

**ZURICH COMMUNITY TRUST (UK) LIMITED**

**(a Company limited by guarantee)**

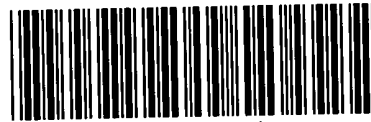
**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**COMPANY REGISTRATION NUMBER: 1154049**

**CHARITY REGISTRATION NUMBER: 266983**

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COMPANIES HOUSE

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**  
**Company registration number 1154049**

The Trustees, who are also the Directors, present the strategic report, their report and the audited financial statements of Zurich Community Trust (UK) Limited ("the Charitable Company") for the year ended 31 December 2017.

**STRATEGIC REPORT**

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**Activities for Public Benefit**

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The main objective of the Charitable Company is to use money, skills and time donated from the Zurich Insurance Group Ltd ("Zurich") UK businesses together with money and time donated by UK employees of Zurich, Endsleigh and advisors and employees within the Openwork Holdings Limited group ("Openwork") to improve the lives of disadvantaged people.

The Charitable Company is a public benefit entity, therefore the Trustees of the Charitable Company consider all Charity Commission guidance on public benefit.

The focus is on helping to improve the quality of life for disadvantaged people.

The Charitable Company fulfils this objective through:

- long-term transformation programmes focussing on particular areas of social need;
- the 'Evolving Programme' engaging Zurich retiring employees in the community;
- charity partnerships and grant programmes through the Zurich Cares programme;
- charity partnerships and grant programmes through the Openwork Foundation;
- an employee volunteering programme through the Zurich Cares programme.

The Charitable Company manages all expenditure associated with all of the programmes. As well as making charitable grants, a significant amount of the Charitable Company's staff time is committed to the community through working in partnership with charity partners and by brokering the volunteering needs of the voluntary sector with time and skills available from employees within the Zurich business.

**Allocation of Resources:**

	2017	2016
Charitable Activities	86%	86%
Raising Funds	10%	10%
Other	4%	4%

**Charitable Activities**

The Charitable Company generates income from a range of activities:

- an annual donation from the Zurich UK businesses as part of an agreed funding track;
- regular voluntary donations through payroll giving from employees;
- regular donations from fee accounts from self-employed financial advisers;
- operating a monthly society lottery;
- office based fundraising activity such as raffles and charity cake bakes;
- larger scale fundraising events such as marathons, cycle treks and charity dinners.

The Trustees receive regular progress reports and financial management information which includes information on fundraising income and expenditure. The Charitable Company complies with the Code of Fundraising Practice and is registered with the new Fundraising Regulator.

The Trustees are happy that the ratio of resources applied to generating income is appropriate for the Charitable Company.

**STRATEGIC REPORT (continued)**

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**Activities for Public Benefit (continued)**

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**Focus of Charitable Activity Spend:**

	2017	2016
<b>Zurich Cares</b>	<b>43%</b>	<b>48%</b>
<b>Transformation Programmes</b>	<b>25%</b>	<b>20%</b>
<b>Openwork Foundation</b>	<b>17%</b>	<b>16%</b>
<b>Volunteering</b>	<b>15%</b>	<b>16%</b>

**The 'Zurich Cares' Employee Involvement Programme**

The Charitable Company uses some of the financial donation from the Zurich UK businesses to match the financial donations from Zurich employees. This provides an annual grant budget of circa £1 million to support the Zurich Cares programme. Zurich also provides business time to enable employees to volunteer in the community and get involved in organising and managing fundraising events, volunteering schemes and local grant programmes. A great deal of employee personal time is also leveraged through this programme.

**The Breakdown of Spend on Zurich Cares:**

	2017	2016
<b>Local Grants and Partnerships</b>	<b>38%</b>	<b>31%</b>
<b>Volunteering Support Costs</b>	<b>26%</b>	<b>25%</b>
<b>Other Support Costs</b>	<b>18%</b>	<b>22%</b>
<b>Employee Nominated Grants</b>	<b>14%</b>	<b>11%</b>
<b>Overseas Grants</b>	<b>4%</b>	<b>4%</b>
<b>National Partners</b>	<b>0%</b>	<b>7%</b>

The low spend on National Partners in 2017 reflects the transition from previous to new charity partners during the year.

**Local and Regional Grant Programmes**

The majority of the grant budget for this programme supports our local and regional grant programmes and national charity partners. During 2017 we undertook a major exercise to seek the views of employees on the causes they would like to support through national charity partners and locally through an increased number of multi-year partnerships with charities local to the various Zurich office locations.

We also selected over 40 local charities to be supported with grant funding and skills over a multi-year period. In some locations we closed funding applications in favour of having a range of multi-year partnerships, in the locations with a more substantial grant budget we have continued with a blend.

The key areas chosen by employees for support was dementia and mental health with some local variances such as supporting homeless veterans in London.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**STRATEGIC REPORT (continued)**

**Activities for Public Benefit (continued)**

The social issues supported were:

Physical Disability/Learning Difficulties	14%
Mental Health	14%
Health Impairment	13%
Economic Disadvantage	9%
Homelessness	9%
Vulnerable Young People	8%
Older People	5%
Life Limiting Conditions	4%
Young Carers	4%
Bereavement	3%
Other	17%

45 impact surveys were returned from 2017 Local Grant recipients which showed us that our grants had:

Helped keep an existing service going	52%
Helped expand a service	24%
Enabled a new service	13%
Created a more sustainable organisation	11%

**National Charity Partners**

During 2017 we concluded our national partnerships with:

- CLIC Sargent
- Alzheimer's Society
- MIND

These partnerships have provided vital support to families dealing with children with cancer, helping those dealing with Alzheimer's through 'singing for the brain' therapy in some key locations and helping families seek timely advice on mental health issues through the funding of an information adviser on the MIND information line.

Following an employee survey on social issues they would like to support we began two new partnerships with Place2Be providing emotional support to children in school and Dementia UK funding an advisor on the national helpline.

**Overseas Grant Programme**

£75,000 of the grant budget supports UK charities working overseas. During 2017, 14 charities received grants. The social issues were wide ranging and included cataract operations in India through Sight Savers, farmer training in Tanzania through the Livingstone Tanzania Trust and sustainable livelihood development in Uganda through the International Refugee Trust.

**Long-term Transformation Programmes**

**The Breakdown of Spend on Transformation Programmes:**

	2017	2016
Generation Gains Programme	45%	21%
Support Costs	28%	34%
Breaking the Cycle	14%	21%
Young People's Mental Health	6%	10%
India Programme	4%	10%
Call In Time	3%	4%

**STRATEGIC REPORT (continued)**

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**Activities for Public Benefit (continued)**

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The current ratio of support costs on our Transformation Programmes reflects the lower levels of grants being made but resource still being applied as we move towards managing the exit on three of our major long-term programmes.

Long-term transformation programmes work in partnership with charities to deliver transformational change over a minimum five-year period. The current programmes focus on:

- Helping non-governmental organisations ("NGOs") in Southern India build their capacity ('India Programme'). During the programme we have shared skills with our NGO partners through assignments completed by Zurich employees which have enabled our NGO partners to build their capacity. During the life of the programme we have sent 105 employee assignees.

