



The KPMG Foundation

Report of the Trustees and financial statements

A charitable company limited by guarantee

Registered company number 13083579

Registered charity number 1194474

30 September 2024

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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 2024. 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 Charity 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 partner of KPMG LLP
Corrine Harms	- current employee of KPMG LLP
Jennifer Lee	- current partner of KPMG LLP
John McCalla-Leacy	- current employee of KPMG LLP, retired partner of KPMG LLP
David Woodward	- retired partner of KPMG LLP, resigned 14 November 2023
David Yim – Chair of Finance and Investment Committee	- retired partner of KPMG LLP
David Bartram, OBE	
Rohati Chapman	
Professor Lisa Holmes	
Christopher Murray	
Sherry Peck	- resigned 30 September 2024
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.

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

Report of the Trustees (*continued*)

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 2024, the Foundation consisted of a board of nine trustees, a treasurer, a financial team, an external advisor and a chief executive officer (CEO). Of the nine trustees, five are partners of KPMG LLP, retired partners or an employee of KPMG LLP. Four are external trustees who bring considerable experience and expertise in the issues prioritised by the charity.

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 or employees of KPMG LLP 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 1 and above.

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. There were no new trustees who joined the board during the year.

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, for discussion of the achievements and challenges of the work.

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. 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.

Report of the Trustees (*continued*)

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. The risk management framework was updated during the year. 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 holds sufficient funds to ensure it could meet all of 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; and
- Reputation - the Foundation works hard to maintain a strong reputation in the sector. By association, reputational damage to any of the charities it works with 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 the 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 investment 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 in 2023 and more recently in January 2025, 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.

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. Over the last 12 months, the challenges for too many children remain, 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, and often in collaboration with others. 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.

Report of the Trustees (*continued*)

Objectives and activities (*continued*)

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 requirements 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 Charity Commission categories 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 views them as 'partners in change for children' rather than as 'beneficiaries' of funding given. Their success is the Foundation's success.

Alongside many other funders, the Foundation continues to be aware of the long-term impacts of the Covid-19 pandemic. Babies and young children born or raised during the 'isolation' years of 2020 to 2022, have been badly affected and fewer children than ever before are considered 'school ready'. Delayed speech, language, social and emotional developmental delay are of particular concern. More generally, childhood poverty has continued to rise and tackling it is a major focus for this government.

Grants made during the year take account of these issues and the Foundation has built a stronger cohort of partners in the early years. For smaller and medium sized organisations, core funding rather than project funding is generally preferred.

As a focussed funder, we make a relatively small number of higher value grants each year. The Foundation wants to support innovative and ambitious work with potential for systemic change, in areas of multiple deprivation, and where learning can be shared with others for wider impact.

The Foundation is keen to invest in early stage organisations or ideas – Start Up – often with lived experience at their heart. The Foundation also fund 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. Examples are a recent grant to explore AI enabled toys for under 5's and research on food poverty in the early years conducted by the Education Policy Institute, described later in this report.

Reporting on our objectives for 2023/24

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.

During the year, eight new grants were awarded totalling over £1,387,000 to such organisations, including two grants with a wider remit: The Difference, tackling school exclusions, and Dartington Service Design Lab, developing common outcomes for children.

Last year the Foundation cited three areas where it intended to make particular progress in 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);

Report of the Trustees (*continued*)

Objectives and activities (*continued*)

Reporting on our objectives for 2023/24 (*continued*)

- 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.

These are reported on within the Achievements and Performance section of this report.

