

**UK COMMUNITY FOUNDATIONS**  
(A company limited by guarantee)

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**Company Number: 2651777**  
**Charity Number: 1004630**

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**UK COMMUNITY FOUNDATIONS**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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## UK COMMUNITY FOUNDATIONS

### LEGAL AND ADMINISTRATIVE DETAILS

#### FOR THE YEAR ENDED 31 MARCH 2017

<b>Status:</b>	The organisation is a charitable company limited by guarantee, incorporated on 7 October 1991 and registered as a charity on the 11 October 1991.
<b>Governing document:</b>	The organisation was established under a memorandum of association on 7 October 1991 and amended on 2 December 1993, 17 July 1996, 21 October 1998, 19 January 2000, 27 April 2001, 23 April 2003, 17 November 2010, 19 March 2013 and 16 November 2016 which established the objects and powers of the organisation and is governed under its articles of association.
<b>Company number:</b>	2651777
<b>Charity number:</b>	1004630
<b>Registered Office and Operations address:</b>	Unit 1.04, 9 Brighton Terrace, London, SW9 8DJ.
<b>Honorary Presidency</b>	Baroness Usha Prashar (Honorary President) His Grace the Duke of Westminster KG CB CVO OBE TD CD DL (Honorary Vice President) until 9/8/16
<b>Honorary Officers</b>	Chair-David Sheepshanks CBE DL Treasurer- Colin Seccombe (since November 2016)

#### Members of the Board

David Sheepshanks, Chairman	Jane Moss
Martha Wilkinson (appointed November 2016)	John Nickson
Stephen Singleton (appointed November 2016)	Stephen Parsons
Jan Garrell (appointed November 2016)	Colin Seccombe
Alun Evans*	Sonal Shah (retired November 2016)
Trevor James	Niamh Goggin **
Laura Keen	Tom Ward, Vice-Chair
Tony McCusker (retired November 2016)	Eric Watts (retired November 2016)
Rosemary Macdonald, Vice-Chair (retired November 2016)	Rob Williamson, Vice-Chair
Arthur Roberts (appointed November 2016) *	Victoria Miles

**Note: \* means co-opted for three years from November 2016 \*\* means co-opted for three years from March 2017**

<b>Chief Executive</b>	Fabian French
<b>Company secretary</b>	John Okparocha (from September 2015) Frankie Bradley (from Jun 2016)
<b>Bankers</b>	CAF Bank Ltd Kings Hill West Malling KENT ME19 4TA
<b>Auditors</b>	haysmacintyre 26 Red Lion Square London WC1R 4AG

## **UK COMMUNITY FOUNDATIONS**

### **CHAIR'S REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**

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The year to March 2017 was a year of solid progress for both UKCF and the Community Foundation network. UKCF began to implement its new strategy, and achieved significant successes in terms of new programmes and increased profile. We have focused on more proactively supporting our network and member engagement has continued to improve.

The Community Foundation network has continued to grow during the period under review. The aggregate amount of grants made has exceeded £75 million for the first time. We remain one of the UK's top 5 grant-makers. Our collective endowment has seen significant growth due to positive market developments and new donations. It is now well over £ 580 million. Our growth ambitions for both endowments and grant making remain strong for the coming years.

The referendum on the EU in June 2016 showed, amongst other things, that a significant portion of society feels left behind by globalisation, and has a strong sense of disengagement and disillusionment. There is growing recognition both within government and amongst opinion formers that empowering and rebuilding communities is crucial to reengage these people and to restore our civil society. It is very positive that Community Foundations are increasingly seen to have a vital role in this area.

The passion of individuals and organisations for their community continues to be wholly admirable. Community Foundations are increasingly the preferred vehicle for their local philanthropy. Whilst overall levels of giving have not changed significantly in recent years, it is vital that UKCF does all it can to promote philanthropy generally – and especially locally. The potential for even greater levels of local philanthropy is enormous. With ongoing austerity measures and continued cuts in charitable funding from central and local government, the vibrancy of many local communities is dependent on local giving - and Community Foundations are the obvious vehicle.

During the year, 2 Community Foundations, Tees Valley Community Foundation and Forever Manchester, decided to leave the network and continue their activity outside the UKCF family. Both these Community Foundations have evolved in a different way to the rest of the network, and their departure was not unexpected. UKCF has worked with other neighbouring Community Foundations to ensure effective coverage of the geographic areas previously represented by Forever Manchester and Tees Valley Community Foundation. Despite their decision, we can still reliably say that we can make grants to organisations in every post code in the UK.

