

JOHN LEWIS & PARTNERS FOUNDATION

ANNUAL REPORT **FOR THE YEAR ENDED 31 JANUARY 2021**

Company Number: 06058796

Charity Number: 1118162

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2021

The Board of Trustees (the Trustees) presents their Directors' and Trustees' report along with the financial statements of the John Lewis & Partners Foundation (referred to as the "Foundation", the "Trust", the "Charity" or the "charitable company") for the year ended 31 January 2021. The financial statements have been prepared in accordance with the accounting policies set out on pages 14-15 and comply with the Charity's Articles of Association, the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. In preparing the financial statements the Charity follows best practice as set out in the UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective 1 January 2015) and the Companies Act 2006.

Objectives and activities

The objectives of the Charity are to advance general charitable purposes, acting alone or in association with others, by such charitable activities as the Trustees shall determine, to include (without limitation) charitable activities designed to benefit the communities in the UK and overseas in which those who produce products supplied to John Lewis & Partners (being the trading division of John Lewis plc) live and work.

The Charity will make grants to fund projects that improve the wellbeing of such communities. Potential projects may include, but are not limited to:

- Funding the development of schools in areas where limited educational facilities are available;
- Funding medical centres and health care initiatives in areas of deprivation;
- Funding crèches and other child care facilities to enable women with young children to work;
- Funding training facilities to enable people with limited skills to improve their employability;
- Funding community and recreational facilities in areas where few exist; and
- Funding projects which help to protect the environment and improve biodiversity.

Funding projects of this nature will inevitably benefit the wider community as well as those individuals who produce products to be sold by John Lewis & Partners. In deciding which projects to support, the Charity will carefully consider issues such as local culture and traditions and the political situation and will seek advice from local groups and organisations experienced in working with these communities to ensure that the Charity's funding achieves the maximum benefit possible.

Grant making policy

To ensure that any social investment made by the Charity achieves maximum benefit, and to ensure that each individual project can be objectively evaluated, the Trustees have established a set of funding criteria which project proposals must meet in order to qualify for funding. Projects seeking funding must demonstrate that they aim to increase the employability of disadvantaged individuals and in so doing improve the wellbeing and local environment of communities in need, in the UK and overseas, that support the John Lewis & Partners business. They must demonstrate that they address at least one of the following areas:

- Training and skills transfer; or
- Enabling employment.

The Trustees' grant making policy also sets out that grants will not be made to contribute towards elements of projects which might reasonably be considered 'core costs' including capital items, construction or refurbishment of buildings, development of computer programmes or educational materials, marketing and promotional activities, salaried positions, venue hire and other consumables.

The Trustees have also clearly defined what types of projects will not be eligible for grants. Projects which are ineligible for funding include:

- Projects that do not offer benefit to communities who support the John Lewis & Partners business;
- Projects that promote religious or political groups or activities that exclude any part of society;
- Projects which seek to create an income stream or charge a fee to beneficiaries for access to it; and

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2021

Objectives and activities (continued)

Grant making policy (continued)

- Courses, conferences, festivals, expeditions, overseas travel, fundraising events, receptions, lectures, respite breaks or holidays.

The Trustees have also identified those organisations that are ineligible for funding, which include:

- Pressure or campaign groups;
- Endowment funds; and
- Personal or company sponsorship.

The Trustees have also approved guidelines for applications, which are included in a formal 'Applicant Guidance Pack', which sets out how to apply, who should apply, how much an organisation can apply for, when to apply, the approval process and the terms and conditions of any grant award.

Applications are welcome from the following groups or individuals:

- John Lewis Partnership employees;
- Supplier management committees;
- Worker management committees; and
- Independent charities and community groups.

Achievements and performance

In planning activities each year the Board has regard to the Charity Commission's guidance on public benefit at Trustee meetings. The Trustees always ensure that the programmes they undertake are in line with the specified charitable objectives.

