

EY Foundation

Annual Report and Financial Statements

For the period ended 2 July 2021

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Directors' and Trustees' report for the period ended 2 July 2021

The Trustees present the financial statements for the period ended 2 July 2021. The financial statements cover the period 4 July 2020 to 2 July 2021 (the comparative period being from 29 June 2019 to 3 July 2020).

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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 2019) (2nd Edition) and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Structure, governance and management

Governing document

The EY Foundation ("EY Foundation" or the "Charity") was incorporated on 12 March 2014 as a private company limited by guarantee, with no share capital. EY Foundation is a registered charity with registered charity number 1157154 (England and Wales) since 21 May 2014, and SC045076 (Scotland) since 26 August 2014.

The objects of the Charity are for the benefit of the public to advance such exclusively charitable purposes as the Trustees may decide from time to time.

The Charity is governed by a Board of Trustees, who are also the directors of the EY Foundation. Trustees set the strategic and policy direction with day-to-day management functions being the responsibility of the leadership team.

The Trustees who served during the year were:

	<u>Appointments</u>	<u>Resignations</u>	<u>Trustee Category⁽¹⁾</u>	<u>Committee⁽¹⁾</u>
Fahima Akther			Independent	YAB ⁽³⁾ (Vice-Chair)
Nafisa Bakkar			Independent	None
Rosehanna Chowdhury			Independent	A&RC
Patrick Dunne (Chair)			Independent	NomCom
Sara Fowler			Independent	A&RC ⁽⁴⁾ (Chair)
Sayeh Ghanbari			EY	NomCom
David Gittleson			EY	RemCom (Chair)
Mark Hutchinson	17/07/2020		Independent	None
Julianna Oladipo	25/01/2021		EY Colleague	NomCom, RemCom
Dan Richards			EY Colleague until 30/09/2020, then Independent	NomCom
Rebecca Robins			Independent	NomCom (Chair)
Peter Wallace ⁽²⁾			EY	Treasurer
Joseph Watson			Independent	YAB (Chair), A&RC

⁽¹⁾ refer to page 2 and 3 for Trustees' appointment terms and sub committees' remits and objectives

⁽²⁾ partner from within the Financial Services Group

⁽³⁾ Youth Advisory Board = YAB

⁽⁴⁾ Audit & Risk Committee = A&RC

The leadership team during the year were:

Maryanne Matthews, Chief Executive Officer (CEO) (planned absence from 01/03/21; left 21/12/21)

Lynne Peabody, Acting Chief Executive Officer (from 01/03/21); Head of Income and Projects Director (04/07/20 – 28/02/21)

Mark Smith, Chief Finance Officer

Michelle Chard, Head of People, Volunteering and D&I (seconded until 11/1/21, then permanent; left 31/07/21)

Jodie McNally, Head of Young People's Services (on leadership team for interim period from 01/12/20)

The leadership team were supported throughout the year by its management team.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Structure, governance and management cont.

Patrons

Our Patrons, who are a diverse group, act as ambassadors of the EY Foundation, influencing and raising awareness of our work. They have a commitment to improving the lives of young people and represent the Charity at some events. Patrons are appointed by the Trustees. They have no management or governance responsibilities and are not Trustees, thus have no legal liability. The Charity's patrons throughout the year were Steve Varley, Dame Mary Marsh, Nathaniel Peat, Liz Bingham, Chris Achiampong, Dawid Konotey-Ahulu and Douglas Nisbet. Margaret Gibson was appointed as a patron in December 2020 when she retired from her position as Deputy Chief Executive/ Scottish Hub Leader.

Related parties

The Charity's sole member ("the Member") is Ernst & Young LLP ("EY"). EY Foundation's relationship with EY consists of receiving funding amounts through a five-year funding agreement, and EY Foundation's use of their facilities, information systems and professional support.

Recruitment and appointment of Trustees

The Trustees aim to recruit as diverse a Board as possible, and to maintain an active focus on diversity and inclusion. During the year, Dan Richards was the lead diversity and inclusion Trustee on the Board. The emphasis we place on having young people at the head as well as the heart of what we do and the way we work is reflected in our Board through the Chair and Vice Chair of our YAB being Trustees throughout their two-year term on the YAB.

Persons may be appointed to be a Trustee by ordinary resolution or by written notice from the Member to the Charity specifying the name of the person to be appointed as a Trustee and the date of their appointment. The Board, when complete, shall comprise:

- at least three people who are each partners of the Member, two of whom are partners within the UK & Ireland Group and one of whom is a partner within the Financial Services Group ("the EY Trustees");
- at least one person who is a member of staff of the Member ("the EY Colleague Trustee"); and
- at least four independent Trustees, who have no current connection to the Member as employees or partners ("the Independent Trustees").

Trustees are appointed for a period of three years, which can then be extended by ordinary resolution for another period of three years. The Chair's position may be extended for a third term of up to three years under the Articles.

There is no maximum number of Trustees who may be appointed.

No person may be appointed as a trustee, if, as a result of their appointment, the EY Trustees and the EY Colleague Trustee together exceed the number of independent Trustees. The Chair of the Board must always be independent with no current connection to the Member as an employee or partner.

The recruitment of new Trustees follows an evaluation of the desired skills and experience for the Board, aligned to the Charity's evolving strategy. The skills assessment is overseen by the Nominations Committee. A rigorous selection process is adopted to provide potential candidates with a rounded perspective of the Charity, and the environment in which we work.

On joining the EY Foundation's Board, new Trustees receive a welcome pack with key documents and an induction programme which covers the Charity's values and purpose, and separately, includes information on the financial, governance and operational arrangements for the Charity. During induction, Trustees meet young people and members of the EY Foundation's management team to help them fully understand their role as a Trustee. In addition, all Trustees are invited to attend programmes and events to see them in action and are asked to take an interest in a particular area of the Charity's work via membership of one of the committees or in one of our champion roles (safeguarding, diversity & inclusion, technology).

Trustees receive ongoing support and up to date guidance to enable them to fulfil their responsibilities to the organisation. They regularly meet with young people at events and participate in programme activities. Trustees receive insights on the Charity's work at its meetings and regular briefings from the committees, staff, and the leadership team.

The Board meets quarterly with occasional additional meetings as needed. The Trustee role is unremunerated, but Trustees can claim expenses where relevant. Training requirements are considered regularly, and a budget exists for Trustee training. All Trustees undertake training to ensure they are aware of the importance of safeguarding and child protection. During the year, Dan Richards was the lead Trustee for safeguarding.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Structure, governance and management cont.

Trustees' succession planning

Dan Richards' (formerly the EY Employee Colleague Trustee and then an independent Trustee) and David Gittleson's (Chair of Remuneration Committee) second terms came to an end in December 2021. Julianna Oladipo was appointed to the EY Colleague vacancy in January 2021 in preparation for succession to Dan Richards and was appointed as Chair of Remuneration Committee from January 2022. Planning for trustee retirements and other vacancies arising is overseen by the Nominations Committee.

The Chair and Vice Chair of the YAB were appointed as independent trustees in December 2019 for a two-year period that ended in December 2021. Recruitment for a new Youth Advisory Board has been completed and two members of the YAB have been appointed as independent trustees, attending their first meetings from March 2022.

Board effectiveness review

Trustees, supported by the Nominations Committee undertakes a review of its effectiveness from time to time, the last independent review being undertaken by Grant Thornton in FY19. The recommendations from that review continue to be embedded and further implemented. Trustees are planning a further effectiveness review in FY22.

The Board has in place a scheme of delegation, clarifying the board's delegation of responsibilities to its committees and to the Chief Executive. The YAB, facilitated by the leadership team, conducted a review during the year of its own effectiveness in achieving its core purpose.

Organisational structure

Trustee Board business meetings are held quarterly, and Trustees attend a further day each year to discuss and review the Charity's strategic direction.

Meetings with the Member are held quarterly after each Board meeting and are attended by the Chair, CEO and other managers and Trustees by invitation.

Throughout the reporting period the Board operated an Audit & Risk Committee, Nominations Committee, and a Remuneration Committee. In addition, thematic strategic groups are convened as needed to take a more agile approach to Trustee support and challenge. Examples of their work include providing insight into income opportunities, including development of major bids and contracts, the development of our influencing work, and technological/digital direction.

The fundamental role of the committees is to focus on work delegated by the Board, to provide added scrutiny and challenge, make recommendations to the Board, and to enhance Board effectiveness and productivity. All committees are governed by terms of reference set by the Board and which are set out in a Scheme of Delegation and subject to regular reviews.