#### **Programmes**

One of UKCF's key roles is to initiate and coordinate national programmes for donors who want to make a difference across a variety of areas. We have been very active over the last year in this regard. New national programmes include:

## **UK COMMUNITY FOUNDATIONS**

### **CHAIR'S REPORT (Continued)**

#### **FOR THE YEAR ENDED 31 MARCH 2017**

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- Building a Stronger Britain Together, a social cohesion programme funded by the Home Office
- #iwill, a Youth Social Action programme funded by Big Lottery Fund, Office of Civil Society and other partners
- Round 2 of the New Beginnings Fund for refugees and asylum seekers, funded by Oak Foundation, Children In Need and Pears.

We continue to deliver for Comic Relief their Local Communities and Community Cash programmes; we are hugely grateful to the commitment and trust they invest in our work.

There are a number of other exciting new programmes in the pipe-line. We expect to be able to announce a major new programme funded by a large national financial institution shortly. We continue to work on establishing a new endowment match challenge programme, along the lines of Community First.

#### **Profile**

Another key objective of UKCF is to raise the profile of the network. We can no longer be satisfied to be labelled 'the UK's best kept secret'! Over the past year we have achieved a higher profile with government, financial advisers and corporates. We have commenced work with other voluntary sector participants to undertake policy work and research. We have been more frequently invited to speak at forums and join policy steering groups. We have made great strides in increasing our presence on social media and the national press coverage has increased, albeit modestly. There is more to be done but we are making progress.

#### **Support**

Although UKCF is funded in part by our members, we depend on grants and donations for our sustainability. I would like to thank all our supporters for their belief in the work UKCF and the network are doing. Particular thanks are due to those organisations which help fund our core costs. The Charles Stewart Mott Foundation of the USA has remained a crucial long-term supporter, while the Westminster Foundation has generously continued to support us. The John Armitage Charitable Trust has continued to provide funding for our external affairs and policy work. We have had grants from the Goldsmiths' charity and Esmée Fairbairn Foundation for specific projects. During the year, CCLA became a valued core supporter and Esmée Fairbairn Foundation funded a scoping exercise on the proposed Leadership Academy. We are also most grateful to a small number of individual donors, including some of our trustees, whose commitment to our work is phenomenal.

#### **UKCF Staff**

A stronger central team is in place than hitherto, though we were sad to lose a valued colleague, Mark Doherty (Director of Programmes and Operations), who returned with his family to his native US. I would like to express my sincere thanks to him for his contribution. The new team is working hard and performing well.

#### **Finances**

Our financial position has improved over the year mainly due to new programmes and the fees they bring to UKCF, and we are now able to make some important investments in the future of the organisation.

## **UK COMMUNITY FOUNDATIONS**

### **CHAIR'S REPORT (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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We remain more confident than ever of the capability and effectiveness of the Community Foundations we represent, and of the growing value that UKCF provides to its members. I look forward to another successful year in 2017/18.

Finally, I would like to thank all the trustees of UKCF for their stalwart work over the past year. They give their time and insight unstintingly and UKCF benefits greatly from their advice and insight. Particular thanks are due to the trustees who have retired during the year after serving their full term: Rosemary Macdonald, who has been a fantastically capable and supportive Vice Chair as well as Chair of the Membership Committee; Tony McCusker, whose advice and support as Chair of the Finance, Audit and Operations Committee has been invaluable; Eric Watts, who has freely shared his vast knowledge of HR and organisational matters. My thanks are also due to Sonal Shah, the former CEO of the London Community Foundation, whose contribution as co-opted member was significant.

We shall miss them all, but I am delighted that we have been able to make excellent appointments in their place (please see above). I am confident that we continue to have a Board and Committee structure that truly reflects all aspects of our membership: large CFs and smaller ones; all 4 nations of the UK; and all regions of England.

**David Sheepshanks CBE DL**  
**Chairman**

## **Report of the Board**

### **1. Introduction**

UKCF is the national network organisation for all accredited Community Foundations across the four nations of the UK. Community Foundations help people and organisations to invest in local communities where it is most needed and where it will make most impact. We envisage a society where communities will be able to support all those in need.