We have continued to work with corporate responsibility consultants in Bangalore to encourage local companies to provide core funding coupled with skill sharing to our NGO partners in Bangalore. We have also continued to fund the development of the Disability NGO's Alliance which is helping to improve the opportunities for people with a disability across the state of Karnataka.

The India Programme will conclude in 2018 with a final grant to help sustain the Disability NGO's Alliance and an event in Bangalore to celebrate the programme and advocate core funding and skill sharing locally.

- Supporting isolated older people ('Call In Time'). Through this programme our grants have provided core funding to Age UK to support the infrastructure for the 'Call in Time' programme and its development. We remain a paying member of this established programme to support around 90 Zurich employee volunteers making regular telephone calls to isolated older people. Age UK aim to add three new corporate partners a year to the programme. They are also recruiting volunteers from the public to supplement the corporate volunteers with the aim of reaching more isolated older people.
- Breaking the generational cycle of substance misuse ('Breaking the Cycle'). Grants from this programme initially supported the core funding of dedicated Addaction family workers based in the pilot areas of Derby, Tower Hamlets and Cumbria, working with families to address parental substance misuse. Following the success of these pilots additional funding supported a 'Head of Breaking the Cycle (BtC)' development manager for four years, together with a dedicated fundraiser for three years at Addaction, to lever sustainable funding to support the roll out of the BtC model to new sites. Our funding has also supported a longitudinal family study and City & Guild Training of front line BtC workers. During the final years of our partnership with Addaction (2015-2019), we are funding the development of a 'BtC' framework to assist Addaction in up skilling their family workers.
- Supporting children and young people's mental health issues ("Young People's Mental Health Programme"). We are in the final phase of this programme focussing on continuing to develop and sustain 'The Children and Young People's Mental Health Coalition' ("CYPMHC") which we established in partnership with the Mental Health Foundation in 2010. The CYPMHC encourages collaboration and provides a single voice to influence policy in the area of children and young people's mental health. The coalition has responded to many consultations and has campaigned for more focus on emotional resilience in schools and greater inclusion of mental health needs in local service delivery. In 2016 we worked with the coalition to launch a new funders' alliance with a view to helping the coalition towards sustainable funding. Comic Relief and the Paul Hamlyn Foundation were the first funders' to join the new alliance with the John Ellerman Foundation joining at the end of 2017.

**STRATEGIC REPORT (continued)**

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**Activities for Public Benefit (continued)**

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- Our intergenerational programme 'Generation Gains' aims to address two social issues in one. We do this by providing young people who are not in education and training with employment opportunities via an apprenticeship scheme. This will include co-ordinating adapted sports activities for older people who are isolated, to improve wellbeing and reduce isolation.

During 2017 the first two pilots continued to develop, one in Southampton in partnership with the Saints Foundation and one in Swindon in partnership with social enterprise, Greenwich Leisure Ltd. The third pilot area was agreed in Birmingham working in partnership with the Aston Villa Foundation. We worked last year with the Department of Psychology at Bath University to develop an assessment tool to measure the scale of isolation of the older people participating in the programme and anticipate the first results from this in 2018.

- Inspiring Young Disabled People Programme - this was piloted during 2017 in partnership with Volunteer Matters where we provided work placement opportunities in Zurich for 17 young people with disabilities who were also paired with a Zurich mentor. The evaluation showed that 90% of the mentees increased their confidence and 84% developed new skills. 93% of the Zurich mentors reported increased understanding of the barriers young disabled people encounter.

These programmes are supported through the financial donation from the Zurich UK businesses and assisted by time from Zurich employees. During 2017 grants totalling £560,000 (2016: £416,000) were made through Transformation programmes, the associated support costs were £209,000 (2016: £203,000) as shown in Note 8.

**The 'Evolving Programme'**

In 2014 we launched the 'Evolving Programme', a programme aimed at encouraging Zurich employees contemplating retirement to agree to share their time and skills in the community. During 2017 we undertook a strategic review of the programme and concluded that whilst it was a very worthwhile programme, the level of resource being invested was disproportionate to the level of volunteering being generated at this stage. However the potential pipeline of future retirees remains significant. The programme has now been absorbed into the wider Zurich Cares volunteering programme and the level of dedicated resource has been reduced and directed at other activities at this time.

**The 'Openwork Foundation'**

**The Breakdown of Spend on The Openwork Foundation:**

	2017	2016
<b>Regional Grants</b>	<b>60%</b>	<b>61%</b>
<b>Support Costs</b>	<b>32%</b>	<b>29%</b>
<b>National Partners</b>	<b>8%</b>	<b>9%</b>
<b>Discretionary Grants</b>	<b>0%</b>	<b>1%</b>

This fund within the overall charity is funded by self-employed financial advisors and employees of Openwork. The objective of the Openwork Foundation is to improve the quality of life for disadvantaged children under a theme of 'Cares 4 Kids'.

During 2017, as well as a UK wide grant programme the Openwork Foundation launched a new national partnership with Action for Kids helping to provide specialist mobility equipment for children with disabilities.

## **Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

### **STRATEGIC REPORT (continued)**

#### **Activities for Public Benefit (continued)**

During 2017, 31 impact surveys were returned from grant recipients which showed us that our grants had:

Helped keep an existing service going	62%
Enabled a new service	21%
Helped expand a service	17%

During 2017, £362,000 (2016: £353,000) was donated by the Openwork Foundation, support costs were £174,000 (2016: £146,000) as shown in Note 8.

At the time of signing the Report and Financial Statements the Openwork business has separated from the Zurich group. The Trustees have agreed to continue to support the Openwork Foundation as a supported fund within the charity for an initial period of 18 months following the business separation. The Openwork business, with support from the charity team, is considering how it will sustain the Openwork Foundation into the future.

#### **How our grant making and volunteer programmes deliver public benefit**

Our grant making and volunteer programmes in the UK and overseas help to improve the lives of disadvantaged people. Our long-term transformation programmes tackle key social issues in innovative ways and seek to deliver long-term sustainable solutions.

#### **Fundraising**

The Charity does not engage professional fundraisers and raises funds from the Zurich UK business, its employees, key supplier employees and employees and members of Openwork Ltd. Consequently fundraising from members of the public is very limited and mainly occurs through sponsorship donations employees may seek when they are taking part in fundraising events, most of which flows in through the online giving sites. Occasionally we may engage external friends and family members of employees in key fundraising events such as the London Marathon if we are unable to fulfil our places from employees alone. The Charity is a funded and compliant member of the Fundraising Regulator. During 2017 the Charity received no complaints on its fundraising practices.