Audit & Risk Committee

The Committee reviews and considers the Charity's framework of assurance, including internal controls, risk management and policies before they are presented to the Board for approval.

The Committee meets at least four times each year. The Committee is chaired by an independent Trustee. Following an extensive Board appointment process in 2020, new members were appointed to the Board, and subsequently, to the Committee in June 2020. The Committee agrees an annual cycle of business and reviews its progress against that work plan at each meeting.

Treasurer

Peter Wallace has served as Treasurer since April 2019 to support the Board with its financial management oversight and scrutiny role. The Treasurer meets regularly with the Chief Finance Officer and Head of Finance, Assurance and Risk, and attends the Audit & Risk Committee by invitation if financial matters are to be considered.

Remuneration Committee

The Committee was established to determine and then recommend to the Board the framework for setting the EY Foundation's remuneration principles and for setting senior executive pay. The Committee is chaired by a Trustee and includes an independent non-Trustee in its membership.

Following a board appointment process in 2020, new members were appointed to the Committee. During the year the Committee met to review and approve the approach to role benchmarking and pay banding, including any amendments proposed. The Committee also reviewed, specifically, the approach to pay benchmarking for the leadership team.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Organisational structure cont.

The Committee met formally twice during the year.

Nominations Committee

The Nominations Committee's primary purpose is to lead the Board, Committee, Patron, Youth Advisory Board, and senior leadership appointment processes and to monitor board effectiveness and Trustee succession planning. The committee is chaired by an independent Trustee.

The Committee met formally four times during the year. Its work during the year focused on the recruitment of an independent Trustee, the recruitment of a new EY Colleague Trustee, establishing a Trustee/YAB mentoring programme, Board succession planning, review of the YAB recruitment process, and reviewing and approving changes to the leadership team structure following the retirement of Margaret Gibson, Deputy Chief Executive.

Youth Advisory Board

The Youth Advisory Board (YAB) was established in November 2019 to advise The EY Foundation, its Trustees and executive on how best to serve the needs of young people making a transition into further/higher education, the workplace or self-employment. The establishment of a YAB provides an important forum for ensuring our strategic delivery plans serve the needs of young people, identifying issues and opportunities and advising on effective policy and service provision for young people at a strategic level.

The YAB also provides opportunities for young people to develop leadership skills and be part of the decision-making process. Further, the Board provides the opportunities for young people to gain experience and knowledge of business and charity practices. The Chair and Vice-Chair of the YAB serve as EY Foundation Trustees during their two-year period of service on the YAB. The YAB has no delegated decision-making power, it serves only as an advisory function. In FY21, the YAB has supported the EY Foundation in both communications and volunteering capacities, developed working groups on social media and diversity and inclusion and advised the EY Foundation's leadership and Trustees on strategic matters, including:

- i. providing input into the EY Foundation's three-year strategy and FY22 business plan;
- ii. supporting the team with Trustee recruitment by being on interviewing panels and providing feedback thereafter;
- iii. participating in programmes, and internal and external events;
- iv. presenting at the EY Foundation's virtual Impact Awards event;
- v. establishing an Ambassador's LinkedIn network/ group;
- vi. involved in project work (e.g., Learning and Work Institute's Covid-19 project; and
- vii. helping the EY Foundation undertake an extensive review of how the YAB has operated.

The YAB members' two-year term of office completes in December 2021. Evaluation of the first YAB's experiences has informed the process for advertising and recruiting the next board from December 2021.

Charity Governance Code

The Board recognises the importance of the Governance Code in promoting good governance in the Charity sector. The Board and Audit & Risk Committee have fully self-assessed the Charity's compliance with the Charity Governance Code and the further guidance issued by the Charity Commission related to charities that are connected to a non-charity. The assessment highlighted a high level of compliance with all aspects of the Code. An action plan has been developed and approved to enhance compliance where gaps have been identified.

As part of an ongoing strengthening of our governance and assurance processes, an overall assurance framework has been developed and implemented over the period of review. This includes any further assurance required to evidence full compliance with the Charity Commission's guidance. Trustees continue to keep themselves appraised of developments in the sector and on regulatory and good practice requirements related to governance and charity management. A formal scheme of delegation, setting out the mutual responsibilities of the Board, Committees, and the CEO, was approved in FY20 and has now been implemented.

Key management personnel

The Trustees have delegated authority to the Chief Executive for the day-to-day management of the Charity. The EY Foundation's leadership team during the year comprised the CEO/Acting CEO, Deputy Chief Executive (until December 2020), the Chief Finance Officer, the Head of People, Volunteering and D&I, Head of Income and Projects Director, and the Head of Young People's Services.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Organisational structure cont.

In February 2021, Maryanne Matthews, CEO, requested an extended period of absence for personal reasons. This was granted by the Board and commenced in March 2021. To maintain continuity through this period a member of the leadership team, Lynne Peabody, undertook an Acting CEO role, supported by other members of the leadership team. These arrangements ensured the Charity's work continued to be delivered effectively and the year's results and achievements are set out further in this report.

During the year, a restructuring of the leadership team was approved by trustees and implemented in the summer 2021, with effect from 1 September 2021. This restructure was considered and approved by trustees and is designed to align core leadership roles with the key strategic imperatives set out in the Charity's three-year strategic framework, and to clarify leadership responsibilities and accountabilities.

The leadership team was changed from the substantive 5.6FTE roles of CEO, Deputy CEO (vacant), CFO (part time), Head of Income & Projects Director, Head of Young People's Services, Head of HR, Volunteering & D&I, to the 4.0 core full time roles of CEO, COO, CFO, and Head of Programmes & Regions. Each role has a clear role profile of responsibilities and a new executive scheme of delegation will be developed during FY22 to align core accountabilities to these roles. The net overall change to this structure is a cost saving over time and an enhancement to the effectiveness of the running of the Charity and continuity.

Maryanne Matthews left the Charity in December 2021. An open recruitment campaign for a new CEO has commenced and is expected to be completed by the end of March 2022. The Board would like to thank Maryanne for all she has done to help establish the Foundation.

Objectives and activities

The reporting period marks the completion of EY Foundation's seventh year as an independent UK charity. The Charity was founded by EY, the professional services firm, our first corporate investor.

Purpose

Our vision is that every young person in the UK can succeed in the workplace. We believe every employer in the UK regardless of size, or sector has an important role to play in giving young people a better start to their working lives.

Our mission is to reduce the barriers to work young people from a low-income background face, supporting them to successfully transition into higher education, employment, or self-employment.

Public benefit

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to guidance on public benefit produced by the Charity Commission and believe the undertaking of these activities fully meets the requirements that all the Charity's aims are for the public benefit.

The Trustees and management team consider carefully any new initiatives or changes to delivery models to ensure they meet the EY Foundation's primary charitable purpose.

Our strategic aims

In December 2020 Trustees approved a new three-year strategic framework for FY22-24. Under this framework, our six strategic priorities are to:

- Enable our current activity to have more impact and a wider reach whilst being more effective, by maximising digital solutions available to us.
- Grow our focus on employers and regions to support more young people to get closer to the labour market and into work.
- Expand our income base and maintain a level of reserves that ensures our sustainability. Focus on funding from new sources and assessing new delivery models that might unlock them. Define the financial metrics useful for measuring our efficiency and value.
- Continue to build on our impact measurement, sharing our results more widely with our stakeholders and beyond. Creating an evidence base and knowledge hub to help wider stakeholders understand the importance of our mission.
- Develop and maintain a thriving EY Foundation staff and supporter team, equipped with the right skill set to deliver our increase in scale and impact.
- Increase our activities to share the knowledge and evidence base we build up more widely and regularly to establish ourselves as the knowledge provider, support and motivator for employers and Government to understand the changes needed to support young people from low-income backgrounds into work.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Objectives and activities cont.

Approach

We achieve our strategic aims by working with employers, social and voluntary sector organisations, and local communities across the UK, focusing on the key impact areas that we know make a real difference to young people being work ready.

We work on both sides of the labour market, designing, developing and delivering programmes that help young people be more work-ready and employers to be more young people-ready. By bringing young people and employers together we unlock untapped potential for the benefit of everyone. Working in collaboration with others, we use the learning and insight gained from our programmes to challenge the status quo and support creating change at a national level that is long-term and sustainable.

