



Annual Report and Financial Statements

For the period ended 30 June 2022

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DIRECTORS' AND TRUSTEES' REPORT FOR THE PERIOD ENDED 30 JUNE 2022

The Trustees present the financial statements for the period ended 30 June 2022. The financial statements cover the period 3 July 2021 to 30 June 2022 (the comparative period being from 4 July 2020 to 2 July 2021).

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		08/12/2021	Independent	YAB ⁽³⁾ (Vice-Chair)
Nafisa Bakkar		11/07/2021	Independent	None
Rosehanna Chowdhury			Independent	A&RC
Patrick Dunne (Chair)			Independent	NomCom
Sara Fowler			Independent	A&RC ⁽⁴⁾ (Chair)
Sayeh Ghanbari			EY UK&I	NomCom
David Gittleson		08/12/2021	EY	RemCom (Chair)
Mark Hutchinson			Independent	None
Julianna Oladipo			EY Colleague	NomCom, RemCom (Chair)
Dan Richards		08/12/2021	EY Colleague until 30/09/2020, then Independent	NomCom
Rebecca Robins			Independent	NomCom (Chair)
Peter Wallace ⁽²⁾			EY FS	Treasurer
Joseph Watson		08/12/2021	Independent	YAB (Chair), A&RC
Sally Bartolo	16/03/2022		Independent	None
Rachel Sandby Thomas	16/03/2022		Independent	A&RC
Maria Owusu Mensah	16/03/2022		Independent	YAB (Co-Vice Chair), RemCom
Daniel Ayodeji	16/03/2022		Independent	YAB (Chair)

⁽¹⁾ refer to page 4 and 5 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

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Structure, governance and management cont.

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), appointed permanent Chief Executive Officer (01/04/22)
- Mark Smith, Chief Finance Officer (left 31/03/22)
- Nil Neale, Chief Finance Officer (01/09/2021); appointed Joint Interim CEO (02/05/22)
- Michelle Chard, Head of People, Volunteering and D&I (left 31/07/21)
- Jodie McNally, Head of Programmes and Regions (on leadership team from 01/12/20); appointed Joint Interim CEO (02/05/22)

The leadership team were supported throughout the year by their management team. The Senior Management Team (SMT) was created in March 2022 and comprises of:

- Ewan Bennie, Director of Communications
- Jennifer Freeman, Head of Strategy and Planning
- Shaun Gloc, Head of Data and Impact
- Maya Maros O'Brien, Head of Finance, Governance and Assurance
- Anu Law, Diversity, Equity and Inclusion Leader
- Kathryn Eastwood, Head of Income and Strategic Partnerships
- Robert Pope, UK Programmes Operations Manager

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 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 (July 2021 – June 2022) were Margaret Gibson, Steve Varley, Dame Mary Marsh, Nathaniel Peat, Liz Bingham, Chris Achiampong, Dawid Konotey-Ahulu and Douglas Nisbet.

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 replaced by Julianna Oladipo as the lead diversity and inclusion Trustee on the Board (01/12/21). 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").

During a review of our Board of Trustees and Articles of Association, it was identified that recent Board recruitment had left us without the required EY representation of two UK & Ireland partners and one Financial Services partner. A succession plan has been approved by the Board to correct this by February 2023. In December 2022, Trustees agreed to extend the term of both the Chair and Treasurer by one year in order to provide continuity through a potential transition of EY's business. The Articles have been amended temporarily to reflect this.

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Structure, governance and management cont.

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 the induction, Trustees meet members of the EY Foundation's leadership team and SMT 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 are invited to meet regularly 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, Rosehanna Chowdhury replaced Dan Richards as the lead Trustee for safeguarding.

Trustees' Succession Planning

Dan Richards' (formerly the EY Employee Colleague Trustee and then an independent Trustee) and David Gittleston'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 to the 2019/2021 Youth Advisory Board Cohort in December 2019 for a two-year period that ended in December 2021. A new Cohort was appointed from January 2022 for a two-year period that ends in December 2024. The new YAB Chair and Vice Chair were 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 and the recommendations from that review continue to be embedded and further implemented. Trustees planned a follow up effectiveness review which was completed and presented to the Board on 14 September 2022.

The Board has in place a Scheme of Delegation, clarifying the Board's delegation of responsibilities to its committees and to the Chief Executive. This was updated and approved by the Board in March 2022.

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 (the Board Away Day).

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.

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Organisational Structure cont.

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 digital and technology direction, and the development of our influencing work.

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 a Board appointment process in February 2022, two new members were appointed to the Board, and subsequently, one of those members were appointed to the Committee in March 2022. In February 2022, two co-optee members were appointed following a thorough application process through EY. A member of the YAB was also appointed to the Committee in February 2022 as part of our initiative to enhance youth voice and representation within the organisation. 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, Governance and Assurance, 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's Terms of Reference were reviewed and amended to include diversity, equity and inclusion. The Committee is chaired by a Trustee and includes an independent non-Trustee in its membership.

Following a Board appointment process in 2022, one new member was appointed to the Committee in January 2022. The YAB Co-Vice Chair was appointed to the Committee in June 2022. During the year the Committee met to review and approve the approach to role benchmarking and pay banding, including any amendments proposed, and reviewed the gender and race pay gap recommendations within the organisation. 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 team 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 independent Trustees, the recruitment of a new YAB cohort, establishing a Trustee/YAB buddy system, Board succession planning for the Chair, Treasurer and Chair of the A&RC, and approving changes to the leadership team structure due to the CEO going on maternity leave (from May 2022). In February 2022, a YAB Representative was appointed to the Committee.