### **WHO WE ARE**

Our network consists of 46 Community Foundations. We cover the whole of the United Kingdom and we have an unparalleled reach into local communities. Each Community Foundation has an in-depth understanding of its local area, what the priority needs are and how best to address these issues. Community Foundations are able to direct donors to fund causes that they are not only passionate about but that will make the most difference.

Community Foundations are the only way for local people to give right to the heart of their communities wherever they live across the UK. They address the widest possible range of issues and intervene in the hardest to reach communities.

### **WHAT WE DO**

Community Foundations support local projects on a wide range of issues, such as poverty alleviation, emergency crisis response, youth engagement, isolation, mental health and so on. The causes we fund are as diverse as the communities we are engaged in.

The network of accredited Community Foundations gives grants totalling over £75 million annually. This makes us one of the UK's largest grant-giving organisations. But the need is growing and so must we.

Over the past 20 years, donors have given almost £1 billion to and through Community Foundations for local causes. This philanthropic spirit has secured long term and sustainable benefit for communities and achieved lasting social change. However, the need of communities is growing and we are conscious that we must grow to meet these needs.

Donors who care about their communities want to know that their money is used effectively. With the Community Foundations' local knowledge of need, UKCF's network is able to ensure that funding reaches those organisations best able to support the most vulnerable and disadvantaged in our communities.

## **2. UKCF's Vision and Goals**

UKCF's vision for the Community Foundation network is that:

- local philanthropy should be the norm and that, through Community Foundations, communities will be able to help all those in need.

UKCF is a membership organisation; we exist to serve our members. As such, we aspire to be:

- The leader of a network that can transform communities;
- A champion of the issues that matter to the people of the UK; and
- The catalyst for growth and success of the UKCF movement.

The strategic objectives which will enable us to deliver our vision and our purposes are:

- Grow a stronger and more cohesive network of Community Foundations
- Have influence in the places where it matters
- Be properly resourced to achieve our goal

## **3. UKCF's Objects, Objectives and Activities for the Public Benefit**

The Board of UKCF has complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission (England and Wales) when reviewing UKCF's aims and objectives and in planning future activities. In particular, the Board has considered how planned activities will contribute to the aims and objectives they have set.

The objectives of UKCF are:

- To promote and improve the efficiency and effectiveness of Community Foundations in direct pursuit of their objectives, in such a manner as may be thought fit and in particular by raising and distributing funds for application for the general purposes of such foundations
- To advance education of the public in the work of such foundations
- To promote other charitable purposes of benefit to the community

The changes or differences that UKCF seeks to make are:

- Uniting the Community Foundation movement around a shared strategy for accelerating growth by raised profile and enhanced credibility
- Promoting Community Foundations' services to UK-wide funders: companies, trusts, private family offices, individuals and other organisations
- Establishing Community Foundations as leading promoters of philanthropy



- Increasing the network's efficiency, effectiveness and accountability through member services: quality accreditation; training; network meetings and conferences; and internal communications
- Enabling faster growth, increased efficiency and greater effectiveness through: IT, digital services; social media and network projects.

#### **4. Achievements and Performance**

2016/17 was overall a positive year for the Community Foundation network. The combined endowment of our members grew and so did the total amount of grants made.

Several CEOs/Directors of Community Foundations departed during the year, most of whom had been in post for a considerable period. We were sorry to say goodbye to valued colleagues. However, it was pleasing to see that Community Foundations were able to recruit extremely high-quality replacements to these posts.

The departure of two members from the network was a less positive development, as noted in the Chair's Report above. However, these two members – Forever Manchester and Tees Valley Community Foundation – had grown apart from the other members and developed rather different business models. By working with other neighbouring Community Foundations, we have been able to ensure that the UKCF's national coverage remains in place. In addition, we are confident that these departures do not represent the start of a broader trend of movement away from the network.

A review of 2016/17 cannot ignore the EU referendum which took place in June 2016, and the UK's unexpected decision to leave the EU. The voluntary sector was in general very disappointed by the result of the referendum and was nervous that donors would be less inclined to support charities as a result of major economic uncertainty. In the event, the impact so far of Brexit on Community Foundations appears to be relatively limited. Confidence has returned, and donor behaviour appears not to have been significantly impacted. However, it is too soon to what the longer-term effects of Brexit may be on our network and on the sector in general.