Our activities include:

- providing employability skills training, work experience and guidance to young people from a low-income background;
- working with employers of all sizes to build an understanding of the opportunities of building a more diverse workforce;
- encouraging and enabling social entrepreneurs to grow their businesses;
- raising funds to grow and develop EY Foundation programmes for young people and social entrepreneurs;
- collaborating with organisations that share our vision to deepen and scale our impact; and
- influencing national decision-makers so that young people's transition into work is better supported.

Our work with young people

Smart Futures

Smart Futures is a 10-month programme for young people in Year 12 (England) and Fifth year (Scotland) of school who have been eligible for free school meals in the past two years or for young people that are eligible for college bursary or Education Maintenance Allowance.

The programme includes up to 2 weeks of employability training and work experience, an opportunity to take part in a programme that is formally recognized and approved by the Institute of Leadership and Management, and mentoring support. Alongside this, the programme offers a series of interactive learning experiences and training, structured paid experiences of work with local employers and a series of networking events. Upon graduation, every young person on the programme joins the alumni network.

Smart Futures offers young people the opportunity to learn more about the choices available to them when making decisions about their future, broadening their insight into a wide variety of industries including professional services, healthcare, tech, or financial services.

The programme takes place during school holiday periods with the main intakes being at Easter and Summer. During this period, Smart Futures operated in 13 locations: Edinburgh, Glasgow, Manchester, Liverpool, Newcastle, Leeds, Birmingham, Cambridge, Luton, London, Bristol, Reading and Southampton.

Our Future

Our Future works with young people, aged 16-19, who face significant barriers in entering the labour market and who are at risk of becoming 'not in education, employment or training' (NEET). The programme helps them make a smooth transition from statutory education into the labour market.

The six-month programme includes up to two weeks of paid work experience, one week of paid employability training, one to one support from a mentor, networking events and an opportunity to take part in a programme that is formally recognized and approved by the Institute of Leadership and Management.

Our Future is structured to create local career awareness, provide employability skills training and to offer extended periods of work experience to its participants. During the period of review, Our Future operated in Perth and Kinross, London, Luton and Newcastle.

Employability workshops

The Charity provides workshops for young people in Year 10 and 11 (England), and third and fourth year (Scotland) who have been eligible for free school meals at any time in the last two years. Our interventions develop employability skills and build awareness of different post-16 career options and pathways. The programme is designed to connect young people with local employers and opportunities.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Our work with young people cont.

Into Work

As part of the implementation of our strategic framework, we have begun to develop a new programme that will be focused on moving young people directly into work. This programme will launch in the second half of FY22 across all our Hub locations. In addition, this year we launched a new Professional Services programme which aims to reduce the barriers for young people wishing to enter this sector.

Beyond Your Limits

The Charity, with the support of CareTech Foundation, spent almost a year listening to the needs and ambitions of care-experienced young people, their professionals and employers, and co-created a programme for 16-18 year olds.

Beyond Your Limits combines employability skills development and paid work experience, with mentoring, a bursary and holistic support that will be tailored to each young person's needs. The programme provides up to two years of support and is designed to help the young people progress into education, employment or training. During the period, the programme operated in London, Manchester and Glasgow.

Our work with social entrepreneurs

Accelerate

EY Foundation provides business support to social enterprises by offering a 12-month programme enabling them to access skills capital from business coaches, workshops, networking and project support. We want to help social enterprises to grow and thrive so that they can continue to play an important role in stimulating local economies and affecting social change. Our focus is on young social entrepreneurs and those social enterprises focused on the youth sector.

Social enterprises are vital to addressing some of the most entrenched social issues in our communities today. But the day-to-day business challenges they face are no different to those of any other entrepreneur – and that includes securing funding and income: vital to becoming a long-term force for change.

We can help more young people to reach their potential by working with social entrepreneurs. Those young people might run their own social enterprise or be supported by one.

In the period of this review Accelerate actively supported social entrepreneurs in Scotland, London, the North West, and Yorkshire.

Due to the unprecedented nature of Covid-19, we offered the cohort, which began the programme in 2018, an extension of 6 months. This offer was taken up by a significant number of the cohort, and the feedback was that the support was invaluable during that period.

Achievements, Performance, and Impact

Our response to Covid-19

With Covid-19 making face-to-face delivery impossible during the year, we built upon our FY20 innovations to continue to deliver our programmes virtually. As with the prior year, we listened to our young people to ensure we were understanding and addressing their concerns directly and helping them navigate this period of uncertainty.

Virtual delivery enabled the EY Foundation to reach those who previously may not have been physically able to attend due to a decrease in travel or geographical constraints. We know that not everyone has easy access to digital learning, so we worked to ensure we could provide laptops to all young people due to take part in our programmes. Using insights from FY20, we developed and deployed 33 online programmes, including a virtual work experience placement for each student.

We commissioned the Learning and Work Institute to undertake an independent study of the impact of the move to virtual/hybrid delivery, to inform our plans for future programme delivery. The final report was received in August 2021. Key findings were:

- Overall young people who participated in our programmes were seen to be experiencing more challenges in their lives than pre-pandemic cohorts.
- The noted benefits of virtual delivery were that:
 - Programmes were considered more accessible to young people and employers.
 - They better enabled less confident young people to contribute.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Achievements, Performance and Impact cont.

- Virtual mentoring was more convenient for both young people and volunteers.
- Challenges faced were:
 - Maintaining engagement from the young people, some of whom were reticent about being visible on screen.
 - Understanding who needed feedback and support.
 - Learning about corporate culture and building networks with peers and employers.
 - Young people's home environments were not always conducive to learning.
- The intended programme outcomes were achieved through virtual delivery and feedback was broadly similar to face-to-face delivery. However, some groups experienced less benefits from online delivery (e.g. young Black people, those from households on benefits, and those who were English for Speakers of Other Languages).
- We should develop flexible models of future delivery.

Covid-19 impacted negatively on our ability to raise external funds through traditional fund raising, particularly through the cancellation or postponement of all domestic and international treks and events. All planned fundraising events in FY21 were cancelled or deferred.

To mitigate this impact, digital fundraising activities were trialled, including our #StepsforSuccess digital active challenge. Grant makers concentrated more on supporting those charities providing immediate crisis provision, which reduced our ability to secure new funding sources in FY21.

Our corporate partners supported our move to virtual delivery through this period. We continued to develop our approach of working with employers on sector-based collaborations, building on the success of existing partnerships.

During the year the EY Foundation started to develop its approach to engaging with individuals of high net worth. Our first event in April 2021 was pivotal in building these relationships and led directly to a new corporate partnership, new introductions, and new volunteers.

Performance against outcome targets

During the period, the EY Foundation continued to make progress in helping young people across the UK reach their full potential. Considering the effects of the Covid-19 pandemic and the uncertainty that this event has brought to the UK economy, it was anticipated that our movement to online programme delivery would reduce our ability to interact with our key stakeholders (young people, social enterprises, volunteers and employers). Therefore, in our 2021 financial year, we took a conservative approach to setting our performance targets as we continued to adjust to a new format of online programme delivery.

During the period:

- Our programmes supported the following participants:
 - 2,440 young people, including 1,163 participants who qualified for Free School Meals and a further 20 young people currently in the care system; and
 - 63 social entrepreneurs.
- A total of 2,503 young people and entrepreneurs were supported during the FY21 financial year, exceeding our annual target of 1,123 by 123%. However, this is a 64% decrease on the prior year (FY20: 6,955).
- 2,510 volunteers supported our programmes and fundraising activities. Our performance exceeded our annual target of 925 by 171% and represented an increase over the prior year of 15% (FY20: 2,176).
- 272 employers were engaged in our work. Our performance exceeded our annual target of 196 by 39% and represented a decrease over the prior year of 20% (FY20: 341).

Performance against financial targets

We took a cautious approach to budgeting for FY21 due to the unquantifiable impact of Covid at the time the budget was prepared. Income targets were based on secured income only, with no assumptions for securing further grant, employer or fundraising income in the year. At the same time our focus was on protecting our higher impact work, our team, and the Charity's financial sustainability. This resulted in a budgeted deficit of £394k for the financial year. The reserves position was sufficient to protect the Charity from significant financial risk during the year.

Against this cautious backdrop we therefore exceeded all our financial targets for the year, in terms of income raised, expenditure contained within budget, and the resultant net benefit to the bottom-line surplus for the year.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Achievements, Performance and Impact cont.

