

JOHN LEWIS & PARTNERS FOUNDATION

ANNUAL REPORT FOR THE YEAR ENDED 31 JANUARY 2023

Company Number: 06058796

Charity Number: 1118162

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DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2023

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 2023. The financial statements have been prepared in accordance with the accounting policies set out on pages 15 -16 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS102)) and the Companies Act 2006.

Objectives and activities

The objectives of the Foundation 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 where John Lewis Partners live and work and communities which supply products to John Lewis & Partners (being one of the John Lewis plc brands).

The Foundation will make grants to fund projects that improve the wellbeing of such communities. 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, especially when a project is based overseas, the Foundation will carefully consider issues such as local culture and traditions and the political situation and where appropriate will seek advice from local groups and organisations experienced in working with these communities to ensure that the Foundation's funding achieves the maximum benefit possible.

The current strategic focus of the Foundation is to invest in vulnerable children and young adults, providing education and skills for meaningful employment. In doing so, it is the ambition of the Foundation that it will help create a "Happier world where all young people can access meaningful employment". The Charity has identified three key pillars upon which to focus its work and is working towards the following objectives, financial allocations and measurable metrics;



A HAPPIER WORLD WHERE ALL YOUNG PEOPLE CAN ACCESS MEANINGFUL EMPLOYMENT

WE WILL FOCUS ON VULNERABLE CHILDREN AND YOUNG ADULTS LIVING IN THE MOST DISADVANTAGED COMMUNITIES



Focused on vulnerable children and young adults living in the most disadvantaged communities

By focusing on vulnerable children and young adults we are better able to contribute to building a stronger base for healthier and happier communities long term.

By focusing on their education and skills, it better equips and prepares them to fulfil their potential and long term success, employment and self-determination.



Working with communities in the UK and overseas where the John Lewis business operates and sources

20% of our financial resources invested in UK local communities in need will deliver significant benefits with the support of local Community Liaison Coordinator and Partner Leads.

70% of our financial resources invested overseas communities will support a higher number of vulnerable young people and therefore deliver a greater impact.



Maximise impact by investing in multi-year partnerships that catalyse innovation and help proven concepts to scale

A small number of large multi-year projects overseas will help JLP build long term partnerships and have a better access to local resources to deliver a greater impact for those communities.

We'll have greater impact if we support a handful of innovative projects, with the aim of creating a demonstrator effect so that others will scale them, creating transformational impact.

JL FOUNDATION KEY METRICS



DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2023

Objectives and activities continued

Grant making policy

To ensure that any social investment made by the Foundation 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.

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

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

- Pressure or campaign groups; and
- Endowment funds.

The Trustees have also approved guidelines for applications 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 plc employees on behalf of independent organisations;
- Supplier management committees;
- Worker management committees; and
- Independent charities and community groups.

Projects seeking funding must demonstrate that they aim to increase the employability of disadvantaged individuals or provide access to skills or education which has the potential to enable access to sustainable employment in the future 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:

- Education, training and skills transfer; or
- Enabling sustainable employment.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2023

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.

In the year ended 31 January 2023, the Foundation agreed funding of eight new UK based employability projects alongside continuing and extending commitments to three projects started in previous years. Two organisations were granted extensions to current projects, totalling £74,229. The Trustees were pleased this year to start to release the pause on new overseas grant making; which had been in place since 2020 following pandemic impacts. During 2021 John Lewis plc concluded a review of the way that Trusts and Foundations would be resourced as part of a wider transformation programme the resulting restructure has been activated and embedded during 2022. This financial year several of the internal John Lewis Partnership board appointed Partner Trustees who were appointed during the previous year moved on from their John Lewis Partnership roles; all of these Trustees have continued to sit on the board including the current Foundation Chairman. The Foundation also took time this year to review, reset and agree a refreshed strategy and vision with a stronger focus on enabling vulnerable young people to access the skills and opportunities to achieve sustainable employment.

UK Ongoing Funding

The **Papworth Trust**, a leading disability charity, is being funded to deliver the First Steps to Success project which has trained 21 people to achieve employment skills and 12 have entered into full or part time employment. The total donation of £33,840 was originally agreed by the UK Sub Committee in 2020/21 and has been overseen by the board of Trustees this year.