Achievements and Performance

Objective 1: 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)

Trustees awarded new grants totalling £1,387,000 during the year. Most of these were to support work over two to three years. Grants are monitored during the period and organisations report against key criteria that they have outlined at the beginning of the grant period. Where satisfactory progress cannot be made or there are insurmountable problems, grants may be withheld. No such events occurred during the year

Grants awarded during 2023/24:

Organisation and theme	Summary Description	Type of funding	Location	Grant
Care Experience				
Family Rights Group	Lifelong Links for London care leavers to build connections and networks of support	Step up	London	£225,000
Juno	New models of residential children's homes in the Liverpool city region	Step up	Liverpool City Region	£175,000
Now Foster	Innovations in fostering recruitment and retention	Start up	National	£150,000
All children				
The Difference	Inclusion: supports mainstream school leaders to reduce pupil exclusions	Step up	National	£300,000
Dartington Service Design Lab	A collaborative initiative to develop common outcomes for all children	Step together	National	£70,000
Early years				
Think Equal	Social and emotional learning; fostering equity amongst 3 to 6 year olds	Start up	London and Greater Manchester	£75,000
Fifty Things to do before you're five	Evaluation and building evidence for the '50 things' approach	Step up	Yorkshire and National	£300,000
Childhood Trust	Researching the impact of AI enabled toys on Under 5s	Research	National	£92,000

At the heart of 'Our Impact' is the work undertaken by the Foundation's charity partners.

In this year's report we are featuring three case studies which illustrate the different types of grants we make.

One research project in the early years with the Education Policy Institute (EPI); one programmatic start up in the early years with Thrive at Five; and one programmatic 'start up' in children's residential social care with Juno.

Report of the Trustees (*continued*)

Achievements and Performance (*continued*)

- a. Education Policy Institute – in 2023, the Foundation supported EPI to undertake a research project: How can we reduce food poverty for under fives? This work concluded in the autumn of 2024 with a comprehensive research report and a roundtable event of key stakeholders.

The Foundation was interested in supporting this research to provide more insight into food poverty in families with very young children (where far less is known) and to highlight areas where solutions may be found, or where policies and resources could be focused for greater effect and better outcomes. The research interrogated the effectiveness of existing national policies, exploring what could be learnt from local place-based initiatives across the UK, as well as what other countries are doing. Work in Scotland was highlighted as a specific area of interest.

The key research findings can be found in the publication: How can we reduce food poverty for under-fives? The Education Policy Institute make the following recommendations:

- A focus on food poverty experienced by families with children under five, should be explicitly included in the Government's child poverty strategy in mid 2025.
- The value of the Healthy Start Scheme – to help low income families buy more nutritious food - should be increased and reviewed in line with inflation. The eligibility criteria should also be reviewed to increase uptake ideally moving towards an autoenrollment system.
- Working towards universal free meals in early years settings would make a significant difference to young children during their critical phase of development. The Government could help the sector to implement this, improve the existing free early years meals (FEYM) programme, promote awareness amongst parents and early years professionals, remove restrictive criteria and increase the scope beyond maintained settings.
- Local authorities could be supported to provide tailored solutions to food poverty based on local needs, by central Government. Regular and sustainable funding for local authorities to set up their own Food Poverty Alliances and Food Poverty Plans, including the views of those affected by food poverty, would be a significant step forward.

As well as supporting the research and hosting a roundtable, the Foundation aimed to help amplify the findings and connect key stakeholders. We involved some of our other charity partners such as Happy Baby Community to make relevant connections with organisations reaching some of the most disadvantaged families with very young children.

The media coverage was impressive, ranging from Nursery World to the Financial Times, and it is hoped that the recommendations will be used by the government's child poverty taskforce and integrated into their forthcoming strategy. It should also help the wider children's sector of statutory and voluntary agencies, to target their resources more thoughtfully, with the needs of our youngest children in mind.

- b. Thrive at Five were awarded one of the Foundation's largest grants, in early 2022, when the organisation was in its start-up phase. It had a strong theory of change with collective impact at its core, with great ambition '*to improve school readiness*' but with little infrastructure to deliver it. This was a considerable risk for the Foundation at that time, but there were clear signs that this organisation had the vision, the evidence of need through a systematic mapping, the leadership and the drive to make a real difference in the lives of young children and their families.

