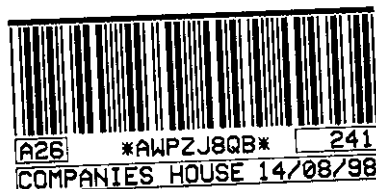


ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998



Company Number: 2651777

Registered Charity Number: 1004630

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

LEGAL AND ADMINISTRATIVE DETAILS

AS AT 31 MARCH 1998

Status: Company limited by guarantee without share capital incorporated on 7 October 1991. Registered as a charity on 11 October 1991.

Company Number: 2651777

Charity Number: 1004630

Registered Office and Operational Address: 4 Bloomsbury Square
London
WC1A 2RL

Honorary Officers:

Phil Gregory	(Chair)
John Downs	(Vice Chair)
Gaynor Humphreys	(Secretary)
Anne Silley	(Treasurer from 22 April 1998)

Bankers:

CafCash Ltd	Lloyds Bank Plc
Kings Hill	Victoria House
West Malling	Southampton Row
Kent	London
ME19 4TA	WC1B 5HR

Auditors: Sayer Vincent
Chartered Accountants
23 Angel Gate
City Road
London EC1V 2PT

Solicitors: Sinclair Taylor Martin
9 Thorpe Close
Portobello Road
London
W10 5XL

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

EXECUTIVE COMMITTEE'S REPORT

FOR THE YEAR ENDED 31 MARCH 1998

The Executive Committee presents its report and the audited financial statements for the year ended 31 March 1998.

Objects of the charity and internal organisation

- 1 ACTAF's objects relate to the development and support of community foundations throughout the United Kingdom. Community foundations are charitable trusts set up to benefit defined geographical areas by pooling local financial contributions from individuals, companies and other bodies to create an endowed fund whose income is used in grant-making. Their grants support a wide range of work in the local voluntary and community sector.
- 2 To achieve its objects ACTAF works to three strategic priorities:
 - promoting the community foundation model;
 - supporting the growth of the network through the development of new community foundations;
 - consolidating quality of development by offering services to the more established foundations.
- 3 ACTAF has three full-time members of staff and relies on active and involved trustees and committee members and a small number of volunteers. Since April 1997, ACTAF's Chair has been Phil Gregory, a founder trustee of Greater Bristol Foundation. The remainder of our Board comprises staff and board members from local foundations and covers a range of skill and experience, of established and new community foundations and of representation from most parts of the United Kingdom. Staff and trustees were distressed at the death of our Treasurer, Sylvia Noddings, in late 1997.
- 4 A General Purposes Committee is appointed by the Executive Committee, to distil key issues and areas of policy for the Executive Committee and to deal with any matters of urgency. Other committees are organised as ad hoc groups with specific tasks and terms of reference set by the Executive Committee. Their membership seeks to be representative of the network and ACTAF has found enthusiastic participants from staff and trustees from around the country.

Activities and achievements in the year

- 5 Membership grew in the course of the year from 18 to 19 Members (community foundations meeting ACTAF's criteria to be recognised as fully operational and committed to agreed values and structural criteria) and from 21 to 28 Associates though this latter figure masks two losses (one through moving up to Membership, and another on merging with an existing Member). The Associates are all aspiring community foundations or local bodies seeking to develop a community foundation in their area. There is also one international Associate, a German charitable foundation seeking to establish a community foundation in its area.
- 6 For 1997 and 1998 ACTAF issued annual training programmes for staff and trustees in community foundations, offering training for trustees as well as staff members. This year's training activity has included: a gathering for administrative workers; a training day for users of our computer software, Prospero, on the creation of reports; a two day residential event for experienced directors on fund development; two specialist seminars on the new regulatory system for charities' accounting – tailored to community foundation needs; a seminar on planning, commissioning, undertaking and using area needs assessments; a mini-conference to present the results of research undertaken by one community foundation into the effects on local organisations' sustainability of differing grant-making regimes; an afternoon and evening event for Chairs of community foundations to meet, share experience, discuss policy and hear some presentations on specific topics.