The **Grassmarket Community Project** is a social enterprise which offers long-term, relationship-based support to vulnerable adults in Edinburgh facing social exclusion and isolation. They received funding in 2020/2021 to recruit a Wood Workshop Assistant Manager, whose focus will be on sharing skills in joinery or related professions to enable skilled access to employment. Based on the success of this project, the Trustees agreed to additional funding of £24,229 to extend this project for a further year.

The **Baytree Centre** is a woman led organisation based in Lambeth working with women and girls, the majority of whom are isolated and disenfranchised, supporting them to gain confidence, knowledge and skills to become integrated members of the community. Based on the success of this project, the Trustees agreed to additional funding of £50,000 to fund the 'Step into Work' programme for a further two years.

UK New Funding

Transitions UK

The Foundation supported Transitions UK with a grant of £15,000 to support the 'Attain' programme, a project that seeks to support care experienced individuals to access skills for employment through volunteer mentoring. Unfortunately, in October 2022 the Foundation learnt that Transitions UK had closed, for reasons unknown. The Ethics & Sustainability team wrote to the liquidator, Maria Strong, on 6th October 2022. An outcome on recovering this funding is still outstanding.

Blackburn Youth Zone

The Foundation was particularly pleased to support Blackburn Youth Zone. The charity provides more than 20 activities every day to young people aged 5 to 19, or 25 for those with a disability. The charity has a close relationship with the John Lewis PLC Herbert Parkinson soft furnishings factory in Darwen, Lancashire. The Trustees agreed to fund £99,889 to establish the Darwen Youth Hub fund, a project co-designed by Herbert Parkinson and Blackburn Youth Zone to support young people from disadvantaged backgrounds to build confidence and employability skills.

Action 4 Youth

Action 4 Youth received funding of £34,318 to support the Inspiration Programme, designed to address the needs of children and young people who lack an awareness of or motivation to achieve employment opportunities available to them.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2023

Achievements and performance (continued)

UK New Funding (continued)

HopeSpring

Based in Newcastle, HopeSpring received funding from the Foundation of £53,340 to fund the 'HopeSpring Education Hub' that will offer support to disadvantaged young people from across Tyne & Wear. The funding will facilitate design and implementation of the programme.

Step by Step

Hampshire based charity Step by Step were successful in their application for £57,583 to provide mentoring to enable young people to stay away from homelessness and equip them with the knowledge and life skills to secure education, employment and housing. The project assures each young person has established, secure accommodation, and one to one support. The Trustees noted that there is an increased risk associated with this project in relation to the safeguarding of young people.

Adoption UK

The leading charity for all those whose lives involve adoption, Adoption UK were awarded a total of £70,776 funding over three years to create 'The Bridge'. This programme will work with adopted 14-15 year olds across the UK to provide employability support via training sessions and mentoring.

SeeAbility

The Foundation was pleased to support SeeAbility (The Royal School for the Blind) one of the oldest UK disability charities with funding of £43,800. The Foundation will fund the 'Ready, Willing & Able' supported employment programme for young people aged 18-30, all of whom have sight loss, physical disabilities or autism. Ready, Willing & Able participants will be matched with an employment coach to explore individual ambitions, develop CVs, interview skills and search for employment.

Sheffield Womens Aid

The Foundation was pleased to support Sheffield Womens Aid with funding of £29,500 to facilitate 18 months of employability support for 20 young women affected by domestic abuse.

Rest of World New Funding

Toybox & BAT

Following on from the successes of previous projects with The Toybox Charity and the British Asian Trust, the Trustees agreed to fund both of these charities individually with funding of £225,000 to run individual projects in Jaipur, India.

The British Asian Trust's project will increase enrolment rates and improve the quality of schools in Jaipur neighbourhoods with large clusters of children in labour, at risk of labour or in difficult situations.

Toybox's project will offer non-formal remedial and basic education to achieve foundational literacy and numeracy among Jaipur's most vulnerable and hardest to reach street children. Where possible, these children will also be enrolled in schools.