Progress has already been reported on improving health and learning outcomes – for example, the Nuffield Early Language Intervention, which supports children who are falling behind with their communication and language development. 62% made significant progress in their language skills. Thrive at Five delivered the programme through a partnership with Staffordshire University to help with cost effectiveness and sustainability. A new Mums-2-Be group was launched, providing a vital support network for women with poor perinatal and postnatal mental health. Local professionals offer expert advice in a more informal setting to help prepare mums for birth and the early days of parenthood, so important for bonding with newborns.

KPMG Foundation trustees saw the potential for Thrive at Five to scale, transfer or adapt their model into other places, by building local capacity with professionals and parents working better together as well as a national core of evidence and good practice to be shared. They call it '*lift and shift*' and it is proving very effective. Our funding was directed at building the core team and replication in other areas beyond the pilot in Stoke. The external funding context has been challenging but since 2022, Thrive at Five have built excellent partnerships with local authorities, professionals and parents. They are knowledgeable, involved and trusted to help people make a difference in their own communities.

Report of the Trustees (*continued*)

Achievements and Performance (*continued*)

The success in Stoke has helped pave the way into Redcar & Cleveland, with a third pathfinder area also in the North East, shortly to be confirmed. A fourth in Scotland is also in development. This is a great achievement from small beginnings just a few years ago and our grant has contributed to building strong foundations for this organisation and for under 5's.

- c. Juno – this community interest company based in the Liverpool City Region, creates homes where young people feel safe, loved and supported in all aspects of their emotional, physical and educational development – homes where young people thrive.

This relationship also started with a grant in early 2022 and Juno's ambitions have taken shape over the last three years.

In early 2022, the first home on the Wirral had just been purchased but was essentially a building site with a major refurbishment underway. Other funding had been secured for capital costs and our grant was allocated to developing the organisation and building a sustainable financial model. Juno's leadership team has made great progress on this and are developing a longer term funding strategy with the five Liverpool City Region local authorities to 2030. It has built a strong relationship with Wirral local authority who provided vital loan capital initially.

Developing new models of care, in collaboration with local authorities, and a commitment to building a more caring, stable and dynamic workforce, has not been plain sailing. Much groundwork has been needed on planning systems and processes that underpin Juno's philosophy and innovative approach – so that children feel safe, nurtured and can thrive as more confident and capable young people. The Governance of the organisation was strengthened in late 2023/early 2024 and by the spring of 2024, the first home on the Wirral had achieved two consecutive 'Good' ratings from Ofsted. A second home opened in Wallasey in August 2024 and a third home has been refurbished and will be ready to open by spring 2025. The property strategy for Juno's fourth home and beyond is clear, with the right partners and resources in place to achieve it.

Juno has been developing its impact strategy and refining its practice model. These are focused on the experience children have of living in a Juno home, including links with family, friends and school. The Juno team have been successful in helping young people back into education (who have previously missed a lot of learning). Although the numbers of children in residential care is small, most of these children have complex backgrounds and needs and the cost of caring is high. The Foundation wanted to support Juno's approach to test if better outcomes for children could be achieved at the same average cost as in many other parts of this sector, with a stronger more motivated workforce. Ultimately children themselves will be more involved in making Juno the home they want to live in and the 'experts by experience' group of young people are becoming a core part of the wider team, to ensure this happens, and that children do feel safe, supported and loved.

Objective 2: make progress with a collaboration of other key stakeholders on a common approach to outcomes for all children – to save time, money and effort

The Foundation has been an early funder in a small collaborative of others to support the start up and seed funding of the common outcomes work.

Dartington Service Design Lab were identified as an ideal host organisation to help incubate this initiative in its first few years. A Memorandum of Understanding was agreed between Dartington and the four initial funders in the autumn of 2024. The Foundation's CEO is a member of the Advisory Group and has helped facilitate collaboration to bring this initiative into being, as it has great potential for change.

Almost 150 organisations are involved at present, with over 200 leaders across the children's sector, local authorities, policy makers and academics, and the number is growing all the time. There is wide recognition that achieving greater simplicity and coherence is essential to make the difference for children that everyone is striving for.