Youth Advisory Board

The Youth Advisory Board (YAB) was established in November 2019 to advise The EY Foundation, its Trustees and leadership team 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 second YAB cohort was inducted in January 2022.

The YAB 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

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Organisational Structure cont.

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 FY22, the YAB has supported the EY Foundation in both communications and volunteering capacities, developed working groups on digital and tech and communications 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 FY23 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. advising on the development of an EY Foundation Diversity, Equity and Inclusion policy; and
- v. supporting the team with preparations for the 2022 Impact Awards.

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 was 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 Board Assurance Framework was 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 apprised of developments in the sector and on regulatory and good practice requirements related to governance and charity management via updates from the Governance and Assurance Officer (appointed February 2022). A formal Scheme of Delegation, setting out the mutual responsibilities of the Board, Committees, and the CEO, was reviewed and approved in March 2022.

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, effective from 1 September 2021, comprised the CEO, COO, CFO, and Head of Programmes & Regions. Each role has a clear role profile of responsibilities, and a new executive Scheme of Delegation was developed during the year to align core accountabilities to these roles. All roles were filled by members of the leadership team; Lynne Peabody (Acting CEO and COO), Mark Smith (Joint CFO), Nil Neale (Joint CFO) and Jodie McNally (Head of Programmes and Regions).

Michelle Chard (Head of People, Volunteering and D&I) left 31 July 2021 and her role was not replaced as part of the restructure. Maryanne Matthews (CEO) took an extended period of absence and left the Foundation in December 2021. Mark Smith (joint CFO) left the Foundation in March 2022.

Following an open recruitment campaign and an impressive cohort of candidates Lynne Peabody, Acting CEO, was appointed to CEO in April 2022. Lynne Peabody went on Maternity leave in May 2022. Upon approval from the Trustees, Nil Neale and Jodie McNally have taken on the role of joint Interim CEO alongside their other leadership roles. The recruitment for a COO has been paused until January 2023.

Objectives and Activities

The reporting period marks the completion of EY Foundation's eighth 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.

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Objectives and Activities cont.

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

Our planned activities and outcomes for FY22 (July 2021 – June 2022) were directed by the following six strategic priorities (under our three-year strategic framework for FY22-24):

1. Enable our current activity to have more impact and a wider reach whilst being more effective, by maximising digital solutions available to us.
2. Grow our focus on employers and regions to support more young people to get closer to the labour market and into work.
3. 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.
4. 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.
5. 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.
6. 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.

In response to the work undertaken on diversity, equity and inclusion within the organization, including our Race Commitments, an additional strategic priority was added part-way through the year. Strategic Priority 7 – Diversity, Equity and Inclusion stated we would 'develop our targeted support for young people from Black, Asian and other minority ethnic groups, with a focus on young Black people in line with our race commitments.'

In March 2022, a new ten year ambition was approved by Trustees in line with our vision and mission:

'Enable all young people on Free School Meals to have an employment and earnings potential that is equitable to other young people in the UK. We will do so in collaboration with employers and key partners, through accredited employability skills training and targeted programmes.'

This new ambition has informed our planned activities and outcomes for FY23 as well investments made in Q4 FY22. We have also updated our strategic priorities in order to make steps towards achieving our ambition:

Young people, regions, and employers

1. **Focus** - Targeted focus on employers and regions in areas of high deprivation.
2. **Amplify youth voice** - Listen, collaborate, co-design and amplify the youth perspective, and ensure challenges and opportunities are tailored to the challenges they face.

Digital & Sustainability

3. **Scale** - Significantly scale up our direct programme delivery and digital provision to young people from an FSM background to build credibility and evidence.
4. **Sustainability** - Diversify our income base and maintain a level of reserves that ensures our sustainability.

Impact & Influence

5. **Impact & Influence** - Prioritise a close working relationship with EY, schools/colleges, employers, government (central and local) and Voluntary, Community and Social Enterprise (VCSE) community to unlock systemic change and influence policy at primary and secondary, supported by an evidence-based approach to demonstrate impact of our work.

People

6. **Team** - Build and maintain a diverse, thriving team, equipped with the right skill set to deliver our 10-year ambition, and promote a culture of inclusion and belonging.
7. **Diversity, Equity & Inclusion** - Deliver on our race commitments and expand our commitments to another protected characteristic.

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Objectives and Activities cont.

Approach

Over 2 million 4–18-year-olds, or 1 in 5 young people, are eligible for Free School Meals (FSM) in the UK. The scale of our ambition – enabling all two million young people on FSM to receive skills training – requires the EY Foundation to invest in not only the Foundation's evidence-based, bespoke, high-impact programmes but also activities that deliver collaboration, provide digital solutions, and creates society-wide systemic change in order to scale our impact and support more young people.

Our approach is a combination of interconnected interventions:

- **Programmes** - Our programme delivery will always be the backbone of what we do. Through Smart Futures, Our Future, Your Future and Beyond Your Limits, we will continue to offer accredited skills training to young people all around the country to boost employability skills and ease the transition from school to employment.
- **Digital** - Greater use of technology will enable our programmatic impact to be scaled up through online delivery, meaning we can reach more young people.
- **Collaborate** – Through working with other organisations across the social mobility sector and with employers, we will increase the number of young people we support.
- **Influence** – In our work delivering programmes, we will generate insights that can help shape the policies of employers and government at a national level. Through this we will insure all young people receiving FSM can access accredited skills training.