There will be a referral pathway (referral to the other provider if that is best for the needs of the child and their family) between the two projects, allowing for a greater reach than if these projects were undertaken alone. The Trustees are keen to understand the impact created by working jointly with two charities in one area, as this is a new venture for the John Lewis Foundation.

Changing Young Lives Foundation

The Foundation is pleased to have granted £87,300 funding over two years to the Changing Young Lives Foundation, Hong Kong. CYLF is a local charity supported extensively by the John Lewis PLC International Sourcing Office based in Kowloon. The funding will facilitate the running of the Youth Employability Support programme that works with underprivileged secondary school aged students to lay better foundations for meaningful career paths, including mentoring, CV and skills development workshops and work experience placements. The two year project may offer volunteering opportunities for John Lewis PLC Partners in Hong Kong.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2023

Achievements and performance (continued)

Rest of World Ongoing

The Foundation funded a project beginning in 2012 with **Care and Fair** to build and establish a girls' school in the rug weaving area of Uttar Pradesh, India. The funding of this project was due to finish in June 2021, however, there is still a small outstanding commitment by the Foundation to Care and Fair which will be made as soon as John Lewis Foundation branding has been removed from the school. The removal of branding has not been a priority for Care and Fair throughout the Covid-19 pandemic, and in 2022/23 the Foundation is still awaiting this action to be completed.

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 2023, donations of £1,030,085 (2022: £802,081) were received, full details can be found in note 2 of the accounts. Investment income generated was £3,095 (2022: £63). Total donations paid were £601,096 (2022: £474,962) full details are in notes 5, 6, and 7 of the accounts.

As at 31 January 2023, the Foundation had total funds of £1,422,542 (the Trust Fund) (2022: £1,024,516). The composition of the Trust Fund as at 31 January 2023 was Unrestricted funds of £1,172,542 and Restricted funds of £250,000 for grant making to support Care Experienced People.

Investment policy

The Investment policy is reviewed annually. As the Foundation 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 Foundation needs to hold reserves in order to ensure the ability of the Foundation to honour the financial commitments it has made, to multi-year projects. The Charity agreed in June 2023 to hold £113,339 in reserves, to cover their financial commitments arising beyond its current Funding Agreement with John Lewis plc.

Funding

The Trustees developed a Commercial Participation Agreement (CPA) between the Foundation 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 and an agreement to donate proceeds from the sale of single use carrier bags (at a rate of £0.0833 per single use carrier bag sold effective from 1 February 2022).

The money usually donated by the John Lewis plc supplier Gala Dinner has, in the absence of the traditional fundraising event in the year to 31 January 2023, also been donated. John Lewis plc covered this shortfall with a one-off donation of £150,000.

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 Trading Directorate and, if permitted by their suppliers, are offered for sale to Partners through regular sample sales. Funds of £14,520 were raised from sample sales during the year to 31 January 2023 (2022 : £8,753).

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2023

Future plans

The Foundation's plans for the year ahead are exciting and will enable some significant development of the Charity's remit. John Lewis plc has expressed an ambition to streamline the number of Trusts and Foundations that are funded by or carry the brand name of the business. The intention is for the John Lewis Foundation to become the overarching charitable vehicle into which several different John Lewis plc charity activities will be merged and subsequently delivered through; in part this has been made possible through John Lewis plc undertaking the resourcing restructure.

One of the focus areas for John Lewis plc is to support people who are care experienced to flourish and thrive through a programme branded Building Happier Futures. During the year to 31 January 2023, a restricted donation of £250,000 was made by John Lewis plc to the Foundation to support and promote opportunities, enablement and access to employment for care experienced people. In March 2023, the Trustees approved a grant of £181,341 over a three year period to Become, a UK charity, to support young care experienced people who wish to move into apprenticeships or vocational roles, many of whom have experienced disrupted education and limited family support. Where the work of the John Lewis plc Building Happier Futures campaign has clearly defined charitable objectives the intention will be for this activity to be housed in the Foundation.

Strategic review

Following changes to the John Lewis plc operating model the Trustees are holding conversations with John Lewis plc regarding opportunities to work more closely and to reflect any new priorities or objectives. The Foundation's charitable objective aligns closely with the newly stated purpose of John Lewis plc "Working in Partnership for a Happier World".

