

FINANCIAL STATEMENTS

For the year ended 31 March 2017



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Trustees, principal office, and professional advisors

Trustees

Paul Forster-Jones (Resigned 8 September 2016) Philip Han Susan Jee Jo Kennefick Philip Raw (Resigned 5 February 2017)

Principal office

2 Estuary Boulevard Estuary Commerce Park Liverpool, L24 8RF

Company secretary

Andrew Gladwin

Trust custodian

BNY Mellon One Canada Square London, E14 5AL

Investment manager

Blackrock **Investment Managers** 33 King William Street London, EC4R 9AS

Principal bankers

National Westminster Bank Plc 28 Castle Street Liverpool, L2 0UP

Principal solicitors

Brabners Chaffe Street Horton House Exchange Flags Liverpool, L2 3YL

Registered auditors

KPMG LLP St Peter's Square Manchester, M2 3AE

Welcome from our chair

This year has seen the Riverside Foundation making a significant impact on people's lives. Projects are now embedded and over 5,500 people have been supported through our activity.

As personal finances are becoming squeezed for people with low incomes our funding for money advice and affordable warmth workers has made a tangible impact, benefitting individuals by over £2.5M. Face to face support for people to enter into employment and training has led to 374 people entering employment across England, with many others starting out on their journey towards work. Our Helping Hand programme supports people in all these situations with crisis funding, helping people with furniture, essential fuel top ups and help with transport when starting work or training. As in previous years the provision of person-centred approaches to support are at the heart of our projects. The Intensive Intervention project works with people across England who are in crisis or are at risk of being so. The approach is simple: understand the range of issues affecting the individual and then develop a person-centred action plan to help the individual bring their life back under control. Over 90% of the people supported through this project are maintaining their lives and tenancies independently six months after support finishes. This shows that there are real, sustainable results from this approach.

We have also funded locally based projects. The Manchester based Gate Buddies project is one example of this, where ex-offenders who have moved on from their past lives are harnessed as volunteers in order to engage prisoners as they leave institutions. This provides vulnerable people with much needed support, particularly in those critical first days of making a new life without crime. On the Pennyburn estate in Irvine our work with a local community organization called

Financial Statements for the year ended 31 March 2017

Riverside Foundation Charity number: 513727 PRYDE has supported local needs from music therapy for adults with profound needs to breakfasts for young people before they start school.

Trustees take a keen interest in all the projects supported through quarterly performance updates and audit reports on the outputs reported. Face to face presentations include many moving stories of life-changing interventions which reveal the true impact of the projects on people's lives.

This year trustees agreed a new investment policy in order to ensure that investments are secure, whilst also performing in the markets to allow the Foundation to do more through its work.

I thank the trustees for their support in guiding the Foundation, their interest in the projects supported and their deliberations over the programme of activity.

My thanks also go to all of the individuals who provide such great support to our charity; from those running the projects to those looking after the finances, everyone has made their contribution to ensure we achieve impressive results.

Trustees are grateful to The Riverside Group Limited (TRGL) for their ongoing support, which permits us to concentrate on our charitable objectives.

We look forward to the coming year, knowing that we have a strong delivery programme with good financial management and governance which allows us to continue to offer tangible support to people in need.

Susan Jee

Chair

Sisar Jee





Review of activities

in numbers 2016/17

1. Employment and training



374 people into employment.



2,391 people into work experience or training.

2. Poverty relief



£2.3m
Created cash gains for people through benefits, trust funds, etc.



178
Households in crisis were helped with energy top ups.

3. Supporting vulnerable people



£212,142
Cash gains to people through trust funds, switching, etc.



Ex-offenders have been supported.

4. Neighbourhood and environment



56
Street homeless people have been engaged by Street Buddies.



People received grants to support them in gaining employment.



Report of the trustees

The trustees of the Riverside Foundation present their report and audited financial statements for the year ended 31 March 2017.

Structure, governance and management

The Riverside Foundation was established under a Declaration of Trust dated 4 March 1983.

Riverside Foundation is a registered charity (Reg No. 513727) with the object of promoting charitable purposes within and around the area where The Riverside Group Limited (TRGL) operates, in particular charitable purposes directed to the advancement of education, the prevention of ill health, the relief of poverty, distress and sickness and in particular poverty, distress and sickness occasioned by unemployment. Also to charitable purposes connected with the environment, the advancement of arts and the provision in the interests of social welfare for recreation and leisure time occupation with the object of improving the conditions of life.

The Riverside Foundation operates independently of TRGL; a number of its trustees are members or former non-executive members of the board of TRGL. They agree the broad strategy, objectives and priorities, and approve all grant 'giving' and projects undertaken.