Our work with young people

Smart Futures

Smart Futures starts as a two-week intensive programme and is followed by 10-months of mentoring. The programme is 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. This year we have run Smart Futures programmes targeted at specific sectors of the economy, such as Tech Futures, focussing on technology, and Secure Futures, on the security sector.

The programme takes place during school holiday periods with the main intakes being at Easter and Summer. During this period, Smart Futures operated from four locations: Scotland (covering Edinburgh and Glasgow), North (covering Manchester, Liverpool, Newcastle and, Leeds), Midlands (covering Birmingham), and South (covering Cambridge, Luton, London, Bristol, Reading and Southampton). Following insight gained from research, we have created three models for delivery: virtual, hybrid and face to face. This flexibility allows us to adapt to the varying needs of young people.

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 'NEET' (not in education, employment or training). 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 recognised 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,

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Objectives and Activities cont.

London, Luton and Newcastle. In the last year it has moved to a mix of hybrid, face to face and remote, which allows better flexibility to accommodate different learning requirements. We expect to take a more pragmatic approach with Our Future delivery once our three-year partnership with Mercers comes to an end in August 2022. We feel the Your Future programme has more growth potential due to being able to link direct employment outcomes with the programme. We feel this will be more appealing to grant funders and employers, but we currently review each opportunity to consider the best option as to whether to deliver Our Future.

Employability workshops are delivered in schools across England and Scotland. They introduce information about local labour market opportunities and provide a chance to meet employers from across a range of sectors. They also provide students with key employability skills and a greater understanding of the pathways into employment from apprenticeships to graduate roles. For the majority of the year, we delivered to 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.

In 2021 we published our 'Getting In On Report' on the challenges and experiences Black young people face getting into the workplace. It was conducted on 1000 Black young people across the UK and the survey was carried out by Savanta. The first recommendation following the survey was *Improve Access*. From this, we started piloting our employability workshops for YPs in Yr 7 and S1. Our EWs were previously Years 9 upwards.

Your Future

This is a new programme, which launched this year and was previously known as 'Into Work'. Mercers provided funding for the pilot Into Work programme which was developed to become Your Future.

It reflects our ambition of not only supporting young people to 'get ready for work' but also to help them 'get into work'. Your Future targets young people from low-income families leaving school and college without a clear path forward, whether that be further education, training or a job.

In addition to paid employability training and work experience, each participant has a dedicated employment coach for six months.

In April 2022, the programme was delivered for the first time, in partnership with Benchmarx in the Midlands. All participants were subsequently offered an interview for a Kitchen Designer role with the company.

Looking ahead, Your Future will run across our four regional delivery Hubs, with over 50 young people signed up to join the programme in summer 2022.

Beyond Your Limits

The programme is designed to help young people who are care experienced progress into education, employment or training. It provides young people with a range of support, including paid employability skills and financial literacy training, two work experience placements, a bursary, mentorship for up to 10 months, and an employment coach for up to 2 years. During the period, the programme operated in London, Manchester, Coventry and Glasgow. We have partnered with CareTech Charitable Foundation and University of Warwick in delivering these programmes in England, and DYW (Developing the Youth Workforce) in Scotland.

Kickstart

Our participation in this Government scheme came to an end in March 2022. We worked with six cohorts of young people, 39 in total and with 17 different organisations. As an organisation we hosted 8 of these Kickstart participants on six month fixed term contracts. Two of these Kickstart employees were successful in securing permanent contracts within the Foundation.

Our work with social entrepreneurs

Accelerate

Accelerate is a 12-month programme that provides support to social enterprises who work with young people and social entrepreneurs between the ages of 18 and 30. Accelerate expands the pool of young people we have an impact on by supporting the ambitious growth of these social enterprises. 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-

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Objectives and Activities cont.

term force for change. The programme offers tailored workshops, regular webinars, dedicated business coaches and networking opportunities.

Following research into similar programmes in the sector, and harnessing our ten years' experience of running Accelerate, we designed and trialed a shorter and more focused programme this year. The immersive three-month pilot was launched in March 2022 and saw increased impact, value for money and engagement from participants increase. Due to the success of this shorter programme, three-months will become the standard duration of the Accelerate from July 2022 onwards.

Achievements, Performance, and Impact

Our response to Covid-19

The effects of the Covid-19 pandemic continued to have an impact, both positively and negatively, on our performance. Face to face interactions became more common place in our activities from September 2021, with Government restrictions being completely lifted by February 2022. Programme delivery moved to a mix of hybrid, face to face and remote, which allowed better flexibility to accommodate different learning requirements. Our ability to raise funds through traditional fundraising and grant funding continued to be impacted, but corporate partners began to demonstrate confidence in our offering with Easter 2022 seeing our largest number of corporate partners engaged in a single delivery period to date.

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. We had set cautious performance targets in the wake of the uncertainty that Covid-19 brought to the UK economy, as we knew that our ability to interact with key stakeholders (young people, social enterprises, volunteers and employers) would still be impacted, but we had set ourselves a level of ambition above and beyond that of the 2021 financial year. Our focus remained relentless on ensuring that our stakeholders had lasting impact from their interactions with us and our programmes, working towards delivering programmes like Your Future that provide longer term outcomes for the participants.

During the period:

- A total of 2,249 young people and entrepreneurs were supported during the FY22 financial year, exceeding our annual target of 2,211 by 2%. This is an 8% decrease on the prior year (FY21: 2,440).