The Foundation began a project in 2012 in conjunction with Care and Fair to build and establish a girls' school in the rug weaving area of Uttar Pradesh, one of the poorest areas in India. The first stage was completed in July 2014, opening with 80 girls. The school focuses on offering education to weavers' children. July 2016 saw the first girls graduate. The school now supports 154 girls. The impact assessment undertaken in 2018 reported 92% pass rate for final year students. The Care and Fare school project will finish in June 2021 when a final report is expected.

The Foundation's programme with ActionAid UK to improve the living conditions for female garment sector workers in Delhi and Chennai has had considerable impact in Delhi, reaching over 2,000 garment workers, and creating more than 77 collectives to help women work together to improve their working conditions. In addition more than 500 adolescent females who have been educated and advised on their rights and how to keep themselves from being exploited have become peer educators themselves. In Chennai, more than 800 workers have been identified to receive training in rights, laws and policies in place to protect them, creating links between workers and social security schemes.

The Foundation is delighted to be funding another project with Toybox in Delhi, building on the success of the first Street to School programme. The second 12 month report demonstrates the impact Toybox is having on the community. Despite the significant impact of COVID-19 in India, more than 450 street children have now been enrolled in schools, and significant numbers of parents and caregivers are seeking to improve their own literacy and numeracy independent of the project. Toybox has managed to continue offering education and other, wider support, to the majority of the children during the pandemic and has had particular success in reconnecting with children who were removed to their native villages for a period.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2021

Achievements and performance (continued)

Save the Children is running a programme, supported by the Foundation, to support migrant youth workers into decent employment. The programme has had local political difficulties and the COVID-19 pandemic to contend with but has continued to have marked success particularly with introducing the mentor programme to both employers and young people. The uptake and impact of the mentoring is a stand-out result. Save the Children has worked to ensure the sustainability of these mentoring programmes once the project is complete by creating a career guidance manual which covers every aspect of mentoring from initial contact through to graduating the mentee from the programme, and training mentors. Save the Children is also embedding skills and networks to ensure the sustainability of the work the project does. The project, due to finish in June 2021, has also exceeded its target of 650 young migrant workers to access internship and opportunities for decent work.

The Foundation suspended its sub-committee during the financial year 2020-2021 as it was subject to a review as part of the Partnership's wider philanthropic activities. However it has used its funding to offer flexible financial support to grantees both in the UK and overseas in order to ensure programmes can either be sustained through the pandemic and its aftermath or, if they need to be suspended, that they have the resources to restart as permitted. In addition, the Foundation gifted goods in kind, including significant amounts of IT hardware, to help charities reach beneficiaries during lockdown or periods of isolation.

The closure of non-essential retail has had an impact on the Foundation's income from single use carrier bags. The shortfall has however been made good by the business to the sum of £183,968.

Prior's Court, a residential school for young people with severe autism, has also achieved remarkable results despite the pandemic. The Prior's Court project is now complete and reports innovative modifications to the programme which allowed them to involve more of their young people in different roles than originally envisaged. The outcomes achieved during the funding period will prove a solid base for Prior's Court to extend their bakery model in the future.

The FareShare project in Glasgow was delayed due to COVID-19 but the first six month progress report demonstrates exceptional achievement to date. FareShare is a charity that distributes food waste to those in need. The FareShare project will train 36 volunteers in certificated forklift truck skills allowing them to move into paid employment locally.

The Foundation's funding of Fine Cell Work, of £16,000 a year for 3 years, continued. The charity, which trains former prisoners in needlework skills, has overcome enormous difficulties presented by COVID-19 and although their original targets for the year have not been met, their second annual report demonstrates they have adapted their approach and delivery and are producing excellent outcomes as a result.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2021

Financial review

The John Lewis & Partners Foundation was established in 2007 with a donation of £311,000 from John Lewis plc.

In the year to 31 January 2021, donations of £421,349 (2020: £656,216) were received. This included a one off donation of £183,968 to top up the funding lost by reduced sample sale income and the lack of a supplier event, full details can be found in note 2 of the accounts. Interest generated was £1,215 (2020: £6,004). Total donations paid were £637,034 (2020: £771,610) full details of the donations made are in notes 5, 6, and 7 of the accounts.