### **Achievements and Performance**

#### **Income from Donations and Legacies**

In addition to the £2.5m donation from Zurich (2016: £2.5m), £1m (2016: £1m) was raised via Zurich employees and members of Openwork. In 2017 this was achieved through regular giving and various fundraising activities as shown in the table below:

#### **Analysis of Income:**

Income excluding the donation from Zurich UK businesses and donated services is set out below:

	2017	2016
Regular Giving	31%	29%
Other	21%	27%
Staff and Advisor Fundraising	22%	17%
Treks and Runs	18%	19%
Charity Lottery	8%	8%

## **Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

### **STRATEGIC REPORT (continued)**

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#### **Achievements and Performance (continued)**

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##### **Investment Powers, Policy and Performance**

The Charitable Company's investment strategy is 'To maximise the return whilst investing in a low risk portfolio with the aim of preserving the value of the investment in real terms, rather than create excess returns or risk'. Unrestricted reserves are invested in the Threadneedle UK Social Bond Fund established in 2014.

The Bond delivered an annualised financial return of 3.6% during 2017. As well as this financial return the Bond invested in the following eight core social outcome areas: Affordable Housing; Community Services; Education; Employment and Training; Financial Inclusion; Health and Social Care; Transport and Communication infrastructure and Utilities and Environment. 43% of the Bond investments fell into the high social performance category, 42% medium and 15% low – far exceeding the Bond objectives of having 66% of investments rated as high or medium social performance.

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##### **Objectives**

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2017 was another successful year for the Charitable Company but a challenging one for employee fundraising and donor retention due to significant restructuring within the Zurich business. In addition to programme and grant delivery as outlined above, the following shows the delivery against the key performance indicators:

<b>Transformation Programmes:</b>	<b>Achievements</b>
India Programme	Content for a final evaluation report of the India Programme has been drafted and an event to celebrate the end of the programme if being planned for summer 2018.
Call In Time Programme (CiT)	We ran a very successful recruitment campaign for CiT this year resulting in 23 new Zurich CiT volunteers which has brought the number of Zurich volunteers in the programme back up to 75.
Breaking The Cycle (BtC)	Addaction has identified and trained 90 family leads across all of the sites in the UK where Addaction offer family services. These family leads are responsible for ensuring that their family practitioners are trained in and deliver the BtC model of family support. There are currently around 75 workers delivering BtC to families across the country.
Young People's Mental Health	The Children and Young People's Mental Health Coalition continues to influence change and a new funder joined the funders' alliance.
Generation Gains Programme	The three pilot sites continue to develop and the more mature ones are engaging young people who are NEET in activities with older people to reduce isolation and improve wellbeing.



## **Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

### **STRATEGIC REPORT (continued)**

#### **Objectives (continued)**

Activity	Target	Achievement
<b>Fundraising:</b>		
Zurich Cares	Raise £375,000 gross (£350,000 net) unrestricted funds to support the Zurich Cares grant programme.  Through targeted campaigns and donor management raise £15,000 in new annualised regular giving.	Total gross fundraising unrestricted to Zurich Cares = £337,667 Net = £318,615 (90% of target)  £15,162 in new annualised Give As You Earn donations (101% of target)
Openwork Foundation	Raise £440,000 gross (£345,000 net) unrestricted funds to support the Openwork Foundation grant programme.  Through targeted campaigns encourage £5,000 in new annualised regular giving.	£531,200 gross unrestricted funds £457,800 net (120% of target).  £10,728 (214% of target).
<b>Volunteering:</b>		
Zurich Cares	Encourage 5,000 days of employee volunteering	We brokered 4,690 days of volunteering ( 94% of target).
Openwork Foundation	Complete 11 Team Challenges	13 Challenges completed (Easter, Summer and Festive), impacting 11 charities.
<b>Partnerships and Grant Giving:</b>		
Zurich Cares	Effectively donate £900,000 in grants to improve the lives of disadvantaged people.	We gave grants out of £820,957 in 2017 and invested a huge amount of time and resources in selecting over 50 new local partnerships.  We consciously chose to delay the £150,000 of grants to the two new Zurich Cares national partnerships from the end of 2017 to the beginning of 2018 so as to build up an extra buffer of funds, mindful of the reduction of employee fundraising.
Openwork Foundation	Effectively allocate £300,000 in grants to improve the quality of life for disadvantaged children and young people.	£349,600 donated or committed to specific organisations.

#### **Future Plans and Objectives**

The following key targets and measures have been agreed by the Board of Trustees for the 2018 year:

Activity	Targets
Zurich Cares Programme	<ul style="list-style-type: none"><li>• Raise £80 per employee gross for Zurich Cares</li><li>• Deliver volunteering equal to 1 day per employee</li><li>• Deliver a high quality and impactful £900,000 grant programme</li><li>• Very good or good score on grant application process 95%</li><li>• Very good or good score on advice received from staff 95%</li></ul>

**STRATEGIC REPORT (continued)**

**Future Plans and Objectives (continued)**

Openwork Foundation	<ul style="list-style-type: none"><li>• Raise £450,000 gross</li><li>• Deliver 12 Team Challenges</li><li>• Deliver a high quality and impactful £300,000 grant programme</li><li>• Support Openwork to agree the future strategy for the Foundation</li><li>• Very good or good score on grant application process 95%</li><li>• Very good or good score on advice process 95%</li></ul>
Transformation Programmes	<ul style="list-style-type: none"><li>• Generation Gains Programme pilots demonstrating impact on older people and young people who are NEET (Not in Education, Employment, or Training) and sustainability plans are being actively explored</li><li>• We have led the selection of a new host charity to support the Children and Young People's Mental health coalition by mid- year and a plan is in place to grow the Funders' Alliance</li><li>• The India programme is concluded with comprehensive report, legacy grant and successful partner event in Bangalore</li></ul>

**Financial Review**

**Reserves**

Unrestricted funds are needed to enable the Charitable Company to cover its core funding to manage its commitments and longer-term programmes should the current funding arrangement with the UK Zurich businesses change or cease. The Trustees require that a general reserve equating to approximately twelve months running costs of salaries and expenses be maintained to achieve this. This will enable the Charitable Company time to either source alternative funding or to manage its commitments and longer-term programmes to conclusion.

The position of reserves in relation to the agreed policy is regularly reviewed by the Head of the Charitable Company and the Chair of the Charitable Company.

At the end of 2017 the level of reserves were in line with the policy.


The Trustees are satisfied that the Charitable Company has access to adequate resources to enable it to continue in operational existence for the foreseeable future and, accordingly, it is appropriate to continue to use the going concern basis in preparing the financial statements.

During the year the Charitable Company's general funds increased from £1,179,000 to £1,221,000.

Restricted funds have increased from £22,000 to £29,000.

Designated funds have increased from £4,053,000 to £4,279,000. The purpose of these funds is detailed in Note 19 in the financial statements.

On behalf of the Board of Trustees

Trustee 

Name ANNE TORRY

Date 09/07/18

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**  
**company registration number 1154049**

**TRUSTEES' REPORT**

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**Future Plans and Objectives**

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The Trustees have elected to include a description of the Company's future plans and objectives as required by regulations made under section 416(4) of the Companies Act 2006 within the Strategic Report as permitted by section 414C(11) of the Companies Act 2006.