Our programmes supported the following participants:

- 2,205 young people engaged across all of our programmes. All of the 686 young people engaged on our Smart Futures, Our Future, Beyond Your Limits and Your Future programmes, qualified for free school meals. Additionally, we supported 54 young people who are currently in the care system (170% more than FY21);
- 44 social entrepreneurs.
- 2,319 volunteers supported our programmes and fundraising activities. Our performance exceeded our annual target of 2,126 by 9% and represented a decrease of 8% over the prior year (FY21: 2,510).
- 246 employers were engaged in our work. Our performance exceeded our annual target of 187 by 32% and represented a decrease over the prior year of 10% (FY21: 272).

Performance against financial targets

Against our financial target for the year, £885k was raised from fundraising activities and corporate partnerships. This was 9% higher than the financial target set for 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 surplus of £496k 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 30 June 2022 cont.

Achievements, Performance, and Impact cont.

Impact

Every financial year the EY Foundation publishes an impact report which demonstrates the difference that our programmes have made to the lives of young people and the social enterprises that we have engaged with, this year's report was launched in September 2022.

Our headline activity for the period was that we supported 2,205 young people and 44 social entrepreneurs with the help of 2,319 volunteer and 246 employer partners.

Headline impact across the four principal programmes:

Smart Futures:

By the end of this programme:

- 68% of participants knew what employers were looking for when they were recruiting, 32% more than before the programme.
- 82% had improved their knowledge of how to improve their CV, 28% higher than before the programme.
- 86% felt that they had enhanced their interview skills, 31% higher than before the programme.
- Our corporate partners have also noticed the difference in the young people with one from UiPath stating: *"leading professionals have been so impressed with what the young people have delivered, their questioning, confidence and ability to get things done!"*

Our Future:

By the end of this programme:

- 67% of participants knew what employers were looking for when they were recruiting, 25% more than before the programme.
- 92% had improved their knowledge of how to improve their CV, 67% higher than before the programme.
- 92% felt that they had enhanced their interview skills, 51% higher than before the programme.
- One of the young people that took part in the programme said: *"...it was a great experience for me. I got the chance to work with lots of great colleagues, helping me build my teamworking skills and learn how to work alongside a mix of different people. I learnt soft skills such as patience and listening as well as how to prioritise work when given a high volume of tasks. I am really grateful for this opportunity and would recommend Our Future to anyone!"* Our Future participant

Beyond Your Limits:

By the end of this programme:

- 62% of participants knew what employers were looking for when they were recruiting, 46% more than before the programme.
- 85% had improved their knowledge of how to improve their CV, 47% higher than before the programme.
- 77% felt that they had enhanced their interview skills, 46% higher than before the programme.
- On gaining feedback from young people, here's what one of them said about the programme: *"The scheme has made me see myself in a completely new way. It has taught the kinds of skills which aren't covered in school but will be so good when I start to apply for jobs! Through the programme I have also met so many fantastic people who have helped me be the best that I can. EY Foundation has also given me friends who I hope to stay in touch with throughout our journeys into adulthood. Doing Beyond Your Limits has made me feel like I can do amazing things!"* Beyond Your Limits participant.

Your Future:

By the end of this programme:

- 92% of participants knew what employers were looking for when they were recruiting, 75% more than before the programme.
- 100% had improved their knowledge of how to improve their CV, 67% higher than before the programme.
- 92% felt that they had enhanced their interview skills, 75% higher than before the programme.
- Here is what one of the young people said about the programme: *"The Your Future programme granted me such an extraordinary opportunity to secure an apprenticeship at Benchmarx. During the programme and even now at my placement, I am respected, supported and understood. I'm so grateful for the friendly team at EY Foundation and Benchmarx that allow young people like me to enter the working world with guidance and confidence"* Your Future participant.

Employability Workshops, Young Men's & Women's Networks:

These short workshops provide students with the opportunity to build and enhance their employability skills and gain a greater insight and understanding of the pathways into different careers. After the workshops:

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Achievements, Performance, and Impact cont.

- 97% said that the workshop improved their understanding of what employers are looking for when they recruit new people.
- 96% stated that they now feel more confident networking with people in business.
- 79% improved their confidence when working in a team as a result of the workshop.

Accelerate:

The programme offers tailored workshops, regular webinars, dedicated business coaches and networking opportunities. In FY22, 44 social entrepreneurs took part in the Accelerate Programme, here is what they told us:

- 38% of businesses improved their turnover whilst on the programme.
- 75% of social enterprises felt that having a business coach helped them better understand what they needed to do next in order to achieve future business goals.
- 100% rated the impact of the Accelerate programme on themselves and their enterprises as 'positive' or 'very positive'.

Financial Review

The Charity funds its activities through corporate and individual donations and from fundraising events. Total income raised in the period was £4,134k (2021: £3,496k) of which £410k (2021: £275k) was restricted. Total expenditure was £3,639k (2021: £3,278k).

As a result, the charity produced a surplus of £496k (2021: £218k) and was able to increase unrestricted reserves by £337k (2021: £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 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.

