



THE PROGRESS FOUNDATION

Report and Financial Statements

Year ended 31 March 2019

Charity number - 1123219

Company number - 6515146

The Progress Foundation

Report and Accounts – year ended 31 March 2019

Reference and administrative information

Trustees and Directors

The following Trustees and Directors have served throughout the period:

Roger Pilgrim, Chair
Nigel Hamway
Nadine Majaro, Secretary

Registered Office

22 Chancery Lane
London WC2A 1LS

Charity Number

1123219

Company Number

6515146

Independent Reviewer

Pauline McAlpine
SBM & Co
24 Wandsworth Road
London SW8 2JW

Solicitors

New Quadrant Partners LLP
22 Chancery Lane
London WC2A 1LS

Bankers

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4TA

Website

www.progressuk.org

Email

info@progressuk.org

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Report of the Directors for the year ended 31 March 2019

The Directors present their annual report and financial statements of the charity for the year ended 31 March 2019.

Structure, governance and management

The Progress Foundation (the “Company” or the “Charity”) was formed on 27 February 2008 as a private company limited by guarantee (company number 6515146) and registered as a charity (charity number 1123219). It is governed by its Memorandum and Articles of Association, company and charity law. It seeks to undertake its chosen charitable work through the deployment of its existing funds (both income and capital). It has three directors, who act as trustees of the Charity and who served throughout the period:

Roger Pilgrim, Chair

Nigel Hamway

Nadine Majaro, Secretary

New directors will be appointed by the existing directors as needed to complement the skills available to the board. The Memorandum and Articles of Association require a minimum of three directors, with no maximum number. As required by the Memorandum and Articles of Association, one third of the directors must retire by rotation at each general election; Nadine Majaro will retire at the annual general meeting of the Company held to consider these accounts and, being eligible, offers himself for re-election. New directors are provided with information on their responsibilities as directors and trustees and are briefed on the areas of activity of the Charity.

Directors’ meetings are held to discuss strategy, policy and major grants. Day-to-day administration, such as reviewing grant applications, monitoring grants, bookkeeping, finance and general administration is handled by the Chair and the Secretary. All the Directors give their time and are not paid. None of the Directors has claimed any expenses nor are there any related party transactions.

Objectives and activities for the public benefit

The objects of the Charity are to pay or apply the income and capital to or for the benefit of any charity or charitable purpose or purposes as the Directors shall in their discretion think fit. In determining how to apply these objectives, the Directors have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission in exercising their powers or duties. The Directors have decided to focus their attention on giving grants to:

- Organisations working with young people, normally in the age range 14 – 21, though we will also look at projects helping younger children or young people up to age 25
- Organisations which help young people to become fully involved with society, particularly through education, assistance with finding work or involvement with social enterprise
- Organisations working in the UK and in particular within Greater London.

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Grant making policy

The Directors consider applications from charities and other social enterprise bodies which meet the criteria set out above and which are further explained on our website. After an initial review to determine whether the applicant appears to meet the Charity's requirements, the Directors meet to select a short list of possible recipients. Following this meeting, at least one of the Directors will normally visit or speak to the applicant to understand the nature of the work being done in more detail. A further meeting of the Directors is then held to allocate the available grant. Review criteria are built into the agreement for major grants, and these are normally assessed annually prior to the payment of subsequent tranches of grant.

Our general preference is to fund independent voluntary organisations and not to replace or subsidise statutory funding. In addition, we will not make grants to organisations which promote a particular religious belief but will consider applications from faith-based organisations where the work is not for religious purposes and clearly fits our funding guidelines. These criteria and further guidance to charities who wish to apply for funding are clearly set out on our website.

The Charity will not normally give grants of more than £25,000 per annum or for periods of more than 3 years. We encourage recipients to consider innovative approaches, in the form of new activities, new partnerships or new funding approaches. We also give unrestricted core grants to some charities with which we have worked closely over an extended period. We do not accept applications for this element of funding as it is based entirely on the assessment by the Directors of the quality of work and management of potential recipient charities. We provide guidance to charities on our grant-giving criteria and how to apply on our website.

Achievements and Performance

During the year, the Directors approved grants totalling £186,183. The principal recipients of grants are set out in Note 4 of the accounts.

The Company has now been in existence for 11 years and we have given or committed grants in excess of £1,780,000.

We ask all organisations to which we give grants to provide us with ways of measuring whether a project has been successful. Over the years, we have supported a number of projects which have developed during our period of support and which have made a significant contribution to the wellbeing of young people in this country.