The work is led by a small team of professionals with in-depth experience across the children's sector. It is drawing attention amongst local authorities, policy makers and academics, and more stakeholders are getting involved. This is still at a relatively early stage but shows great promise.

The Foundation will continue to act as an early adopter of its central approach and use the SAFE, HEALTHY, HAPPY, LEARNING and ENGAGED headlines in our impact reporting.

Report of the Trustees (*continued*)

Achievements and Performance (*continued*)

Objective 3: 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

During the year, the Foundation has spent a limited amount of time on planning and developing the following:

- A 25-year Impact Report (to be published in spring 2025). This will build on the Impact Report published in the autumn of 2023, using the common outcomes approach. During the year, research has been undertaken to look at some of the grants made by the Foundation during its first and second decade to see 'where they are now'. As well as highlighting how some organisations have developed, we will also look at how our own portfolio of interests has evolved over time, particularly with relevance to the external policy environment;
- A special grants programme – 25 core funding grants of £25,000 to charities around the country. This is an opportunity for the Foundation to support some smaller place-based organisations or discrete projects across the country in addition to our mainstream funding of more strategic ventures; and
- An anniversary event in May 2025. This is to thank all former trustees, and supporters. Most importantly, we will use this opportunity to recognise the work of the charities we support and have supported over 25 years, who work tirelessly to improve outcomes for babies, children, families and young people.

Challenges during the year

The longer-term impacts of the Covid-19 pandemic are still being felt and assessed, for example the strong evidence that school readiness for young children, mostly isolated during 2020-21/22, has deteriorated nationally.

Combined with the rapidly rising cost of living, more complex needs and significant strain on local authority resources, operational and financial risks for the Foundation's voluntary sector partners have increased. 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 2024. There has been a noticeable and well documented rise of charity closures or significant redundancy programmes during the year. 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. 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.

The Foundation is not alone amongst funders in recognising the tensions that exist in demonstrating the difference being made through our support whilst recognising that most grants are a contribution to change, rather than being directly attributable to 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.

Report of the Trustees (*continued*)

Financial review

Review of the year

During the year, the Foundation funded grants of £1,221,190 (2023: £1,167,560). The Foundation received a donation from KPMG LLP of £674,712 (2023: £674,712), voluntary income of £31,960 (2023: £28,960) was received from KPMG LLP as a 50% contribution to the running and support costs of the Foundation, gift aid of £168,678 (2023: £168,678) was received, and net investment return was a profit of £651,676 (2023: £296,414). Donated services provided to the Foundation on a pro-bono basis from KPMG LLP were £60,671 (2023: £101,742).

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 2024 £'000	Weight at 30 Sept 2024 %	Value at 30 Sept 2023 £'000	Weight at 30 Sept 2023 %
Fixed Income	1,654	37	1,947	42
Equity	2,283	51	2,014	44
Property	82	2	92	2
Alternative	378	8	432	9
Cash	101	2	125	3
Total	4,498	100	4,610	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 2024, the Sarasin and Partners portfolio produced a total return, net of fees, of +13.2%, slightly behind the portfolio's bespoke benchmark of +13.6% (gross of fees) (2023: *net of fees of 5.2%, behind the portfolio's bespoke benchmark of 7.7% (gross of fees)*). The portfolio's long-term objective of CPI +2% was up +4.3% (2023: +8.8%) over the same period.

At 30 September 2024, £260,456 (2023: £243,879) of cash was held in the current account with HSBC and the cash deposit account held with Sarasins.

Report of the Trustees (*continued*)

Financial review (*continued*)

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 £1,197,000 (2023: £1,031,190). Running costs per year are expected to be in the region of £250,000 to £275,000. The target reserves therefore required to cover grant commitments and running costs as at 30 September 2024 are estimated to be in the region of £1,817,000 to £1,867,000. As at 30 September 2024, the Foundation held total unrestricted reserves of £5,080,316 (2023: £5,024,483). The unrestricted reserves level (equivalent to free reserves) as at end of September 2024 therefore currently exceeds the minimum level of reserves set of £3 million.

