



Foundation



Annual Report and Accounts 2023

A charitable company limited by guarantee
Registered company number 13083579
Registered charity number 1194474
30 September 2023

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Report of the Trustees

Introduction

The trustees present their report and the financial statements of The KPMG Foundation ('the Foundation') for the year ended 30 September 2023. The financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011, Accounting and Reporting by Charities and in accordance with the 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). The financial statements comply with the Memorandum and Articles of Association of the Foundation.

Reference and administration information

The Foundation was registered with the Charities Commission under charity number 1194474 on 14 May 2021. The Foundation is also a company registered with Companies House in England and Wales, company number 13083579, under Companies Act 2006. The Foundation bears KPMG's name but acts independently of KPMG LLP.

Directors and Trustees

The Directors are its trustees for the purpose of charity law and throughout this report are collectively referred to as its trustees. The trustees who held office during the period and to the date of this report were as follows.

Bina Mehta

Chair - current member of KPMG LLP

Corrine Harms

- current employee of KPMG LLP

Jennifer Lee

- current member of KPMG LLP

John McCalla-Leacy

- current employee of KPMG LLP, retired member of KPMG LLP

David Woodward

- retired member of KPMG LLP, resigned 14 November 2023

David Yim

Chair of Finance and Investment Committee - retired member of KPMG LLP

David Bartram, OBE

Rohati Chapman

Professor Lisa Holmes

Christopher Murray

Sherry Peck

Peter Sherratt

- resigned 20 March 2024

The Foundation is limited by guarantee and does not have a share capital, therefore no trustees held shares at any time during the year.

Trustees benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Report of the Trustees

(continued)

Officers

Chief Executive - Judith McNeill, current employee of KPMG LLP
Treasurer - Bhavisha Patel, current employee of KPMG LLP
Finance Manager - Gemma Hackett, current employee of KPMG LLP

Principal office

The KPMG Foundation, 15 Canada Square, Canary Wharf, London, E14 5GL

Member

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

Auditor

Grant Thornton UK LLP, 30 Finsbury Square, London, EC2A 1AG

Bankers

HSBC Bank PLC, 62-76 Park Street, London, SE1 9DZ

Solicitors

Bates Wells, 10 Queen Street Place, London, EC4R 1BE

Investment advisors

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Structure, governance and management

Organisation structure

The Foundation is a company limited by guarantee, not having a share capital. The sole member of the Foundation is KPMG LLP, a limited liability partnership. The governing documents are the Memorandum and Articles of Association of the Foundation. The word "limited" is omitted from the Foundation's name under the provisions of the Companies Act 2006 60(1)(a).

At 30 September 2023, the Foundation consisted of a board of twelve trustees, a treasurer, a financial team, an external advisor and a chief executive officer (CEO). The Foundation's board of trustees delegate day-to-day management of the charity to the Foundation's CEO. Of the twelve trustees, six are members of KPMG LLP; retired members or employees of other KPMG entities and six are external trustees who bring considerable experience and expertise in the issues prioritised by the charity.

Report of the Trustees

(continued)

Structure, governance and management

(continued)

Governance

Trustees collectively agree on the appointment or reappointment of trustees with recommendation by the Chair. Internal trustees shall be appointed from among the partners and staff of the member and shall always include at least one non-partner trustee. Trustees, in office during the year, together with details of the Foundation's principal officers and other relevant organisations are listed on pages 3 and 4.

Newly appointed trustees receive an induction that includes guidance on their responsibilities as a charity trustee, the strategy and objectives of the Foundation, the relationship with KPMG as a 'connected charity' (using the Charity Commission Guidance), a financial overview and the issues relevant to the Foundation's priorities. The Foundation tailors the induction of a new trustee to the needs of the individual trustee.

Trustees are provided with summary information based on the contents of bi-annual or annual reports, newsletters, or other updates, on all projects funded, at regular intervals. Formal presentations are made to the trustees by some organisations, during the life of the project, usually at the mid point, or towards the end of the funding period.

Management

Trustees delegate the day-to-day management of the Foundation to the CEO who is employed by KPMG LLP to work solely on the charity as well as the unincorporated KPMG Foundation. The Foundation also benefits from professional administration and finance expertise donated by KPMG LLP.

Proposals for funding are reviewed initially by the Foundation's CEO and presented to trustees for further consideration in the context of the charity's strategy, annual plans and budget. Trustees make all grant-making decisions collectively based on a combination of written analysis, meetings, presentations, and experience in the relevant sectors and issues. Once the decision has been made to fund an initiative, the CEO or grants development consultant will assess the progress following receipt of monitoring reports at regular intervals and present summaries to the trustee board identifying achievements, concerns or risks.

Risk management statement

The trustees regularly review the major risks to which the Foundation is exposed and have established systems to mitigate those risks. A risk register is maintained by the Foundation, which is formally reviewed annually. Any new risks or matters of concern are raised at or between trustee meetings and mitigating steps taken as necessary. A new risk management framework was introduced in the latter part of 2022 and has been developed during 2023. The trustees will continue to keep this under review to ensure it is appropriate for the needs of a grant making foundation.

The two greatest risks to which the Foundation is exposed are as follows:

- Dependence on a sole funder for financial support – the Foundation is solely dependent on KPMG LLP for funding. If KPMG LLP decided to stop supporting the charity, the Foundation would be able to meet its current commitments. However, its longer-term financial security would be in doubt and the trustees would need to consider the charity's future strategy.
- Reputation – the Foundation works hard to maintain a strong reputation in the sector. By association, reputational damage to any of the charities it makes grants to could impact the Foundation's reputation and cause concern with its sole funder and other stakeholders. Therefore, thorough assessment and due diligence around partnerships with charities the Foundation grants to is vital.

Trustees reserve the right to withhold or postpone payments to charity grant partners if serious concerns emerge or if planned activity cannot proceed. Charity partners are required to inform the Foundation immediately of any 'serious incidents' including those defined by and reported to the Charity Commission.

The trustees will continue to monitor the impact that national and global market developments have on the Foundation and, in particular, on our level of reserves and investment values. The Finance and Investment Committee regularly review investment performance to protect the value of the Foundations' assets and fulfil our commitment to our charity partners. The Finance and Investment Committee work together with our advisers, Sarasin & Partners who make necessary changes on our behalf to manage investment returns. A review of the Foundation's investment strategy and performance was undertaken again in 2023 whilst considering the level of minimum reserves the trustees would like to maintain. In the context of the prevailing global economic environment, the trustees are satisfied with the advice received from Sarasin & Partners and the investment performance achieved during the year.