Our research shows that over 15,000 people give in a significant way through Community Foundations and that this number has is continuing to grow. This places Community Foundations amongst the leading developers of philanthropy in the UK. UKCF supports the network with the Philanthropy Framework, an initiative which was launched during the year in order to assist Community Foundations in providing informed and constructive advice to our existing and prospective donors on their philanthropy.

2016/17 was also positive year for UKCF itself, and we made progress towards each of our strategic goals.

**Strategic Goal - Grow a stronger and more cohesive network of CFs**

In the year under review, several new initiatives were launched to strengthen the network and to improve member relations. We introduced the UKCF Charter, which sets out what our members can expect of UKCF and also what we expect of them. We initiated a new programme of training and development webinars for members on a wide range of topics. We adopted a new, more customer relationship management oriented approach to member communications. We introduced new subject specific forums for senior Community Foundation staff members, as well as a forum for newly appointed CEOs.

**Member communications**

Much emphasis was placed during the year on improving UKCF's communications with its members. The membership newsletter has been revamped, both in terms of look and content. In addition, communications with members are being undertaken on a more relationship-management driven basis with more frequent and regular contact. We are working hard to ensure that all member queries are responded to more promptly than before.

**Symposium and AGM**

In the alternate years when there is no national conference, UKCF holds a one-day Symposium and AGM. This took place in November 2016 at the offices of Goldman Sachs in London. We were joined by some prominent and inspiring speakers, including Dan Corry of NPC, Fran Perrin of Indigo Trust, and Sir Stuart Etherington of NCVO. The Symposium is always a great networking opportunity; this one was very well attended and received positive feedback in terms of both format and content.

At the AGM which followed the Symposium, the articles of associations were updated and a set of Board Rules was introduced to adopt the recommendations of the Governance Review in 2015/16.

**IT and Digital Services**

UKCF made further progress during the year with its digital strategy designed to ensure that all community foundations maximise the possibilities from digital technology. The migration of the network to the Salesforce database was completed and the new system is now regarded as a vital tool for maximising the efficiency and effectiveness of community foundations, as well as providing an excellent platform for communications between members. The impact assessment tools introduced in 2015 are now fully rolled out.

However, it is clear that not all Community Foundations are using the platform in the same way, and that some further training is required. In addition, there are some challenges regarding the use and storage of data. UKCF is working actively with members and IT suppliers to address these issues and has established a Digital Task Force from amongst the membership to guide our work in this area.

### **Member Services, Training and Development**

Training and development remained a core focus of UKCF during the year in review. The new programme of webinars (mentioned above) on subjects such as Engaging with Health Commissioners, Needs Analysis and Impact Reporting and Trust Transfers was very well received and has now become a fixture. New forums for learning and sharing best practice have been established for grants and development practitioners and well as for communications staff. Inductions for newly joined CEOs have been introduced.

Work on the proposed Leadership Academy, the programme for a comprehensive programme of training and development tools and forums, progressed during the year. In September 2016, our consultant finalised his report (funded by Esmée Fairbairn Foundation) on the model for the Leadership Academy. His survey confirmed extremely strong support for the initiative from around the network. The business case has been discussed with various potential funders, and their feedback suggested it would be beneficial to streamline some aspects of the proposed academy. The Leadership Academy continues to be a key focus and we hope to finalise the funding arrangements in 2017/18.

### **Philanthropy Framework**

Community Foundations are leading developers of philanthropy in the UK, with particular focus on local philanthropy. UKCF supports the network with the Philanthropy Framework, an innovation that grew out of the Philanthropy Fellowship programme which ran between 2012 and 2014.

UKCF has encouraged use of the Framework to enable CF staff to develop their philanthropy advisory skills, with a view to enhancing our offer as a movement that inspires and engages philanthropists, and introduces them to the issues facing their communities and the organisations tackling these.

The Framework also aims to capture all the best practice that Community Foundations in the UK already undertake in facilitating private donor giving as well as incorporating established innovation from elsewhere. Furthermore, a number of Community Foundation staff across the country have been recruited and appraised using the framework during this time period.

A revised version of the Philanthropy Advice Competency Framework was rolled out in March 2017, following a period of consultation with the network that included two Philanthropy Advising workshops organised by UKCF and the Philanthropy Advising Steering Group.

### **Vital Signs**

Vital Signs is a programme for measuring the vitality and wellbeing of communities across the UK. Through a combination of research and community consultation, it assesses and highlights the challenges and hidden needs within local communities, thereby assisting Community Foundations and their donors to focus their grant-making and provide support to those people and issues that need it the most.