Plans for future periods

The new government has made improving outcomes for all children one of its top priorities and one of its 2024 published milestones is 'Giving children the best start in life'.

A new child poverty taskforce has been established which will report in summer 2025 and 'Giving children the best start in life' is one of its key milestones. The intersectionality of poverty and the early years is central to the Foundation's strategy, so this is good news, although everyone recognises that there are significant challenges ahead.

Mindful of this external context, for the coming year, we will continue to invest in organisations and initiatives where we can help make the most difference and continue to grant funds to charities predominantly for core costs, enabling greater financial flexibility, wherever possible.

Objectives for the forthcoming year

- make in excess of £1.5m 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);
- mark the Foundation's 25th anniversary year in 2025 by implementing a special grants programme across England, Wales and Scotland of 25 grants of £25,000;
- produce an impact report covering the Foundation's 25 year history to highlight key themes, partners and policy since 2000;
- continue to develop strong relationships across the sector, collaborate effectively with other funders and connect our charity partners with each other, to help drive better outcomes for all children, by saving time, money and effort; and
- ensure a smooth transition during the handover from the outgoing CEO to a new incumbent.

We will continue to look for organisations or initiatives to **CATALYSE** from their early stages where we can see potential for scale or adaptation; **AMPLIFY** the work of our partners to help achieve greater influence; collaborate with others to ensure our resources are used effectively and **CONNECT** our partners with each other, where we can see potential for them working together to benefit children and families.

Report of the Trustees (*continued*)

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 include a scenario where there is an increase in the running costs of the Foundation. After reviewing the charity's forecasts and projections, as well as consideration of other scenarios 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

Bina Mehta
Chair
24 March 2025

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 2024, 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 2024 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 Report of the Trustees, 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 the Report of the Trustees has 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 Report of the Trustees.

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 12, 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.



Stephen Dean 24/3/2025
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

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 2024

		30 Sept 2024			30 Sept 2023		
	Notes	Unrestricted funds	Restricted funds	Total funds	Unrestricted funds	Restricted funds	Total funds
		£	£	£	£	£	£
Income from							
Donations and legacies							
Donations	2	767,343	-	767,343	805,414	-	805,414
Transfer from unincorporated charity	2	-	-	-	135,163	-	135,163
Gift aid reclaim	2	168,678	-	168,678	168,678	-	168,678
Investments	4	186,898	-	186,898	183,578	-	183,578
Total income		1,122,919	-	1,122,919	1,292,833	-	1,292,833
Expenditure on							
Raising funds							
Charitable activities	5	(32,959)	-	(32,959)	(33,814)	-	(33,814)
	5	(1,498,905)	-	(1,498,905)	(1,486,175)	(1,010)	(1,487,185)
Total expenditure		(1,531,864)	-	(1,531,864)	(1,519,989)	(1,010)	(1,520,999)
Net gains on investments							
	8	464,778	-	464,778	112,836	-	112,836
Net income/ (expenditure) being net movement of funds		55,833	-	55,833	(114,320)	(1,010)	(115,330)
Total funds brought forward							
		5,024,483	-	5,024,483	5,138,803	1,010	5,139,813
Total funds carried forward	12	5,080,316	-	5,080,316	5,024,483	-	5,024,483

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

The notes on pages 20 to 32 form part of these financial statements.

The KPMG Foundation
Registered company number 13083579
Registered charity number 1194474
30 September 2024

Balance Sheet

at 30 September 2024

	Note	30 Sept 2024 £	30 Sept 2023 £
Fixed assets			
Investments	8	4,498,207	4,610,302
Current assets			
Debtors	9	354,972	356,063
Cash at bank and in hand	10	260,456	243,879
Total current assets		615,428	599,942
Current liabilities			
Creditors: amounts falling due within one year	11	(33,319)	(185,761)
Net current assets		582,109	414,181
Net assets		5,080,316	5,024,483
Funds			
Unrestricted	12	5,080,316	5,024,483
Total funds		5,080,316	5,024,483

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 24 March 2025 and were signed on their behalf by:

Bina Mehta

Bina Mehta
Chair
24 March 2025

The notes on pages 20 to 32 form part of these financial statements.