Report of the Trustees

(continued)

Objectives and activities

The objectives of the Foundation are to improve outcomes for children living in some of our country's most disadvantaged families and communities. The current focus is on very young children (babies and under 5's) and care experienced children and young people and those on the edge of care.

The Foundation identifies suitable organisations, assesses their leadership and the quality of their programmes or projects for potential support. Building effective relationships with a wide variety of stakeholders is also key to this approach. Work is funded across the regions and nations in England, Wales and Scotland.

Making a positive difference in the lives of children and young people in the UK, remains at the heart of the KPMG Foundation's ambition. However, over the last 12 months, the challenges for too many children have increased, as family poverty has become more entrenched – few places are immune and there are pockets of deprivation almost everywhere. The core objective therefore is to use our resources wisely to help make the greatest impact we can, through our grants. The Foundation invests in bold initiatives, with potential to be adapted, transferred, or scaled, and where learning can be shared more widely.

The Foundation's primary activity to achieve its charitable objectives is grant making. Grants are made utilising a mixture of any accumulated net investment return and accumulated or new donations received. The Foundation actively seeks out and selects partners to develop proposals rather than requesting applications from many organisations.

The Foundation is an independent charity supported by KPMG LLP. It shares the firm's broad corporate responsibility and social mobility aims for children and young people from disadvantaged communities, whilst operating in distinct and complementary ways.

Public benefit assessment

The trustees confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

With respect to public benefit reporting the main aims of the Foundation fall into the category of 'the advancement of education' and 'the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage and in particular identifiable benefits and benefit to the public, or a section of the public.'

Strategy and grant making

The Foundation's principle strategy is to be a pro-active grant maker, improving the lives of children and young people. In any single year, the Foundation makes a relatively small number of high value grants to carefully selected charities and social enterprises.

The Foundation fosters strong relationships with the organisations it supports and view them as 'partners in change for children' rather than as 'beneficiaries' of funding given. The Foundation's success is their success.

When the Foundation set objectives for 2021/22, the trustees believed that one of the biggest threats to communities at that time was the ongoing effect of Covid-19. However, more recently, the impact of global insecurity and the resulting economic crisis is also having far reaching implications. Local charities and statutory agencies are overstretched and sadly the most vulnerable families with children and young people cannot be protected from the rapidly rising costs of housing, heating and food. Grants made during 2022/23 take account of these factors when assessing the level and type of funding to each organisation. Increasingly for smaller or medium sized organisations the Foundation prefers to allocate core funding, where that feels appropriate.

As a relatively small funder the Foundation can only support work in a small number of places at any given time. It's important to consider each grant individually as well as in relation to the rest of the portfolio. The Foundation wants to support innovative and high impact work in areas of multiple deprivation, and where learning can be shared with others where the potential for catalytic change is seen.

The Foundation is keen to invest in early-stage organisations – Start Up – often with lived experience at their heart. The Foundation also funds more established programmes and organisations, who have built some evidence of success and where there is potential to Step Up, sustain or scale. The Foundation's aspiration to support collaborative initiatives or alliances – Step Together – is still a work in progress and the trustees know that collaboration can be time consuming, although with patience, the rewards can be greater. In this context the 'reward' is money better spent on achieving lasting change for children.

The Foundation also has a valuable role to play in funding actionable research to fill important knowledge gaps, where it sees opportunities for recommendations and solutions to be shared, and most importantly, be put into practice.

Report of the Trustees

(continued)

Objectives and activities (continued)

Reporting on our objectives for 2022/23

The Foundation's overriding objective is to be an effective grant making charity and to invest in great organisations who share its priorities to make improvements in the lives of:

- very young children (babies and under 5's) living in some of the most vulnerable families and communities; and
- care experienced children and young people and those on the edge of care.

In 2022/23 9 new grants were awarded totalling over £700,000 to such organisations. In addition, one-off payments of £72,500 were made during the year to support the Foundation's charity partners through the challenging economic climate.

Last year the following areas were cited where the Foundation intended to make particular progress. These are reported on within the Achievements and Performance section:

- enhance the reputation and positioning of the Foundation, internally and externally, to support its future success and financial sustainability, to create more impact for children and families;
- use the Foundation's strategic framework to develop and strengthen the grants portfolio, identifying gaps and opportunities to add value, and ensure that the impact is clear to all the Foundation's stakeholders; and
- further develop and strengthen our systems, partnerships and relationships, and to optimise the organisation's convening potential to amplify the work of the Foundation's partners and create influence where it matters.

Further information can also be found in the Impact Report published in November 2023 (www.kpmgfoundation.org.uk/downloads/impact-report.pdf). The Foundation's grant making principles and practice are set out in a grants policy which includes the eligibility criteria, assessment processes, decision making and follow up reporting. Further information has been provided on our website www.kpmgfoundation.org.uk.

Achievements and Performance

Objective 1: Enhance the reputation and positioning of the Foundation, internally and externally, to support its future success and financial sustainability, to create more impact for children and families

Updating our policies:

During the year the trustees reviewed and updated a number of our Foundation policies, paying particular attention to Safeguarding, where the Charity Commission is setting clearer governance expectations. The Foundation joined the Funders Safeguarding Collaborative, undertook training for team members, and strengthened safeguarding policies and assessment protocols for potential charity partners. The trustees will keep this and other important policy areas under regular review.

Grantee Perceptions:

Towards the end of 2022 the trustees commissioned a Grantee Perceptions survey to gather feedback on how the Foundation's charity partners and potential partners felt about their interactions with the Foundation. 27 responses (out of a possible 32) were received of which 16 were grantee partners, six were unsuccessful full proposals at trustee board stage, and five were not approved at concept note stage. The overall return rate was high for this kind of exercise.

The findings published in 2023, were mostly positive and the Foundation was considered an approachable, flexible and professional funder, with a few areas for improvement identified.

More detail, along with our response to the findings is available on the Foundation's website.



The honesty and clarity from conversations stood out. The knowledge and care for the issues being raised illustrate a shared compassion and informed understanding to ensure stronger evidence-based outcomes...

Charity partner

Report of the Trustees

(continued)

Achievements and Performance (continued)

Objective 1: Enhance the reputation and positioning of the Foundation, internally and externally, to support its future success and financial sustainability, to create more impact for children and families (continued)

Foundation Practice Rating:

The FPR is led by Friends Provident Foundation and supported by 12 other leading funders. Each year, the FPR randomly selects 100 of the largest UK foundations based on their giving-budgets. The evaluation is led by Giving Evidence - an independent research organisation who have defined the criteria and created the system.