In terms of the day to day administration of the Riverside Foundation, Riverside provides the support of a fundraising manager to monitor projects and report to trustees, develop and coordinate requests for funding, provide management support for the Trustee body, and carry out fundraising activities in accordance with the strategy adopted by trustees. The Foundation also benefits from the support of a governance officer to service trustee meetings, a finance officer and marketing support as required.

Trustees

The Declaration of Trust provides that the Riverside Foundation shall appoint no fewer than five nor more than fifteen trustees by a vote of its committee. Trustees are not required to be re-appointed.

The trustees at the date of this report are detailed on page 2. Other than those stated, all held office throughout the period 1 April 2016 to 31 March 2017.

Trustee recruitment

Trustee appointments are made in consultation with TRGL as the charity's major donor. Trustee vacancies, when they arise, are promoted in an appropriate manner to seek a complementary balance of skills and experience in relation to the current board.

The Riverside Foundation recognises that an effective board of trustees is essential if the charity is to be effective in achieving its objectives. Individual trustees should have sufficient knowledge, both of trusteeship in general and of the charity's activities, to enable them to carry out their role and to represent the charity at meetings and other events.

Care has been taken to ensure the board has appropriate skills and experience. The Foundation has adopted the board skills audit and whole board appraisal process used by TRGL, which itself has the highest governance rating from its own regulator.

Trustee training

Trustees are offered relevant training as part of their development. They are encouraged to access training opportunities as appropriate and as a minimum, to read the Charity Commission's guidance, 'The Essential Trustee'.

Remuneration

The trustees of the Riverside Foundation receive no remuneration for their work. Any expenses claimed by trustees are donated by TRGL.

Costs

Any associated staff costs relating to the generation of funds, granting of donations, administration and/or other resources expended are funded by TRGL.

Risk

In 2016-17 the Foundation reviewed and agreed a new investment strategy. Trustees benefit from detailed performance reviews by TRGL treasury team and overall investment performance is monitored by the trustees throughout the year. The overall funding strategy is approved by the trustees and projects supported are approved by trustees after reviewing a detailed project proposal. The subsequent release of funding to projects is subject to the achievement of stated project outcomes as agreed with project staff and/or delivery partners. Regular performance reports, including detailed analysis of KPIs, are presented to the trustees.

The Foundation only commits its current funds and does not anticipate future returns. It treats all future expenditure as committed even though future years' spend is subject to project performance and an analysis of the external environment.

The Riverside Foundation is a grant giving body and has no operational activity. It is fortunate in that it is further protected from most operational risks which would more normally be associated with this type of activity because of its partnership with TRGL, thus benefitting from its well established operational and other controls. Our free access to functional experts, to a greater degree than most charities of our size, minimises the Riverside Foundation's compliance, governance and financial risks.

This year the Riverside Foundation reviewed its risk register and trustees receive updated reports on key areas from the register in order to ensure successful mitigation.

Reserves

The Riverside Foundation has reserves of £844,793. £650,596 has been committed to projects for 2017/18 and £2,194,737 to projects over the three year period 2017-20.

In December 2016 trustees agreed a delivery plan for 2017/18 to support projects and communities in various parts of the country. £133,740 is earmarked for projects related to supporting people from deprived communities into employment and training; £141,928 for money advice; £141,928 for affordable warmth support; £25,000 towards poverty relief via hardship funds; £33,000 to support the Gate Buddies prison gate project; and £175,000 towards intensive support for younger people at risk of losing their homes.

The Riverside Foundation will continue to seek support from fellow funders for these projects in order to build up reserves and finance if possible and thus be able to fund further projects.



Report of the trustees

Continued

Reserves policy

Charities are required to have a policy for holding reserves and to set a financial level for them. The reserves cover the money that may be needed in case of a shutdown; money required to address future uncertainties; and building reserves sufficient for new projects. The reserve policy states that Riverside Foundation will always keep a reserve of £150k of which £30k is to cover shutdown cost and £120k for future uncertainties. Additionally Riverside Foundation will not commit further funds to new, non-spending Plan projects until there is an additional £420k to commit. Reserves will be regularly reviewed and monitored to ensure the effectiveness of the policy in the light of the changing funding and financial climates and other risks

Public benefit

The trustees have considered the Charity Commission's guidance on public benefit and borne it in mind when shaping and planning our activities.

Taxation

The charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any charitable activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The charity is not registered for VAT and accordingly, all expenditure is recorded inclusive of any VAT incurred.

Financial review

The accounts of the charity for the year ended 31 March 2017 are set out on pages 13 to 19.

The accounts have been prepared and audited in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The value of the fund increased from £428,598 at 31 March 2016 to £844,793 at 31 March 2017.

The charity received income of £83,693 during the year from the return on existing resources and donations. The loss for the year, after administration expenses, grants paid out and investment gains or losses, amounted to £223,380. Income received is attributable to increases in the market value of investments and gains realised from the sale of units in the fund which is managed by the Blackrock investment manager. TRGL has paid for the audit fee, as a gift to the trust.