The KPMG Foundation
Registered company number 13083579
Registered charity number 1194474
30 September 2024

Statement of Cash Flows

for the year ended 30 September 2024

		30 Sept 2024	30 Sept 2023
	Note	£	£
Cash flows from operating activities			
Net cash outflow from operating activities	14	(711,489)	(388,460)
Cash flows from investing activities			
Interest	4	31,467	16,064
Payments to acquire investments	8	(2,401)	(2,847)
Receipts from disposals of investments	8	699,000	324,247
Total cash flows from investing activities		728,066	337,464
Change in cash and cash equivalents in the reporting period	15	16,577	(50,996)
Cash and cash equivalents at the beginning of the reporting period	15	243,879	294,875
Cash and cash equivalents at the end of the reporting period	10	260,456	243,879

The notes on pages 20 to 32 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 2024. 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 include a scenario where there is an increase in the running costs of the Foundation. After reviewing the charity's forecasts and projections, as well as consideration of other scenarios 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.

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, 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;
- transfer from The KPMG Foundation unincorporated charity;
- 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 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.

Notes *(continued)*

1 Accounting policies *(continued)*

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. In addition, multi-year grants are committed on an annual basis only and are conditional and subject to receiving satisfactory progress reports. Trustees reserve the right to withdraw funding at any time.

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.

Cash

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

Financial instruments

The Foundation holds financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments include debtors and creditors. Financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instruments. Debtors and creditors are recognised at the transaction value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Financial assets are derecognised when substantially all the risks and rewards of ownership of the asset are transferred to another entity or the contractual rights to cashflows from the asset expire. Financial liabilities are derecognised when obligations are fully discharged, cancelled or expired.

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.

Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements 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 has not identified any significant estimates. Matters requiring judgement and that have a significant risk of causing a material adjustment to liabilities, if different judgement was taken, 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 may be withheld or withdrawn.

Notes (continued)

2 Donations

	30 Sept 2024	30 Sept 2023
	£	£
Donation from KPMG LLP	674,712	674,712
Support costs borne by KPMG LLP	31,960	28,960
Donated services (note 3)	60,671	101,742
Total donations	767,343	805,414
Transfer from the unincorporated KPMG Foundation	-	135,163
Gift aid reclaim	168,678	168,678
Total	936,021	1,109,255

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 2024 auditor’s fees of £25,020 (including VAT) (2023: £23,580 including VAT).

Notes (continued)

3 Donated services

	30 Sept 2024	30 Sept 2023
	£	£
Treasurer	7,756	5,672
Financial support	16,908	19,444
Other internal support	36,007	76,626
Total	60,671	101,742

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. £15,253 (2023: £21,725) of this relates to governance costs, including the costs of preparing the statutory financial statements and £45,418 (2023: £80,017) relates to the cost of day-to-day financial management and other services provided by KPMG LLP for the Foundation throughout the year.

4 Income from investments

	30 Sept 2024	30 Sept 2023
	£	£
Interest	31,467	16,064
Distributions received	155,431	167,514
Total	186,898	183,578

Notes (continued)

5 Expenditure

	Unrestricted funds			30 Sept 2024
	Grant Funding	Support Costs	Other Direct Costs	Total Funds
	£	£	£	£
Raising funds				
Investment management costs	-	-	32,959	32,959
Total	-	-	32,959	32,959
Charitable activities				
In support of children and young people in deprived families	1,221,190	210,326	67,389	1,498,905
Total charitable activities	1,221,190	210,326	67,389	1,498,905
Total expenditure	1,221,190	210,326	100,348	1,531,864

	Unrestricted funds			Restricted funds			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 *(continued)*

5 Expenditure *(continued)*

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 costs.