Data collection and analysis for the assessment is entirely through publicly accessible information present in annual reports and websites. The KPMG Foundation chose to 'opt-in' during 2022 and 2023 (having been randomly selected in 2021, the first year of these ratings). The summary across three years is shown here with the most recent results published in March 2024.

KPMG Foundation	Diversity	Accountability	Transparency	Overall rating
2023	B	A	A	A
2022	C	B	A	B
2021	C	C	A	B

In 2022/23, the charity committed to make improvements, notably in our approaches to diversity and accountability. Following focus and action in these areas the Foundation's ratings in 2023 improved. The Foundation continues to remain committed in our approach to these areas and will look to make further improvements, particularly within diversity.

Alongside other trusts, foundations and grant makers, the Foundation continues to publish information about grant made, in an open and standardised form through 360 Giving, as part of the open grants movement.

It is the Foundation's firm belief that striving for improvements in its own policies and practice is a pre-requisite to helping achieve greater impact for children and families, so these developments – particularly where the Foundation is independently and externally assessed – are encouraging.

Making an impact:

The Foundation's trustees commissioned an Impact Report, published in November 2023, demonstrating a commitment to transparency, accountability and sharing learning, as well as future aspirations.

At the heart of 'Our Impact' is the work undertaken by the Foundation's charity partners. Examples this year include:

Anna Freud Centre – Reflective Fostering Programme

The Reflective Fostering Programme has been developed by specialists at the Anna Freud Centre and aims to support foster carers to provide the best possible care for the children they look after. This has been the most substantial research programme of its kind, ever undertaken in the UK. The research phase concluded at the end of 2023.

The trial had over 500 participants across 19 local authorities and independent fostering agencies, with 40 local groups of foster carers supported and 76 facilitators trained. Grants totalling £210,000 from the Foundation over the period 2020-23 have helped support the development of this programme and we look forward to the final evaluation report at the end of 2024.

Training facilitators from amongst experienced foster carers was a vital part of this programme and helps add capacity to the workforce, building on their lived experience. The 'emotional thermometer' was found consistently to be one of the most useful tools, and, along with the 'carer map' both of these help the carer 'mentalise' their own status, in order to judge how best to support the children they care for, building stronger and more resilient relationships. For most carers, they agreed that the programme had 'changed them' and 'changed their relationship with the child' – both for the better.

Report of the Trustees

(continued)

Achievements and Performance (continued)

Objective 1: Enhance the reputation and positioning of the Foundation, internally and externally, to support its future success and financial sustainability, to create more impact for children and families (continued)

The Fostering Network – Our grant of £63,300 fully funded this research into recruitment and retention of foster carers (to create a more diverse and stable workforce).

- The research concluded in spring 2023 and the findings were published during Foster Care Fortnight in May 2023. The findings indicate that the systems and processes for retaining existing and recruiting new foster carers can and should be significantly strengthened. Currently more carers are leaving than are being recruited, at a time when more children who desperately need loving and stable homes are coming into care;
- Only 10% of foster carers overall are in their 20's or 30's (but account for over a quarter of all new applications);
- Over 70% of foster carer applications are withdrawn by the applicant; and
- Foster carers who receive excellent or good practical and financial support are far more likely to recommend fostering to others, demonstrating that retention is the route to effective recruitment.

The research is being used far and wide to encourage some different approaches and a toolkit being developed in 2024 to assist local authorities with more effective strategies.

Lucy Faithfull Foundation – tackling harmful sexual behaviour in schools

This is an unusual grant which doesn't fit neatly into the Foundation's two priority areas, however peer on peer sexual abuse is a significant and growing issue across all schools and within all communities, and the Foundation was keen to support this specialist organisation, with potential for national influence.

During the year they made significant progress towards recruiting 30 schools in the West Midlands, across a diverse range of types, from a small residential special needs school, to a faith school, large Multi Academy Trust schools and a small number in the independent sector. The programme of work includes developing tools and resources to support school leaders tackle these issues more effectively with students, staff and parents; influencing statutory agencies about their responsibilities to support schools better; and contributing to the wider body of knowledge around preventing, and responding to, harmful sexual behaviour in schools.

Lucy Faithfull Foundation has clearly demonstrated their ability to reach key audiences through their website, blogs, specialist briefings, as well as invitations to high level meetings with politicians and policy makers in DfE, Home Office, and Ofsted. In late 2023, the Everyone's Safer campaign won the Children and Young People Now Personal, Social, Health, Economic (PSHE) award, raising the profile of this subject across professionals in national education and youth work.

The programme will conclude later in 2024 and the findings will be widely shared, not only with schools, but with local authorities, policy makers, regulators, the police and government.

Objective 2: Use the Foundation's strategic framework to develop and strengthen the grants portfolio, identifying gaps and opportunities to add value, and ensure that the impact is clear to all the Foundation's stakeholders

During 2022/23 the trustees approved the following grants to organisations working in the Foundation's priority areas. Some were extension grants to existing partners and some were grants to new partners. All of the grants awarded aim to address deep inequalities, and many are place-based, in areas of high multiple deprivation.

During the year, the trustees concluded their scoping exercise of relevant sectors in Scotland and made two new grants. The trustees are grateful to a number of organisations who contributed their time, knowledge and experience, and in particular the Corra Foundation.

Report of the Trustees

(continued)

Achievements and Performance (continued)

Objective 2: Use the Foundation's strategic framework to develop and strengthen the grants portfolio, identifying gaps and opportunities to add value, and ensure that the impact is clear to all the Foundation's stakeholders (continued)

Organisation	Summary	Type of funding	Location	Grant amount
Care Experience				
Anna Freud Centre	Better support for foster carers – the Reflective Fostering Programme (grant extension)	Step Up / Actionable Research	National	£60,000
Sister System	Empowering care experienced girls & young women – bridging the gap	Start Up - core	London	£150,000
Project Change	Supporting Scotland's 'think and do tank' led by care experienced people	Start Up - core	Scotland	£60,000
The Why Not? Trust (The Village)	A digital community for new parents and parents-to-be, with experience of care	Step Up	Scotland	£200,000
The Cohen Trust (Seen Heard Believed)	Trauma informed approaches to supporting families (grant extension)	Step Up	Teesside	£145,000
The Fostering Network	Foster Carer Recruitment and Retention – Best Practice Toolkit (for Fostering Services)	Actionable Research	National	£5,750
Early Years				
Happy Baby Community	Building evidence to better support some of the most vulnerable pregnant women, and new mums of 0-3's meet key development milestones	Step Up / Actionable Research	London	£65,000
Education Policy Institute	Researching Food Poverty in the Under 5's	Actionable Research	National	£51,190

The KPMG Foundation Impact Framework was under development during 2022/23 and the trustees have been working with others on Common Outcomes. This approach seeks to describe change for children under the headings: SAFE, HEALTHY, HAPPY, LEARNING and ENGAGED. Much of the work the Foundation supports is 'upstream' of direct service delivery and measuring impact is not always straightforward, nor do the trustees wish to place burdensome reporting requirements onto overstretched organisations.