As at 31 January 2021 the Charity had unrestricted funds of £762,544 (the Trust Fund) (2020: £997,659).

Investment policy

The investment policy is reviewed annually. As the Charity does not have an endowment and all money held is intended for distribution in the short-term, funds are held in an instant access current account.

Reserves policy

The reserves policy is reviewed annually. The Trustees are unanimously of the view that the Charity needs to hold reserves in order to ensure the ability of the charity to honour the financial commitments it has made, to multi-year projects. At the end of the financial year ended 31 January 2021 the Charity held £762,544 in reserves. During the year the Trustees applied as much as was prudent of the Foundation's funds in relation to the objectives of the Charity.

Funding

John Lewis plc has always donated a percentage of income generated from the sale of samples. These samples are received within the John Lewis plc Commercial Directorate and, if permitted by their suppliers, are offered for sale to Partners through regular sample sales. As a result of the pandemic, sample sales were suspended. The John Lewis business has however compensated the Foundation for this lost funding by donating £183,968 to cover the shortfall. The Trustees have also developed a Commercial Participators Agreement between the Charity and John Lewis plc. This involves John Lewis plc paying a royalty from the sale of a range of goods, for the use of the John Lewis & Partners Foundation logo.

The money usually donated by the John Lewis plc supplier Gala Dinner has, in the absence of the traditional fundraising event in 2020, also been donated. John Lewis plc covered this shortfall.

The John Lewis & Partners Foundation's collaboration with Advent of Change for Christmas 2020 was very successful, and acted as a driver for fundraising for other charities, as well as for the John Lewis & Partners Foundation.

Future plans

In March 2020, the Foundation decided to support Future Roots, a rural charity that deals with some of the most disadvantaged young people in Dorset and surrounding counties. This two year project has also been severely impacted by COVID-19 but has managed to continue offering support and education to many of the young people enrolled on the programme. The evidence of Future Roots' impact has been particularly clear during the pandemic as the young people have demonstrably benefitted from the support and structure that Future Roots has offered in a time of great uncertainty.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2021

Future plans (continued)

As a result of the Foundation's innovative approach to additional support for grantees during the pandemic, including the donation of gifts in kind in collaboration with John Lewis plc, the Trustees are looking to explore further opportunities for creative giving. Although the Trustees will consider their strategy in detail during the coming 12 months, there is a clear ambition to help reduce society's digital divide.

Strategic review

Following changes to John Lewis plc's enterprise operating model bringing its two brands (John Lewis & Partners and Waitrose & Partners) closer together, the Trustees have continued their work to comprehensively review the Charity's grant making policy. They consider there to be opportunities to explore ways of working more closely with the Partnership's newly integrated brands, and to reflect any new priorities or objectives the Partnership might choose to highlight.

UK – Sub-Committee

The Sub-Committee was chaired by Tim Harrison on behalf of the Trustee Board and focused on selecting projects to support in the United Kingdom. The Sub-Committee has been suspended during the 2020/2021 financial year. The Trustees will consider its future as part of their strategic review later this year.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2021

Reference and administrative details

Charity Name: John Lewis & Partners Foundation

Charity Number: 1118162

Company Number: 06058796

Principal Office: 171 Victoria Street, London, SW1E 5NN

Directors and Trustees

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

Simon Bishop

Paul Buchanan

Sarah Gillard

Timothy Harrison (to 1 June 2020)

Christine Kasoulis

Maggie Porteous

Company Secretary

Peter Simpson

Independent Auditor

KPMG LLP, 15 Canada Square, London, E14 5GL

Banker

National Westminster Bank plc, Cavendish Square, PO Box 4NU

1 Cavendish Square, London, W1G 0LA

Legal Adviser

Legal Department, John Lewis plc, 171 Victoria Street, London, SW1E 5NN

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2021

Structure, Governance and Management

Governing Document

The John Lewis & Partners Foundation was incorporated as a private limited company, number 06058796, on 19 January 2007 and registered as a charity with the Charities Commission on 28 February 2007, number 1118162. The Company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. Every member (also being a Director of the Company and Trustee of the Charity) promises, if the Charity is dissolved while he or she remains a member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the Charity while he or she was a member.