KPMG LLP bears 50% of the majority of the running costs incurred by the Foundation. In the current year, running costs of £6,940 (2023: £5,380) excluding audit fees were borne by KPMG LLP.

Support costs include £60,671 (2023: £101,742) of donated services; see note 3.

In the current year, the Foundation's auditor has charged fees of £25,020 (including VAT) (2023: £23,580 including VAT).

Notes (continued)

6 Grant funding

	30 Sept 2024 £	30 Sept 2023 £
In support of children and young people in deprived families		
Anna Freud Centre – Reflective Fostering Programme	-	60,000
Buttle UK	-	25,000
Buttle UK**	-	2,500
Care experienced movement (CEM)	-	5,000
Care experienced movement**	-	500
Cohen Trust (Seen Heard Believed)	-	95,000
Cohen Trust (Seen Heard Believed)	95,000	50,000
Cohen Trust**	-	9,500
Dartington Service design	35,000	-
Education Policy Institute (EPI)	11,190	40,000
Family Rights Group - core funding	75,000	-
Fostering Network (Step Up Step Down, Wales)	100,000	100,000
Fostering Network Research project	-	13,300
Fostering Network**	-	10,000
Fostering Network - Retention and Diversity toolkit	-	5,750
Happy Baby Community	35,000	30,000
Juno	200,000	100,000
Juno**	-	10,000
Kinship - (Grandparents Plus)	25,000	100,000
Kinship**	-	7,500
Lucy Faithfull Foundation	50,000	100,000
Lucy Faithfull Foundation**	-	10,000
Now Foster	60,000	-
Project Change	20,000	25,000
Sister System	50,000	50,000
St Edmund - Fifty things to do before you're five	50,000	-
Thrive at Five	150,000	150,000
Thrive at Five**	-	15,000
WILD young parents	50,000	75,000
WILD young parents**	-	7,500
The Village	70,000	70,000
The Childhood Trust	60,000	-
The Difference	50,000	-
Think Equal	35,000	-
Thrive at Five (Restricted) *	-	1,010
Total	1,221,190	1,167,560

*restricted funds

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

Notes (continued)

6 Grant funding (continued)

	30 Sept 2024 £	30 Sept 2023 £
Grants not provided in the accounts		
Total intended grants payable at the beginning of the period	1,031,190	1,293,000
New grants awarded in the period	1,387,000	905,750
Charged in the accounts in the period *	(1,221,190)	(1,167,560)
Total	1,197,000	1,031,190
	30 Sept 2024 £	30 Sept 2023 £
Items not yet provided in the accounts that are expected to be payable		
Within one year	707,000	756,190
Within two to four years	490,000	275,000
Total	1,197,000	1,031,190
	30 Sept 2024 £	30 Sept 2023 £
Grants provided in the accounts		
Grants payable provided in the accounts at the start of the period	150,000	-
Charged in the accounts in the period	1,221,190	1,167,560
Paid in the period	(1,371,190)	(1,017,560)
Total	-	150,000

* This includes £nil (2023: £1,010) 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 (continued)

7 Analysis of support costs

	Management	Unrestricted Finance	Other	30 Sept 2024 Total
	£	£	£	£
Expenditure on charitable activities				
In support of children and young people in deprived families	149,655	11,110	34,308	195,073
Governance costs	15,253	-	-	15,253
	<u>164,908</u>	<u>11,110</u>	<u>34,308</u>	<u>210,326</u>
Total support costs	164,908	11,110	34,308	210,326

	Management	Unrestricted Finance	Other	30 Sept 2023 Total
	£	£	£	£
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
	<u>171,334</u>	<u>9,893</u>	<u>70,124</u>	<u>251,351</u>
Total support costs	171,334	9,893	70,124	251,351

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 of 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 £4,927 (2023: £5,672), the finance team and others for the preparation and review of the financial statements £10,326 (2023: £16,053).