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Financial review

In the period under review the Charity received donations of £231,250 including £46,250 of gift aid. The Directors have approved the use of both income and capital for grant-making purposes and a main grant programme of approximately £160,000 each year; this level has been more than achieved during this year. In addition, the Directors have approved the use of both income and capital for the payment of unrestricted grants of up to £75,000 per annum payable over up to three years for a maximum of two charities each year. No new such grants were made in the year.

The Company's investment policy and performance are discussed below.

Investment policy and performance

The Progress Foundation holds its assets in a combination of bank accounts and money market funds – to cover at least eighteen months of outgoings – while money to be deployed in the longer term is invested in units of the Lundy Fund, an Open-Ended Investment Company with total assets of approximately £39 million. The management of Lundy's assets is divided between three investment managers, Goldman Sachs Asset Management, Cazenove Capital Management (from July 2018) and Ruffer LLP in broadly equally portions. All managers follow a "cautious managed" approach and, overall, the portfolio is divided between holdings in quoted equities, bonds, cash and gold related investments. Further information on the Fund is available on request from Yealand Administration at carvetian@yealand.com.

Market yields on cash and near cash investments continue to be very low and the Company's return on its cash assets has been 0.5 per cent during the year (2018: 0.2 per cent). The Company acquired its investment in Lundy units at an average value of £10.86 per unit. At the Company's year end, the units were valued at £14.45, above last year's closing price of £14.08; the total return (income and capital) for the year to 31 March was 2.9 per cent (2018: negative 0.2%). The MSCI WMA Balanced index showed 6.7 per cent on a total return basis over the same period (2018: gain of 2%).

The Company's holdings at the period end were as follows:

| | £ |
|----------------------------------|------------------|
| Cash and equivalent: | |
| Cash at bank | 6,410 |
| Money market funds | 720,578 |
| Investments in Lundy Fund | <u>1,784,319</u> |
| | <u>2,511,307</u> |

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Reserves policy

The Company's policy is to invest its income and capital to achieve its charitable objectives by giving grants at a rate of approximately £150,000 - £200,000 per annum in the main grant programme and up to £150,000 of unrestricted grants. The Directors' are satisfied that there are sufficient resources within the Company to maintain this donation rate and are satisfied that we will be able to find appropriate organisations to receive grants of this level each year.

Risk management

The Directors have considered the major risks to which the charity is exposed and satisfied themselves that systems or procedures are established to manage those risks. This review is updated annually.

Plans for the future

We intend to continue our work in identifying and supporting organisations, whether charities or not, who work with young people in innovative and effective ways to integrate them with society. As well as making additional payments to those charities with which we are already working, we continue to look for similar organisations to support.

Auditors

For the year ended 31 March 2019, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. We are also not required by the Charities' Commission to have an audit, but we are required by them to have an independent examination. Accordingly, Pauline McAlpine of SBM & Co has examined these accounts and reported accordingly.

Directors' responsibilities in relation to the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company for the year. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which 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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Directors on 21 May 2019 and signed on their behalf by:

A handwritten signature in blue ink, appearing to read 'Roger Pilgrim', with a long horizontal flourish extending to the right.

Roger Pilgrim
Chair of Directors

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INDEPENDENT EXAMINERS' REPORT TO THE MEMBERS OF THE PROGRESS FOUNDATION (CHARITY NUMBER – 1123219) FOR THE YEAR ENDED 31 MARCH 2019

Respective responsibilities of directors and examiner

The Charity's Directors are responsible for the preparation of the accounts. The Company's Directors consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act.
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention.

Basis of independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Directors concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the Charities Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act.

have not been met; or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Pauline McAlpine BA FCA,
SBM Associates Limited, trading as SBM & Co
Chartered Accountants,
24 Wandsworth Road
London
SW8 2JW

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STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account)

| | Note | Year to 31 March 2019 | Year to 31 March 2018 |
|--|------|--------------------------|--------------------------|
| | | £ | £ |
| Income | | | |
| Donations | | 231,250 | 225,000 |
| Investment income | 3 | 11,544 | 16,841 |
| Total income | | 242,794 | 241,841 |
| Expenditure | | | |
| Charitable activities: | | | |
| - Grants and programme related expenditure | 4 | 186,183 | 250,377 |
| - Other | 5 | 1,332 | 1,464 |
| Total expenditure | | 187,515 | 251,841 |
| Net income | | 55,279 | (10,000) |
| Gains/(losses) on investment assets | | 42,862 | (20,659) |
| Net Movement of Funds | | 98,141 | (30,659) |
| <i>Reconciliation of Funds</i> | | | |
| Total Funds brought forward | | 2,433,816 | 2,464,475 |
| Total funds carried forward | | 2,531,957 | 2,433,816 |