At 31 March 2017, £1,700,532 of the charity's funds was invested in unit trusts, investment trusts and listed investments on the London Stock Exchange.

Investment management and performance

The investment policy was reviewed in June 2016 on the basis of reports received from TRGL treasury function.

The investment assets of the scheme were managed during the year by Blackrock Investment Management (UK) Limited, and are held as part of a pooled fund.

The fund is entitled to a rebate on all in-house purchases. This results in a rebate being applied to the quarterly management fee.

There is no direct or indirect investment in TRGL. In addition, there are no loans made to TRGL.

Strategic objectives and activities

In October 2013, the trustees of the Riverside Foundation approved a five year strategy containing the following overarching strategic themes which reflect the Riverside Foundation's charitable purposes:

- Employment and training
- Poverty relief
- Supporting vulnerable people
- Health and wellbeing
- Neighbourhood and environment

After a strategic review in 2015 and in response to a clear evidence base and the challenging external environment faced by all of the projects we fund, trustees decided to maintain these five strategic areas for the future, but to focus solely on three key areas for the funding period 2017-20. These are:

- Employment and training
- Supporting vulnerable people
- Poverty relief

This includes a commitment of the majority of the Foundation's remaining funds towards four projects under these themes: employment and training support, money advice, affordable warmth advice and Helping Hand funding for poverty relief. Trustees review this decision on an annual basis, taking all relevant factors into account. This year trustees also agreed to extend funding of the Intensive Intervention and Gate Buddies projects as it was felt that this would assist them to bridge their funding gap while alternative funding was sought.

The charity was established with the objective of working in the communities where TRGL operates, across England and Scotland. The Riverside Foundation works closely with people within those local communities and TRGL's teams to identify areas of need, prioritise projects, and to ensure that grants are made in a coherent way across different areas of the country, in accordance with the charity's objectives.

Statement of trustees' responsibilities in respect of the trustees' annual report and the financial statements

Under the trust deed and charity law, the trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations. The trustees have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed [and rules], subject to any material departures disclosed and explained in the financial statements;] and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are required to act in accordance with the trust deed [and the rules] of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Susan Jee

Chair

Philip Han

Trustee

25 July 2017

Independent auditor's report to the trustees of Riverside Foundation

We have audited the financial statements of Riverside Foundation for the year ended 31 March 2017 set out on pages 14 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities set out on page 12 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' annual report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Amanda Latham for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants St Peters' Square Manchester M2 3AE

July 2017 KPMG 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 31 March 2017

	Note	2017 £	2016 £
Income resources			
Income resources from generated funds			
Interest receivable		4,488	356
Investment income		63,882	109,570
Investment rebates Donations in kind	2	15,323	19,031 14,735
Voluntary income	2	13,323	59,904
voluntary income			33,307
Total incoming resources		83,693	203,596
Resources expended			
Charitable activities			
Grants	3	(208,000)	(3,517,607)
Bank charges		(57)	(62)
		(208,057)	(3,517,669)
Costs of generating funds			
Investment management costs			(16,136)
Staff costs	2	(14,835)	(14,205)
Support costs		(488)	(530)
		(15,323)	(30,871)
Total resources expended		(223,380)	(3,548,540)
Net outgoing resources for the year		(139,687)	(3,344,944)
Other recognised gains and losses			
Unrealised gains /losses on investment assets		225,873	(41,596)
Transfer from creditors	9	330,009	_
		555,882	(41,596)
Net movement in funds		416,195	(3,386,540)
Fund balance brought forward		428,598	3,815,138
Fund balance as at 31 March 2017		844,793	428,598

The notes on pages 16 to 19 form an integral part of these financial statements.

Statement of financial position

as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	4	1,700,532	3,291,259
Current assets			
Cash at bank	5	1,338,998	75,126
Debtors	6	_	10,530
Total assets		3,039,530	3,376,915
Liabilities			
Creditors: amounts falling due within one year	7	(1,284,321)	(1,595,305)
Creditors: amounts falling due after one year	8	(910,416)	(1,353,012)
Liabilities		(2,194,737)	(2,948,917)
Net asset		844,793	428,598
Funds			
Unrestricted income funds	9	844,793	428,598

The financial statements on pages 14 to 19 were approved by the Trustees on 25 July 2017 and were signed on their behalf by:

The notes on pages 16 to 19 form an integral part of these financial statements.

Sisar Jee

Susan Jee

Philip Han

Notes to the financial statements

for the year ended 31 March 2017

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments to market value on a basis consistent with prior years. They have also been prepared in accordance with applicable Accounting and Financial Reporting Standards in the United Kingdom and comply with the Statement of Recommended Practice: Accounting and Reporting by Charities SORP FRS 102. The accounts have been prepared in accordance with the provisions of Charity SORP FRS 102 section 1A small entities. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Going concern

The charity's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Provisions for grants are made when the intention to make a grant is agreed, irrespective of the timing.