Organisation

The John Lewis & Partners Foundation is governed by an independent Board of Trustees. The John Lewis Partnership plc Board shall be entitled by notice in writing signed by them or on their behalf and left at or sent to the registered office of the Foundation to appoint up to five Trustees and by like notice to remove any Trustee so appointed by them. The Board of Trustees may appoint up to five further Trustees. The Board consists of at least three and not more than ten individuals. The Trustees must hold at least two meetings each year, and quorum at a meeting of the Trustees is three Trustees (of which at least two, or 50%, if greater, shall be Trustees appointed by the Partnership Board).

The Trustees' legal responsibilities are outlined more fully in the Foundation's Articles of Association, which all Trustees have read and approved. The Trustees who served for any part of the year ended 31 January 2021 and up to the date of signing this report are set out on page 7.

Each Trustee can serve for a three year term of office and shall retire at the board meeting arising after the third anniversary of their appointment. A retiring Trustee who remains qualified may be reappointed for a further three year term of office, up to a maximum of six years. At a meeting of the Trustees on 2 March 2021, the Trustees resolved to call a General Meeting of the members of the charity in June 2021 to consider an amendment to the Articles of Association such that a retiring Trustee may be reappointed twice, up to a maximum of six years.

Day to day management and administration of the John Lewis Foundation is carried out by a Programme Co-ordinator, seconded to the Foundation from John Lewis plc to assist and take forward management and administration of the Foundation and the UK Sub-Committee.

On appointment Trustees are each issued with an 'Induction Pack' providing detailed information about their legal obligations and responsibilities, and information about the Foundation's current work. The pack contains, amongst other material, the following documents:

- The John Lewis & Partners Foundation Articles of Association;
- The John Lewis & Partners Foundation Funding Criteria and Application Guidelines;
- An example of a John Lewis & Partners Foundation Application Form and Applications Guidance Pack; and
- Charity Commission materials to support those in the role of a charity trustee.

Training has been provided on specific subjects, as needed, at the meetings of the Trustees.

The Trustees met four times during the period between 1 February 2020 and 31 January 2021.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2021

Structure, Governance and Management (continued)

Related parties

The Directors did not receive, and were not entitled to receive, any remuneration for their services. No Director's expenses were incurred in the year.

Risk management

The Trustees regularly consider the Foundation's activities in relation to the Foundation's charitable objectives and the risks to which it is exposed. As at 31 January 2021, the Trustees believe that there are two principal risks arising from the Charity's operations: the misuse of funds by a partner organisation bringing the Foundation or John Lewis plc into disrepute; and the failure of a project to achieve the expected outputs or outcomes, or to have the desired impact upon completion.

The Board of Trustees have discussed at length ways of assessing individual project risk and liability to ensure that both the recipient and project are eligible to receive grants from trust funds, particularly for those projects based overseas.

The Board of Trustees have agreed that it is necessary to undertake a degree of due-diligence before any award is made, in order to be satisfied that funds will be applied (a) in compliance with UK Charity law; (b) consistently with the Foundation's own objects; and (c) in the intended manner. The Trustees are aware that this process must be undertaken in a way which protects the Foundation without creating a burden to award recipients, and continue to review its processes to achieve this.

Similarly, the Board of Trustees has discussed how best to balance their desire to support projects which are innovative or which target difficult issues that do not normally attract funding with the need for applicants to set out credible predictions of outcomes and the likelihood of success. The Trustees have agreed to protect the Foundation through: the collection of detailed information on the application form; and the requirement for multi-year projects to provide reports against predetermined deliverables on an annual basis before the release of further tranches of funding.

Pay Policy

A Programme Co-ordinator supports the Trustees in delivering the charitable purposes of the Foundation through the provision of day to day operational support to develop, coordinate, manage and evaluate projects and overall programme delivery. This role is the only paid role within the John Lewis & Partners Foundation. In determining the pay range for the role the Foundation was supported by John Lewis plc.