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**Reference and Administrative Details**

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**Company Status**

The Charitable Company is a company limited by guarantee and does not have share capital. Each member has guaranteed £1. The Charitable Company is incorporated in the UK. The Charitable Company is a registered charity (registration number 266983). The registered address is:

The Grange  
Bishops Cleeve  
Cheltenham  
Gloucestershire  
GL52 8XX

**Trustees**

The Trustees are also the Directors of the Charitable Company for Companies Act purposes. All Trustee appointments are proposed by the Board of Trustees and approved by the members.

The Trustees who served during the year and who were in office up to the date of signing the financial statements were:

C Brennan	(resigned 15 June 2018)
V Cellerini	(resigned 9 July 2018)
M Chalk	(resigned 28 September 2017)
T P Culling	
G Farrell	(resigned 18 December 2017)
A M Jepp	
I N Lovett	
W D Myslik	
T R Naidu	(appointed 8 February 2017)
R Peden	(appointed 28 September 2017)
J Plumtree	(resigned 28 February 2017)
S Shanmuganathan	(resigned 31 August 2017)
A Torry	

Qualifying third party indemnity provisions (as defined in Section 234(2) of the Companies Act 2006) have been in force for the benefit of Trustees during the year and remain in force as at the date of this Trustees' Report.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**TRUSTEES' REPORT (continued)**

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**Reference and Administrative Details (continued)**

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The Charitable Company's members are Zurich Financial Services (UKISA) Limited and Zurich Financial Services (UKISA) Nominees Limited. The members' ultimate parent company is Zurich Insurance Group Ltd, which is incorporated in Switzerland.

Related Party transactions are disclosed in Note 22.

In light of the Charitable Company's structure, the Trustees had no interest in the Charitable Company.

**Key Management**

The Head of the Charitable Company is Pam Webb, and Head of Programmes and Communication is Steve Grimmett.

**Bankers and Independent Auditors**

The Charitable Company's bankers are:

Lloyds Bank plc  
PO Box 72  
Bailey Drive  
Gillingham Business Park  
Kent  
ME8 0LS

CAF Bank Ltd  
25 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4JQ

The Charitable Company's investment manager is:

Threadneedle Investment Services Limited  
Cannon Place  
78 Cannon Street  
London  
EC4N 6AG

The Charitable Company's independent auditors are:

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
2 Glass Wharf  
Bristol  
BS2 0FR

The auditors, PricewaterhouseCoopers LLP, have signified their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

## **Structure, Governance and Management**

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### **Recruiting and Training Trustees**

The Memorandum and Articles support a minimum of five Trustees. At the end of 2017 there were nine active Trustees and two vacancies. At the time of signing the Reports and Financial Statements the Trustees agreed to have ten Trustees going forward, of which there are eight active and two vacancies. There was one Trustee resignation in June 2018.

The recruitment of Trustees external to Zurich is managed through external advertising and a selection process. The Trustees who work for Zurich are selected based on their ability to be effective Trustees and to provide the required level of influence within Zurich to enable the Charitable Company to achieve its objectives. All Trustee appointments are proposed and approved by the Board of Trustees.

The induction and training of Trustees is led by the Chair and the Head of the Charitable Company's team ("the Team") and based on 'The Good Trustee Guide' produced by the National Council for Voluntary Organisations (NCVO). On appointment each Trustee is required to read and sign a Code of Conduct. In addition Trustees who are external to Zurich receive a specific induction session about the Zurich business to better understand the key stakeholder and donor population of the Charitable Company. The Trustees receive any relevant updates and guidance on their role as Trustees of the Charitable Company. The effectiveness of the current Trust Board is reviewed by the Chair in consultation with the Trustees.

### **Organisation Structure**

Whilst the Charitable Company is linked to Zurich, the Board of Trustees operate independently in the best interests of the Charitable Company. The Board of Trustees is supported, via documents of delegation, by the Head of the Charitable Company, the Charitable Company Executive Committee and the Openwork Foundation Committee. The former has delegated responsibilities for the day-to-day running of the Charitable Company and the latter two have key delegated governance responsibilities including risk management, existing programme development and communication. In all cases there are agreed guidelines for approval by the Trust Board and at least once a year there is a joint meeting of the Trust Board and the Community Trust Executive to agree plans and targets for the year. There is also a separate Remuneration Committee ("Committee") which consists of three Trustees with at least one Trustee independent from Zurich. The Committee is delegated to assess the overall performance of the Charitable Company each year and to review salary benchmarking and an annual salary review and performance related bonus scheme for the employees working for the Charitable Company.

The fund of 'Zurich Cares' supported by the Charitable Company is jointly funded through employee donations and matched funding from the Zurich business donation to the Charitable Company. The 'Openwork Foundation' fund is supported by the Charitable Company and funded through donations from advisors and employees of Openwork UK. Openwork also provides in-kind support by covering most of the salary of the Openwork Foundation Manager currently seconded to the Charitable Company Team. Zurich employees along with advisors and employees of Openwork, are involved in supporting the delivery of the fundraising, volunteering and grant giving programmes under the guidance and responsibility of the Team who work for the Charitable Company, in line with the delegation document from the Board of Trustees.

The Charitable Company works in collaboration with several charity partners accepting joint responsibility for achieving agreed objectives. These objectives are mutually agreed at the outset of any partnership and supported by a Memorandum of Understanding backed up by regular reviews and progress reports.

**TRUSTEES' REPORT (continued)**

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**Structure, Governance and Management (continued)**

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**Risk Management**

The principal risks faced by the Charitable Company at the end of 2017 are:

- liquidity, which is mitigated through adequate reserves and regular cash flow monitoring;
- loss of donation income and engagement from Zurich, Endsleigh and Openwork employees and advisers due to ongoing restructuring activity within the business;
- reduced funding from the Zurich UK business which is mitigated by a new three year funding track that was agreed in June 2017;
- risk of serious injury, damage or incorrect advice due to activities of the Charitable Company, which is mitigated by risk assessment, guidelines and toolkits;
- risk of non-compliance with regulation which is mitigated by risk assessment, guidelines, a fundraising toolkit and active planning for GDPR in May 2018.

**Pay and Remuneration**

Salary ranges for those working in the Charitable Company team are reviewed every year using a combination of an external voluntary sector salary survey coupled with data shared with the Charitable Company from the Zurich Reward team from the Towers Watson salary data for Community Investment roles. Roles are benchmarked to relevant data and to each other.

An annual budget for salary review is agreed by the Trustees taking into account market data. This budget is used on an annual basis to move people competent in their roles and delivering successful performances towards the market mid-point on the relevant salary range.

The Charitable Company operates a performance related bonus scheme, independent from the Zurich business scheme. Each year the Trustees approve a series of delivery targets that the Charitable Company is measured against. The Committee meets once a year to decide how well the Charitable Company has delivered against these targets to determine if performance bonus should be paid and if so, at what level.

The Committee consists of three Trustees, including at least one Trustee independent from Zurich. The Committee is delegated to assess and agree the annual performance of the Charitable Company and to review the external benchmarking of salaries and performance bonus to ensure that the Charitable Company's teams' remuneration is in line with the policy and in the best interests of the Charitable Company.

