donations to charitable institutions and causes in such a manner that the Trustees in their absolute discretion see fit.

### **Donations Policy**

The Corporate Affairs team submit a proposal, upon receipt of the funding, requesting the Board approve allocation of the funds for invoices and applications over £5,000. This allows for a more expeditious review and disbursement of funds as well as allowing the Board to focus on the high value, low volume applications.

### **Strategic Report**

The Company is exempt from presenting a Strategic Report under section 414B(b) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

# **Yorkshire and Clydesdale Bank Foundation**

## **Report of the Trustees (continued)**

### **Performance During the Year**

The Foundation received income of £713,647 (2012: £793,103) and made donations of £826,087 (2012: £658,085), leaving a deficit for the year of £112,440 (2012: surplus £135,018).

The donations were given to 486 (2012: 571) organisations in pursuance of the general aims of the Foundation. Note 5 provides a list of all donations of £2,000 and over.

The Trustees held the investments within a deposit bank account held at Yorkshire Bank and are satisfied with the performance of their investments during the period.

### **Strategy and Future Developments**

The Foundation will continue to be used as a vehicle to support the Bank's community investment programme. This is in line with its objectives and current approach.

### **Key Performance Indicators**

The Trustees do not rely on key performance indicators in the managing of the Foundation.

### **Risk Management**

The Trustees are ultimately responsible for the management of risk with detailed review delegated to the Corporate Affairs team. The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed and systems have been established to manage and mitigate those risks.

In addition the Secretary, of the Foundation, independently cross checks the Statement of Financial Activities on a quarterly basis.

### **Funds Management**

The Trustees consider that sufficient funds need to be held to enable charitable grants to be made from the Foundation. Whilst levels of income and expenditure are not subject to significant fluctuations, and can be forecast with a reasonable degree of certainty, some cover is needed to protect against the consequences of any short term variances. The Trustees periodically review the funds levels taking into account existing commitments and planned future activities. Unrestricted funds at 30 September 2013 amounted to £301,524 (2012: £413,964).



Douglas Campbell  
**Trustee**  
30 St Vincent Place  
Glasgow  
G1 2HL

2 June 2014

# **Yorkshire and Clydesdale Bank Foundation**

## **Statement of Trustees' Responsibilities**

The Trustees 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Foundation and of the Funds Carried Forward for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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



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## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE YORKSHIRE AND CLYDESDALE BANK FOUNDATION**

We have audited the financial statements of Yorkshire and Clydesdale Bank Foundation for the year ended 30<sup>th</sup> September 2013 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes 1 to 8. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's trustees and members, as a body, in accordance with our appointment under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the trustees and members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the charitable company's affairs as at 30<sup>th</sup> September 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and





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▶ have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

*Ernst & Young LLP*

**Javier Faiz (Senior statutory auditor)**

**for and on behalf of Ernst & Young LLP, Statutory Auditor**

**London**

**3 June 2014**

Ernst & Young LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Yorkshire and Clydesdale Bank Foundation

## Statement of Financial Activities

For the year ended 30 September 2013

	Note	2013 £	2012 £
<b>Incoming resources</b>			
Donations	3	711,000	791,200
<i>Activities for generating funds:</i>			
Interest receivable	4	2,647	1,903
Total incoming resources available for charitable application		<u>713,647</u>	<u>793,103</u>
<b>Resources expended</b>			
Total charitable expenditure	5	(826,087)	(658,085)
Net movement in funds		<u>(112,440)</u>	<u>135,018</u>
Funds brought forward at 1 October		413,964	278,946
<b>Funds carried forward at 30 September</b>		<u><b>301,524</b></u>	<u><b>413,964</b></u>

The Foundation has no recognised gains or losses during the current year other than the net movement in funds for the year and this net movement all relates to the unrestricted fund.

The incoming resources and resulting net movement in funds arise from continuing operations.

# Yorkshire and Clydesdale Bank Foundation

## Balance Sheet

At 30 September 2013

	Note	2013 £	2012 £
<b>Current assets</b>			
Cash at bank	7	301,524	413,964
<b>Total assets</b>		<u>301,524</u>	<u>413,964</u>
<b>The funds of the charity</b>			
Unrestricted funds carried forward	7	301,524	413,964
<b>Total funds</b>		<u>301,524</u>	<u>413,964</u>

The financial statements were approved by the Board of Trustees on 2 June 2014 and were signed on its behalf by:



Douglas Campbell  
Trustee

# Yorkshire and Clydesdale Bank Foundation

## Statement of Cash Flows

For the year ended 30 September 2013

	Note	2013 £	2012 £
<b>Cash flows from operating activities</b>			
Receipts from Clydesdale Bank PLC		711,000	791,200
Interest received		2,647	1,903
Donations paid		(826,087)	(658,085)
<b>Net cash (used in) / provided by operating activities</b>		<b>(112,440)</b>	<b>135,018</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(112,440)</b>	<b>135,018</b>
Cash and cash equivalents at beginning of year		413,964	278,946
<b>Cash and cash equivalents at end of year</b>	7	<b>301,524</b>	<b>413,964</b>

# Yorkshire and Clydesdale Bank Foundation

## Notes to the Financial Statements

For the year ended 30 September 2013

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in February 2005, and applicable accounting standards.