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual 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 they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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



.....
Maggie Porteous
John Lewis & Partners Foundation
11 June 2021

JOHN LEWIS & PARTNERS FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES **FOR THE YEAR ENDED 31 JANUARY 2021**

		2021	2020
Notes		£	£
	Income		
2	Donations	421,349	656,216
3	Other income	68,004	59,790
4	Investment income	1,215	6,004
	Total income	490,568	722,010
5	Expenditure		
	Charitable activities	(725,683)	(833,519)
	Total expenditure	(725,683)	(833,519)
21	Net loss and net movement in funds for the year	(235,115)	(111,509)
	Reconciliation of funds		
	Total funds brought forward	997,659	1,109,168
	Total funds carried forward	762,544	997,659

All funds are unrestricted.

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenses were from continuing activities.

The accompanying notes form an integral part of the financial statements.

JOHN LEWIS & PARTNERS FOUNDATION

BALANCE SHEET AS AT 31 JANUARY 2021

		Total Funds 2021 £	Total Funds 2020 £
Notes			
	Current assets		
19	Debtors	299,763	410,896
	Short-term investments	-	409,745
	Cash at bank and in hand	524,949	262,073
	Total current assets	824,712	1,082,714
	Liabilities		
20	Creditors: amounts falling due within one year	(62,168)	(85,055)
	Net current assets	762,544	997,659
	Total net assets	762,544	997,659
	The funds of the charity		
	Unrestricted funds	762,544	997,659
21	Total charity funds	762,544	997,659

The accompanying notes form an integral part of the financial statements.

The financial statements on pages 11 to 21 were approved by the Board of Trustees on 11 June 2021 and signed on its behalf by:



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Maggie Porteous, Trustee
TRUSTEES OF THE JOHN LEWIS & PARTNERS FOUNDATION

11 June 2021

Registered number: 06058796

JOHN LEWIS & PARTNERS FOUNDATION

STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 31 JANUARY 2021**

Notes	2021 £	2020 £
	Cash flows from operating activities:	
24	Net cash outflow from operating activities	(148,084) (294,230)
	Cash flows from investing activities	
	Interest income	1,215 802
	Sale of short-term investments	409,745 200,000
	Net cash inflow from investing activities	410,960 200,802
	Change in cash and cash equivalents in the year	262,876 (93,428)
	Cash and cash equivalents at the beginning of the year	262,073 355,501
	Cash and cash equivalents at the end of the year	524,949 262,073

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

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 accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the Charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the Charity. The Charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 5.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the Charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of Covid-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the Charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the Charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Income recognition policies

All Income is recognised in the Statement of Financial Activities when the Charity is legally entitled to the income, the monetary value can be measured reliably and it is more likely than not that the economic benefits associated with the gift or transaction will flow to the Charity.

The Charity has the following significant income streams:

a) Donations income

Where the Foundation receives income, for which it does not supply a good or service equal to in value to the gift, it is considered to be a non-exchange transaction and is accounted for as a donation.

Where income is received in relation to a written agreement or grant, the income is recognised on an accruals basis, as the value of the income can be reliably measured, receipt of the income can be legally enforced and receipt is considered probable.

Where income has been received by a donor and it is not covered by a written agreement or grant, it will be recognised on receipt of the funds. Prior to the receipt of this income the Foundation cannot reliably measure the monetary value nor are they legally entitled to the income. Receipt of the income is not considered to be probable.

Throughout the financial year John Lewis plc has provided administrative support at no cost. These donated services are recognised in the accounts based on an average rate for the services on the open market; a corresponding amount is then recognised in expenditure in the period of receipt of the administrative support.

b) Other income

Where the Foundation receives income from the sale of goods bearing the Foundation trademark, an exchange transaction has taken place and should therefore be accounted for as other income.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

Income recognition policies (continued)

c) **Investment income**

Where the Foundation earns income from holding assets for investment purposes, it will be accounted for as investment income and is recognised on an accruals basis.