Going concern

A budget for FY23 was approved by Trustees, prepared based on contracted or otherwise-secured income sources and new potential grants and contracts. 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 within the agreed reserves policy. The Charity budgeted for a £281k deficit. 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 FY23 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 five-year funding and master services agreement in place with EY, with funding provided on an unrestricted basis. Under the current funding agreement the level of funding is secured for the next three financial years (FY23-FY25), and is the third funding agreement between the two organisations. EY is proud of its investment in the EY Foundation and refers to its donation and the impact made with the Foundation in its annual impact report. This provides security around the Charity's principal source of funding and, with funding provided quarterly in advance, also reduces cash flow risk.
- Budgets and forecasts for FY23 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 Master Services Agreement in place with EY covers all utilities and property overheads, therefore the Charity is less susceptible to the current inflationary pressures and energy pricing crisis.
- The cash flow forecast for the next 18 months, prepared on the above assumptions, shows a positive cash flow for all months with the minimum cash balance falling to £700k over that period, with the income only received from EY. The loss of non EY income over an 18 month period could be up to £1.5m based on the FY23 Budget.

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Financial Review cont.

- The Charity has started to secure long term corporate partnerships beyond a year, providing more income certainty above the amounts secured from EY.

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 £1,801k (2021: £1,306k); unrestricted reserves stood at £1,409k (2021: £1,072k) and restricted reserves at £392k (2021: £234k). Trustees designated £400k (2021: £100k) of unrestricted reserves for investment in an Into Work programme during FY22. In preparing the budget for FY23 the assessment of the minimum unrestricted reserves level required, based on the assessment of risks was £530k to £801k. The level of unrestricted reserves at 1 July 2022 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 and a new Board Assurance Framework was developed and adopted in June 2022. This framework replaced the existing risk register and ensures all key corporate risks are maintained and updated and reviewed by the leadership team and SMT 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.

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 Board Assurance Framework at least twice annually and makes regular reports available to the Board periodically, and in accordance with the nature of any identified risks. The leadership team and SMT reviews the Board Assurance Framework on a quarterly basis.

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. Risk appetite was made a permanent feature of the Board Assurance Framework, as was an Assurance Rating, with the intention of providing further evidence and clarity to the Board on strategic threats and risk mitigation.

Directors' and Trustees' report for the period ended 30 June 2022 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 (Board Assurance Framework from March 2022) and to carry out subsequent updates.

The register (and latterly the Board Assurance Framework) identifies some key risks associated with each of the following categories: external factors; financial; operational; and compliance with laws and regulations. These are shown together with the strategic threat, potential impact, the action required to manage these risks and the sources of assurance. The input of the Board and management is crucial in ensuring the Board Assurance Framework 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.

Principal risks

The EY Foundation adopts a managed approach to risk, overseen by the Audit & Risk Committee. The corporate risk register (Board Assurance Framework from March 2022) is reviewed by the leadership team, SMT and Audit & Risk Committee periodically. Actions to manage operational risks are identified and implemented through the management structure. Strategic risks are reported to the Board and Audit & Risk Committee and mitigating actions discussed regularly.

The five-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, the ensuing economic uncertainty and the rising cost of living. 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;
- achieving our pledged public race commitments and delivering our diversity and inclusion strategic priority; 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 with 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 2021 for public safety. Face to face fundraising events led by the Charity resumed in May 2022.

The EY Foundation subscribes to the Fundraising 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 like to thank all our supporters for the generous funding and donations, which have enabled us to help even more young people in 2021/2022. 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 30 June 2022 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 2022 there were no complaints received about fundraising for the Charity (2021: 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 year we have developed some of the strategies that underpin our work, and will take us to achieve our new ten year ambition, seeking investment from our reserves to build out the areas where we are looking to grow and find new ways of working. We have set ourselves new ambitions around the regions, influencing, digital and high net worth individual fundraising. Our FY23 planning has been done based on the successes of our FY22 income plan and a renewed collaborative spirit in the EY relationship as our first investor, but set against an increase in our cost base due to expected rises in the cost of living.

Setting our new ten year ambition provided the opportunity to update our seven strategic priorities (as stated earlier under **Objectives and Activities**) to ensure they fully encompassed our areas of focus – programmes, digital, collaborate and influence. These priorities direct our planned activities and outcomes for future periods. Specifically, for FY23 (July 2022 – June 2023) we will:

1. **Targeted focus on employers and regions in areas of high deprivation**
Deliver more sector focused programmes and employability workshops with a greater regional focus, specifically piloting activity in a new area recognised for its high need, Bradford. We will broaden the reach of our workshops to included younger age groups. We will work with more employers than before, both as corporate partners and as experience hosts and panelists, exposing our young people to increased employer interactions
2. **Listen, collaborate, co-design and amplify the youth perspective, and ensure challenges and opportunities are tailored to the challenges they face**
We will consult and co-design with young people and employers on programme development and the value of accreditation through a new Youth Engagement Framework. We ensure that the experience and opinions of our Youth Advisory Board are included in our work, and that their voices are strengthened with training and experience.
3. **Significantly scale up our direct programme delivery and digital provision to young people from an FSM background to build credibility and evidence**
Work directly through our programmes with more than 2800 young people and 2200 volunteers, more than in FY22, resulting in more sector based employability outcomes. We will understand how we can help young people improve their digital skills, getting them ready for the future of work, and pilot programmatic activity in this area. We will review our Accelerate and Beyond Your Limits programmes to ensure they create the impact our participants need.
4. **Diversify our income base and maintain a level of reserves that ensures our sustainability.**
We will increase our corporate partnership income, focusing on multi-year contracts and new sectors. We will identify, engage and build a network of high net worth individuals with a sector and regional focus. We will implement a comprehensive assurance framework, that provides an overview of risk management, monitored by EY Foundation leadership and the Board. We will ensure our deep relationship with EY underpins all areas of growth, and that we continue to create new alliances and opportunities for collaboration for our two organisations.
5. **Prioritise a close working relationship with EY, schools/colleges, employers, government (central and local) and VCSE community to unlock systemic change and influence policy at primary and secondary, supported by an evidence-based approach to demonstrate impact of our work.**
Invest in our influencing capability through new team members and commission research in new areas. We will finalise our Impactful Futures approach (addressing the lack of diversity in the third sector) and establish a collaborative 'charity sector' partner working group. We will launch findings of **CEO Forum** (convening to understand and tackle racial equality of Black employees in their orgs) and follow up government engagement. We will use our data insights to not only drive improvements in our programmes but understand how we share these across sector to provide broader understanding and help others deliver impact.