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

EXECUTIVE COMMITTEE'S REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 1998

Activities and achievements in the year (continued)

- 7 ACTAF's national conference was held in May 1997 in Cardiff with high attendance from Members and Associates, and strong representation of trustees as well as staff.
- 8 ACTAF's software, Prospero, started to be used in the course of the year by over a dozen community foundations (with others in line to start before long). During the year we have also developed a licence agreement, set up a telephone help-line for users, brought users together every three months to share experience and feed comments and ideas back to ACTAF and started to develop ideas for a major upgrade to Version 2.0 by autumn 1998.
- 9 A series of information sheets has been developed to help staff respond to an increasing number of requests for information on community foundations. *The newsletter* has been the highlight of communications with members and with a broader public. Published each quarter, and sent to every trustee and steering committee member in the network as well as supporters and interested observers, this has created a showcase for news, information and good practice.
- 10 With the help of a small working group drawn from the network and an adviser from the Commission for Racial Equality, an Equal Opportunities Working Group has continued to develop practical support on equal opportunities in Board development, staff recruitment and deployment, fundraising and grant-making. The working group has started to identify areas of good practice and write up case studies which will be gathered into a "tool kit" for community foundation use.
- 11 London development: thanks to the Mott Foundation we were able to conduct research in 1996-97 which helped explain why community foundation development in London has been difficult. As a result ACTAF has been seeking funding for a three year project to work with them on marketing the community foundation concept, and fundraising to strengthen them and fill the gaps in London. The research report has been invaluable in supporting our argument for funding and half the necessary funds have already been raised.
- 12 In addition to these specific services offered to members, ACTAF extended its promotional work considerably in the course of the year, establishing contact with a wide range of key external organisations and especially making positive links with Government and Members of Parliament and of the House of Lords. Alun Michael, JP, MP, Minister of State at the Home Office, was a key speaker at ACTAF's national conference, confirming his Department's appreciation of the role played in local communities by community foundations and their skill in constructive grant-making.

Financial position

- 13 ACTAF's funding position strengthened as the year began with a commitment from the Mott Foundation for a three year programme of funding and an agreement from the Voluntary and Community Unit of the Home Office for three years of support. The Lloyds TSB Foundation for England and Wales offered three years of funding at a level of £50,000 for our Bursary Fund and £10,000 towards running costs. An anonymous donor made a contribution to the Bursary Fund. Smaller donations came from the Baring Foundation, Cantrade Investment Management, Barclays Bank, Midland Bank, Charities Aid Foundation, Joseph Rowntree Foundation, Neil Osborn and The Orr Mackintosh Foundation. The Home Office gave

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

EXECUTIVE COMMITTEE'S REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 1998

additional support at the end of the year in the form of a grant to upgrade our computer equipment and software and develop a database for our mailing lists and contact with community foundation members. Help in kind came from many sources including Morgan Stanley, The Post Office Board for Wales and the Marches, Cardiff Marketing and Cardiff Bay Development Corporation. The confidence and enthusiasm of ACTAF's donors and supporters is fully appreciated by the Executive Committee and grateful thanks expressed.

Reserves

- 14 The Executive Committee is developing a policy on reserves.

Changes in Fixed Assets

- 15 The movements in fixed assets during the year are set out in notes 9 and 10 to the financial statements.

Funds

- 16 The charitable company has a number of funds whose purposes are detailed in note 14 to the financial statements.

Executive Committee's Responsibilities

Company law requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the Executive Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The Executive Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

EXECUTIVE COMMITTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 1998

Members of the Executive Committee

The following served as company directors and charity trustees during the year and up to the date of this report:

David Cook	Sylvia Noddings (died 26 October 1997)
John Downs	Jane Pickard
Hilary Gilbert	Alan Rudden
Tony Gilbert	Robert Sale
Sandy Gilmour (appointed 9 July 1997)	Ian Smith (appointed 9 July 1997)
Phil Gregory	
Irene John	
Joe McKenna (resigned 9 July 1997)	
Helen Moss (appointed 9 July 1997)	

The previous Treasurer, Sylvia Noddings died in October 1997 and the Executive Committee co-opted Anne Silley as Treasurer in April 1998.

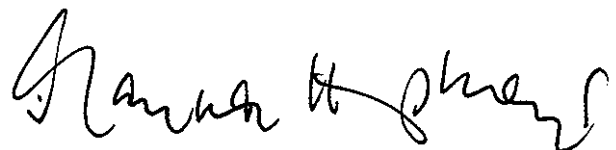
All elected and ex officio Executive Committee members are directors of the charitable company whose members are community trusts and foundations in the UK which guarantee to contribute to the assets of the charitable company in the event of it being wound up such amounts as may be required not exceeding £1. The number of guarantees at 31 March 1998 were 19 (1997 - 18). Executive Committee members have no beneficial interest in the charitable company and are not remunerated.

Auditors

Sayer Vincent were appointed as auditors during the year and have expressed their willingness to continue as the charitable company's auditors.

Approved by the Executive Committee

on 30 July 1998 and signed on its behalf by



Gaynor Humphreys – Company Secretary

AUDITORS' REPORT

TO THE MEMBERS OF

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

We have audited the financial statements on pages 7 to 16 which have been prepared on the basis of the accounting policies set out on page 10.