Expenditure

Expenditure is included on an accruals basis as a liability is incurred. Donations payable are charged as and when all conditions of the donation have been met (post agreement by the Trustees). Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

If the recognition of a liability is no longer appropriate (e.g. an agreement is terminated) the liability is cancelled by crediting the original expenditure category.

Debtors

Debtors are recognised at the recoverable amount due.

Cash at bank and in hand

All cash is held in bank accounts with a short notice period of less than 90 days.

Short-term investments

Short-term investments comprise deposits with original maturities of greater than 90 days but less than one year.

Creditors

Creditors are recognised where the Charity has a present obligation and the amount due to settle the obligation can be measured or estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

2. Donations

	2021	2020
	£	£
Funds donated by John Lewis plc from the sale of single use carrier bags	163,814	450,525
Funds donated by John Lewis plc from the Gala dinner	-	150,000
Funds donated by John Lewis plc from the sale of sample goods	3,195	33,968
Funds donated by John Lewis plc from the sale of advent calendars	2,972	4,113
Re-usable bags 'Bags for Life' sold in John Lewis stores	-	210
Donated services	17,400	17,400
Other donations	233,968	-
Total	421,349	656,216

The contribution from the sale of advent calendars relates to a project named "Advent of Change" which the Foundation benefits from. In this instance there is no written agreement in place between the donor and the Foundation committing the donor to allocating a proportion of the items sale price to the Foundation, and income is only recognised upon receipt.

Other donations include two one off donations of £183,968 and £50,000 from John Lewis plc. Respectively, this was to meet the Foundations shortfall in income arising from not being able to hold the suppliers charity event nor sample sales, and to support the Charity's emergency Coronavirus funding.

Administrative support is provided by John Lewis plc. The value of these services is estimated at £17,400 (2020: £17,400). The estimated value of these services is recognised within income as a donation, and an equivalent charge included within support costs.

3. Other income

	2021	2020
	£	£
Funds donated by John Lewis plc from the sale of rugs	46,658	33,450
Funds donated by John Lewis plc from the sale of candles	20,346	25,340
Trademark fee	1,000	1,000
Total	68,004	59,790

The contribution from the sale of rugs relates to products bearing the John Lewis & Partners Foundation logo. The rugs sold use cotton produced by cotton farmers who have been supported by the John Lewis & Partners Foundation through the CottonConnect project.

The contribution from the sale of candles relates to a selection of stock sold by John Lewis & Partners which bears the Foundation logo.

4. Investment income

Investment income of £1,215 is comprised of £683 interest income from money held in an investment bearing bank account and returns on a short term investment of £532.

NOTES TO THE FINANCIAL STATEMENTS

5. Expenditure on charitable activities

	2021 £	2020 £
Donations payable by John Lewis & Partners Foundation (note 6)	322,119	563,211
Donations payable by John Lewis & Partners Foundation Sub-Committee (note 7)	152,784	208,399
Sub-total	474,903	771,610
Additional Coronavirus funding	162,131	-
Support costs	51,357	61,616
Technology products donated	37,200	-
Bank charges	92	293
Total	725,683	833,519

The support costs principally relate to wages and salaries and include an estimated figure of £17,400 (2020: £17,400) relating to the administrative services provided by John Lewis plc at no charge and an equivalent sum is included in income.

Additional Coronavirus funding relates to the Foundation's wish to support its current charities with extra funding to help their response to Coronavirus. This relates to additional funds and is separate to the individual agreements held with each charity.

Technology products donated relates to capital items which the Foundation has donated to Business in the Community comprising of smart phones and laptops from John Lewis plc. The Foundation purchased the technology products from John Lewis plc at market rates.