The trustees have made progress on reporting on the impact of the grants the Foundation makes and the 'added value' the Foundation can bring by catalysing, amplifying, and connecting activities. One such example is the KPMG Foundation Advocates (employees and members of KPMG LLP) with a keen interest in the Foundation's charitable mission. A pilot programme was developed during 2023. Six individuals from KPMG LLP were matched with six organisations who were in receipt of grant funding from the KPMG Foundation, as a means of exchanging and lending skills and experience. This is a programme the trustees are closely monitoring as a Foundation.

Other examples are available in the Foundation's Impact Report, published in November 2023.

Objective 3: Further develop and strengthen our systems, partnerships and relationships, and optimise the organisation's convening potential to amplify the work of the Foundation's partners and create influence where it matters

Communications

Although the Foundation does not aim to have a high public profile, improvements have been made to its website this year to ensure it is relevant and engaging for our key stakeholders. The Foundation welcomes feedback from partners and peers to support its aspiration to be an effective and strategic funder, playing a valuable role in the children and young people's sector.

Amplify: The Fostering Network research, launch event and best practice toolkit

This nine-month research project funded during the 2021/22 year, aimed to develop a robust evidence base to underpin a strategic approach to foster care recruitment and retention in England. Without more consistent and improved approaches, it will be difficult to achieve a more diverse and stable foster care workforce, able to meet all the needs of children in care, now, and in the future.

Report of the Trustees

(continued)

Achievements and Performance (continued)

Objective 3: Further develop and strengthen our systems, partnerships and relationships, and optimise the organisation's convening potential to amplify the work of the Foundation's partners and create influence where it matters (continued)

The research was completed in early 2023 and a report published during Foster Care Fortnight in May at a successful launch event, hosted by the KPMG Foundation, alongside the John Lewis Partnership. Bringing researchers, policy makers, and practitioners together, the report and the event reached a wider audience, to influence key players in children's social care and improve practice in the fostering journey. The Foundation also subsequently approved a small additional grant to complete a Best Practice Toolkit for fostering teams in Local Authorities and independent fostering agencies and we will be interested in how effectively this can be rolled out during 2024.

Connect: Charity Partner Convention 2023

The Charity Partner Convention in April was the first time the Foundation brought senior leaders from our partners together to share their work, their challenges and experiences. It was an invigorating and successful event, covering a wide range of topics, including: working with government, leading through complexity and approaches to evaluation; through presentations, interviews and discussion. A follow up convention is planned for June 2024.

Challenges during the year

The longer-term impacts of the COVID-19 pandemic, combined with the rapidly rising cost of living and significant strain on local authority resources, present major operational and financial risks for the Foundation's voluntary sector partners. As a grant maker and corporate charity, the Foundation itself is somewhat cushioned from the worst impacts of rising prices, and benefits significantly from being supported by KPMG LLP, with no reliance on external fundraising. Many organisations and charities have experienced significant financial turbulence, which, for most, has continued through 2023. Despite this, the

Foundation's partners continue to be resourceful and largely successful in adapting their programmes to take account of the current economic climate. But the financial sustainability of our partners and other organisations in the children and young people's sector – especially in some of the UK's most disadvantaged communities – continues to be a source of concern. This situation can be very challenging for organisational leaders, who feel a responsibility for the families they are working with, and for the wellbeing of their own staff. Leader 'burn out' is something, we and other funders, watch out for.

Producing an impact report for the Foundation highlighted issues that most funders recognise are in tension with each other ie. how to demonstrate the difference being made with the resources available, whilst also recognising that most grants are a contribution to change, rather than being directly attributable for that change. Working with others on a common approach to outcomes should help confront some of these issues.

During this year, the trustees were able to work with some of the charity's partners to re-phase grants, where activity was slower than expected, usually due to staff shortages in the charity or with a local authority partner. The Foundation aims to support our charity partners as much as possible. During 2022/23 a small number of serious incidents were reported by the Foundation's charity partners, and following discussions with the relevant charities, the trustees were satisfied that all appropriate steps were being taken, and the incidents did not merit KPMG Foundation involvement.

Financial review

Review of the year

During the year, the Foundation funded grants of £1,167,560 (2022: £899,604). The Foundation received a donation from KPMG LLP of £674,712 (2022: £667,980), voluntary income of £28,960 (2022: £36,750) was received from KPMG LLP as a 50% contribution to the running and support costs of the Foundation, gift aid of £168,678 (2022: £166,995) was received, and net investment return was a profit of £296,414 (2022: loss of £623,495). Donated services provided to the Foundation on a pro-bono basis from KPMG LLP were £101,742 (2022: £70,843). Furthermore, in accordance with the Transfer Agreement, £135,163 (2022: £6,052,853) of assets were transferred during the year from the unincorporated KPMG Foundation (charity number 1086518), through a donation to this charity.

Report of the Trustees

(continued)

Financial review (continued)

Investment policy and performance

The performance of investments held in the year can be seen in note 8 to the financial statements and below. The Foundation's investment policy seeks to strike a balance between the availability of funds and generation of a strong return, whilst maintaining a relatively low exposure to risk. The trustees regularly review investment performance and monitor the current portfolio of investments held, in respect of cash flow and risk.

The Sarasin and Partners portfolio is managed on a discretionary basis. The aim of the portfolio is to produce an income that can support grant giving whilst maintaining the 'real' value of the capital. To achieve this, the portfolio is invested in a diversified manner across bonds, equities, property and alternative investments.

Analysis of investments held as at 30 September:

Asset Class	Value at 30 Sept 2023 £'000	Weight at 30 Sept 2023 %	Value at 30 Sept 2022 £'000	Weight at 30 Sept 2022 %
Fixed Income	1,947	42	1,642	35
Equity	2,014	44	1,960	42
Property	92	2	146	3
Alternative	432	9	687	15
Cash	125	3	254	5
Total	4,610	100	4,689	100

The trustees have a policy to maintain a cash reserve (including investments readily convertible into cash) in order to meet two years' committed grant payments and running costs as well as a policy to maintain a minimum level of funds of £3 million.