All the running costs of the Charitable Company, including salary and bonus, are funded from the annual donation from the Zurich UK businesses.

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**Statement of Trustees' Responsibilities**

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The following statement sets out the responsibilities of the Trustees (who are also Directors of the Charitable Company for the purposes of company law) in relation to the financial statements of the Charitable Company. The report of the auditors, shown on pages 15, 16 and 17, sets out their responsibilities in relation to the financial statements.

The Trustees are responsible for preparing the Strategic Report, Trustees' Report and financial statements in accordance with applicable law and regulations.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**TRUSTEES' REPORT (continued)**

**Statement of Trustees' Responsibilities (continued)**

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). 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 principals in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, where there are no material uncertainties about the Charitable Company's ability to continue, 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 Charitable 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.

So far as each Trustee is aware, there is no relevant audit information of which the Charitable Company's auditors are unaware.

Each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the Charitable Company's auditors are aware of that information.

The Trustees consider that they have pursued the actions necessary to meet their responsibilities as set out in this statement.

On behalf of the Board of Trustees

Trustee



Name

ANNE TORRY

Date

09/07/18

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZURICH COMMUNITY TRUST (UK) LIMITED**

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**Report on the audit of the financial statements**

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**Opinion**

In our opinion, Zurich Community Trust (UK) Limited's financial statements ("the financial statements"):

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Reports and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the statement of financial activities (including income and expenditure account), the statement of cash flows for the year then ended; and the notes to the financial statements.

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**Basis for opinion**

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

***Independence***

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

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**Conclusions relating to going concern**

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We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Charitable Company's ability to continue as a going concern.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZURICH COMMUNITY TRUST (UK) LIMITED (continued)**

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**Reporting on other information**

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The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

***Strategic Report and Trustees' Report***

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

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**Responsibilities for the financial statements and the audit**

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***Responsibilities of the Trustees for the financial statements***

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 13 and 14, the Trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Trustees are also responsible for such internal control as they 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.

***Auditors' 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 auditors' 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.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZURICH COMMUNITY TRUST (UK) LIMITED (continued)**

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**Responsibilities for the financial statements and the audit (continued)**

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

***Use of this report***

This report, including the opinions, has been prepared for and only for the Charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**Other required reporting**

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**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Kevin Williams (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
9 July 2018

- (a) The maintenance and integrity of the Charitable Company's website is the responsibility of the Trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)**  
**For the year ended 31 December 2017**

		Unrestricted Funds	Restricted Funds	Total
	Note	£'000	£'000	2017 £'000
<b>Income From:</b>				
Donations and Legacies	3	3,275	-	<b>3,275</b>
Charitable Activities	4	336	160	<b>496</b>
Other Trading Activities	5	5	-	<b>5</b>
Investments	6	2	-	<b>2</b>
		<u>3,618</u>	<u>160</u>	<u><b>3,778</b></u>
<b>Expenditure On:</b>				
Raising Funds	7	(347)	(19)	<b>(366)</b>
Charitable Activities	7	(2,932)	(134)	<b>(3,066)</b>
Other	7	(139)	-	<b>(139)</b>
		<u>(3,418)</u>	<u>(153)</u>	<u><b>(3,571)</b></u>
Net Gain on Investments		<u>73</u>	<u>-</u>	<u><b>73</b></u>
<b>Net Income</b>		<u>273</u>	<u>7</u>	<u><b>280</b></u>
<b>Transfers Between Funds</b>		<u>(5)</u>	<u>-</u>	<u><b>(5)</b></u>
<b>Net Movement in Funds</b>		<u>268</u>	<u>7</u>	<u><b>275</b></u>
<b>Reconciliation of Funds:</b>				
Total Funds Brought Forward		<u>5,232</u>	<u>22</u>	<u><b>5,254</b></u>
<b>Total Funds Carried Forward</b>		<u>5,500</u>	<u>29</u>	<u><b>5,529</b></u>

The prior year comparatives for 2017, for the year ended 2016, are shown on page 19.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (including income and expenditure account)**  
**For the year ended 31 December 2017**

		Unrestricted Funds	Restricted Funds	Total
		£'000	£'000	£'000
<i>Prior year comparatives for 2017 for the year ended 2016</i>				
	Note			
<b>Income From:</b>				
Donations and Legacies	3	3,374	-	<b>3,374</b>
Charitable Activities	4	346	122	<b>468</b>
Other Trading Activities	5	5	-	<b>5</b>
Investments	6	8	-	<b>8</b>
		<u>3,733</u>	<u>122</u>	<u><b>3,855</b></u>
<b>Expenditure On:</b>				
Raising Funds	7	(354)	(19)	<b>(373)</b>
Charitable Activities	7	(3,027)	(94)	<b>(3,121)</b>
Other	7	(134)	-	<b>(134)</b>
		<u>(3,515)</u>	<u>(113)</u>	<u><b>(3,628)</b></u>
Net Gain on Investments		<u>174</u>	<u>-</u>	<u><b>174</b></u>
<b>Net Income</b>		<u>392</u>	<u>9</u>	<u><b>401</b></u>
<b>Transfers Between Funds</b>				
		<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Movement in Funds</b>		<u>392</u>	<u>9</u>	<u><b>401</b></u>
<b>Reconciliation of Funds:</b>				
Total Funds Brought Forward		<u>4,840</u>	<u>13</u>	<u><b>4,853</b></u>
<b>Total Funds Carried Forward</b>		<u>5,232</u>	<u>22</u>	<u><b>5,254</b></u>

All of the above results are in respect of continuing activities.


All gains and losses recognised in the year are included in the Statement of Financial Activities.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**BALANCE SHEET**  
**At 31 December 2017**

	Note	2017 £'000	2016 £'000
<b><u>Fixed Assets</u></b>			
Investments	14	2,010	1,937
		<u>2,010</u>	<u>1,937</u>
<b><u>Current Assets</u></b>			
Debtors	15	104	91
Investments	16	629	628
Cash at Bank and in Hand	17	3,194	2,867
		<u>3,927</u>	<u>3,586</u>
<b><u>Liabilities</u></b>			
Creditors: Amounts Falling Due Within One Year	18	(408)	(269)
		<u>3,519</u>	<u>3,317</u>
Net Current Assets			
		<u>3,519</u>	<u>3,317</u>
Net Assets		<u>5,529</u>	<u>5,254</u>
<b>The Funds of the Charitable Company:</b>			
<b><u>Unrestricted Income Funds</u></b>			
General Funds	19	1,221	1,179
Designated Funds	19	4,279	4,053
		<u>5,500</u>	<u>5,232</u>
<b><u>Restricted Income Funds</u></b>	19	<u>29</u>	<u>22</u>
Total Funds		<u>5,529</u>	<u>5,254</u>

The financial statements on pages 18 to 35 were approved by the Board of Trustees on 9 July 2018 and were signed on its behalf by:

Trustee 

Name ANNE TORRY

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2017**

	Note	2017 £'000	2016 £'000
<b>Cash Flows from Operating Activities</b>			
Net cash provided by Operating Activities	21	325	264
<b>Cash Flows from Investing Activities</b>			
Dividends and Interest from Investments	6	2	8
Proceeds from Sale of Investments		-	-
Purchase of Investments		-	-
Net Cash Provided by Investing Activities		2	8
Net Increase in Cash and Cash Equivalents		327	272
Cash and Cash Equivalents at the Beginning of the Year		3,495	3,223
Cash and Cash Equivalents at the End of the Year		3,822	3,495
<b>Analysis of Cash and Cash Equivalents:</b>			
Cash at Bank and in Hand	17	3,194	2,867
Interest-bearing Deposits		628	628
Cash and Cash Equivalents		3,822	3,495

**NOTES TO THE FINANCIAL STATEMENTS**

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**1. Statement of compliance**

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These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including FRS 102 and the Companies Act 2006.