The UK Sub-Committee has continued to be dormant during the year to 31 January 2023 and the Trustee Board chose to continue considering smaller scale UK projects at their main board meetings. The Trustees completed their strategic review during the first half of 2022, involving previous members of the UK Sub-Committee and reached agreement that the main board would continue to consider the smaller UK applications that were coming through. Going forward, however, the learning taken from running the Sub-Committee model will form the framework and basis for any newly transferred charities or charitable activities as the consolidation into the John Lewis Foundation work develops.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2023

Reference and administrative details

Charity Name: John Lewis & Partners Foundation. The Charity has also registered the working name 'John Lewis Foundation' with the Charity Commission.

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

Margaret Elizabeth Porteous

Nyika Brain

Andrew Hoad

Johnathan Marsh

Marija Rompani

Louise Stuart (resigned on 8 March 2023)

Nicola Waller (appointed on 2 May 2023)

Company Secretary

Simon Blackburn

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 2023

Structure, Governance and Management

Governing Document

The John Lewis & Partners Foundation was incorporated as a private limited company limited by guarantee, 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 Foundation 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 Foundation 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 Foundation's 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 John Lewis Partnership plc Board).

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 total of three, three year terms of office.

On appointment, new Trustees are offered external training on governance and the trustee role, and are provided with detailed information about their legal obligations and responsibilities, and information about the Foundation's current work, which includes the John Lewis & Partners Foundation articles of association, the Foundation's Policies and guidance on Trustee and Directors duties and responsibilities.

The Trustees met four times during the period between 1 February 2022 and 31 January 2023 including the annual general meeting on 7 June 2022.

Management

Day to day management, administration development, evaluation of projects and overall programme delivery for the Foundation is delivered by the Charities & Volunteering Specialist and Officer from the John Lewis plc Social Impact Team and is funded directly by John Lewis plc. All support provided directly by John Lewis plc is done so in adherence to the parent organisation pay policy.

Trustees Remuneration and Expenses

The Trustees did not receive, and were not entitled to receive, any remuneration for their services. £449 of Trustees training and travel 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 2023, the Trustees believe that there are three principal risks arising from the Foundation's operations: the risk that those involved in or benefitting from any project will not be adequately safeguarded; the misuse of funds by a partner organisation; and the failure of a project to achieve the expected outputs or outcomes, or to have the desired impact upon completion.

DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR TO 31 JANUARY 2023

Structure, Governance and Management (continued)

Risk management (continued)

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 Trustees recognise that supporting organisations working with young people requires safeguarding to be at the forefront of each project considered for support.

The Board of Trustees have agreed that it is necessary to undertake a degree of due-diligence on the organisations requesting funding, 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;

(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. The Trustees annually review its due diligence process and take learnings from each project to ensure it is fit for purpose. 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.

Disclosure of Information to Auditor

The Trustees who held office at the date of approval of this Report of the Trustees (including Strategic Report) confirm that, so far as they are each aware, there is no relevant audit information of which the charitable company's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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.



Johnathan Marsh, Chair of Trustees

John Lewis & Partners Foundation

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

7 June 2023

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JANUARY 2023

Notes	2023 £	2022 £
Income		
2 Donations	1,030,085	802,081
3 Other income	46,348	51,439
4 Interest income	3,095	63
Total income	1,079,528	853,583
Expenditure		
5 Charitable activities	(681,502)	(591,611)
Total expenditure	(681,502)	(591,611)
16 Net movement in funds	398,026	261,972
Reconciliation of funds		
Total funds brought forward	1,024,516	762,544
Total funds carried forward	1,422,542	1,024,516

£1,172,542 of funds are unrestricted and £250,000 of funds from a donation received in the year are restricted. 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.