Finance costs include the donated services for financial administration.

Other costs include donated services from those outside of finance.

Notes (continued)

8 Investments

	30 Sept 2024 £	30 Sept 2023 £
Opening balance	4,610,302	4,688,777
Acquisitions at cost	2,401	2,847
Dividends received	155,431	167,514
Charges incurred	(35,705)	(37,425)
Disposal of investments	(699,000)	(324,247)
Total	4,033,429	4,497,466
Unrealised gain on revaluation of investments	475,744	121,910
Realised loss on investments	(10,966)	(9,074)
Total	464,778	112,836
Market value at 30 September	4,498,207	4,610,302
Investments comprise:		
Sarasin & Partners income and reserves fund	2,159,568	2,286,034
Sarasin & Partners endowments fund	2,338,639	2,324,268
At market value	4,498,207	4,610,302
At original cost	4,461,509	5,013,644

9 Debtors

	30 Sept 2024 £	30 Sept 2023 £
Tax receivable from HMRC	329,301	331,428
Amounts recoverable from KPMG LLP	24,362	23,277
Other debtors and prepayments	1,309	1,358
Total	354,972	356,063

Notes (continued)

10 Cash at bank and in hand

	30 Sept 2024 £	30 Sept 2023 £
Cash at bank and in hand – unrestricted	260,438	243,133
Short term deposits	18	746
Total	260,456	243,879

11 Creditors

	30 Sept 2024 £	30 Sept 2023 £
Grants payable	-	150,000
Other creditors	33,319	35,761
Total	33,319	185,761

12 Movement in funds

	At 1 Oct 2023 £	Income £	Expenditure £	Net gain on investments £	At 30 Sept 2024 £
Unrestricted funds	5,024,483	1,122,919	(1,531,864)	464,778	5,080,316
Total funds	5,024,483	1,122,919	(1,531,864)	464,778	5,080,316

	At 1 Oct 2022 £	Income £	Expenditure £	Net loss 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 funds	5,139,813	1,292,833	(1,520,999)	112,836	5,024,483

During the year, £nil (2023: £1,010) of restricted funds were utilised in support of the aims of Every Child a Chance Trust.

Notes (continued)

13 Analysis of net assets between funds

	30 Sept 2024	30 Sept 2023
	£	£
Fixed asset investments	4,498,207	4,610,302
Current assets	615,428	599,942
Current liabilities	(33,319)	(185,761)
Total net assets	5,080,316	5,024,483

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

	30 Sept 2024	30 Sept 2023
	£	£
Net outgoing resources before gains on investments	(408,945)	(228,166)
Add/(less):		
Income from investments	(186,898)	(183,578)
Investment management costs	35,705	37,425
Decrease/(increase) in debtors	1,091	(154,415)
(Decrease)/increase in creditors	(152,442)	140,274
Net cash outflow from operating activities	(711,489)	(388,460)

15 Cash and cash equivalents

	At beginning of year £	Cashflow £	At end of year £
Cash at bank and in hand – unrestricted	243,133	17,305	260,438
Short term deposits	746	(728)	18
Total cash and cash equivalents	243,879	16,577	260,456

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

Notes (*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 of salary, pension contributions and benefits were 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 £46 (2023: £477) paid for travel expenses on behalf of one trustee.

The trustees of the company who were separately partners of KPMG LLP at 30 September 2024 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.

	<i>Note</i>	30 Sept 2024 £	30 Sept 2023 £
KPMG LLP			
Donation from KPMG LLP	2	674,712	674,712
Support costs borne by KPMG LLP	2	31,960	28,960
Donated services	3	60,671	101,742
Costs charged by KPMG LLP		163,729	149,609
The KPMG Foundation			
Donation - transfer from unincorporated charity	2	-	135,163

	<i>Note</i>	30 Sept 2024 £	30 Sept 2023 £
Amounts recoverable from KPMG LLP	9	24,362	23,277
		24,362	23,277