Impact

In FY21 we supported 2,440 young people and 63 social enterprises. In supporting the young people and social enterprises we created 2,510 volunteer and 272 employer opportunities. 61% of the young people were female and 83% non-white.

We have been innovating since our inception, back in 2014, and the need to continue doing this has never been clearer. From July 2020 to June 2021, we innovated to increase impact in the following ways:

- Programme delivery — all our programmes have been delivered virtually this year. We worked with the Learning and Work Institute to gain a deeper understanding of the impact of virtual training, with full findings published in October 2021.
- Working with more employers — we've targeted fast-growing sectors of the economy and launched several new, sector specific programmes. These include Tech Futures, Secure Futures and a partnership with the Chartered Banker Institute.
- Increasing focus on diversity and inclusion — action has been taken internally and externally. This included publication of 11 race commitments and our joint report with EY 'Getting in and getting on'.
- Governance and sustainability — appointment of new board members, new 5-year funding agreement with EY and approval of a new 3-year strategic framework.

Financial review

The Charity funds its activities through corporate and individual donations and from fundraising events. Total income raised in the period was £3,496k (2020: £3,064k) of which £275k (2020: £949k) was restricted. Total expenditure was £3,278k (2020: £3,323k). As a result, the charity produced a surplus of £218k and was able to increase unrestricted reserves by £144k.

In this period our programmatic activity has been funded through donations by EY, other corporate partnerships, and through new grants secured during the year. We secured a new five-year funding agreement and master services agreement with EY, with effect from July 2020.

We take an incremental lockstep approach to expenditure, increasing programme staffing resources once additional revenue is confirmed. This is a critical part of the Charity's financial risk management process. From March 2020, one of the actions taken in response to Covid-19 was to freeze all recruitment and to eliminate all non-essential spend. Our approach was guided by two principles: to innovate the work we do in order to create maximum impact through virtual delivery, and to protect our staff and the Charity from the impact of Covid-19. This approach strengthened the Charity's resilience at the start of the period, enabling investments to be made during the year.

Covid-19 and going concern

The Charity took early action in March 2020 to recognise, and then mitigate, the financial and operational impact of Covid-19. Immediate steps included pausing or cancelling all staff recruitment, re-forecasting based on the most pessimistic of a range of possible scenarios, mandating virtual working, and moving face to face programme delivery to a virtual model. These actions protected the Charity's cash and reserves position, whilst also protecting services to our beneficiaries through rapid innovation in programme design and delivery.

All Covid-19 risks were reviewed and monitored through a specific risk register, and the financial impacts assessed through scenario planning, business intelligence, and sector knowledge. A budget for FY21 was approved by Trustees, prepared based on contracted or otherwise-secured income sources only. To enable the Charity to be responsive to any further financial impacts, positive or negative, performance against the budget was subject to continuous review to facilitate further reductions or new investments where needed, whilst remaining in the agreed reserves policy. The Charity budgeted for a £394k deficit, of which £145k was a deficit on unrestricted funds. With this level of deficit, the Charity's reserves were still projected to be within the agreed policy level, and the cash flow position showed a clear ability to remain a going concern.

Subsequent to setting the FY21 budget, Trustees have continued to monitor the additional savings made and income secured by the Charity and have adjusted forecasts accordingly, continuing to adopt the position of forecasting only secured income, whilst investing resources in the development of new funding opportunities. Trustees continue to consider that the Charity is a going concern and able to meet its debts as they fall due, based on the following analysis:

- Having a 5-year funding and master services agreement in place with EY, with funding provided on an unrestricted basis. This provides surety on the Charity's principal source of funding and, with funding provided quarterly in advance, also reduces cash flow risk.
- Budgets and forecasts for FY22 are based on known and secured sources or with further additional income targets that are considered to be achievable.
- The Charity has no fixed costs and all costs are under the control of the Charity's Trustees and management, enabling responsiveness to any further downturn.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Financial review cont.

- The cash flow forecast for the next 12 months, prepared on the above assumptions, shows a positive cash flow for all months with the minimum cash balance falling to £1,285k over that period.
- Cash flow forecasts have been stress-tested, principally to reflect any potential withdrawal or deferral of unsigned contracted income by corporate partners. The maximum loss of income under this stress test is £1,665k. With this potential loss of income, the net impact on the minimum cash balance would be £1,173k.

As at the date of signing of these financial statements, the Trustees' forecasts indicate that the EY Foundation will be able to maintain liquidity for a period of at least one year following the date of signing these financial statements and will therefore be able to continue to operate as a going concern. The Trustees consider that no material uncertainty exists in relation to going concern for the EY Foundation.

Reserves policy

A substantial proportion of the Charity's income comes from EY in the form of baseline funding defined within the funding agreement between the two entities. A new funding agreement with EY was agreed in June 2020 covering the period up to 2025. All future income from EY is treated as unrestricted income for the pursuit of our charitable activities.

Trustees agreed a new reserves policy in June 2021, which builds upon the previous risk-based approach. The policy identifies the risk factors for which reserves are retained, the process for estimating the level of reserves required against each risk area, and the circumstances under which reserves may be built above the minimum reserves level for future investment.

In addition to restricted and unrestricted reserves, the policy also includes the establishment and use of designated reserves, at the discretion of Trustees.

Total funds at the period end are £1,306k (2020: £1,088k); unrestricted reserves stood at £1,072k (2020: £927k) and restricted reserves at £234k (2020: £161k). Trustees designated £100k (2020: nil) of unrestricted reserves for investment in an Into Work programme during FY22. In preparing the budget for FY22 the assessment of the minimum unrestricted reserves level required, based on the assessment of risks was £549k to £815k. The level of unrestricted reserves at 2 July 2021 was therefore above the minimum requirement.

Investment policy

The Charity receives funding from EY, the main funder, on a quarterly basis. The EY Foundation has a low tolerance to capital volatility and adopts a cautious attitude to risk. The Board has therefore decided that the Charity's reserves should be maintained in (immediately accessible) cash deposits with low-risk financial institutions.

The policy and guidance are reviewed and updated annually or as necessary to reflect changes in issues of particular interest, best practice and new investment laws, regulations, or advice.

Risk management

The Board and management acknowledge that sound risk management is fundamental to both good governance and good management practice. Risk management forms an essential part of the Charity's decision-making process and is integrated into strategic and operational planning.

Risk assessments are carried out on all activities and projects to ensure they adhere to the Charity's objectives. Risk management is part of the Charity's internal control system. A risk register covering all key corporate risks is maintained and updated and reviewed by the management team during the year. The Board, Committees and leadership team consider all key activity with a risk mindset and this contributes to the way new initiatives are developed and performance is monitored and reported.

The effectiveness of the risk management framework is regularly reviewed and updated as considered appropriate. All staff are provided with adequate training on risk management to help them efficiently fulfil their roles and responsibilities. The Audit & Risk Committee reviews the risk register at least twice annually and makes regular reports available to the Board periodically, and in accordance with the nature of any identified risks.

During the year the Board re-confirmed and monitored the Charity's principal risks and reviewed the ongoing specific risks to the Charity arising from Covid-19. The Board also considered its risk appetite.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Financial review cont.

Risk assessment

The formal risk assessment process involves the identification, analysis, prioritisation, management and monitoring of each risk. This information is then used to populate the risk register and to carry out subsequent updates.

The register identifies some key risks associated with each of the following categories: governance; external factors; financial; operational; and compliance with laws and regulations. These are shown together with the potential impact and the action required to manage these risks. The input of the Board and management is crucial in ensuring the register is tailored to address the specific issues affecting, or that could potentially affect, the Charity's operations. The Board's attitude to risk and the nature of the activities undertaken ultimately determine the risk grading assigned to any risk area. The Board consider its risk appetite during the year.

Principal risks

The EY Foundation adopts a managed approach to risk, overseen by the Audit & Risk Committee. The corporate risk register is reviewed by the management team and Audit & Risk Committee periodically, within a broader framework of assurance. Actions to manage operational risks are identified and implemented through the management structure. Strategic corporate risks are reported to the Board and Audit & Risk Committee and mitigation actions discussed regularly.

The 5-year funding relationship with EY provides an element of financial risk mitigation but the landscape in which the Charity works, as for all charities has changed due to the impact of Covid-19 and the ensuing economic uncertainty. The key strategic risks are therefore considered to be:

- achieving a broad diversification of income in the current economic and social climate;
- attracting, and then retaining, sufficient staff capacity to deliver our strategies and programmes; and
- the ability to work with employers, funders, and other stakeholders, in the complex and highly regulated environment in which we operate.