BALANCE SHEET AS AT 31 JANUARY 2023

		Total Funds 2023 £	Total Funds 2022 £
Notes			
	Current assets		
14	Debtors	127,960	271,468
	Cash at bank and in hand	1,434,881	814,772
	Total current assets	1,562,841	1,086,240
	Liabilities		
15	Creditors: amounts falling due within one year	(140,299)	(61,724)
	Net current assets	1,422,542	1,024,516
	Total net assets	1,422,542	1,024,516
	The funds of the charity		
	Restricted funds	250,000	-
	Unrestricted funds	1,172,542	1,024,516
16	Total charity funds	1,422,542	1,024,516

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

The financial statements on pages 12 to 23 were approved by the Board of Trustees on 7th June 2023 and signed on its behalf by:



Johnathan Marsh, Chair of Trustees

JOHN LEWIS & PARTNERS FOUNDATION

7 June 2023

Registered number: 06058796

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2023

		2023	2022
Notes		£	£
Cash flows from operating activities:			
19	Net cash inflow / (outflow) from operating activities	617,014	289,760
Cash flows from investing activities			
	Interest income	3,095	63
	Net cash inflow from investing activities	3,095	63
	Change in cash and cash equivalents in the year	620,109	289,823
	Cash and cash equivalents at the beginning of the year	814,772	524,949
	Cash and cash equivalents at the end of the year	1,434,881	814,772

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 Foundation 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 Foundation 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 Foundation. The Foundation 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 at least 12 months from the date of approval of these financial statements which indicate that the Foundation will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of rising inflation 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 Foundation has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the Foundation 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 SOFA when the Foundation 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 Foundation 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

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.

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

	2023	2022
	£	£
Funds donated by John Lewis plc from the sale of single use carrier bags	471,194	256,651
Funds donated by John Lewis plc from the sale of sample goods	14,520	8,753
Funds donated by John Lewis plc from the sale of advent calendars	2,928	4,142
Funds donated by John Lewis plc from the sale of Third Party Gift Cards	33,093	8,223
Funds donated by John Lewis plc from the sale of Insurance Policies	1,340	-
Donated services	79,957	74,680
Other donations	427,053	449,632
Total	1,030,085	802,081

The contribution from sale of single use carrier bags is in line with the Commercial Participation Agreement rate of £0.0833 per carrier bag sold (£0.05 rate in 2022).

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.

The contribution from the commission earned from the sale of Third Party Gift Cards is from an agreement between John Lewis plc and the Foundation, signed in September 2021. The Foundation branding does not appear on each gift card and therefore this contribution is classified as Donations income.

The contribution from the sale of Insurance Policies from a new agreement between John Lewis plc and the Foundation, signed in February 2022. The Foundation branding does not appear on the product marketing and therefore this contribution is classified as Donations income.

Administrative support is provided by John Lewis plc. The value of these services is estimated at £79,957 (2022: £74,680). For the year this included a one off piece of work to support the creation of a new logo for the Foundation and some updates to the website. The estimated value of these services is recognised within income as a donation, and an equivalent charge included within support costs.

Other donations includes three one-off donations of £250,000; £150,000 and £27,053 from John Lewis plc. Respectively, this was a donation to support future projects relating to Care Leavers, a donation to meet the shortfall in income arising from not being able to hold the suppliers charity event and a donation for the additional proceeds raised through single use carrier bag sales in January 2022 above the Commercial Participation Agreement accounted for on a cash basis.

3. Other income

	2023	2022
	£	£
Funds donated by John Lewis plc from the sale of rugs	45,348	50,154
Funds donated by John Lewis plc from the sale of candles	-	285
Trademark licence fee	1,000	1,000
Total	46,348	51,439

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 in the prior year relates to a selection of stock sold by John Lewis & Partners which bears the Foundation logo. These products were not part of the John Lewis assortment in 2023.

The trademark licence fee permits John Lewis plc to use the trademark in its activities in support of the Foundation's charitable activities and aims, including the sale of products and services.

4. Investment income

Interest income of £3,095 was earned from a current account with a short notice period of less than 90 days.