Respective Responsibilities of Executive Committee and Auditors

As described on page 4, the charitable company's executive committee is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit on those statements and report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the executive committee in the preparation of financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 1998 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SAYER VINCENT
Chartered Accountants
Registered Auditors

23 Angel Gate
City Road
London EC1V 2PT

12 August 1998

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 1998

		<u>Endowment</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>1998 Total</u>	<u>1997 Total as restated</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Incoming Resources						
Grants Receivable	2	-	111,390	132,963	244,353	149,257
Subscriptions		-	-	3,820	3,820	3,319
Interest Receivable		-	2,532	20,536	23,068	17,104
Other Income		-	-	29,179	29,179	3,484
Total Incoming Resources		-	113,922	186,498	300,420	173,164
Resources Expended						
<i>Direct Charitable Expenditure</i>	3	-	69,849	150,376	220,225	179,931
<i>Other Expenditure</i>						
Fundraising and Publicity	4	-	-	4,255	4,255	4,696
Management and Administration	5	-	1,555	10,785	12,340	10,052
Total Resources Expended		-	71,404	165,416	236,820	194,679
Net Incoming/(Outgoing) Resources For The Year		-	42,518	21,082	63,600	(21,515)
Unrealised Gain on Investments	10	-	-	1,593	1,593	-
Net Movement in Funds		-	42,518	22,675	65,193	(21,515)
Funds at 1 April 1997						
- as previously stated		-	35,292	232,553	267,845	-
- prior period adjustment	18	220,000	-	(220,000)	-	-
- as restated		220,000	35,292	12,553	267,845	289,360
Funds at 31 March 1998		220,000	77,810	35,228	333,038	267,845

All of the above results are derived from continuing activities.

The charitable company has no other recognised gains and losses other than those stated above.

The movement on funds is shown in Note 13 to the financial statements.

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1998

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Total Income of Continuing Operations	300,420	173,164
Total Expenditure of Continuing Operations	<u>(236,820)</u>	<u>(194,679)</u>
Net Income/(Expenditure) for the Year	<u><u>63,600</u></u>	<u><u>(21,515)</u></u>

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS (Limited By Guarantee)

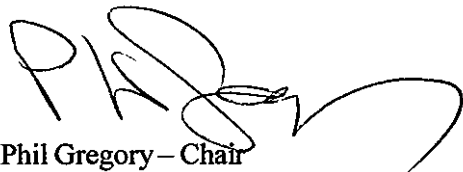
BALANCE SHEET

AS AT 31 MARCH 1998

		<u>1998</u>	<u>1997</u> <u>As restated</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Fixed Assets			
Tangible Fixed Assets	9	4,968	924
Fixed Asset Investments	10	<u>8,698</u>	<u>-</u>
		13,666	924
Current Assets			
Debtors	11	1,442	5,794
Cash at Bank and in Hand		<u>334,276</u>	<u>287,893</u>
		335,718	293,687
Creditors: Amounts Falling Due Within One Year	12	(<u>16,346</u>)	(<u>26,766</u>)
Net Current Assets		<u>319,372</u>	<u>266,921</u>
Net Assets		<u>333,038</u>	<u>267,845</u>
Funds	13, 14, 15		
Restricted Funds:			
Restricted Income Fund		77,810	35,292
Expendable Endowment Fund		220,000	220,000
Unrestricted Funds:			
General Funds		<u>35,228</u>	<u>12,553</u>
Total Funds		<u>333,038</u>	<u>267,845</u>

These financial statements were approved by the Executive Committee

on 30 July 1998 and signed on their behalf by


Phil Gregory – Chair

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

1. Accounting Policies

- a) The financial statements have been prepared in accordance with applicable accounting standards and follow the recommendations in *Statement of Recommended Practice: Accounting by Charities* (SORP).
- b) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities in the year in which it is received.
- c) Revenue grants are credited to incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.

Grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when received or when they are receivable. Depreciation on the fixed assets purchased with such grants is charged against the restricted fund.