Fixed asset investments

Investments are stated in the financial statements at market value prevailing at the balance sheet date. The movement arising from such valuation is accounted for through the statement of financial activities.

The valuation of investments is based on the middle market price quoted on the London Stock Exchange at close of business on 31 March 2017.

Governance and support costs

All staff related costs including governance and the allocation of overheads are absorbed by TRGL.

Related party transactions and trustees' remuneration

There were no payments made to trustees for emoluments or expenses throughout the year ended 31 March 2017.

Cash flow statement

The charity has taken advantage of the exemption under Charities SORP FRS 102 whereby small entities are not required to publish a cash flow statement.

Unrestricted funds

All funds are expendable at the discretion of the trustees in furtherance of the objects of the Charity and are therefore, considered to be unrestricted. However, trustees are mindful of the wishes of the donors when determining how funds are spent.

Taxation

The Riverside Foundation is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Donations in kind	2017 £	2016 £
Operations manager		
Salary	11,346	11,322
National Insurance	1,780	901
Pension	1,709	1,982
Audit fee	488	530
The Community Engagement Operations Manager's salary, national insurance and pension are based on the proportion of their time spent fundraising for the Riverside Foundation.	15,323	14,735

3. Grants	Restricted 2017	Total 2017 £	Total 2016 £	
Grants made in the year through The Riverside Group Limited for:				
Employment and Training, Advice and Support	_	_	1,001,138	
Supporting Vulnerable People	208,000	208,000	2,106,193	
Poverty Relief	_	_	186,899	
Neighbourhood and Community	_	_	155,078	
Health and Wellbeing		_	68,299	
	208,000	208,000	3,517,607	

4. Investments

Quoted investments	Market vaule 31/03/16 £	Purchases/ Additions £	Sales/ Repayments £	Movement in securities £	Market value 31/03/17 £
UK fixed interest UK equities Overseas equities Cash instruments	436,414 1,713,189 1,141,656	_ _ _ _	(163,494) (944,632) (708,474)	8,322 123,914 93,637	281,242 892,471 526,819 —
	3,291,259		(1,816,600)	225,873	1,700,532

5. Cαsh	2017 £	2016 £
Cash at bank Cash held by the Trust custodian	1,338,998 —	75,126 —
	1,338,998	75,126
6. Debtors	2017	2016
	€	£
Amounts falling due within one year	_	10,530
	_	10,530

7. Creditors Amounts falling due within one year	Restricted 2017 £	Unrestricted 2017	Total 2017 £	2016 £
Amounts payable to TRGL:				
Employment and Training, Advice and Support	133,740	170,791	304,531	401,751
Supporting vulnerable people	491,856	446,923	938,779	985,331
Poverty relief	25,000	15,978	40,978	82,739
Health and Wellbeing		33	33	50,484
Neighbourhood and community	_	_	_	75,000
	650,596	633,725	1,284,321	1,595,305

8. Creditors Amounts falling due after one year	Restricted 2017	Unrestricted 2017	2016 £
Amounts payable to The Riverside Group Limited for: Employment and Training, Advice and Support	275,558	275,558	409,298
Supporting Vulnerable People Poverty Relief	584,858 50,000	584,858 50,000	868,714 75,000
	910,416	910,416	1,353,012

9. Funds	2017 £	2016 £
Unrestricted income funds Transfer from creditors	514,784 330,009	
	844,793	428,598

The transfer from creditors represents funds previously committed to projects that have now completed. Underspend has been transferred back to unrestricted reserves and will still be used for charitable activities.

10. Parent association and related party disclosures

'The charity has taken exemption under section 28.4 Charities SORP from the requirement for disclosure of related party transactions on the grounds it is an associated organisation of The Riverside Group Limited (registered in the UK). The charity's charitable purpose is to support the aims and objectives of The Riverside Group Limited in its areas of operation and to this extent the two organisations are closely aligned. The consolidated financial statements of the Group are available to the public and may be obtained from the Society's registered office at 2 Estuary Boulevard, Estuary Commerce Park, Liverpool L24 8RF.

The Riverside Group Limited is registered under the Co-operative Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a Private Registered Provider of Social Housing, registered number L4552. Control is exercised through The Riverside Group Limited having a contractual right to approve Trustee appointments as per the Agreement for Services signed by appointed Trustees. '

Get in touch or find out more

www.riverside.org.uk/riversidefoundation email: foundation@riverside.org.uk Follow us on Twitter @RivFoundation

Riverside Foundation

Registered office: 2 Estuary Boulevard, Estuary Commerce Park, Liverpool L24 8RF

registered with the Charity Commission for England and Wales (513727)'

August 2017