Directors' and Trustees' report for the period ended 30 June 2022 cont.

Plans for Future Periods cont.

6. Build and maintain a diverse, thriving team, equipped with the right skill set to deliver our 10-year ambition, and promote a culture of inclusion and belonging

Complete a full year of our performance management framework resulting in improved performance, productivity and employee engagement and retention rates. We will have a team that feels connected and listened to, and an open and transparent feedback culture. We will also have a detailed understanding of our HR processes and policies with a roadmap of how to move to a future desired state.

7. Deliver on our race commitments and expand our commitments to another protected characteristic

Make significant progress against our five chosen race commitments for focus in FY23, with improved representation across our team and Board. We will have better access to a pool of talented and diverse candidates across all levels of our organisation. We will create better accessibility for Black young people for both our own programmes and EY's pathways. We will also introduce our approach to a second DEI protected characteristic.

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; and
- 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 3-17 was signed on behalf of the Directors and Trustees by:



Patrick Dunne (Chair)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER 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 30 June 2022 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 30 June 2022 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 30 June 2022. 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.

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.

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

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:

- 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.

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

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.

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

Date:

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 30 June 2022

		Period ended 30 June 2022			Period ended 2 July 2021		
	Notes	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£	£	£	£	£	£
INCOME FROM							
Donations	2	3,094,149	207,285	3,301,434	2,828,047	144,981	2,973,028
Charitable activities	3	629,448	203,163	832,611	392,832	129,900	522,732
Total income		3,723,597	410,448	4,134,045	3,220,879	274,881	3,495,760
EXPENDITURE ON							
Raising funds	4	(1,126,112)	(84,935)	(1,211,047)	(1,094,370)	(21,647)	(1,116,017)
Charitable activities	5	(2,260,237)	(167,252)	(2,427,489)	(1,956,697)	(205,091)	(2,161,788)
Total expenditure		(3,386,349)	(252,187)	(3,638,536)	(3,051,067)	(226,738)	(3,277,805)
NET INCOME IN FUNDS FOR THE FINANCIAL PERIOD		337,248	158,261	495,509	169,812	48,143	217,955
Transfer Between Funds	13			-	(25,435)	25,435	-
NET MOVEMENT IN FUNDS		337,248	158,261	495,509	144,377	73,578	217,955
RECONCILIATION OF FUNDS							
Total funds brought forward		1,071,866	234,092	1,305,958	927,489	160,514	1,088,003
TOTAL FUNDS CARRIED FORWARD		1,409,114	392,353	1,801,467	1,071,866	234,092	1,305,958

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 24 – 32.

BALANCE SHEET
at 30 June 2022

Registered Company Number: 08935629

		30 June 2022			2 July 2021		
	<i>Notes</i>	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£	£	£			£
NON-CURRENT ASSETS							
<i>Intangible assets</i>	10	50,292	-	50,292	58,292	-	58,292
		50,292	-	50,292	58,292	-	58,292
CURRENT ASSETS							
Cash at bank and in hand		1,452,500	392,353	1,844,853	1,406,976	234,092	1,641,068
Debtors	11	354,980	-	354,980	526,991	-	526,991
		1,807,480	392,353	2,199,833	1,933,967	234,092	2,168,059
CREDITORS							
Amounts falling due within one year	12	(448,658)	-	(448,658)	(920,393)	-	(920,393)
NET CURRENT ASSETS		1,358,822	392,353	1,751,175	1,013,574	234,092	1,247,666
NET ASSETS		1,409,114	392,353	1,801,467	1,071,866	234,092	1,305,958
FUNDS							
Unrestricted Funds	13			1,409,114			1,071,866
Restricted Funds	13			392,353			234,092
TOTAL FUNDS CARRIED FORWARD				1,801,467			1,305,958

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 7 December 2022 and were signed on its behalf by:



Patrick Dunne (Chair)

The accompanying notes form part of these financial statements on pages 24 - 32.

STATEMENT OF CASH FLOWS
for the period ended 30 June 2022

	<i>Note</i>	<i>Period 2022</i> £	<i>Period 2021</i> £
Cash flows from operating activities			
<i>Net cash from operating activities</i>	a)	203,785	291,852
Cash flows generated by (used in) investing activities			
<i>Purchase of intangible assets</i>		-	(16,770)
Change in cash and cash equivalents during the period		203,785	275,082
Cash and cash equivalents at beginning of period		1,641,068	1,365,986
Cash and cash equivalents at end of period		1,844,853	1,641,068
a) Reconciliation of net income to net cash provided by operating activities:			
		Period 2022 £	Period 2021 £
Net income for the reporting period (as per the Statement of Financial Activities)		495,509	217,955
Adjustments for:			
Amortisation		8,000	-
Decrease in creditors		(471,735)	(127,742)
Decrease in debtors		172,011	201,639
		(291,724)	73,897
Net cash provided / operating activities		203,785	291,852

The accompanying notes form part of these financial statements on pages 24 – 32.