- d) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and administrative costs.
- e) Unrestricted funds are donations and other income received or generated for charitable purposes.
- f) Depreciation is provided on all tangible assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Furniture and Equipment	- 3 years
-------------------------	-----------

- g) The charitable company makes payments to defined contribution pension schemes on behalf of employees. The contributions are treated as an expense in the year in which they are payable.
- h) Staff costs and overhead expenses are allocated to activities on the basis staff time spent on those activities.
- i) Management and administration costs of the charity relate to the costs of running the charity such as the costs of meetings, audit and statutory compliance, and include any costs which cannot be specifically identified to another expenditure classification.
- j) Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

2.	Grants and Donations	<u>Restricted</u> £	<u>Unrestricted</u> £	<u>1998</u> <u>Total</u> £	<u>1997</u> <u>Total</u> £
	Home Office	4,916	20,000	24,916	20,000
	C S Mott Foundation	-	101,713	101,713	92,832
	Baring Foundation	7,500	-	7,500	-
	Lloyds TSB Foundation for England and Wales	50,000	10,000	60,000	-
	John Ellerman Foundation	35,000	-	35,000	-
	Barclays Bank	-	1,000	1,000	2,000
	N Osborn	974	-	974	-
	Charities Aid Foundation	500	-	500	-
	The Orr Mackintosh Foundation	-	250	250	-
	Other grants and Anonymous Donor	<u>12,500</u>	<u>-</u>	<u>12,500</u>	<u>34,425</u>
		<u>111,390</u>	<u>132,963</u>	<u>244,353</u>	<u>149,257</u>
3.	Direct Charitable Expenditure	<u>Restricted</u> <u>Funds</u> £	<u>Unrestricted</u> <u>Funds</u> £	<u>1998</u> <u>Total</u> £	<u>1997</u> <u>Total</u> £
	Conferences & Training	8,632	20,691	29,323	5,376
	Bursary Fund Disbursements	33,511	-	33,511	36,111
	Consultancy	250	2,376	2,626	10,359
	One-Off Projects	19,460	7,035	26,495	15,189
	Salaries and Pension Costs	5,900	75,858	81,758	68,637
	Staff Training and Development	-	1,983	1,983	225
	Travel & Subsistence	2,096	5,338	7,434	9,408
	Service Charges, Rates and Other Premises Costs	-	11,759	11,759	12,784
	Printing, Postage and Stationery	-	16,880	16,880	12,089
	Telephone and Fax	-	1,955	1,955	1,935
	Subscriptions and Publications	-	1,004	1,004	1,033
	Repairs and Renewals	-	1,708	1,708	1,994
	Promotional Activity	<u>-</u>	<u>3,789</u>	<u>3,789</u>	<u>4,791</u>
		<u>69,849</u>	<u>150,376</u>	<u>220,225</u>	<u>179,931</u>
4.	Fundraising and Publicity				
	Salaries and Pension Cost	<u>-</u>	<u>4,255</u>	<u>4,255</u>	<u>4,696</u>

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

5.	Management and Administration	Restricted Funds £	Unrestricted Funds £	1998 Total £	1997 Total £
	Salaries and Pension Costs	-	3,393	3,393	2,178
	Travel and Subsistence	-	1,025	1,025	1,503
	Audit and Accountancy	-	2,558	2,558	1,763
	Legal and Professional Fees	-	1,246	1,246	1,039
	Insurance	-	509	509	474
	General Expenses	-	277	277	2,221
	Depreciation	<u>1,555</u>	<u>1,777</u>	<u>3,332</u>	<u>874</u>
		<u>1,555</u>	<u>10,785</u>	<u>12,340</u>	<u>10,052</u>

6.	Staff Costs and Numbers	1998 £	1997 £
	Salaries	75,132	65,331
	Social Security Costs	7,488	6,576
	Pension Costs	<u>6,786</u>	<u>3,604</u>
		<u>89,406</u>	<u>75,511</u>

The average number of employees during the year was as follows:

Office and Management	<u>3</u>	<u>3</u>
-----------------------	----------	----------

No employee earned more than £40,000 during the year.

7.	Net Incoming/(Outgoing)Resources for the Year	1998	1997
	Net incoming/(outgoing)resources for the year are stated after charging/crediting:	£	£
	Directors' Emoluments	-	-
	Auditors' Remuneration		
	- Audit	1,500	1,500
	Depreciation	<u>3,332</u>	<u>874</u>

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

8. Taxation

All income is applied for charitable purposes and therefore the charity is exempt from corporation tax.

9. Tangible Fixed Assets

	<u>Furniture and Equipment</u>
	<u>£</u>
COST	
At 1 April 1997	13,176
Additions	<u>7,376</u>
As at 31 March 1998	<u>20,552</u>
DEPRECIATION	
At 1 April 1997	12,252
Charge for Year	<u>3,332</u>
At 31 March 1998	<u>15,584</u>
NET BOOK VALUE	
At 31 March 1998	<u>4,968</u>
At 31 March 1997	<u>924</u>

10. Fixed Asset Investments

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Listed Investments at Market Value		
At 1 April 1997	-	-
Additions: UK Equities (Cost: £7,105)	<u>8,698</u>	-
At 31 March 1998	<u>8,698</u>	-

The net unrealised gain on revaluation of £1,593 has been credited to the Statement of Financial Activities.