Fundraising

The Charity funds its activities through corporate and individual donations, grant bodies, and fundraising events and activities.

Some fundraising events are controlled and carried out directly by the Charity rather than through third parties. Our treks and challenges are usually carried out by a third party with oversight from the Charity and the relevant insurance in place. Most of the fundraising activity during the period was targeted at, and generated by, EY partners and staff. Due to the onset of Covid-19, face to face fundraising events ceased from March 2020 and onwards throughout FY21 for public safety.

The EY Foundation subscribes to the Funding Regulator and its code of fundraising practice. The regulator assumed responsibility for regulating fundraising from July 2016 and investigates complaints and fundraising that has caused significant public concern. We strive to create a positive donor experience for our supporters, and will continue to make improvements, adhere to new regulations and build engagement and value by ensuring our supporters are at the heart of our work. Our Treasurer oversees fundraising performance and related fundraising policy and practice, and our compliance with the regulatory standards.

We would again like to thank all our supporters for the generous funding and donations, which have enabled us to help even more young people in 2021. In addition to our main corporate donor, EY, we are also very grateful for the support and funding from an increasing number of funders and for their flexibility during this challenging year.

Our supporters and volunteers, both internal to EY and external, are key to our charitable activities and fundraising. Outside of the EY donation, we raise funds in several different ways:

- engaging with corporate partners to deliver more programmes to more young people;
- organised challenge events and other traditional fundraising events and activities;
- working with high net worth individuals; and
- securing grant funding.

Our income generation is managed by our trained in-house team. We do not engage in street fundraising or telephone fundraising campaigns and do not outsource any fundraising to third parties. Our mission is to raise funding to support young people and none of our fundraising activities are directed towards seeking funding from those we are here to help.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

Fundraising cont.

We take the responsible use of personal data seriously and assess our level of GDPR compliance as part of a developing framework of assurance. We will only ever contact donors who have explicitly 'opted in' to receive communications from us. Should we fall short of the standards expected by our donors we have a complaints policy (accessible via our website) where their concerns can be submitted.

In the financial period 2021 there were no complaints received about fundraising for the Charity (2020: nil). We are committed as a Charity to outstanding fundraising conduct and believe that over the year, EY Foundation has met the requirements in this domain.

Plans for future periods

During the reporting period we continued to work proactively to protect our Charity from the on-going consequences from Covid-19 and in response accelerated the innovation of the design and delivery of our programmes. During FY21 the Charity set a new strategic framework for the next three years, building upon and consolidating the work done in the previous reporting period and the learning from this extraordinary year. This has been supported by a forward-looking financial strategy.

The economic context in which we will operate in FY22 is expected to be less arduous than the past year and thus should afford us the opportunity to continue to grow our charity in its reach and deeper impact, consider hybrid programme delivery models and engage in more traditional fundraising activities (depending on safety measures and government guidelines). On this basis we have been more ambitious in our setting of targets and financial planning for the year ahead than in FY21. A key element of our strategic framework is to design and develop a more dynamic approach to our adoption of digital and technology approaches.

The EY Foundation continues to respond to the diversity and inclusion issues highlighted through the Black Lives Movement. Our steering group, Race Forward 21, was set up, and set our 11 public commitments detailing how we will improve racial diversity in our organization at all levels, on our programmes, and the outcomes we strive for through our work. We will continue to strive towards these commitments in the year ahead and thereafter.

Our work in FY22 will be focused on five key areas:

1. *Impact and reach*

We will continue with our Ready to Work employability programmes (e.g., Smart Futures and Beyond Your Limits) and pilot a new programme: Into Work, which should provide the platform on which we can partner with employers from targeted, growth sectors across the UK to assist young people into the work place. These objectives will be supported by:

- i. building and strengthening relationships, partnerships and networks;
- ii. implementation of a new CRM and website which will provide both internal efficiencies and external awareness, respectively; and
- iii. engaging with young people, data and government on a deeper level to understand the extent of, and strive to resolve, youth unemployment.

2. *Sustainability*

There are three facets to our sustainability model. The first is: Income sources. Following the establishment of our FY22 financial strategy we are aware of the optimal mix and level of income desired and thus can work towards this. Our approach over the coming year will be to:

- (i) target trusts and foundations that share our desired Into Work impact outcomes;
- (ii) develop new and existing corporate partnerships;
- (iii) assess the potential for digital fundraising and the implications of the changing fundraising mechanisms; and
- (iv) engage with high net worth individuals and relevant philanthropic funds.

Our second facet to sustainability is: Knowledge. This will include financial upskilling of the wider team to ensure we are making sustainable bids that provide good value for money and return on investment.

Our third and final facet is: Governance, which will balance the need for reserves with the need to put our income to work.

Directors' and Trustees' report for the period ended 2 July 2021 cont.

3. *Measuring impact and building an evidence base*

We will continue to build on our impact measurement, sharing our results more widely with our stakeholders and beyond. By creating an agile evidence base and knowledge library will help wider stakeholders understand the importance of our mission and enable us to be responsive to changes in young peoples' and employers' needs. To ensure we have continuous development and appropriate measurement milestones we will engage external evaluations of our new programmes.

4. *Approach to people*

We will invest time into our teams' and volunteers' development of skills to facilitate an environment of growth and learning. This development will enable informed and relevant discussions to be had with, and provided to, employers, young people and our networks. Diversity and inclusion will continue to be key as we drive towards delivering on our race commitments set in the prior year and creating a culture of inclusion and belonging.

5. *Sharer and provider of knowledge*

We will continue to provide a voice of young people, ensuring that their needs and thoughts are reflected in our work. Through our investment in technology and by working collaboratively with external parties, we would like to reach and engage young people and employers via a sophisticated, relevant, and content rich method of communication in order create change.

We will strive to better understand how our brand enhances our ability to engage both sides of the labour market, how our target audiences respond to it and what changes can be made to increase impact. This going hand in hand with building our relationships with EY to facilitate promotion of volunteering opportunities to support programme delivery.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, and Scotland requires The Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including 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 have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Trustees and the auditor, each Trustee has taken all the steps that he/she is obliged to take as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

BDO LLP have been appointed as the Charity's auditors during the period.

In preparing this Trustees' report advantage has been taken of the small companies' exemption, including the option not to produce a strategic report.

The Directors' and Trustees' Report on pages 3-15 was signed on behalf of the Directors and Trustees by:



Patrick Dunne (Chairman)
16 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE EY FOUNDATION

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 2 July 2021 and of incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006, as amended in 2010.

We have audited the financial statements of the EY foundation ("the Charitable Company") for the period ended 2 July 2021 which comprise the statement of financial activities (incorporating an income and expenditure account), the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating 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 a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Directors' and Trustees' report for the period ended 2 July 2021. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE EY FOUNDATION cont.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept, 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, 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, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE EY FOUNDATION cont.

Auditor's responsibilities for the audit of the financial statements cont.

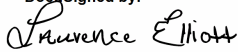
- We obtained an understanding of the legal and regulatory frameworks through our accumulated knowledge and consideration of sector information that is applicable to the Charitable Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the financial reporting framework including but not limited to United Kingdom Generally Accepted Accounting Practice, the Charities Act 2011, the Companies Act 2006, Trustee Investment (Scotland) Act 2005, Data Protection Act 2018, Bribery Act 2010 and tax legislation.
- We understood how the Charitable Company is complying with those legal and regulatory frameworks by making enquiries to management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of minutes.
- We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur by discussing with management where it is considered there was a susceptibility of fraud relating to management override of controls and improper income recognition. In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Laurence Elliott (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, UK

Date: 23 March 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of financial activities (incorporating an Income and Expenditure account)
for the period ended 2 July 2021