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**2. Accounting policies**

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The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**2.1 Basis of Preparation**

The financial statements have been prepared under the historical cost convention, and modified for investments held at market value in accordance with the Companies Act 2006, the Statement of Recommended Practice 'Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' ("SORP") and the Charities Act 2011.

The preparation of financial statement in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The Company currently does not have any critical judgements or estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

**2.2 Statement of Financial Activities ("SoFA")**

The Charitable Company is a registered charity and achievements cannot be measured by normal commercial criteria. Accordingly, the Trustees consider that it would be inappropriate to present a Profit and Loss Account in one of the formats set out in the Companies Act, and therefore, as permitted by that Act, and in order to reflect the special nature of the Company's activities and the recommendations of the Charity Commission SORP, the Trustees have presented a Statement of Financial Activities.

The subsidiary undertaking, Community Trust Services (UK) Limited, became dormant on 31 December 2009. There has been no difference between the Charitable Company and consolidated financial position since this date. The Charitable Company has taken advantage of the exemption set out in section 405 of the Companies Act 2006 not to prepare consolidated financial statements.

**2. Accounting policies (continued)**

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**2.3 Income**

Income from donations and legacies includes the amount receivable under Gift Aid from the UK staff of Zurich Employment Services Limited, Zurich Management Services Limited and Zurich Insurance Group Ltd and members of Openwork.

Income from Charitable Activities represents amounts receivable as a result of a variety of fundraising events and initiatives including events organised by Zurich group staff, Capita employees (working on an outsourced Zurich contract) and advisors and employees of Openwork.

Income is recognised when it is probable that the economic benefit in respect of the income will flow to the Charity and when the Charity has the rights or other access to that economic benefit.

Income from trading and investments are also included in income.

**2.4 Expenditure**

Expenditure is recognised when a liability is incurred. Expenditure that relates to more than one cost category (support costs) has been apportioned across costs of raising funds, charitable activities and other costs on a basis consistent with the use of resources. Expenditure includes recharges from other Zurich companies relating to staff costs.

Multi-year grant payments are only accounted for in the year they are paid out. Additional years commitments are not included in the current year where there are conditions to be met before the grant payment can be released.

Expenditure on charitable activities includes expenditure related to grant giving. Grants represent amounts payable and amounts authorised for payment, for which certain conditions have been met, to charities during the year. All grants made during the year supported the objectives of the Charitable Company and the recipient organisations.

Other costs include those incurred in the governance of the Charitable Company and its assets and are primarily associated with constitutional and statutory requirements.

**2.5 Donated Services**

Donated Services have been recognised at the Trustees' best estimate of their value. These are recognised as Income from donations and legacies and Expenditure on Charitable Activities, as required by the SORP.

**2.6 Fund Accounting**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objectives.

Designated funds are unrestricted funds earmarked by the Trustees for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for particular purposes.



**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**2. Accounting policies (continued)**

**2.7 Investments**

Investments are valued at fair value, being the market value at the reporting date. Any fair value adjustments are recorded in the Statement of Financial Activities. Investments that have a maturity date of less than one year are recognised as current asset investments. Investments that have a maturity date of more than one year or no maturity date are recognised as fixed asset investments. Investment income is accounted for on an accruals basis.

**2.8 Recognition of Liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

**2.9 Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the activity. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**3. Income from Donations and Legacies**

	<b><u>2017</u></b> <b><u>£'000</u></b>	<b><u>2016</u></b> <b><u>£'000</u></b>
<b><u>Unrestricted Funds:</u></b>		
Donation from Zurich UK Businesses	<b>2,549</b>	2,503
Regular Giving	<b>316</b>	322
Donated Services	<b>204</b>	248
Other Voluntary Income	<b>155</b>	236
Tax Recoverable on Gift Aided Donations	<b>51</b>	65
	<b><u>3,275</u></b>	<b><u>3,374</u></b>

Gift aid forms part of the Regular Giving amount. Gift Aid is donated on the understanding that the Charitable Company can use that donation for any purpose to further its own objectives, with no conditions attached.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**4. Income from Charitable Activities**

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	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
<b>Unrestricted Funds:</b>		
- Treks and Runs	187	208
- Staff and Advisor Fundraising	86	72
- Lottery	63	66
	<u>336</u>	<u>346</u>
<b>Restricted Funds:</b>		
- Staff and Advisor Fundraising	140	103
- Lottery	20	19
	<u>160</u>	<u>122</u>
	<u>496</u>	<u>468</u>

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**5. Income from Other Trading Activities**

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	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Trading Income	<u>5</u>	<u>5</u>

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**6. Investment Income**

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	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Bank Interest	<u>2</u>	<u>8</u>

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**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7. Analysis of Expenditure**

The Charitable Company allocates its expenditure as shown in the table below and then further apportions those costs between the three charitable activities undertaken (see Note 8). Support costs are allocated on a basis consistent with the use of resources.

	<u>Other</u>	<u>Raising Funds</u>	<u>Charitable Activities</u>	<u>Total 2017</u>	<u>Total 2016</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b><u>Support Costs</u></b>					
Staff and Related Costs	111	186	791	<b>1,088</b>	1,162
Fundraising Expenses	-	115	-	<b>115</b>	117
Trading	-	2	-	<b>2</b>	3
Challenge and Volunteering	-	-	104	<b>104</b>	172
Travel and Accommodation	-	3	25	<b>28</b>	37
Stationery	1	-	2	<b>3</b>	7
Office equipment and IT	-	2	2	<b>4</b>	4
Miscellaneous	7	11	62	<b>80</b>	27
Lottery	-	20	-	<b>20</b>	19
Governance Costs	-	-	3	<b>3</b>	3
Donated Services	20	27	157	<b>204</b>	248
<b><u>Total Support Costs</u></b>	<b>139</b>	<b>366</b>	<b>1,146</b>	<b>1,651</b>	<b>1,799</b>
 Charitable Donations	 -	 -	 1,920	 <b>1,920</b>	 1,829
<b><u>Total Expenditure</u></b>	<b>139</b>	<b>366</b>	<b>3,066</b>	<b>3,571</b>	<b>3,628</b>

Staff working on behalf of the Charitable Company are employed by Zurich Employment Services Limited ("ZES"), with the exception of the Openwork Foundation Manager and the Openwork Foundation Administrator. During 2017, management charges were made by ZES to the Charitable Company. Staff costs are detailed in Note 10.