NOTES TO THE FINANCIAL STATEMENTS

5. Expenditure on charitable activities

	2023	2022
	£	£
Donations payable by John Lewis & Partners Foundation (note 6)	589,816	402,186
Donations payable by John Lewis & Partners Foundation Sub-Committee (note 7)	11,280	72,776
Sub-total	601,096	474,962
Support costs	80,406	75,834
Technology products donated	-	40,800
Bank charges	-	15
Total	681,502	591,611

£80,406 Support costs comprise of two elements :

£79,957 relates to the administrative services provided by John Lewis plc at no charge and an equivalent sum is included in income (2022: £74,680)

£449 relates to Trustee travel expenses (2022: £1,154).

In the prior year, technology products donated relates to capital items which the Foundation 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.

NOTES TO THE FINANCIAL STATEMENTS

6. Expenditure by John Lewis & Partners Foundation

	2023 £	2022 £
Charitable activities		
Donations to institutions		
Action4Youth	34,318	-
Adoption UK (note 8)	22,740	-
Blackburn Youth Zone	99,889	-
Changing Young Lives Foundation (note 9)	43,159	-
Emmaus Turvey	-	9,176
Future Roots	-	50,000
Grassmarket Community Project (note 10)	24,229	21,840
Hope Springs	53,340	-
Pop Up Enterprises	-	18,600
Roundabout Limited	-	28,941
See Ability	43,800	-
Sheffield Womens Aid	29,500	-
Smartworks	-	29,640
Step by Step	57,583	-
Street Soccer Scotland	-	8,671
The Baytree Centre (note 11)	25,000	-
The Feed Enterprises	-	20,000
The Save the Children Fund	-	62,500
Toybox	-	31,433
Toybox and British Asian Trust Jaipur projects (note 12)	141,258	1,385
Transitions	15,000	-
Voices of Hope	-	20,000
WaterAid	-	100,000
Total	589,816	402,186

As at 31 January 2023, the Foundation has committed, but not provided for, spend of £7,015 relating to the Care and Fair project contingent upon the name change of a school in Uttar Pradesh, India.

As at 31 January 2023, the Foundation has committed, but not provided, spend of £424,936 relating to the Toybox and British Asian Trust Jaipur projects (£308,742), The Baytree Project (£25,000), Adoption UK (£48,035) and Changing Young Lives Foundation (£43,159) all of which are contingent upon the provision of satisfactory progress reports.

NOTES TO THE FINANCIAL STATEMENTS

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

	2023	2022
	£	£
	Total	Total
Charitable activities		
Donations to institutions		
Jubilee Community Enterprise	-	(9,504)
The Baytree Centre	-	25,000
Future Roots	-	30,000
Papworth Trust (note 13)	11,280	11,280
Fine Cell Work	-	16,000
Total	11,280	72,776

NOTES TO THE FINANCIAL STATEMENTS

8. Multi-Year Project with Adoption UK

In December 2022, the Trustees agreed a two year project with Adoption UK a leading charity for all those whose lives involve adoption which invests in vulnerable children and young people through the provision of education and practical skills to enable the young people to find meaningful employment. The total amount approved was £70,776, this was to be paid by two instalments. In the year to 31 January 2023 payments of £22,740 were made. Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2023 was £48,035.

9. Multi-Year Project with Changing Young Lives Foundation

In December 2022, the Trustees agreed a multi-year project with Changing Young Lives Foundation a Hong Kong based Charity, for funding a Y.E.S. program to work with underprivileged secondary school aged students to lay better foundations for paving meaningful career paths. The total amount approved was £87,300, this was to be paid by instalments over 3 years. The accounts for the year to 31 January 2023 include a debtor of £43,159 (see note 14) and the payment was made on 16th February 2023. The second payment is conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2023 was £48,035.

10. Grant Agreement with Grassmarket Community Project - Additional Funds

In June 2022, the Trustees agreed to donate an additional £24,229 to Grassmarket Community Project, a charity that they had previously supported through a grant award in the prior year. The social enterprise offers long-term, relationship-based support to vulnerable adults in Edinburgh facing social exclusion and isolation. The additional funds will extend the employment of a Wood Workshop Assistant Manager, whose focus will be on sharing skills in joinery or related professions to enable skilled access to employment.