		Period ended 2 July 2021			Period ended 3 July 2020		
	Notes	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£	£	£	£	£	£
<i>INCOME FROM</i>							
Donations	2	2,828,047	144,981	2,973,028	1,904,541	703,090	2,607,631
Charitable activities	3	392,832	129,900	522,732	187,964	246,353	434,317
Other trading activities	4	-	-	-	22,168	-	22,168
<i>Total income</i>		<i>3,220,879</i>	<i>274,881</i>	<i>3,495,760</i>	<i>2,114,673</i>	<i>949,443</i>	<i>3,064,116</i>
<i>EXPENDITURE ON</i>							
Raising funds	5	(1,094,370)	(21,647)	(1,116,017)	(621,088)	(227,596)	(848,684)
Charitable activities	6	(1,956,697)	(205,091)	(2,161,788)	(1,083,066)	(1,390,764)	(2,473,830)
<i>Total expenditure</i>		<i>(3,051,067)</i>	<i>(226,738)</i>	<i>(3,277,805)</i>	<i>(1,704,154)</i>	<i>(1,618,360)</i>	<i>(3,322,514)</i>
<i>NET INCOME AND NET EXPENDITURE IN FUNDS FOR THE FINANCIAL PERIOD</i>		<i>169,812</i>	<i>48,143</i>	<i>217,955</i>	<i>410,519</i>	<i>(668,917)</i>	<i>(258,398)</i>
<i>Transfer Between Funds</i>	14	<i>(25,435)</i>	<i>25,435</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>NET MOVEMENT IN FUNDS</i>		<i>144,377</i>	<i>73,578</i>	<i>217,955</i>	<i>410,519</i>	<i>(668,917)</i>	<i>(258,398)</i>
<i>RECONCILIATION OF FUNDS</i>							
Total funds brought forward		927,489	160,514	1,088,003	516,970	829,431	1,346,401
<i>TOTAL FUNDS CARRIED FORWARD</i>		<i>1,071,866</i>	<i>234,092</i>	<i>1,305,958</i>	<i>927,489</i>	<i>160,514</i>	<i>1,088,003</i>

All income and expenditure relates to continuing activities. The Charity has no recognised gains or losses other than those included in the results above and therefore, no separate statement of total recognised gains and losses has been presented.

The accompanying notes form part of these financial statements on pages 23 - 32.

Balance sheet

at 2 July 2021

Registered Company Number: 08935629

		2 July 2021			3 July 2020		
	Notes	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£	£	£			£
NON-CURRENT ASSETS							
Intangible assets	11	58,292	-	58,292	41,522	-	41,522
		<u>58,292</u>	<u>-</u>	<u>58,292</u>	<u>41,522</u>	<u>-</u>	<u>41,522</u>
CURRENT ASSETS							
Cash at bank and in hand		1,406,976	234,092	1,641,068	1,237,113	128,873	1,365,986
Debtors	12	526,991	-	526,991	679,693	48,937	728,630
		<u>1,933,967</u>	<u>234,092</u>	<u>2,168,059</u>	<u>1,916,806</u>	<u>177,810</u>	<u>2,094,616</u>
CREDITORS							
Amounts falling due within one year	13	(920,393)	-	(920,393)	(1,030,839)	(17,296)	(1,048,135)
		<u>1,013,574</u>	<u>234,092</u>	<u>1,247,666</u>	<u>885,967</u>	<u>160,514</u>	<u>1,046,481</u>
NET CURRENT ASSETS							
		<u>1,071,866</u>	<u>234,092</u>	<u>1,305,958</u>	<u>927,489</u>	<u>160,514</u>	<u>1,088,003</u>
NET ASSETS							
FUNDS							
Unrestricted Funds	14			1,071,866			927,489
Restricted Funds	14			234,092			160,514
TOTAL FUNDS				<u>1,305,958</u>			<u>1,088,003</u>
CARRIED FORWARD							

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 16 March 2022 and were signed on its behalf by:



Patrick Dunne (Chair)
16 March 2022

The accompanying notes form part of these financial statements on pages 23 - 32.

Statement of cash flows
for the period ended 2 July 2021

	<i>Note</i>	<i>Period 2021</i>	<i>Period 2020</i>
		£	£
Cash flows from / (used in) operating activities			
<i>Net cash from/(used in) operating activities</i>	a)	291,852	(354,102)
Cash flows used in investing activities			
<i>Purchase of intangible assets</i>		(16,770)	(41,522)
Change in cash and cash equivalents during the period		275,082	(395,624)
Cash and cash equivalents at beginning of period		1,365,986	1,761,610
Cash and cash equivalents at end of period		1,641,068	1,365,986
a) Reconciliation of net income to net cash provided by / (used in) operating activities:		Period 2021	Period 2020
		£	£
Net income for the reporting period (as per the Statement of Financial Activities)		217,955	(258,398)
Adjustments for:			
(Decrease) / Increase in creditors		(127,742)	421,713
Decrease / (Increase) in debtors		201,639	(517,417)
		73,897	(95,704)
Net cash provided / (used in) operating activities		291,852	(354,102)

The accompanying notes form part of these financial statements on pages 23 - 32.

Notes to the financial statements

at 2 July 2021

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the accruals basis of accounting using historical cost basis and fair value basis on certain items as described below; and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing accounts in accordance with the Financial Reporting Standards (FRS 102 SORP 2015) effective October 2019 (2nd Edition) and the Companies Act 2006 and the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

EY Foundation (the "EY Foundation" or the "charity") is incorporated, under the Companies Act 2006, as a private company limited by guarantee, with no share capital. The Charity is domiciled and registered in England and Wales with registered company number 08935629. The registered office address is 1 More London Place, London SE1 2AF. The Charity is a public benefit entity.

The financial statements have been drawn up for the period from 4 July 2020 to 2 July 2021 (the comparative period being from 29 June 2019 to 3 July 2020).

Going concern

The Charity took early action in March 2020 to recognise, and then mitigate, the financial and operational impact of Covid-19. Immediate steps included pausing or cancelling all staff recruitment, re-forecasting based on the most pessimistic of a range of possible scenarios, mandating virtual working, and moving face to face programme delivery to a virtual model. These actions protected the Charity's cash and reserves position, whilst also protecting services to our beneficiaries through rapid innovation in programme design and delivery.

All Covid-19 risks were reviewed and monitored through a specific risk register, and the financial impacts assessed through scenario planning, business intelligence, and sector knowledge. A budget for FY21 was approved by Trustees, prepared based on contracted or otherwise-secured income sources only. To enable the Charity to be responsive to any further financial impacts, positive or negative, performance against the budget was subject to continuous review to facilitate further reductions or new investments where needed, whilst remaining in the agreed reserves policy. The Charity budgeted for a £394k deficit, of which £145k was a deficit on unrestricted funds. With this level of deficit, the Charity's reserves were still projected to be within the agreed policy level, and the cash flow position showed a clear ability to remain a going concern.

Subsequent to setting the FY21 budget, Trustees have continued to monitor the additional savings made and income secured by the Charity and have adjusted forecasts accordingly, continuing to adopt the position of forecasting only secured income, whilst investing resources in the development of new funding opportunities. Trustees continue to consider that the Charity is a going concern and able to meet its debts as they fall due, based on the following analysis:

- Having a 5-year funding and master services agreement in place with EY, with funding provided on an unrestricted basis. This provides surety on the Charity's principal source of funding and, with funding provided quarterly in advance, also reduces cash flow risk.
- Budgets and forecasts for FY22 are based on known and secured sources or with further additional income targets that are considered to be achievable.
- The Charity has no fixed costs and all costs are under the control of the Charity's Trustees and management, enabling responsiveness to any further downturn.
- The cash flow forecast for the next 12 months, prepared on the above assumptions, shows a positive cash flow for all months with the minimum cash balance falling to £1,285k over that period.
- Cash flow forecasts have been stress-tested, principally to reflect any potential withdrawal or deferral of unsigned contracted income by corporate partners. The maximum loss of income under this stress test is £1,665k. With this potential loss of income, the net impact on the minimum cash balance would be £1,173k.

As at the date of signing of these financial statements, the Trustees' forecasts indicate that the EY Foundation will be able to maintain liquidity for a period of at least one year following the date of signing these financial statements and will therefore be able to continue to operate as a going concern. The Trustees consider that no material uncertainty exists in relation to going concern for the EY Foundation.

Notes to the financial statements cont. at 2 July 2021

1. ACCOUNTING POLICIES CONT'D.

Income

Donations are recognised when there is entitlement, probability of receipt and the amount can be measured with sufficient reliability, for example an agreement for funding is in place. Gift aid is claimed on all donations which meet the criteria and where a signed declaration is in place from the individual or Partnership. Gift aid income is accrued for where claims will be submitted to HMRC in line with gift aid requirements and the gift aid relates to donations received within the reporting period.

Donated services and facilities are included as income at current market value where the Charity has control over the item. Where a market value is not available, appropriate estimates are made. In the current period the value of donated services and facilities was ascertained from the entities that made the donations. Examples of donated services include secondees, IT support, and premises.