For the financial year ending 30 September 2023, the Sarasin and Partners portfolio produced a total return, net of fees of 5.2%, behind the portfolio's bespoke benchmark of 7.7%. (2022: net of fees of -12.3%, behind the portfolio's bespoke benchmark of -10.8%). The portfolio's long-term objective of CPI +2% was up +8.8% (2022: +12.5%) over the same period.

At 30 September 2023, £243,879 (2022: £294,875) of cash was held in the current account with HSBC. £nil (2022: £1,010) was held as restricted funds. The restricted cash funds arose from the transfer of funds from Every Child a Chance Trust (note 1).

Reserves policy

The trustees reserve the right to utilise accumulated reserves to meet shortfalls in annual income and also to fund any major initiatives that are identified.

The trustees ensure that the Foundation retains sufficient reserves to cover all anticipated future financial commitments (grants committed and two years of running costs) with a minimum level of reserves to be held, currently set at £3 million to ensure the Foundation can continue to operate in the longer-term. Grants not yet provided in the accounts but expected to be payable total £1,031,190 (2022: £1,293,000). Running costs per year are expected to be in the region of £200,000 to £250,000. The target reserves therefore required to cover grant commitments and running costs as at 30 September 2023 are estimated to be in the region of £1,431,190 to £1,531,190. As at 30 September 2023, the Foundation held total reserves of £5,024,483 (2022: £5,139,813) of which £nil (2022: £1,010) were restricted. The unrestricted reserves level (equivalent to free reserves) as at end of September 2023 therefore currently exceeds the level of target reserves and minimum level of reserves set of £3 million.

Report of the Trustees

(continued)

Plans for future periods

The Foundation will continue to monitor the external environment and challenges for our partners in the voluntary sector. Public sector financial shortfalls are making life very difficult for charities working in children's social care, as services are cut and staff posts remain vacant.

On 4 July 2024, there will be a General Election, and we are currently in a period of uncertainty. In the coming years, it will take sustained and substantial efforts to reduce childhood poverty and the Foundation will continue to focus efforts where there are the greatest inequalities, with children and young people in communities facing the greatest social and financial hardship. The Foundation will continue to move towards granting funds to charities for core costs, as one small step in enabling greater financial flexibility for our partners.

For the coming year, investing the Foundation's resources wisely where it can help make the most difference, becomes ever more important and the following key objectives have been established:

Objectives 2023/24

- make in excess of £1m of grants to ambitious organisations creating the most impact for care experienced children and the most vulnerable under 5's (or other high potential impact initiatives);
- make progress with a collaboration of other key stakeholders on a common approach to outcomes for all children – to save time, money and effort; and
- plan for the Foundation's 25th anniversary year in 2025, aiming to raise the profile of the issues it cares about with and through the Foundation's charity partners.

Going concern

Forecasts and cashflow projections are prepared and regularly reviewed, covering the going concern assessment period of 12 months from the date of approval of these financial statements. These forecasts reflect a number of scenarios, including those where no further funding is received and there is an increase in the running costs of the Foundation. After reviewing the charity's forecasts and projections, the trustees have a reasonable basis to conclude that the charity has adequate resources to continue in operational existence and to meet its grant making commitments for a period of at least twelve months. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Disclosure of information to the auditor

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

Small company provisions

In producing this report, the trustees have taken advantage of the small companies exemptions provided by part 15 of the Companies Act 2006 in not preparing a strategic report.

Report of the Trustees

(continued)

Trustees' Responsibilities Statement

The trustees (who are also directors of the KPMG Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by the trustees and signed on their behalf by:



Bina Mehta

Chair

21 June 2024

Independent auditor's report to the trustees of The KPMG Foundation

Opinion

We have audited the financial statements of the KPMG Foundation (the 'charitable company') for the year ended 30 September 2023, which comprise the Statement of Financial Activities, the Balance Sheet, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice: Accounting and Reporting by Charities, 2019 Edition; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 are independent of the charitable company in accordance with the ethical requirements that are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the trustees' conclusions, we considered the inherent risks associated with the charitable company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

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 directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the trustees of The KPMG Foundation

(continued)

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 trustees are responsible for the other information contained within the Report of the Trustees. 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 themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report, prepared for the purposes of company law, included in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report included in Report of the Trustees have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 misstatements in the Directors' Report included in the Annual Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 trustees' 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 exemption from the requirement to prepare a strategic report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, 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 determine 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.

Independent auditor's report to the trustees of The KPMG Foundation

(continued)

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 that are applicable to the charitable company. We determined that the following laws and regulations were most significant: the Companies Act 2006 and Charities Act 2011, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), the Statement of Recommended Practice (SORP) applicable to Charities, and current UK corporation tax legislation.
- We understood how the charitable company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the board minutes.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
 - Challenging assumptions and judgements made by management in its significant accounting policies
 - Identifying and testing journal entries
 - Identifying and testing related party transactions
 - Inspecting the board minutes
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - Knowledge of the sector in which the charitable company operates, and
 - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.

Independent auditor's report to the trustees of The KPMG Foundation

(continued)

Auditor's responsibilities for the audit of the financial statements *(continued)*

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The charitable company's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
 - The charitable company's control environment, including;
 - Management's knowledge of relevant laws and regulations and how the charitable company is complying with those laws and regulations;
 - The adequacy of procedures for authorisation of transactions and review of management accounts, and
 - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Stephen Dean

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
21 June 2024

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Financial Activities

for the year ended 30 September 2023

		Unrestricted funds	Restricted funds	Year ended 30 Sept 2023 Total funds	Unrestricted funds	Restricted funds	Year ended 30 Sept 2022 Total funds
Notes		£	£	£	£	£	£
Income from Donations and legacies							
Donations	2	805,414	-	805,414	775,573	-	775,573
Transfer from unincorporated charity	2	135,163	-	135,163	6,032,843	20,010	6,052,853
Gift aid reclaim	2	168,678	-	168,678	166,995	-	166,995
Investments	4	183,578	-	183,578	166,324	-	166,324
Total income		1,292,833	-	1,292,833	7,141,735	20,010	7,161,745
Expenditure on							
Raising funds	5	(33,814)	-	(33,814)	(36,939)	-	(36,939)
Charitable activities	5	(1,486,175)	(1,010)	(1,487,185)	(1,176,174)	(19,000)	(1,195,174)
Total expenditure		(1,519,989)	(1,010)	(1,520,999)	(1,213,113)	(19,000)	(1,232,113)
Net gains/(losses) on investments	8	112,836	-	112,836	(789,819)	-	(789,819)
Net (expenditure)/ income being net movement of funds		(114,320)	(1,010)	(115,330)	5,138,803	1,010	5,139,813
Total funds brought forward		5,138,803	1,010	5,139,813	-	-	-
Total funds carried forward	12	5,024,483	-	5,024,483	5,138,803	1,010	5,139,813

The Statement of Financial Activities includes all gains and losses recognised in the period. All amounts relate to continuing activities.