NOTES TO THE FINANCIAL STATEMENTS

at 30 June 2022

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) 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 and in Scotland registered company number 8935629. 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 2 July 2021 to 30 June 2022 (the comparative period being from 2 July 2020 to 1 July 2021).

Going concern

A budget for FY23 was approved by Trustees, prepared based on contracted or otherwise-secured income sources and new potential grants and contracts. 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 £281k deficit. 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 FY23 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 five-year funding and master services agreement in place with EY, with funding provided on an unrestricted basis. Under the current funding agreement the level of funding is secured for the next three financial years (FY23-FY25), and is the third funding agreement between the two organisations. EY is proud of its investment in the EY Foundation and refers to its donation and the impact made with the Foundation in its annual impact report. This provides security around the Charity’s principal source of funding and, with funding provided quarterly in advance, also reduces cash flow risk.
- Budgets and forecasts for FY23 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 Master Services Agreement in place with EY covers all utilities and property overheads, therefore the Charity is less susceptible to the current inflationary pressures and energy pricing crisis.
- The cash flow forecast for the next 18 months, prepared on the above assumptions, shows a positive cash flow for all months with the minimum cash balance falling to £700k over that period.
- The maximum loss of income under this stress test is £948k. With this potential loss of income, the net impact on the minimum cash balance would be £1,078k.
- The Charity has started to secure long term corporate partnerships beyond a year, providing more income certainty above the amounts secured from EY.

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 30 June 2022

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.

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

Notes to the financial statements cont. at 30 June 2022

1. ACCOUNTING POLICIES CONT'D.

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.

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 30 June 2022 is £43k (FY21: £53k).

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.

**Notes to the financial statements cont.
at 30 June 2022**

2. INCOME FROM DONATIONS

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period 2022</i>	<i>Period 2021</i>
	£	£	£	£
EY donations: cash	1,761,430	134,000	1,895,430	1,637,240
EY donations: staff, services and facilities	1,153,398	-	1,153,398	807,018
Other donations	76,247	73,285	149,532	141,981
Sponsored events	99,997	-	99,997	159,822
Regular giving	-	-	-	184,574
Gift Aid regarding EY donation: cash	3,077	-	3,077	42,393
	<u>3,094,149</u>	<u>207,285</u>	<u>3,301,434</u>	<u>2,973,028</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period 2022</i>	<i>Period 2021</i>
	£	£	£	£
Income from corporate partnerships	629,448	-	629,448	342,832
Grants	-	203,163	203,163	179,900
	<u>629,448</u>	<u>203,163</u>	<u>832,611</u>	<u>522,732</u>

4. COSTS OF RAISING FUNDS

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Period 2022</i>	<i>Period 2021</i>
	£	£	£	£
Salaries	296,634	32,701	329,335	226,566
Other direct costs	-	-	-	23,274
Sponsored event costs	-	-	-	92,106
Support costs (note 6)	829,478	52,234	881,712	774,072
	<u>1,126,112</u>	<u>84,935</u>	<u>1,211,047</u>	<u>1,116,017</u>

**Notes to the financial statements cont.
at 30 June 2022**

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	<i>Direct Costs</i>	<i>Support Costs (note 6)</i>	<i>Period 2022</i>	<i>Period 2021</i>
	£	£	£	£
Programme Costs				
Smart Futures	600,310	911,905	1,512,215	1,471,026
Our Future/ Your Future	38,509	31,307	69,816	170,275
Accelerate	139,256	89,768	229,024	106,154
School to Work	53,430	7,163	60,593	87,533
Care Programme/BYL	53,866	395,077	448,943	182,988
Other Programme Costs	73,994	32,904	106,898	143,812
	<u>959,365</u>	<u>1,468,124</u>	<u>2,427,489</u>	<u>2,161,788</u>

<i>Analysed as:</i>	<i>Direct Costs</i>	<i>Support Costs</i>	<i>Period 2022</i>	<i>Period 2021</i>
	£	£	£	£
Unrestricted	796,538	1,463,699	2,260,237	1,956,697
Restricted	162,827	4,425	167,252	205,091
	<u>959,365</u>	<u>1,468,124</u>	<u>2,427,489</u>	<u>2,161,788</u>

6. SUPPORT COSTS

	<i>Costs of raising funds</i>	<i>Charitable activities</i>	<i>Period 2022</i>	<i>Period 2021</i>
	£	£	£	£
Office running costs total	-	17,591	17,591	45,921
Other Costs	27,366	65,993	93,359	186
Marketing costs (excl. salaries)	-	33,097	33,097	32,910
Salaries and on costs	495,355	712,828	1,208,183	1,043,422
Donated services & facilities	355,665	511,811	867,476	807,018
Supporter engagement costs	3,326	-	3,326	18,937
Monitoring & evaluation costs	-	28,593	28,593	-
Governance costs	-	76,792	76,792	80,763
Technology Investment costs	-	21,420	21,420	-
	<u>881,712</u>	<u>1,468,125</u>	<u>2,349,837</u>	<u>2,029,157</u>

7. AUDITOR'S FEES

	<i>Period 2022</i>	<i>Period 2021</i>
	£	£
Fees payable to the Charity's auditor for the audit of the annual accounts	21,000	18,250
Under provision of FY2020 Audit Fee	-	4,500
	<u>21,000</u>	<u>22,750</u>

No non-audit fees were paid to the auditor.