#### Income and expenditure recognition

All donations received are treated as income in the year received. Interest income is recognised on an accruals basis. Donations are charged to the Statement of Financial Activities during the period in which they are committed.

#### Fund accounting

Unrestricted funds are either general or designated. General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation and which have not been designated for another purpose. Designated funds are those set aside for particular purposes (please refer to note 7).

#### Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, namely cash and liquid assets.

Cash and cash equivalents are brought to account at the face value or the gross value of the outstanding balance where appropriate.

### 2. Related party disclosures

Trustees take no remuneration out of the Foundation and there are no related party transactions within the accounts, other than the banking relationship, which is held in normal terms, and the donation received from Clydesdale Bank PLC (note 3). Management and administration costs are borne by Clydesdale Bank PLC.

### 3. Donations

	2013	2012
	£	£
Donations received from Clydesdale Bank PLC	<u>711,000</u>	<u>791,200</u>

# Yorkshire and Clydesdale Bank Foundation

## Notes to the Financial Statements (continued)

### 4. Interest receivable

	2013 £	2012 £
Bank interest	<u>2,647</u>	<u>1,903</u>

### 5. Resources expended

Summary by charity sector:	2013 £	2012 £
Health	256,471	286,474
Citizenship or Community development	90,500	115,328
Education	221,610	43,193
Relief of those in need by reason of age, ill health, disability, financial hardship or other disadvantage	82,530	85,346
Sports	71,949	64,370
Arts, heritage, culture or science	27,187	36,509
Environmental protection or improvement	69,540	13,450
Equality and Diversity	3,000	7,115
The prevention or relief of poverty	1,800	1,700
Saving of lives	500	2,600
Animal welfare	1,000	2,000
	<u>826,087</u>	<u>658,085</u>

#### Donations paid of £2,000 and over:

Help the Hospices	251,971
Spirit of the Community Awards	250,000
Money Advice Trust	50,000
Business in the Community	25,862
Scottish Business in the Community	18,060
The Chartered Institute of Bankers in Scotland	12,000
Charities Aid Foundation	7,157
Ahead Partnership	3,600
Glasgow City Council	2,500
Bank Workers Charity	2,000
Yorkshire Business in the Arts	2,000
	<u>625,150</u>
Other donations paid of less than £2,000	<u>200,937</u>
	<u>826,087</u>

# Yorkshire and Clydesdale Bank Foundation

## Notes to the Financial Statements (continued)

### 5. Resources expensed (continued)

**Help the Hospices** was adopted as the Clydesdale Bank PLC Charity Partner on 1 February 2008. The Foundation is supporting both the national organisation and 97 local hospices. All employee fund-raising is matched pound for pound.

In February 2013 the Yorkshire and Clydesdale Bank Foundation announced its inaugural **Spirit of the Community Awards** which saw £250,000 donated to 36 charities in July/August 2013. This included £175,000 in recognition of Clydesdale Bank's 175<sup>th</sup> anniversary.

**Money Advice Trust** is a charity providing free independent money advice across the UK. This charity is funded by both governments and banks.

**Business in the Community** and **Scottish Business in the Community** are membership organisations committed to mobilising businesses for the good through their Corporate Responsibility activities. A total of £99,645 has been distributed in the year in donations from £180 to £28,200.

### 6. Audit fee

The Foundation's audit fees of £7,500 are borne by its Guarantor, Clydesdale Bank PLC.

### 7. Unrestricted fund

The use of this fund has not been restricted to a particular purpose by the donors. The fund receives donations and the income is spent to support general charitable work in the fields as set out by the Trust Deed.

	2013	2012
	£	£
<b>Cash at Bank:</b>		
Opening Balance	<b>413,964</b>	278,946
Cash received	<b>713,647</b>	793,103
Donations paid	<b>(826,087)</b>	(658,085)
<b>Closing Balance at 30 September</b>	<b>301,524</b>	<b>413,964</b>

### 8. Events after the balance sheet date

There have been no events which have occurred since 30 September 2013 that would require disclosure in the financial statements of the Charity.