The notes on pages 22 to 33 form part of these financial statements.

Balance Sheet

at 30 September 2023

	Note	30 Sept 2023 £	30 Sept 2022 £
Fixed assets			
Investments	8	4,610,302	4,688,777
Current assets			
Debtors	9	356,063	201,648
Cash at bank and in hand	10	243,879	294,875
Total current assets		599,942	496,523
Current liabilities			
Creditors: amounts falling due within one year	11	(185,761)	(45,487)
Net current assets		414,181	451,036
Net assets		5,024,483	5,139,813
Funds			
Restricted	12	-	1,010
Unrestricted	12	5,024,483	5,138,803
Total funds		5,024,483	5,139,813

In producing these financial statements, the trustees have taken advantage of the small companies exemptions provided by part 15 of the Companies Act 2006.

These financial statements were approved by the trustees on 21 June 2024 and were signed on their behalf by:



Bina Mehta
Chair
21 June 2024

The notes on pages 22 to 33 form part of these financial statements.

Statement of Cash Flows

for the year ended 30 September 2023

	Note	30 Sept 2023 £	30 Sept 2022 £
Cash flows from operating activities			
Net cash outflow from operating activities	14	(388,460)	(154,403)
Cash flows from investing activities			
Interest	4	16,064	3,845
Payments to acquire investments	8	(2,847)	(4,567)
Receipts from disposals of investments	8	324,247	450,000
Total cash flows from investing activities		337,464	449,278
Change in cash and cash equivalents in the reporting period	15	(50,996)	294,875
Cash and cash equivalents at the beginning of the reporting period	15	294,875	-
Cash and cash equivalents at the end of the reporting period	10	243,879	294,875

The notes on pages 22 to 33 form part of these financial statements.

Notes

forming part of the financial statements

1 Accounting policies

Basis of preparation

The trustees present their report and the financial statements of the Foundation for the year ended 30 September 2023. The financial statements have been prepared in accordance with the Companies Act 2006 and Charities Act 2011, Accounting and Reporting by Charities and in accordance with the 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). The financial statements comply with the Memorandum and Articles of Association of the Foundation. The Foundation meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value. The financial statements are prepared in pound sterling.

Going concern

Forecasts and cashflow projections are prepared and regularly reviewed, covering the going concern assessment period of 12 months from the date of approval of these financial statements. These forecasts reflect a number of scenarios, including those where no further funding is received and there is an increase in the running costs of the Foundation. After reviewing the charity's forecasts and projections, the trustees have a reasonable basis to conclude the charity has adequate resources to continue in operational existence and to meet its grant making commitments for a period of at least twelve months. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Income is recognised on a receivable basis and is reported gross of related expenditure, where the receipt is probable, and the amount can be measured reliably. Income has been classified under headings in the Statement of Financial Activities which aggregate all income related to a given category, on the bases set out below:

- donations comprise donations from KPMG LLP and the unincorporated KPMG Foundation, donated services and the portion of the Foundation's running costs which are borne by KPMG LLP. Donated services have been included at the value to the Foundation;
- gift aid reclaim; and
- income from investments.

Expenditure

Operating expenditure is included on an accruals basis and has been classified under headings in the Statement of Financial Activities which aggregate all costs related to a given category, on the bases set out below:

- expenditure on raising funds comprises any investment management costs;
- expenditure on charitable activities comprises direct expenditure in respect of programme management costs, grant-funding costs and support costs. Support costs are overheads that have been allocated to activity cost categories based on the number of grants payable by activity. It also comprises governance costs associated with the governance arrangements of the charity, and which relate to the general running of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include external audit and costs associated with constitutional and statutory requirements such as the cost of trustee meetings and preparing statutory accounts. Included within this category are any costs associated with the strategy as opposed to day-to-day management of the charity's activities.

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure.

Grants

Grants are made to third parties in the furtherance of the objectives of the charity. All grants have a requirement for regular progress reporting and the trustees reserve the right to withdraw funding at any time. In addition, multi-year grants are committed on an annual basis only, are conditional and subject to receiving satisfactory progress reports.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments, calculated as the difference between sales proceeds and their market value at the start of the year, or subsequent cost, are credited or charged to the Statement of Financial Activities in the year of gain or loss.

Unrealised gains or losses representing the movement in market values during the year are credited or charged to the Statement of Financial Activities in the year of gain or loss.

Notes

forming part of the financial statements
(continued)

1 Accounting policies (continued)

Cash

Cash, for the purpose of the Statement of Cash Flows, comprises cash in hand and at bank and cash held with investment advisors.

Trade and other debtors / creditors

Trade and other debtors / creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Funds

Restricted funds

There is a balance of £nil of restricted funds (2022: £1,010) held by the Foundation. During the year, £1,010 was granted to Thrive at Five in support of the aims of the Every Child a Chance Trust.

Unrestricted Funds

All other funds are unrestricted and are available to the Foundation to carry out any of its charitable objectives.

Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, not always equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and liabilities within the next financial year are discussed below.

For our multi-year grants, only the annual commitment is recognised. Future grant commitments are not accrued but are instead considered to be contingent liabilities. The application of the accounting policy in respect of grant funding requires some judgement in assessing whether sufficient progress has been made by our charity partners to meet the next grant payment due. Regular progress reports are received to monitor and assess progress. The CEO reviews these in detail and has regular dialogue with our charity partners over the grant period. If the CEO and/or trustees are not satisfied that adequate progress has been made funding maybe withheld or withdrawn.