The Openwork Foundation Manager and the Openwork Foundation administrator work for Openwork Services Limited and are seconded to the Charitable Company.

Governance support costs are the fees payable to the Charitable Company's auditors for the audit of the Charitable Company's financial statements of £3,000 (2016: £3,000).

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**8. Charitable Activities**

	<u>Grants</u>	<u>Support</u>	<u>Total</u>	<u>Total</u>
	<u>£'000</u>	<u>Costs</u>	<u>2017</u>	<u>2016</u>
		<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>Trust:</b>				
-Transformation Programmes	560	209	<b>769</b>	619
<b>Zurich Cares:</b>				
- Long-term Community Partnerships	4	7	<b>11</b>	228
- Local and Overseas Grant Programmes	994	308	<b>1,302</b>	1,269
	<u>998</u>	<u>315</u>	<u><b>1,313</b></u>	<u>1,497</u>
- Volunteering	-	448	<b>448</b>	506
<b>Openwork Foundation:</b>				
- Long-term Community Partnerships	43	75	<b>118</b>	72
- Local and Overseas Grant Programmes	319	99	<b>418</b>	427
	<u>362</u>	<u>174</u>	<u><b>536</b></u>	<u>499</u>
	<u>1,920</u>	<u>1,146</u>	<u><b>3,066</b></u>	<u>3,121</u>

A detailed analysis of grants made during the year can be found in Note 9. An analysis of support costs can be found in Note 7.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9. Grants payable**

	<u>2017</u> <u>£'000</u>	<u>2017</u> <u>£'000</u>	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
<b><u>Transformation and Trust</u></b>						
India Programme		35			64	
Call in Time Programme		23			24	
Generation Gains Programme		348			132	
Breaking the Cycle (Addaction) Programme		110			133	
Young People's Mental Health Programme		44			63	
		<u>      </u>	<b>560</b>		<u>      </u>	416
<b><u>Zurich Cares</u></b>						
Long-term Community Partnerships						
National Partners:						
- CLIC Sargent	-			50		
- The Alzheimer's Society	-			50		
- MIND	-			50		
- Grants to unsuccessful national partnership applications	4			-		
Local Partners	-			-		
	<u>      </u>	4		<u>      </u>	150	
Local Grants	668			609		
Overseas Grants	75			74		
Employee Nominated Grants	251			227		
	<u>      </u>	994		<u>      </u>	910	
		<u>      </u>	<b>998</b>		<u>      </u>	1,060
<b><u>Openwork Foundation</u></b>						
National Partnerships:						
- Carers Trust	3			47		
- Action for Kids	40			-		
	<u>      </u>	43		<u>      </u>	47	
Regional Grants	317			302		
Discretionary Grants	2			4		
	<u>      </u>	319		<u>      </u>	306	
		<u>      </u>	<b>362</b>		<u>      </u>	353
			<b>1,920</b>			<b>1,829</b>

All grants payable are institutional grants. No grant payments have been made to individuals.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9. Grants payable (continued)**

The following represent those organisations benefitting from the highest value of grant payments made during the year. 'Other' is made up of grant payments totalling less than £30,000 to a single organisation.

	<b>£'000</b>
Addaction ( <i>Breaking the Cycle Programme</i> )	110
GLL ( <i>Generation Gains Programme</i> )	109
Saints Foundation ( <i>Generation Gains Programme</i> )	103
Aston Villa Foundation ( <i>Generation Gains Programme</i> )	102
Action for Kids ( <i>The Openwork Foundation</i> )	59
Mental Health Foundation ( <i>Young People's Mental Health Programme</i> )	42
University of Bath ( <i>Generation Gains Programme</i> )	35
Volunteering Matters ( <i>Inspiring Young Disabled People Programme</i> )	30
Other	1,330
	<b>1,920</b>

**10. Staff**

Staff are under contracts of employment ZES or Openwork Services Limited. Staff costs recharged to the Charitable Company are included to the extent that these are separately identifiable.

	<b><u>2017</u></b> <b><u>Number</u></b>	<b><u>2016</u></b> <b><u>Number</u></b>
The average number of employees working for the Charitable Company during the year was:		
Charitable Activities	18	18
Other	4	4
Raising Funds	2	2
	<b>24</b>	<b>24</b>

The aggregate payroll costs of these employees were:

	<b><u>2017</u></b> <b><u>£'000</u></b>	<b><u>2016</u></b> <b><u>£'000</u></b>
Wages and Salaries	819	885
Other Pension Costs	95	109
Employee Benefits	91	85
Social Security Costs	83	83
	<b>1,088</b>	<b>1,162</b>

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**10. Staff (continued)**

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The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	<u>2017</u> <u>Number</u>	<u>2016</u> <u>Number</u>
£70,000 - £79,000	1	1
£100,000 - £110,000	1	1

The total emoluments paid to key management personnel during 2017 was £188,000.

The Charitable Company is not the employing company for these staff and therefore no further pension disclosures or share based payment disclosures have been included in these financial statements. These disclosures are available in the financial statements of the employing companies listed above.

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**11. Taxation**

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The Charitable Company is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charitable Company's primary objectives, if these profits and surpluses are applied solely for charitable purposes. As such, no taxation is payable by the Charitable Company.

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**12. Net Income**

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Net Income for the year is stated after charging/(crediting):

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Auditors' Remuneration in Respect of Audit Services	3	3
Other Interest Receivable	(2)	(8)

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**13. Trustees' Emoluments and Expenses**

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During the year, five Trustees claimed travel expenses to attend Trustee meetings, which totalled £1,115 (2016: three Trustees claimed £665).

No Trustee was paid in respect of services provided to the Charitable Company either by the Charitable Company or by a related party (2016: nil).

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**14. Fixed Asset Investments**

Investments held by the Charitable Company include a £100 (2016: £100) investment in its dormant subsidiary undertaking at cost.

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Investment in Subsidiary	-	-
Investment in 'UK Social Bond Fund'	2,010	1,937
	<u>2,010</u>	<u>1,937</u>

An unrealised gain on Fixed Asset investments of £73,000 (2016: unrealised gain of £174,000) was recognised in the year.

**15. Debtors**

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Prepayments and Accrued Income	104	91

**16. Current Asset Investments**

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Interest-bearing Deposits	628	628

Interest-bearing deposits comprise monies deposited in CAFCash money market trust funds operated by CAF Bank Ltd. The CAFCash funds can be withdrawn at a week's notice or on the same day if the amount required is under £250,000.

**17. Cash at Bank and in Hand**

	<u>At 1 Jan</u> <u>2017</u> <u>£'000</u>	<u>Cash</u> <u>Flows</u> <u>£'000</u>	<u>At 31 Dec</u> <u>2017</u> <u>£'000</u>
Cash at Bank and in Hand	2,867	327	3,194



**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**18. Creditors: Amounts Falling Due Within One Year**

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Amounts owed to Zurich Insurance Group Ltd undertakings	327	188
Accruals and Deferred Income	81	81
	<u>408</u>	<u>269</u>

Amounts owed to Zurich Insurance Group Ltd undertakings are unsecured, interest free and have no fixed date of repayment.