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

11. Debtors	1998	1997
	£	£
Prepayments	1,200	4,037
Sundry Debtors	<u>242</u>	<u>1,757</u>
	<u>1,442</u>	<u>5,794</u>

12. Creditors: Amounts Falling Due Within One Year	1998	1997
	£	£
Accruals	14,322	24,927
PAYE and NIC	<u>2,024</u>	<u>1,839</u>
	<u>16,346</u>	<u>26,766</u>

13. Net Movement in Funds

The movement in the funds of the charity were as follows:

	As at 1.4.97 <u>As restated</u> £	Incoming <u>Resources</u> £	Resources <u>Expended</u> £	As at 31.3.98 £
Restricted Income Funds				
Bursary Fund	10,000	64,750	(35,761)	38,989
Conference Fund	8,632	-	(8,632)	-
London Research Project Fund	16,660	-	(16,660)	-
Database Development Fund	-	4,916	(1,805)	3,111
Prospero Support Fund	-	7,500	(7,072)	428
London Unit Fund	-	35,282	-	35,282
IMAG Fund	<u>-</u>	<u>1,474</u>	<u>(1,474)</u>	<u>-</u>
Total Restricted Income Funds	35,292	113,922	(71,404)	77,810
Restricted Expendable Endowment Fund	<u>220,000</u>	<u>-</u>	<u>-</u>	<u>220,000</u>
Total Restricted Funds	255,292	113,922	(71,404)	297,810
Unrestricted General Funds	<u>12,553</u>	<u>188,091</u>	<u>(165,416)</u>	<u>35,228</u>
Total Funds	<u>267,845</u>	<u>302,013</u>	<u>(236,820)</u>	<u>333,038</u>

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

14. Purpose of Restricted and Endowment Funds

Bursary Fund	This fund is to provide bursaries to support the development of community foundations in England and Wales.
Conference Fund	This fund was used to support the ACTAF 1997 Conference.
London Research Project Fund	This fund supported the carrying out of research on the development of community foundations in London.
Database Development Fund	This fund was used to purchase computers and software and for the development of a suitable database for contacts. The balance carried forward is to match future depreciation.
Prospero Support Fund	This fund is for specific aspects of the development of ACTAF's computer software.
London Unit Fund	This fund supports the development of community foundations in the Greater London area.
IMAG Fund	This fund was to support the attendance of the Director at the International Association of Grant-Makers' Conference in Oaxaca, Mexico in February 1998.
Expendable Endowment Fund	This fund was established from the accumulated income arising from the CAF/Mott Challenge Grant programme to be used, by agreement with donors, on the long term development of ACTAF.

15. Analysis of Net Assets Between Funds	Endowment <u>Funds</u>	Restricted <u>Funds</u>	Unrestricted <u>Funds</u>	Total <u>Funds</u>
	£	£	£	£
Fund Balances at 31 March 1998 are represented by:				
Fixed Asset Investments	-	-	8,698	8,698
Tangible Fixed Assets	-	3,111	1,857	4,968
Current Assets - Cash at Bank	220,000	74,949	39,327	334,276
Creditors: Amounts Falling Due Within One Year	-	(250)	(16,096)	(16,346)
Total Net Assets	<u>220,000</u>	<u>77,810</u>	<u>35,228</u>	<u>333,038</u>

ASSOCIATION OF COMMUNITY TRUSTS AND FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

16. Executive Committee's Remuneration and Expenses

The Executive Committee members received no remuneration. 14 members of the Executive Committee (1997 – 12) received reimbursement of travel expenses as follows:-

<u>1998</u>	<u>1997</u>
<u>£</u>	<u>£</u>
<u>2,663</u>	<u>2,795</u>

17. Commitments Under Operating Leases

As at 31 March 1998, annual commitments under non cancellable operating leases were as follows:

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Leases expiring within two to five years	<u>9,520</u>	<u>9,520</u>

18. Prior Period Adjustment

In preparing these financial statements the Executive Committee have treated accumulated income arising from the CAF/Mott Challenge Grant programme in accordance with the Statement of Recommended Practice: Accounting by Charities (SORP). This is a change in accounting policy with material effect. A prior period adjustment has been made to restate the results for the year ended 31 March 1997 in accordance with the new policy. The effect of the change of accounting policy is to transfer £220,000 from Unrestricted Reserves into an Expendable Endowment fund.