Notes to the financial statements cont. at 30 June 2022

8. 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 Trustees totaled £0 (2021: £0). None of the Trustees are remunerated as a Trustee. There were no short-term contracts offered to Trustees in FY22 (0 in FY21).

9. STAFF COSTS

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

	<i>Period 2022</i>	<i>Period 2021</i>
	<i>£</i>	<i>£</i>
Wages and salaries	1,653,449	1,535,203
Social security costs	175,881	165,267
Other pension costs	166,073	172,253
Benefits	85,080	112,074
	<u>2,080,483</u>	<u>1,984,797</u>

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

	<i>2022 Full Time Equivalents</i>	<i>2022 Headcount</i>	<i>2021 Full Time Equivalents</i>	<i>2021 Headcount</i>
Chief executive	0.75	1.00	0.67	1.00
Programme	19.49	20.00	16.81	26.00
Fundraising support	3.34	4.00	1.73	2.00
Marketing	1.46	1.00	2.49	3.00
Other support staff	20.07	20.00	10.75	14.00
	<u>45.11</u>	<u>46.00</u>	<u>32.45</u>	<u>46.00</u>

Key management personnel

The key management personnel during the period were the Chief Executive, Acting Chief Executive, Head of Programmes and Regions and Chief Financial Officer. Those four members (Active Chief Executive subsequently became Chief Executive in April 2022) of key management received salary and benefits, including any bonus entitlement, of £343,643 in total (2021: seven key management roles listed received £480,429).

A payment of £50,000 during the year was made to the Head of People, D&I and Volunteering in relation to compensation for loss of office. During the prior year a 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:

	<i>2022</i>	<i>2021</i>
£60,000 - £70,000	3	2
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£200,001 - £210,000	-	1

**Notes to the financial statements cont.
at 30 June 2022**

10. INTANGIBLE FIXED ASSETS

	Assets Under Construction	Website	Total
	£	£	£
Cost or Valuation			
At 02/07/21	58,292	-	58,292
Transfer	(40,000)	40,000	-
At 01/07/22	18,292	40,000	58,292
Amortisation			
At 02/07/21	-	-	-
Charge for the year	-	8,000	8,000
At 01/07/22	-	8,000	8,000
Net Book Value			
At 02/07/21	58,292	-	58,292
At 01/07/22	18,292	32,000	50,292

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 and further enhanced in FY23. These will be amortised from the point in time that the assets are complete. Website has brought to use in FY22 therefore some assets under constructions have been released.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	205,113	364,038
Prepayments	44,370	53,632
Accrued Income	42,490	69,944
Other Debtors	-	39,377
Amounts owed from EY	63,007	-
Total debtors	354,980	526,991

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade Creditors	1,620	31,601
Amounts owed to EY	-	33,575
Taxation and social security	173,846	516,282
Accruals	119,048	127,438
Deferred Income	154,144	210,455
Other Creditors	-	1,042
	448,658	920,393

**Notes to the financial statements cont.
at 30 June 2022**

13. MOVEMENT IN FUNDS

<i>Period 2022</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	1,071,866	3,323,597	(3,342,349)	-	(18,752)	1,053,114
Designated	-	400,000	(44,000)	-	356,000	356,000
Restricted	234,092	410,448	(252,187)	-	158,261	392,353
	<u>1,305,958</u>	<u>4,134,045</u>	<u>(3,638,536)</u>	<u>-</u>	<u>451,509</u>	<u>1,801,467</u>

<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>217,955</u>	<u>1,305,958</u>

<i>Restricted funding in 2022:</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	-	207,285	-	-	207,285	207,285
CareTech Foundation	159,017	50,459	(78,726)	-	(28,267)	130,749
The Mercers' Company	53,215	57,041	(60,807)	-	(3,766)	49,449
DYW	-	42,456	(37,587)	-	4,869	4,869
The CEC Company	-	14,950	(14,950)	-	-	-
Prospectus - Kickstart	-	38,257	(38,257)	-	-	-
Paul Hamlyn Fund	21,860	-	(21,860)	-	(21,860)	-
Total Restricted funds	<u>234,092</u>	<u>410,448</u>	<u>(252,187)</u>	<u>-</u>	<u>158,261</u>	<u>392,353</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>

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 30 June 2022**

14. RELATED PARTY DISCLOSURES

EY donated the following during the period:

	<i>Period 2022</i>	<i>Period 2021</i>
	<i>£</i>	<i>£</i>
Cash donation	1,761,430	1,637,240
Donations in kind (note 2):		
Staff	214,222	95,365
Services and buildings	653,254	711,652
Technology	285,923	-
	<u>2,914,829</u>	<u>2,444,257</u>

The majority of purchases are paid for directly by EY Foundation and uploaded to the NAV accounting system by EY Absolute for the first six months of the financial year. The remaining six months are done in Xero – a new in-house finance system we implemented at the end of December 2021. 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 £0 (2021: £33,575) and balances due from EY were £63k (2021: £0).

Trustees' remuneration and other benefits have been disclosed in Note 8.

15. 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

Registered Office

1 More London Place
London
SE1 2AF

Bankers

Barclays Bank plc
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Solicitors

Bates Wells Braithwaite London LLP
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Dame Mary Marsh
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Nathaniel Peat
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