Vital Signs not only maps the needs and deficiencies in communities but also celebrates what is going well. By engaging a wide-range of people and the media in a debate about the local areas in which they live and work, it serves as a unique and powerful tool that can help to influence public policy.

A growing proportion of the network are using Vital Signs to carry-out their local needs assessment, with seventeen Community Foundations having participated in the programme in 2016, publishing their reports in time for the international launch in October 2016.

The number of participants has grown to twenty two in 2017, which has been helped by a generous grant from the Goldsmiths Company, enabling seven smaller-sized Community Foundations to adopt the programme. The grant will also support UKCF to produce a national report on behalf of the network. Some community foundations, however, will continue for the time being use other forms of need assessment methodology.

**Strategic Goal - Have influence in the places where it matters**

Solid progress has been made towards this strategic objective during the year. In 2016/17 UKCF has particularly focussed on raising its profile amongst specific target audiences. These include government, philanthropists, voluntary sector opinion formers, financial advisers and legal advisers.

**Brand and Website**

In order to put in place the building blocks for raising awareness of UKCF and network we represent, we have rolled a new vibrant and contemporary brand, which better reflects our organisation's outward-facing personality and its dynamic approach to addressing the needs of communities and donors. The new brand was launched at the Symposium in November 2017. In January 2017 we launched a new website, which has more visual appeal and functionality whilst being easier to navigate. Both the branding work and website development were undertaken by an agency for a very modest fee, and have received a very positive response from our stakeholders. The website ([www.ukcommunityfoundations.org](http://www.ukcommunityfoundations.org)) is regularly updated and added to.

**Raising our Profile**

During the year, emphasis was placed on increasing UKCF's and the network's profile via social media. We have started blogging regularly on topical issues and our activity on Twitter and other media is gaining considerable traction across the sector. Although it is still modest, we have succeeded in getting articles placed in national media. This remains an important area of focus.

UKCF has placed considerable emphasis on promoting the role of Community Foundations in connection with the Dormant Assets Fund. We have held meetings with the Minister of Civil Society, the Prime Minister's special adviser on charities and civil servants within the Office of Civil Society to increase their awareness of Community Foundations and the benefits of government support for community foundations as a key way of strengthening communities and ensuring the sustainability of small local charities and voluntary groups.

## **UK COMMUNITY FOUNDATIONS**

### **TRUSTEES' REPORT (Continued)**

#### **FOR THE YEAR ENDED 31 MARCH 2017**

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##### **Policy**

The External Affairs team continues to work on developing policy initiatives, with the objective of working with partners where possible to leverage our messaging as much as possible. In addition, UKCF prepared and distributed a manifesto in advance of the General Election in June 2017. The manifesto encouraged the next government to focus on the wellbeing of communities and small local charities by:

- Establishing special giving zones
- Using dormant assets to build communities
- Restore the balance between social investment and grant making

##### **Beacon**

The purpose of the biennial Beacon Awards, which are organised by UKCF, is the promotion and celebration of philanthropy in the UK. The Beacon Awards 2017 took place in May 2017 at the Mansion House and a Nominees' Reception took place in March 2017. 12 Awards were made in total. New categories introduced this year were: Beacon Award for Philanthropy in Arts and Culture, Beacon Award for Philanthropy in Sport and Beacon Award for Local Community Philanthropy. As hoped, a significant number of nominations were received from community foundations and 4 of the winners were nominations from the network.

During the year under review significant resource was allocated to the nominations and judging processes and the preparation for the 2 major events. Due to a lower level of sponsorship than in 2015, the budget was reduced. However, both the Awards ceremony and the reception were very successful and received positive feedback from participants. The sponsors were JPMorgan, City Bridge Trust and the Pears Foundation.

Press and social media coverage for the Beacon nominations and awards was higher than in previous years, with articles in the Daily Mail and Evening Standard amongst others.

##### **Strategic Goal -- Be properly resourced to achieve our goals**

During the year, UKCF undertook several measures to improve our resourcing and to strengthen our organisation. In addition, our financial position became more robust due to increases in core funding and the fees earned on national programmes. We are now in a position where we can consider making selected investments to improve further our services to members.