6. Expenditure by John Lewis & Partners Foundation

	2021 £	2020 £
Charitable activities		
Donations to institutions		
Action Aid - Delhi and Chennai (note 8)	67,996	64,793
British Asian Trust - Hotspot (note 9)	41,771	83,542
Business in the Community	-	85,000
Care and Fair (note 10)	7,000	63,492
CottonConnect Limited	-	47,795
Oxfam (note 11)	(66,064)	-
The Save the Children Fund (note 12)	125,000	125,000
Toybox (note 13)	46,416	43,589
WaterAid (note 14)	100,000	50,000
Total	322,119	563,211

NOTES TO THE FINANCIAL STATEMENTS

7. Expenditure by John Lewis & Partners Foundation Sub-Committee

	2021	2021	2021	2020
	£	£	£	£
	England	Scotland	Total	Total
Charitable activities				
Donations to institutions				
The Baytree Centre (note 15)	25,000		25,000	
Priors Court Foundation	32,000		32,000	
Future Roots (note 16)	59,000		59,000	
Papworth Trust (note 17)	11,280		11,280	
Jubilee Community	9,504		9,504	
Fine Cell Work (note 18)	16,000		16,000	
Total	152,784	-	152,784	208,399

8. Multi-Year project with Action Aid - Delhi and Chennai

In October 2017 the Trustees agreed a multi-year project with Action Aid to improve the living conditions for female garment sector workers in Delhi and Chennai. The total amount approved was £199,995, this was to be paid by instalments over 3 years. In the year to 31 January 2021 a payment of £67,996 was made (2020: £64,793). Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2021 was £nil.

9. Multi-Year project with British Asian Trust - Hotspot programme

In November 2017 the Trustees agreed a multi-year project by signing a Memorandum of Understanding (MOU) with the British Asian Trust to establish a 'Hotspot' programme in selected areas of Rajasthan. The total amount approved was £250,625, this is to be paid by instalments over 3 years. In the year to 31 January 2021 total donations of £41,771 (2020: £83,542) have been recognised. Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2021 was £nil.

10. Grant agreement with Care and Fair - Additional funds

In September 2020 the Trustees agreed to donate an additional £7,000 to a project that they had previously supported. These funds were to provide resources and support to the charity to help it develop a sustainable funding strategy.

11. Oxfam

This relates to returned funds from Oxfam due to underspend in the project that it was originally donated for.

NOTES TO THE FINANCIAL STATEMENTS

12. Multi-Year project with The Save the Children Fund

In May 2018 the Trustees agreed a multi-year project by signing a Memorandum of Understanding (MOU) with Save the Children fund which has been implementing projects in China since 1995. The total amount approved was £375,000, this was to be paid by instalments over 3 years. In the year to 31 January 2021, payments of £125,000 were made (2020: £125,000). Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2021 was £62,500 (2020: £187,500).

13. Multi-Year project with Toybox

In March 2019 the Trustees agreed a multi-year project by signing a Memorandum of Understanding (MOU) with Toybox which has been implementing projects in Delhi and has a vision of a just world with no street children. The total amount approved was £121,438, this was to be paid by instalments over 3 years. In the year to 31 January 2021, payments of £46,416 were made. Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2021 was £31,433.

14. Multi-Year project with WaterAid

In January 2018 the Trustees agreed a multi-year project by signing a Memorandum of Understanding (MOU) with WaterAid which seeks to benefit in excess of 15,000 individuals in different communities across the district of Bhadohi. The total amount approved was £300,000, this was to be paid by instalments over 3 years. In the year to 31 January 2021, total donations of £100,000 (2020: £50,000) have been recognised. Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2021 was £100,000 (2020: £200,000).

15. Multi-Year Project with The Baytree Centre

In March 2019 the Trustees agreed a multi-year project with The Baytree Centre. The total amount approved was £75,000, this was to be paid by instalments over 3 years. In the year to 31 January 2021 payments of £25,000 (2020: £25,000) were made. Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2021 was £25,000 (2020: £50,000).

16. Multi-Year Project with Future Roots

In April 2020 the Trustees agreed a multi-year project with Future Roots. The total amount approved was £89,000, this was to be paid by instalments over 18 months. In the year to 31 January 2021 payments of £59,000 were made. Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2021 was £30,000.