Income from special organised events is categorised as Donations, as any participation fees are recognised in Other Trading Activities. Income is recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability, for example, where an agreement is in place, but deposits or participant fees have not yet been received.

Income from corporate partnerships is categorised as Income from Charitable Activities as is primary purpose trading. As the majority of programme costs are incurred in the delivery weeks we recognise the income evenly over this period. Income is deferred where the donor has specified that the income is to be expended in a future period or where contractual conditions for entitlement will be met in a future period.

Debtors are recognised when a commitment to pay EY Foundation has been made giving entitlement, where the amount owed to us can be calculated and receipt is probable.

Grants receivable are included in the SOFA when the EY Foundation believes it has entitlement, receipt is probable, and the amount can be measured reliably. Grants has been recorded as an income from charitable activities.

Expenditure

Expenditure, including grants payable, is recognised when there is a legal or constructive obligation on the part of the Charity and it is accounted for on an accruals basis. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the time spent on projects. Support costs are those functions that assist the work of the Charity. Governance costs are part of support costs and comprise the costs of compliance with constitutional and statutory requirements.

Support costs include the salaries of those staff which are not directly attributable to a particular programme of charitable work, governance costs, finance, IT, HR, office running costs and consumables and other overheads not specifically attributable to a particular programme of charitable work. Support costs are allocated between cost of raising funds and expenditure on charitable activities based on the proportion of staff time spent on these activities.

Irrecoverable VAT is recognised as expenditure under the same category as the item it relates to.

Cost of raising funds

Costs of raising funds include items relating to special events organised by the EY Foundation to raise awareness of the Charity and its objects, as well as salaries and overhead costs of the staff who undertake fundraising activities and the marketing costs associated with raising the profile of the EY Foundation (but not those which are used in an educational manner in furtherance of the Charity's objects). These and other fundraising costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Expenditure on charitable activities

These costs relate to projects undertaken by EY Foundation and include travel costs, a proportion of support staff salaries and other costs considered to be in the furtherance of the charitable objectives of the Charity.

Notes to the financial statements cont.

at 2 July 2021

1. ACCOUNTING POLICIES CONT'D.

Taxation

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

Pensions

The EY Foundation participates in a defined contribution pension scheme for its staff. The assets of the scheme are not owned by the EY Foundation. Pension contributions charged in the SOFA represent the contributions payable by the EY Foundation in the year.

Intangible Fixed Assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows: Software and Website costs – 5 years

Where assets are still in development and not in use, these are treated as "Assets Under Construction", where no amortisation charge is incurred until the asset is complete.

Volunteers

Approximately 2,510 volunteers gave their time freely to nurture and develop our young people. The value of this is not recognised in the accounts.

Fund accounting

The funds of the EY Foundation have been segregated as follows:

Restricted funds consist of EY donations and grants received for which the donor or grant giver has specified the purposes for which resources can be utilised. Expenditure on restricted funds reflect the appropriate expenditure that has been charged to those funds.

Restricted funds are disclosed by programme in the notes to the financial statements.

Unrestricted funds consist of all other income that has not been restricted and can be used in accordance with the charitable objectives at the discretion of the Trustees.

Unrestricted funds which have been set aside by Trustees for specific use are considered designated funds.

Transfers are made between funds where there is a release of restricted funds to unrestricted funds or charges are made between funds.

Notes to the financial statements cont. at 2 July 2021

1. ACCOUNTING POLICIES CONT'D.

Significant management judgements and key sources of estimation and uncertainty

Estimates and assumptions are based on historical evidence and other factors including expectations of future events that are believed to be reasonable within the EY Foundation. The only estimates believed to be significant are Deferred Income on Grants and Corporate Partnerships and the holiday accrual:

Holiday accrual – the calculation of the value of annual leave not taken as at the reporting date includes an assumption that employees have an average holiday carried forward of 3 days and that they would have taken half of their holiday entitlement by the EY Foundation's year end. The value of the holiday accrual as at 2 July 2021 is £53k (FY20: £37k).

Deferred Income on Grants and Corporate partnerships – Income from corporate partnerships is categorised as Income from Charitable Activities as is primary purpose trading. As the majority of programme costs are incurred in the delivery weeks we recognise the income evenly over this period. Income is deferred where the provider has specified that the income is to be expended in a future period or where contractual conditions for entitlement will be met in a future period.

Debtors are recognised when a commitment to pay EY Foundation has been made giving entitlement, where the amount owed to us can be calculated and receipt is probable.

Grants receivable are included in the SOFA when the EY Foundation believes it has entitlement, receipt is probable, and the amount can be measured reliably. Grants has been recorded as an income from charitable activities. Income is deferred where the donor has specified that income is to be expended in a future period or where contractual conditions for entitlement will be met in a future period.

2. INCOME FROM DONATIONS

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period</i> 2021	<i>Period</i> 2020
	£	£	£	£
EY donations: cash	1,637,240	-	1,637,240	1,678,536
EY donations: staff, services and facilities	807,018	-	807,018	532,862
Other donations	-	141,981	141,981	140,000
Sponsored events	156,822	3,000	159,822	75,037
Regular giving	184,574	-	184,574	69,101
Gift Aid regarding EY donation: cash	42,393	-	42,393	112,095
	<u>2,828,047</u>	<u>144,981</u>	<u>2,973,028</u>	<u>2,607,631</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period</i> 2021	<i>Period</i> 2020
	£	£	£	£
Income from corporate partnerships	342,832	-	342,832	137,964
Grants	50,000	129,900	179,900	296,353
	<u>392,832</u>	<u>129,900</u>	<u>522,732</u>	<u>434,317</u>

Notes to the financial statements cont.
at 2 July 2021

4. INCOME FROM OTHER TRADING ACTIVITIES

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period</i>	<i>Period</i>
	£	£	2021	2020
			£	£
Fundraising participants fees	-	-	-	22,168
	-	-	-	22,168

5. COSTS OF RAISING FUNDS

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period</i>	<i>Period</i>
	£	£	2021	2020
			£	£
Salaries	226,566	-	226,566	291,214
Other direct costs	1,627	21,647	23,274	42,504
Sponsored event costs	92,106	-	92,106	89,909
Support costs (note 7)	774,071	-	774,071	425,057
	1,094,370	21,647	1,116,018	848,684

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	<i>Direct</i>	<i>Support</i>	<i>Period</i>	<i>Period</i>
	<i>Costs</i>	<i>Costs</i>	<i>2021</i>	<i>2020</i>
	£	(note 7)	£	£
		£		
Programme Costs				
Smart Futures	631,200	839,826	1,471,026	1,062,392
Our Future	57,991	112,284	170,275	284,275
Accelerate	36,441	69,713	106,154	238,905
School to Work	80,601	6,932	87,533	318,036
Care Programme	54,255	128,733	182,988	113,796
Other Programme Costs	46,214	97,598	143,812	456,426
	906,702	1,255,086	2,161,788	2,473,830

	<i>Direct</i>	<i>Support</i>	<i>Period</i>	<i>Period</i>
	<i>Costs</i>	<i>Costs</i>	<i>2021</i>	<i>2020</i>
	£	£	£	£
<i>Analysed as:</i>				
Unrestricted	701,611	1,255,086	1,956,697	1,083,066
Restricted	205,091	-	205,091	1,390,764
	906,702	1,255,086	2,161,788	2,473,830

Notes to the financial statements cont.
at 2 July 2021

7. SUPPORT COSTS

	<i>Costs of raising funds</i>	<i>Charitable activities</i>	<i>Period 2021</i>	<i>Period 2020</i>
	£	£	£	£
Office running costs total	15,698	30,223	45,921	383,815
Travel costs	-	-	-	8,299
Other Costs	73	113	186	6,770
Marketing costs (excl. salaries)	-	32,910	32,910	41,341
Salaries and on costs	406,120	637,302	1,043,422	1,011,478
Donated services & facilities	314,107	492,911	807,018	64,004
Supporter engagement costs	18,411	526	18,937	32,806
Monitoring & evaluation costs	-	-	-	20,412
Governance costs	19,662	61,101	80,763	60,337
	<u>774,071</u>	<u>1,255,086</u>	<u>2,029,157</u>	<u>1,629,262</u>

8. AUDITOR'S FEES

	<i>Period 2021</i>	<i>Period 2020</i>
	£	£
Fees payable to the Charity's auditor for the audit of the annual accounts	18,250	17,825
Under provision of FY2020 Audit Fee	4,500	-
	<u>22,750</u>	<u>17,825</u>

No non-audit fees were paid to the auditor.