##### **Staffing**

The senior management team was strengthened with Kiran Ramchandani - Head of External Affairs, Vicki Papworth – Head of Development, and Andy Clapham – Director of Programmes and Operations all joining during the period under review. In addition, Frankie Bradley joined us as Head of Finance, initially on a contract basis. We recruited an additional post in the Programmes team in order to deal with the increased volume of national programmes. This brought our total headcount to 11 people.

Sadly, Andy Clapham decided to return to the private sector and left us in April 2017. His programmes responsibility has been taken over by Vicki Papworth and his operations role by Frankie Bradley. This new structure has allowed us to strengthen our finance and administrative resource.

### **Office Move**

In October 2017, UKCF moved its business location from our offices at City Road to Brixton. Our lease at City Road was coming to an end, and renewal would have been extremely expensive. The London Community Foundation, based in Brixton, had surplus space which suited us well and was at a more competitive rent. We now occupy part of a large open plan space, with the benefit of more meeting rooms and better facilities. There is also considerable benefit from working alongside a Community Foundation and seeing how London CF operates in practice.

### **Operational Plan**

UKCF rolled out a detailed operational plan during the year under review, reflecting our overall strategy. This operational plan is regularly updated and reviewed by the Board. We have developed a series of KPIs by which to measure our performance.

### **Governance**

As mentioned above, in order to reflect the outcomes of the Governance Review, changes were made to UKCF's Articles of Association at the AGM in November 2016. In addition to a general update and some clarification of the Articles, a set of byelaws were introduced in order to ensure that the Board composition reflected more exactly all sizes of Community Foundations and all regions of the UK. The changes were unanimously approved.

At the AGM we said goodbye to several Board members whose terms had expired. The retiring members of the Board are referred to in the Chairman's statement, and both the Board and the staff of UKCF would like to add their thanks for the valuable support and advice we have received. At the same time we are delighted to welcome our new trustees to the Board. We look forward to working with them.

### **UKCF Core Funding**

UKCF's overall financial position improved during the year, mainly due the management fees received on the growing number of national programmes combined with a close focus on costs. As a result, we have been able to invest modestly in our operations without turning to our members for help.

UKCF's core funding improved slightly on the previous year. Grants from CS Mott, John Armitage Charitable Trust, Westminster Foundation, Goldsmiths, Esme Fairbairn Foundation and CCLA were the largest contributors to core costs and we continue to be very grateful to these wonderful organisations for their ongoing support. In addition, the Symposium was fully sponsored by Goldman Sachs, the October Chairs' meeting by Cazenove Capital and the March Chairs' meeting by DLA Piper. Sponsorship remains an important element in our core funding and we are most grateful to these and other sponsors for their contribution.

## UK COMMUNITY FOUNDATIONS

### TRUSTEES' REPORT (Continued)

#### FOR THE YEAR ENDED 31 MARCH 2017

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##### Membership Fees

The increases in programme income and core grants enabled UKCF to maintain membership subscriptions at almost the same level as the previous year. No member saw a fee increase of more than 2 per cent. After the significant increase in membership fees in 2014/15, this second year with a modest rise was well received by members.

##### Programmes

During the year we continued to deliver programmes for Comic Relief and Spirit of 2012 as well the New Beginning Fund. In addition during 2016/17 UKCF won a variety of new programmes including those listed below. As a result grant payments rose from £ 8.8 million in 2015/16 to £8.9 million in 2016/17.

##### On-going programmes

##### COMIC RELIEF/SPORT RELIEF

##### COMIC RELIEF - LARGE GRANTS FOR COMMUNICATION PURPOSES 2015-17

The Large Grants 2015-17 programme commenced in September 2015 with a total grant pot of £1.2 million over two years. One of the main drivers for the programme was to enable Comic Relief to have a wider range of projects to visit and use for communications purposes. Community Foundations are asked to proactively generate applications of up to £30,000 in their local area.

Community Foundations put forward 97 applications against which Comic Relief awarded 39 grants through 26 Community Foundations. End of Grant monitoring is due in September 2017.

	Expenditure	Number of grants
First year expenditure	£576,028	39
Second year expenditure	£576,028	39
Total	£1,152,056	39

Grantee groups estimate that by the end of the projects they will have supported a total of 14,100 beneficiaries. Therefore, an average amount of £90 will be spent per direct beneficiary.