2 Donations

	Year ended 30 Sept 2023 Total Unrestricted funds £
Donation from KPMG LLP	674,712
Donation from the unincorporated KPMG Foundation	135,163
Support costs borne by KPMG LLP	28,960
Donated services (note 3)	101,742
Total donations	940,577
Gift aid reclaim	168,678
Total	1,109,255

Notes

forming part of the financial statements
(continued)

2 Donations (continued)

	Unrestricted funds £	Restricted funds £	Year ended 30 Sept 2022 Total funds £
Donation from KPMG LLP	667,980	-	667,980
Donation from the unincorporated KPMG Foundation	6,032,843	20,010	6,052,853
Support costs borne by KPMG LLP	36,750	-	36,750
Donated services (note 3)	70,843	-	70,843
Total donations	6,808,416	20,010	6,828,426
Gift aid reclaim	166,995	-	166,995
Total	6,975,411	20,010	6,995,421

Gift aid reclaim was in relation to the donation received from KPMG LLP. KPMG LLP bears 50% of the majority of running costs incurred by the Foundation. Included within support costs borne by KPMG LLP is an accrual for the Foundation's 2023 auditor's fees of £23,580 (including VAT) (2022: £22,200). As per the Transfer Agreement, audit fees of £12,000 in respect of the unincorporated KPMG Foundation were incurred in 2022. An audit of the unincorporated KPMG Foundation is not required for the year ended 30 September 2023.

3 Donated services

	Year ended 30 Sept 2023 £	Year ended 30 Sept 2022 £
Treasurer	5,672	4,174
Financial support	19,444	16,304
Other internal support	76,626	50,365
Total	101,742	70,843

Donated services are those provided to the Foundation on a pro-bono basis. All donated services are recognised at their value to the Foundation.

KPMG LLP donates the services of staff for the financial and administration support of the Foundation. £21,725 (2022: £18,847) of this relates to governance costs, including the costs of preparing the statutory financial statements and £80,017 (2022: £51,996) relates to the cost of day-to-day financial management and other services provided by KPMG LLP for the Foundation throughout the year.

Notes

forming part of the financial statements
(continued)

4 Income from investments

	Year ended 30 Sept 2023 £	Year ended 30 Sept 2022 £
Interest	16,064	3,845
Distributions received	167,514	162,479
Total	183,578	166,324

5 Expenditure

	Unrestricted funds			Restricted funds			Year ended 30 Sept 2023
	Grant Funding £	Support Costs £	Other Direct Costs £	Grant Funding £	Support Costs £	Other Direct Costs £	Total Funds £
Raising funds							
Investment management costs	-	-	33,814	-	-	-	33,814
Total	-	-	33,814	-	-	-	33,814
Charitable activities							
In support of children and young people in deprived families	1,166,550	251,351	68,274	1,010	-	-	1,487,185
Total charitable activities	1,166,550	251,351	68,274	1,010	-	-	1,487,185
Total expenditure	1,166,550	251,351	102,088	1,010	-	-	1,520,999

Notes

forming part of the financial statements
(continued)

5 Expenditure (continued)

	Unrestricted funds			Restricted funds			Year ended 30 Sept 2022
	Grant Funding £	Support Costs £	Other Direct Costs £	Grant Funding £	Support Costs £	Other Direct Costs £	Total Funds £
Raising funds							
Investment management costs	-	-	36,939	-	-	-	36,939
Total	-	-	36,939	-	-	-	36,939
Charitable activities							
In support of children and young people in deprived families	880,604	221,899	73,671	19,000	-	-	1,195,174
Total charitable activities	880,604	221,899	73,671	19,000	-	-	1,195,174
Total expenditure	880,604	221,899	110,610	19,000	-	-	1,232,113

Grant funding resources expended are analysed in note 6.

Support costs included within 'Charitable activities' include, management costs, finance costs and other administrative costs; see note 7 for further analysis. Other direct costs within 'Charitable activities' include professional and legal costs.

KPMG LLP bears 50% of the majority of the running costs incurred by the Foundation. In the current year, running costs of £5,380 (2022: £2,550) excluding audit fees were borne by KPMG LLP.

Support costs include £101,742 (2022: £70,843) of donated services; see note 3.

In the current year, the Foundation's auditor has charged fees of £23,580 (including VAT) (2022: £22,200 including VAT) as well as the audit fees of £nil (2022: £12,000) in respect of the unincorporated KPMG Foundation, which have been accepted by the Foundation, as per the Transfer Agreement. KPMG LLP has borne the full cost of these audit fees in the current year (2022: £nil).

Notes

forming part of the financial statements
(continued)

6 Grant funding

	Year ended 30 Sept 2023 £	Year ended 30 Sept 2022 £
In support of children and young people in deprived families		
Anna Freud Centre – Reflective Fostering Programme	60,000	50,000
Buttle UK	25,000	50,000
Buttle UK**	2,500	-
Care experienced movement (CEM)	5,000	20,000
Care experienced movement**	500	-
Cohen Trust (Seen Heard Believed)	95,000	45,000
Cohen Trust (Seen Heard Believed)	50,000	-
Cohen Trust**	9,500	-
Education Policy Institute (EPI)	40,000	-
Family Rights Group - core funding	-	37,500
Fostering Network (Step Up Step Down, Wales)	100,000	100,000
Fostering Network Research project	13,300	50,000
Fostering Network**	10,000	-
Fostering Network - Retention and Diversity toolkit	5,750	-
Happy Baby Community	30,000	-
Juno	100,000	100,000
Juno**	10,000	-
Kinship - (Grandparents Plus)	100,000	75,000
Kinship**	7,500	-
Lucy Faithfull Foundation	100,000	100,000
Lucy Faithfull Foundation**	10,000	-
Project Change	25,000	-
Sister System	50,000	-
Thrive at Five	150,000	150,000
Thrive at Five**	15,000	-
University of Oxford	-	28,104
WILD young parents	75,000	75,000
WILD young parents**	7,500	-
The Village	70,000	-
Oxford University ECC Evaluation *	-	19,000
Thrive at Five (Restricted) *	1,010	-
Total	1,167,560	899,604

*restricted funds

**one-off payments made to support our charity partners through the challenging economic climate

Notes

forming part of the financial statements
(continued)

6 Grant funding (continued)

	Year ended 30 Sept 2023 £	Year ended 30 Sept 2022 £
Grants not provided in the accounts		
Total intended grants payable at the beginning of the period	1,293,000	-
Intended grants transferred from unincorporated charity	-	599,604
New grants awarded in the period	905,750	1,593,000
Charged in the accounts in the period *	(1,167,560)	(899,604)
Total	1,031,190	1,293,000
Items not yet provided in the accounts that are expected to be payable		
Within one year	756,190	643,000
Within two to four years	275,000	650,000
Total	1,031,190	1,293,000
Grants provided in the accounts		
Grants payable provided in the accounts at the start of the period	-	-
Charged in the accounts in the period	1,167,560	899,604
Paid in the period	(1,017,560)	(899,604)
Total	150,000	-

* This includes £1,010 (2022: £19,000) payable from the restricted fund.

All grants are paid to charitable organisations.