All funds are unrestricted

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Balance Sheet at 31 March 2019

| | Note | 31 March 2019 | 31 March 2018 |
|---|------|-------------------------|-------------------------|
| Fixed assets | | £ | £ |
| Investments | 6 | 1,784,319 | 1,733,756 |
| Total fixed assets | | <u>1,784,319</u> | <u>1,733,756</u> |
| Current assets | | | |
| Debtors | 7 | 46,250 | 45,000 |
| Cash at bank and in hand | | 726,988 | 755,660 |
| Total current assets | | <u>773,238</u> | <u>800,660</u> |
| Liabilities | | | |
| Creditors falling due within one year | 9 | 25,600 | 75,600 |
| Net current assets | | <u>747,638</u> | <u>725,060</u> |
| Total assets less current liabilities | | 2,531,957 | 2,458,816 |
| Creditors: amounts falling due after more than one year | | 0 | 25,000 |
| Net assets | | <u>2,531,957</u> | <u>2,433,816</u> |
| The funds of the Charity: | | | |
| Unrestricted funds | 9 | 2,531,957 | 2,433,816 |
| Total Charity funds | | <u>2,531,957</u> | <u>2,433,816</u> |

For the year ending 31 March 2019, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The notes on pages 11 to 16 form part of these accounts.

Approved by the Directors on 21 May 2019
and signed on their behalf by



RG Pilgrim

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1. Accounting policies

a) Basis of preparation

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost Convention, with the exception that investments are included at market value.

b) Fund structure and activities

The Charity has only one fund, an unrestricted income fund. The Directors may, at their discretion, allocate any part of the fund to the purposes of the Charity. The Charity's sole activity is the making of grants and social investments.

c) Incoming resources

All incoming resources are recognised once the Charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of income resource can be measured with sufficient reliability.

d) Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Grants payable are recognised when they have been approved by the Directors and the beneficiaries have been notified, whether orally or in writing, that the grants have been approved. Where grants are made with associated conditions, such as obtaining matching funding, the grants are nonetheless accrued as the achievement of these conditions fall outside the control of the Charity. Where multi-stage grants are approved and communicated to recipient charities and subsequent stages are dependent on a satisfactory review, the nature of which is defined in the communication to the recipient, only the approved and reviewed stages are accounted for.

e) Allocation of overhead and support costs

Since the Directors are not paid and do not reclaim their expenses for operating as Directors, all administrative costs relate to governance costs. These costs are related to statutory, audit and legal fees.

f) Fixed asset investments

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the period.

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g) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and the opening market value or purchase date, if later. Unrealised gains and losses are calculated as the difference between the market value at the period end and opening market value (or cost if purchased after the start of the accounting period). Realised and unrealised gains and losses are not separated in the statement of financial activities.

h) Programme related investments

Programme related investments comprise loans and are included in the balance sheet at the amount invested less any impairments and any amounts repaid. Impairments or outstanding loans converted to a grant are charged to resources expended on charitable activities.

i) Contingent Liabilities

In accordance with the SORP, a contingent liability is disclosed for those grants which do not represent liabilities, where the possible obligation, which arises from past events, will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Directors' control.

2. Related Party transactions and Directors' remuneration

The Directors received no emoluments and reclaimed no expenses during the period.

There were no related party transactions during the period.

3. Investment Income

| | 2019 | 2018 |
|---|---------------|---------------|
| | £ | £ |
| Interest on money market and other accounts | 3,121 | 1,644 |
| Dividend income from investments | 8,423 | 15,197 |
| Total Investment Income | <u>11,544</u> | <u>16,841</u> |

4. Analysis of expenditure on charitable activities

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| New grants approved during the year (see details below) | <u>186,183</u> | <u>250,377</u> |

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4. Analysis of expenditure on charitable activities, continued