17. Multi-Year Project with Papworth Trust

In April 2020 the Trustees agreed a multi-year project with the Papworth Trust. The total amount approved was £33,840, this was to be paid by instalments over 3 years. In the year to 31 January 2021 payments of £11,280 were made. Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2021 was £22,560.

NOTES TO THE FINANCIAL STATEMENTS

18. Multi-Year Project with Fine Cell Work

In September 2019 the Trustees agreed a multi-year project with Fine Cell Work. The total amount approved was £48,000, this was to be paid by instalments over 3 years. In the year to 31 January 2021 payments of £16,000 (2020: £16,000) were made. Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2021 was £16,000 (2020: £32,000).

19. Debtors

	2021	2020
	£	£
Accrued investment income	-	4,442
Amounts owed by John Lewis plc	299,763	406,454
	299,763	410,896

The 2021 figure includes £183,968 from John Lewis plc to meet the Foundation's shortfall in income arising from not being able to hold the suppliers charity event nor sample sales. The figure also includes £46,658 (2020: £33,450) being a contribution from the sales of rugs, during the year to January 2021 with the John Lewis Foundation Logo, using cotton produced by cotton farmers that have been supported by the John Lewis & Partners Foundation through the CottonConnect project.

20. Creditors: amounts falling due within one year

	2021	2020
	£	£
Donations	32,200	67,660
Other	29,968	17,395
	62,168	85,055

Donations relates to a payment made after the year end to John Lewis plc relating to smart phones and laptops donated to Business in the Community (£25,200) and a payment to Care and Fair (£7,000). Other creditors include a repayment to John Lewis plc of £21,954 which relates to an overpayment of funds donated from the sale of sample goods.

21. Net movement in funds

	2021
	£
Fund at 31 January 2020	997,659
Movement in fund for the year	(235,115)
Fund at 31 January 2021	762,544

22. Corporation Taxation

The Charity is a registered charity, and as such is exempt from tax on income and gains to the extent that these are applied solely for charitable purposes, falling within s478 to s490 of the Corporation Taxes Act 2020 and s256 of the Taxation of Chargeable Gains Act 1992.

NOTES TO THE FINANCIAL STATEMENTS

23. Related party transactions

The audit fee was borne by John Lewis plc. The Directors did not receive, and were not entitled to receive, any remuneration for their services. The Programme Co-ordinator is employed by John Lewis plc and charged to the John Lewis & Partners Foundation on a monthly basis. Other administrative support is provided by John Lewis plc. For the year ended 31 January 2021 the value of these services is estimated at £17,400. The estimated value of these services is recognised within income as a donation, and an equivalent charge included within support costs.

24. Reconciliation of net movement in funds to net cash flows from operating activities

	2021	2020
	£	£
Net movement in funds	(235,115)	(111,509)
Investment income	(1,215)	(6,004)
Decrease/(increase) in Debtors	111,133	(9,668)
Decrease in Creditors	(22,887)	(167,049)
Net cash provided by operating activities	(148,084)	(294,230)



Independent auditor's report to the members of John Lewis & Partners Foundation

Opinion

We have audited the financial statements of John Lewis & Partners Foundation ("the charitable company") for the year ended 31 January 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 January 2021 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charitable company will continue in operation.



Independent auditor's report to the members of John Lewis & Partners Foundation (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of personnel, as to whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board of Trustee minutes;
- using analytical procedures to identify any unusual relationships or movements; and
- reviewing the charitable company's accounting policies.

We communicated identified fraud risks to all members of the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is received from a single source and notified to the charitable company in line with signed agreements.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation of some of the charitable company's fraud risk management controls.

We performed procedures including:

- agreeing recorded transactions back to supporting documentation.
- testing unusual or one-off transactions back to supporting evidence; and
- assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through our review of the Board of Trustee minutes we considered the charitable company's reported compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the charitable company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.



Independent auditor's report to the members of John Lewis & Partners Foundation (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- the charitable company has not kept 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.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 10, 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; 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; 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 they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.



**Independent auditor's report to the members of John Lewis & Partners Foundation
(continued)**

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'J Lees'.

Joanne Lees (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London

Date: 18 June 2021