9. TRUSTEES REMUNERATION AND OTHER BENEFITS

Trustees are reimbursed their travel and accommodation expenses only when travelling on EY Foundation business (i.e. to Board meetings). Total expenses paid out to three Trustees totaled £0 (2020: £752 to three Trustees). None of the Trustees are remunerated as a Trustee. There were no short-term contracts offered to Trustees in FY21 (0 in FY20).

10. STAFF COSTS

Staff are recruited under pay scales that were historically benchmarked against charity pay scales.

	<i>Period 2021</i>	<i>Period 2020</i>
	£	£
Wages and salaries	1,535,203	1,871,504
Social security costs	165,267	159,578
Other pension costs	172,253	101,571
Benefits	112,074	79,459
	<u>1,984,797</u>	<u>2,212,112</u>

Notes to the financial statements cont.

at 2 July 2021

10. STAFF COSTS CONT.

The average monthly number of staff during the period was as follows:

	2021 Full Time Equivalents	2021 Headcount	2020 Full Time Equivalents	2020 Headcount
Chief executive	0.67	1.00	0.80	0.80
Programme	16.81	26.00	31.64	30.20
Fundraising support	1.73	2.00	3.39	4.00
Marketing	2.49	3.00	3.94	4.40
Other support staff	10.75	14.00	2.09	3.00
	<u>32.45</u>	<u>46.00</u>	<u>41.86</u>	<u>42.40</u>

Key management personnel

The key management personnel during the period (not all for the full year) were the Chief Executive, Deputy Chief Executive, Head of People, D&I and Volunteering, Head of Programmes, Head of Income and Projects Director, and Chief Financial Officer. Those six members of key management received salary and benefits, including any bonus entitlement, of £480,429 in total (2020: four key management roles listed received £354,508).

The total payment of £83,602 (of which £20k related to pension payment) was made to the Chief Executive, Maryanne Matthews, in relation to compensation for loss of office.

Pay is benchmarked for all roles against a recognized benchmarking tool for the Charity sector, from which pay bands have been created. All roles are mapped against them, including the Chief Executive. The remuneration of all employees, including key management personnel, is based on the outcome of this independent, sector-specific, benchmark evaluation. The Remuneration Committee approves and oversees the methodology adopted.

During the period the number of employees who earned between the amounts stated below (including taxable benefits but excluding employer pension and national insurance contributions) were:

	2021	2020
£60,000 - £70,000	2	4
£70,001 - £80,000	2	3
£150,000 - £160,000	-	1
£200,001 - £210,000	1	-

Notes to the financial statements cont.
at 2 July 2021

11. INTANGIBLE FIXED ASSETS

	Assets Under Construction £	Total £
Cost or Valuation		
At 03/07/20	41,522	41,522
Additions	16,770	16,770
At 02/07/21	<u>58,292</u>	<u>58,292</u>
Accumulated Amortisation		
At 03/07/20	-	-
Charge for the year	-	-
At 02/07/21	<u>-</u>	<u>-</u>
Net Book Value		
At 03/07/20	<u>41,522</u>	<u>41,522</u>
At 02/07/21	<u>58,292</u>	<u>58,292</u>

The asset under construction refers to a CRM system and new website being developed by the EY Foundation. Both projects are underway and expected to be complete in FY22. These will be amortised from the point in time that the assets are complete.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	364,038	64,200
Prepayments	53,632	59,302
Accrued Income	69,944	182,205
Other Debtors	39,377	12,195
Amounts owed from EY	-	410,728
Total debtors	<u>526,991</u>	<u>728,630</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade Creditors	31,601	6,460
Amounts owed to EY	33,575	29,968
Taxation and social security	516,282	200,606
Accruals	127,438	119,593
Deferred Income	210,455	690,467
Other Creditors	1,042	1,041
	<u>920,393</u>	<u>1,048,135</u>

Notes to the financial statements cont.
at 2 July 2021

14. MOVEMENT IN FUNDS

<i>Period 2021</i>	<i>Opening Funds</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfer of funds</i>	<i>Net Movement</i>	<i>Closing Funds</i>
	£	£	£	£	£	£
Unrestricted	927,489	3,220,879	(3,051,067)	(25,435)	144,377	1,071,866
Restricted	160,514	274,881	(226,738)	25,435	73,578	234,092
	<u>1,088,003</u>	<u>3,495,760</u>	<u>(3,277,805)</u>	<u>-</u>	<u>219,955</u>	<u>1,305,958</u>

<i>PERIOD 2020</i>	<i>Opening Funds</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfer of funds</i>	<i>Net Movement</i>	<i>Closing Funds</i>
	£	£	£	£	£	£
Unrestricted	516,970	2,114,673	(1,704,154)	-	410,519	927,489
Restricted	829,431	949,443	(1,618,360)	-	(668,917)	160,514
	<u>1,346,401</u>	<u>3,064,116</u>	<u>(3,322,514)</u>	<u>-</u>	<u>(258,398)</u>	<u>1,088,003</u>

<i>Restricted funding in 2021:</i>	<i>Opening Funds</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfer of Funds</i>	<i>Net Movement</i>	<i>Closing Funds</i>
	£	£	£		£	£
EY	85,283	-	(85,283)	-	(85,283)	-
CareTech Foundation	55,054	177,981	(74,018)	-	103,963	159,017
The Mercers' Company	20,177	57,042	(24,004)	-	33,038	53,215
DYW	-	17,014	(17,014)	-	-	-
The CEC Company	-	12,344	(12,344)	-	-	-
The Gannochy Trust	-	7,500	(7,500)	-	-	-
Prospectus - Kickstart	-	3,000	(3,000)	-	-	-
Paul Hamlyn Fund	-	-	(3,575)	25,435	21,860	21,860
Total Restricted funds	<u>160,514</u>	<u>274,881</u>	<u>(226,738)</u>	<u>25,435</u>	<u>73,578</u>	<u>234,092</u>

<i>Restricted funding in 2020:</i>	<i>Opening Funds</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfer of Funds</i>	<i>Net Movement</i>	<i>Closing Funds</i>
	£	£	£		£	£
EY	722,237	563,090	(1,200,044)	-	(636,954)	85,283
CareTech Foundation	-	168,850	(113,796)	-	55,054	55,054
The Mercers' Company	107,194	109,771	(196,788)	-	(87,017)	20,177
The CEC Company	-	32,335	(32,335)	-	-	-
Paul Hamlyn fund	-	50,000	(50,000)	-	-	-
Other	-	25,397	(25,397)	-	-	-
Total Restricted funds	<u>829,431</u>	<u>949,443</u>	<u>(1,618,360)</u>	<u>-</u>	<u>(668,917)</u>	<u>160,514</u>

Funding from EY is unrestricted and is provided by way of a Funding agreement to achieve maximum impact and influence from the resources invested. Funding from grants is used to support the delivery of employability training, work experience, or other programme activity, as specified in the grant terms.

Notes to the financial statements cont.
at 2 July 2021

15. RELATED PARTY DISCLOSURES

EY donated the following during the period:

	<i>Period</i> <i>2021</i>	<i>Period</i> <i>2020</i>
	£	£
Cash donation	1,637,240	1,678,536
Donations in kind (note 2):		
Staff	95,365	235,039
Services and buildings	711,652	297,823
	<u>2,444,257</u>	<u>2,211,398</u>

The majority of purchases are paid for directly by EY Foundation and uploaded to the NAV accounting system by EY Absolute. However a number of costs are paid for directly by EY and then recharged to EY Foundation on a quarterly basis. At the end of the period amounts owed to EY were £33,575 (2020: £29,967) and balances due from EY were £0 (2020: £410,728).

Trustees' remuneration and other benefits have been disclosed in Note 9.

16. ULTIMATE CONTROLLING PARTY

The Charity is controlled by the Board of Trustees. The Trustees consider that the Charity's parent undertaking is Ernst & Young LLP, a limited liability partnership registered in England and Wales. Ernst & Young LLP is the parent undertaking of the largest group that consolidates these financial statements, copies of which are available from its registered office, 1 More London Place, London, SE1 2AF. EY Foundation is a registered charity with registered charity number 1157154 (England and Wales), SC045076 (Scotland).

Reference and Administrative details

The EY Foundation

Registered charity number 1157154 (England & Wales). Registered charity number SC045076 (Scotland).
Registered company number 08935629

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