No grants were made to individuals. No support costs have been allocated to grant-making activities. The following grants were made to institutions:

| Main Grant Programme | | £ |
|--|---|----------------|
| Team Up teamup.org.uk | Funding for their Dream Big Enrichment Programme and for core costs | 20,000 |
| Young Women’s Trust www.youngwomenstrust.org | Funding for project and evaluation costs of Work It Out, a confidence and employability programme | 25,000 |
| LEAP www.leapconfrontingconflict.org.uk | Charity working with young people with anger management issues – piloting one day interventions | 15,000 |
| Body & Soul www.bodyandsoulcharity.org | Support for youth volunteering programme at charity working with young people who have been affected by adversity | 21,183 |
| Mosaic Clubhouse Brixton www.mosaic-clubhouse.org | Support for youth work in the Employment, Education and Information Unit of this charity working with those with mental health issues | 18,000 |
| Brandon Centre brandon-centre.org.uk/ | Brandon Connect Camden – project supporting 16 – 25 year olds in Camden with mental health problems with a view to helping them into education or training. | 25,000 |
| Redthread www.redthread.org.uk/ | Support for the Youth Violence Intervention Project at Kings College Hospital, designed to reduce the chances of young people being further involved in violence. | 20,000 |
| Vauxhall City Farm www.vauxhallcityfarm.org/ | New Shoots programme, developing employability skills in young people aged 18 – 25. | 20,000 |
| London Youth Support Trust www.lystbusiness.com/ | Funding for consultation process to identify areas for expansion on LYST activities | 20,000 |
| The Garden Classroom www.thegardenclassroom.org.uk/ | Grant to develop theory of change for the activities of the Garden Classroom | 2,000 |
| Total grants approved during the year (all from Main Grant Programme) | | 186,183 |

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5. Other charitable expenditure

| | 2019 | 2018 |
|-------------------------|--------------|--------------|
| | £ | £ |
| Examiner's remuneration | 600 | 600 |
| Other expenses | 732 | 864 |
| | <u>1,332</u> | <u>1,464</u> |

6. Fixed Asset Investments

| | 2019 | 2018 |
|----------------------------------|------------------|------------------|
| | £ | £ |
| Market value at 1 April | 1,733,756 | 1,509,916 |
| Additions to investments at cost | 7,700 | 245,000 |
| Disposals at carrying value | - | (360) |
| Net gain/(loss) on revaluation | 42,863 | 20,800 |
| Market value at 31 March | <u>1,784,319</u> | <u>1,733,756</u> |

Investments were held primarily in the Lundy Fund, an open-end investment company incorporated in the United Kingdom. The Fund seeks to preserve and grow capital. The Fund invests globally in securities, bonds, collective investment schemes (regulated and unregulated), warrants, money market instruments, cash and deposits. During the year, an investment was also made in units in Ruffer Protection Strategies International, designed to reduce volatility in investment values and returns, consistent with the Company's investment policy. The holding of these investments at 31 March 2019 was £157.

The historical cost of the investments is £1,355,854 (2018: £1,384,154).

7. Debtors

| | 2019 | 2018 |
|---------------------|---------------|---------------|
| | £ | £ |
| Gift Aid receivable | 46,250 | 45,000 |
| | <u>46,250</u> | <u>45,000</u> |

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8. Analysis of current liabilities and long-term creditors

| | 2019 | 2018 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Grants payable within one year | 25,000 | 25,000 |
| Accruals | 600 | 600 |
| | <u>25,600</u> | <u>75,600</u> |

Movement in recognised grant commitments during the period:

| | £ |
|--|---------------|
| Grant commitments payable at 31 March 2018 | 100,000 |
| New grant commitments charged to the SoFA in period (see note 4) | 186,183 |
| Less: Grants paid during the period | (261,183) |
| Grant commitments payable at 31 March 2019 | <u>25,000</u> |

9. Contingent liabilities

As described in our accounting policy, where the Directors retain discretion as to whether to make subsequent years' payments based on the evaluation of the project performance, amounts related to such payments are not accrued. At 31 March 2019, there were £164,183 (2017: £183,366) of such potential grants, all of which would be payable from general funds.

10. Analysis of funds

| | Main grant | Total |
|---------------------------------------|------------------|------------------|
| | Fund | Unrestricted |
| | £ | income fund |
| | | £ |
| Fund brought forward at 1 April 2018 | 2,433,816 | 2,433,816 |
| Incoming resources | 242,794 | 242,794 |
| Resources expended | (187,515) | (187,515) |
| Gains and losses | 42,862 | 42,862 |
| Fund carried forward at 31 March 2019 | <u>2,531,957</u> | <u>2,531,957</u> |