11. The Baytree Centre - Additional Funds - Two Year Project Extension

In June 2022, the Trustees agreed to donate an additional £50,000 to The Baytree Centre, a charity that they had previously supported through a Sub Committee grant. These additional funds went to extend the STEP INTO WORK project for a further two years to continue the work to enable unemployed women to acquire the confidence and skills (technical skills and qualifications) to access employment. In the year to 31 January 2023, payments of £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 2023 was £25,000 (2021 : £0) .

12. Multi-Year Jaipur Projects with Toybox and British Asian Trust

In March 2022, the Trustees agreed two multi-year projects based in Jaipur with Toybox and The British Asian Trust . The total amount approved was £450,000, this was to be paid by instalments over 3 years. The British Asian Trust project will increase enrolment rates and improve the quality of schools in Jaipur neighbourhoods with large clusters of children in labour, at risk of labour or in difficult situations. The Toybox project will offer non-formal remedial and basic education to achieve foundational literacy and numeracy among Jaipur's most vulnerable and hardest to reach street children. Where possible, these children will also be enrolled in schools. There will be a referral pathway (referral to the other provider if that is best for the needs of the child and their family) between the two projects, allowing for a greater reach than if these projects were undertaken alone. In the year to 31 January 2023, payments of £141,258 were made. Future payments are conditional on the Trustees receiving satisfactory annual reports. The total amount committed but not provided as at 31 January 2023 was £308,742.

13. 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 2023, the Trustees received a final report from Papworth Trust on the project and had been satisfied that it had delivered its desired outcomes and approved the final payment of £11,280 (2022: £11,280)

NOTES TO THE FINANCIAL STATEMENTS

14. Debtors

	2023 £	2022 £
Amounts owed by John Lewis plc	127,960	271,468
	127,960	271,468

The 2023 figure includes £47,120 for the donation of proceeds arising from the sale of single use carrier bags in January 2023 (2022: £27,053), £45,348 being a contribution from the sales of rugs 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 (2022: £50,154) and £33,093 being a contribution from the sale of Third Party Giftcards (2022: £8,223).

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Donations	140,299	49,640
Other	-	12,084
	140,299	61,724

Donations relates to payments made after the year end to Changing Young Lives Foundation (£43,159) and Hope Springs (£53,340) and See Ability (£43,800).

16. Net movement in funds

	2023 £
Fund at 31 January 2022	1,024,516
Movement in fund for the year	398,026
Fund at 31 January 2023	1,422,542

The composition of the Trust Fund as at 31 January 2023 was Unrestricted funds of £1,172,542 and Restricted funds of £250,000 for grant making to support Care Experienced People.

17. 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.

18. 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. All administrative support is provided by John Lewis plc. For the year ended 31 January 2023, the value of these services is estimated at £79,957. The estimated value of these services is recognised within income as a donation, and an equivalent charge included within support costs.

NOTES TO THE FINANCIAL STATEMENTS

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

	2023	2022
	£	£
Net movement in funds	398,026	261,972
Investment income	(3,095)	(63)
Decrease in Debtors	143,508	28,295
Decrease in Creditors	78,575	(444)
Net cash provided by operating activities	617,014	289,760

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

Opinion

We have audited the financial statements of John Lewis & Partners Foundation ("the charitable company") for the year ended 31 January 2023 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 2023 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.

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; and
- using analytical procedures to identify any unusual relationships or movements.

We communicated identified fraud risks throughout 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 due to revenue recognition being closely aligned to cash receipts at bank and signed contractual agreements. We therefore assessed that there was limited opportunity for the charitable company to manipulate the income that was reported.

We did not identify any additional fraud risks.

We also performed procedures including:

- 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 discussion with management and discussed the policies and procedures regarding 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.

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' and Trustees' report

The trustees are responsible for the directors' and trustees' report. Our opinion on the financial statements does not cover that report and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the directors' and trustees' 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' and trustees' report;
- in our opinion the information given in that report for the financial year, is consistent with the financial statements; and
- in our opinion those 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; or

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 11, 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.

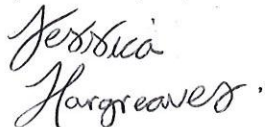
Auditor's responsibilities

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, reading 'Jessica Hargreaves'.

Jessica Hargreaves (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

13 June 2023