Grants not provided relate to multi-year grants, which are committed on an annual basis only, and are conditional and subject to receiving satisfactory progress reports. These are treated as contingent liabilities.

Notes

forming part of the financial statements
(continued)

7 Analysis of support costs

	Management £	Unrestricted Finance £	Other £	Year ended 30 Sept 2023 £
Expenditure on charitable activities				
In support of children and young people in deprived families	149,609	9,893	70,124	229,626
Governance costs	21,725	-	-	21,725
Total support costs	171,334	9,893	70,124	251,351

	Management £	Unrestricted Finance £	Other £	Year ended 30 Sept 2022 £
Expenditure on charitable activities				
In support of children and young people in deprived families	136,134	7,374	59,544	203,052
Governance costs	18,847	-	-	18,847
Total support costs	154,981	7,374	59,544	221,899

In respect of the restricted fund, no expenditure other than grant expenditure was incurred (2022: £nil). Management costs include the cost of the Foundation's officers, who assisted with generating funds, service delivery and programme or project related work. In addition, management costs include the value to the Foundation of donated services for the treasurer and finance team for the preparation of the financial statements. The value to the Foundation of donated services in respect of the financial statements are included within governance costs.

Governance costs arising from unrestricted fund activity include the donated services of the treasurer £5,672 (2022: £4,174), the finance team and others for the preparation and review of the financial statements £16,053 (2022: £14,673).

Finance costs include the donated services for financial administration.

Other costs include the cost of third-party suppliers to support our charitable activities as well as donated services from those outside of finance.

Notes

forming part of the financial statements
(continued)

8 Investments

	30 Sept 2023 £	30 Sept 2022 £
Opening balance	4,688,777	-
Transfer of investments from unincorporated charity	-	5,804,863
Acquisitions at cost	2,847	4,567
Dividends received	167,514	162,479
Charges incurred	(37,425)	(43,313)
Disposal of investments	(324,247)	(450,000)
Total	4,497,466	5,478,596
Unrealised gain/(loss) on revaluation of investments	121,910	(826,524)
Realised (loss)/gain on investments	(9,074)	36,705
Total	112,836	(789,819)
Market value at 30 September	4,610,302	4,688,777
Investments comprise:		
Sarasin & Partners income and reserves fund	2,286,034	2,297,138
Sarasin & Partners endowments fund	2,324,268	2,391,639
At market value	4,610,302	4,688,777
At original cost	5,013,644	5,804,863

9 Debtors

	30 Sept 2023 £	30 Sept 2022 £
Tax receivable from HMRC	331,428	166,995
Amounts recoverable from KPMG LLP	23,277	33,500
Other debtors and prepayments	1,358	1,153
Total	356,063	201,648

Notes

forming part of the financial statements
(continued)

10 Cash at bank and in hand

	30 Sept 2023 £	30 Sept 2022 £
Cash at bank and in hand – restricted	-	1,010
Cash at bank and in hand – unrestricted	243,133	292,728
Short term deposits	746	1,137
Total	243,879	294,875

11 Creditors

	30 Sept 2023 £	30 Sept 2022 £
Grants payable	150,000	-
Other creditors	35,761	45,487
Total	185,761	45,487

12 Movement in funds

	At 1 Oct 2022 £	Income £	Expenditure £	Net gain on investments £	At 30 Sept 2023 £
Unrestricted funds	5,138,803	1,292,833	(1,519,989)	112,836	5,024,483
Restricted funds	1,010	-	(1,010)	-	-
Total	5,139,813	1,292,833	(1,520,999)	112,836	5,024,483

	At 1 Oct 2021 £	Income £	Expenditure £	Net gain on investments £	At 30 Sept 2022 £
Unrestricted funds	-	7,141,735	(1,213,113)	(789,819)	5,138,803
Restricted funds	-	20,010	(19,000)	-	1,010
Total	-	7,161,745	(1,232,113)	(789,819)	5,139,813

During the year, £1,010 (2022: £19,000) of restricted funds were utilised in support of the aims of Every Child a Chance Trust.

Notes

forming part of the financial statements
(continued)

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Year ended 30 Sept 2023 Total £	Restricted funds £	Unrestricted funds £	Year ended 30 Sept 2022 Total £
Fixed asset investments	4,610,302	-	4,610,302	4,688,777	-	4,688,777
Current assets	599,942	-	599,942	495,513	1,010	496,523
Current liabilities	(185,761)	-	(185,761)	(45,487)	-	(45,487)
Total net assets	5,024,483	-	5,024,483	5,138,803	1,010	5,139,813

14 Reconciliation of net outgoing resources to net cash flow from operating activities

	30 Sept 2023 £	30 Sept 2022 £
Net incoming resources before (losses)/gains on investments	(228,166)	5,929,632
Add/(less):		
Income from investments	(183,578)	(166,324)
Investment management costs	37,425	43,313
Transfer of investments from unincorporated charity	-	(5,804,863)
Increase in debtors	(154,415)	(201,648)
Increase in creditors	140,274	45,487
Net cash outflow from operating activities	(388,460)	(154,403)

15 Cash and cash equivalents

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand - unrestricted	292,728	(49,595)	243,133
Cash at bank and in hand - restricted	1,010	(1,010)	-
Short term deposits	1,137	(391)	746
Total cash and cash equivalents	294,875	(50,996)	243,879

The Foundation does not hold any debt instruments and therefore a net debt reconciliation has not been presented.

Notes

forming part of the financial statements
(continued)

16 Employee costs, trustee remuneration and related party transactions

The charity does not have any employees. The charity does however receive the services of individuals who work on its behalf; these services are either donated or invoiced by KPMG LLP.

The CEO of the Foundation is employed by KPMG LLP. A full charge was made to the Foundation in respect of this.

The trustees received no remuneration or reimbursements of expenses during the current or prior period, with the exception of £477 (2022: £229) paid for travel expenses on behalf of two trustees.

The trustees of the company who were separately members of KPMG LLP at 30 September 2023 also have an interest in the transactions set out below.

Transactions and year-end balances between the Foundation, The KPMG Foundation (charity number 1086518) and KPMG LLP are set out below.

	Note	Year ended 30 Sept 2023 £	Year ended 30 Sept 2022 £
KPMG LLP			
Donation from KPMG LLP	2	674,712	667,980
Support costs borne by KPMG LLP	2	28,960	36,750
Donated services	3	101,742	70,843
Costs charged by KPMG LLP	7	149,609	136,134
The KPMG Foundation			
Donation - transfer from unincorporated charity	2	135,163	6,052,853
Amounts recoverable from KPMG LLP	9	23,277	33,500