**19. Statement of Funds**

	<u>Balance</u> <u>1 Jan 2017</u> <u>£'000</u>	<u>Income</u> <u>£'000</u>	<u>Expenditure</u> <u>£'000</u>	<u>Investment</u> <u>Gains</u> <u>£'000</u>	<u>Transfers</u> <u>£'000</u>	<u>Balance</u> <u>31 Dec 2017</u> <u>£'000</u>
General Funds	1,179	3,618	(2,895)	73	(754)	1,221
Designated Funds	4,053	-	(523)	-	749	4,279
<u>Total Unrestricted Funds</u>	<u>5,232</u>	<u>3,618</u>	<u>(3,418)</u>	<u>73</u>	<u>(5)</u>	<u>5,500</u>
Restricted Funds	22	160	(153)	-	-	29
<u>Total Funds</u>	<u>5,254</u>	<u>3,778</u>	<u>(3,571)</u>	<u>73</u>	<u>(5)</u>	<u>5,529</u>

The general funds represents the free funds of the Charitable Company which are not designated for particular purposes and therefore have no trust law restrictions. Designated funds include funds set aside for the support of various long-term projects and an undertaking to match fundraising income generated by staff where those staff have made a non-binding preference for specific charities to benefit from the fundraising activities they have undertaken.

The designated fund has increased by £226,000 during 2017. This increase includes the impact of a transfer from the general fund to the designated fund net of expenditure in the year. A detailed breakdown of this fund follows.

Restricted funds comprise funds raised by employees for specified charities. The Charitable Company can only use these funds as specified by the donor in accordance with Trust Law. The balance of £29,000 (2016: £22,000) represents the restricted funds raised which have not been expended by the end of the year.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**19. Statement of Funds (continued)**

	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
The long-term project commitments, for which designated funds have been set aside, include:		
<u>Breaking the Cycle</u>	99	209
Providing holistic support to families where there is a drug misuse parent to help break the generational cycle of drug misuse		
<u>Call In Time</u>	38	30
Membership fees for the Call In Time Programme		
<u>India Programme</u>	71	81
A capacity building programme combining funding and skill transfer for Non-Governmental Organisations working with the disadvantaged in Southern India		
<u>Young Peoples Mental Health Programme</u>	98	142
A programme to provide support and preventative intervention to families dealing with mental health issues		
<u>Inspiring Young Disabled People Programme</u> <i>(previously included within the Provision for new programme)</i>	60	30
<u>Generation Gains Programme</u>	1,399	1,087
An intergenerational programme addressing isolation		
Provision to sustain existing or for new programmes	655	660
The short-term project commitments and future spend, for which designated funds have been set aside, include:		
Future Fund Level Expense and Grant Spend	1,663	1,625
Short-term Project Commitments	139	132
Income Designated for Future Years	57	57
Total Designated Funds	<u>4,279</u>	<u>4,053</u>

**20. Analysis of Net Assets Between Funds**

	<u>Restricted</u> <u>Funds</u> <u>£'000</u>	<u>Designated</u> <u>Funds</u> <u>£'000</u>	<u>General</u> <u>Funds</u> <u>£'000</u>	<u>Total</u> <u>£'000</u>
Fund Balances at 31 December 2017 are represented by:				
Fixed Asset Investments	-	2,010	-	2,010
Current Assets	29	2,269	1,629	3,927
Creditors	-	-	(408)	(408)
<b>Net Assets</b>	<u>29</u>	<u>4,279</u>	<u>1,221</u>	<u>5,529</u>

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**21. Reconciliation of Net Income to Net Cash Provided by Operating Activities**

	Note	<u>2017</u> <u>£'000</u>	<u>2016</u> <u>£'000</u>
Net income for the reporting period		274	401
Adjustments for:			
Increase in Debtors	15	(13)	(53)
Increase in Creditors	18	139	98
Dividends and Interest from Investments	6	(2)	(8)
Gain on Investments	14	(73)	(174)
Net Cash Provided by Operating Activities		<u>325</u>	<u>264</u>

**22. Related Parties**

**a) Ultimate Parent Company**

The Charitable Company's members are Zurich Financial Services (UKISA) Limited ("UKISA") and Zurich Financial Services (UKISA) Nominees Limited. The principal activity of UKISA is that of an investment holding company, and its main source of income is dividends received from its subsidiaries.

The results of the Charitable Company are not included in the financial statements of Zurich Financial Services (UKISA) Limited because the Trustees are required by legislation to act independently in the best interests of the Charitable Company.

The members' ultimate parent company and ultimate controlling party is Zurich Insurance Group Ltd which is incorporated in Switzerland. The purpose of this company is to hold interests in companies active in the insurance services business, in particular in the areas of property and casualty ("P&C") and life insurance and asset management. Copies of the consolidated financial statements of Zurich Insurance Group Ltd can be obtained from:

The Secretary  
Mythenquai 2  
8002 Zurich  
Switzerland

Copies of the members' financial statements can be obtained from:

The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX

**a) Related Party Balances**

Balances with Zurich Insurance Group Ltd undertakings are shown in Note 18. This balance is predominantly made up of a creditor of £322,000 (2016: £183,000) due to ZES.

Grants totalling £11,000 (2016: £12,000) were made to the Swindon Therapy Centre for Multiple Sclerosis, a long-term local community partner within the Zurich Cares programme, of which Timothy Culling, a Director of the Charitable Company has been a trustee since 2014.

**Zurich Community Trust (UK) Limited (a Company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**22. Related Parties (continued)**

**a) Related Party Balances (continued)**

Grants totalling £3,000 (2016: £51,000) were made to Clic Sargent, a National Charity Partner within the Zurich Cares programme. Jonathan Plumtree, a Director of the Charitable Company during the year has been an honorary vice president since September 2014.

Grants totalling £5,000 (2016: £5,000) were made to Community Matters Partnership Project, of which Steve Grimmett, a member of the Key Management of the Charitable Company, is a member of the Steering Group of this Project.

All grant payments were in line with the current governance arrangements and delegated authorities for approval of grants made by the Charitable Company.

During 2017, charges were made by ZES to the Charitable Company for all staff costs for the Charitable Company's team, including key management personnel, as shown in Note 10.

**b) Subsidiary Undertaking**

The following is the Company's dormant subsidiary undertaking at 31 December 2017.

Company and country of registration or incorporation	Class of Share Capital	Percentage of nominal value held by the Company
<b>England and Wales</b>		
Community Trust Services (UK) Limited	Ordinary	100

The principal country of the above named subsidiary undertaking is its country of registration or incorporation.

There has been no change in the year in the percentage of nominal value held by the Company, or by its subsidiary undertaking, in the subsidiary undertaking listed. The registered office of Community Trust Services (UK) Limited is The Grange, Bishops Cleeve, Cheltenham, Gloucestershire, GL52 8XX.