Groups appear positive about what has been achieved so far, highlighting stories of the positive impact on individuals alongside awareness of the impact of this on the local community. 'Bonus outcomes' cited include improving local provision and reducing issues such as anti-social behaviour for the wider community as well as for direct beneficiaries. The grants have a heavy focus on education, training and employment.

##### COMIC RELIEF - LOCAL COMMUNITIES 2015 ONWARDS

Comic Relief awarded £4,500,000 across all 46 Community Foundations to make grants of £1,000 - £10,000 across the UK. Applications first opened in August 2015 and subsequent rounds ran until February 2017. This programme aims to empower local people, enabling them to create lasting change in their communities. Projects tend to be run by people directly affected by the issues they are dealing with and priority has been given to small, locally-based groups or organisations in areas of disadvantage.

## UK COMMUNITY FOUNDATIONS

### TRUSTEES' REPORT (Continued)

#### FOR THE YEAR ENDED 31 MARCH 2017

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A total of 153 grants were awarded. At the time of this report, 310 grantees had submitted monitoring reports showing that 100,719 beneficiaries and over 6,000 volunteers have been supported thus far. The funding allocated to these grants totals £1,624,559, giving an average amount of around £16 per direct beneficiary.

The predominant impact category is the advancement of physical and mental health, wellbeing and safety. Sport and recreation is the theme which has received the most funding. Health, wellbeing and serious illness is the second most funded theme – this is likely to relate to sports projects in a less direct way.

#### COMIC RELIEF - COMMUNITY CASH 2016

Comic Relief awarded £ 990,000 across 27 Community Foundations to make grants of between £500 and £1,000 in 17 areas across the UK. Media partners in each city or region promoted the fund, driving fundraising for Comic Relief and engaged applicants. Applications opened in January 2016 and grants were awarded in April 2016. The monitoring will be received in June 2017.

The principal objective of Community Cash 2016 is to support work where there is clear evidence of a beneficial impact on the lives of individuals who are excluded or disadvantaged through low income, rural or social isolation, age, disabilities, race, sexuality or gender.

Community Cash received applications from 1,512 groups, of which 1,061 grants were awarded. At application stage successful groups estimate helping 227,776 direct beneficiaries.

Top issues funded by Sport Relief Community Cash 2016 include sport and recreation, health and wellbeing and serious illnesses.

#### NEW BEGINNINGS FUND

UKCF worked with a consortium of UK trusts and foundations to design and launch the New Beginnings Fund in February 2016. The second round of grants took place in 2016/17.

The New Beginnings Fund aims to increase the capacity of small community groups to welcome and integrate refugees and asylum seekers into the UK, and reduce the strain on current support networks. Grants were for up to £10,000 for groups and £20,000 for partnerships. The programme promotes more equal, less divided communities.

After a successful Round 1, with £506k distributed in seven areas identified as high priority in May 2016, Round 2 saw £443,000 distributed to a further 47 groups across 16 community foundation areas in April 2017.

The following impact categories, defined at the beginning of the programme, broadly summarise how the fund intends to facilitate change:

- Maximise ability to strengthen community cohesion and build social capacity
- Promote reduction of isolation and disadvantage and access to local services



## UK COMMUNITY FOUNDATIONS

### TRUSTEES' REPORT (Continued)

#### FOR THE YEAR ENDED 31 MARCH 2017

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The majority of awarded applicants are working towards three key outcomes under these impact headings:

- Reducing Isolation [33%]
- Supporting Vulnerable People [26%]
- Improving Community Cohesion [16%]

Across both rounds the successful applicants estimated reaching over 15,600 beneficiaries and engaging 2,200 volunteers. The impact of the fund will be seen following the submission of the monitoring reports.

#### FOURTEEN

Fourteen, funded by the Olympic legacy organisation, Spirit of 2012, was launched in January 2015 in 14 Communities across the UK, managed by six Community Foundations. UKCF manages £3 million of grant investment in England, Scotland and Wales over the three years of the programme. Fourteen is community-led; each community decides itself how it will to increase participation in one or more of the following activities: social action and volunteering; grassroots sport and physical activity; culture activity and arts; and youth leadership and personal development.

Fourteen aims to increase community participation improve wellbeing and improve the perceptions of disability as part of the 2014 Commonwealth Games legacy. All activities are inclusive and aimed at supporting local people in developing their potential and feeling able to actively contribute to their community.

The communities have invested £1.7 million of Spirit money and estimated to have helped approximately 188,803 beneficiaries, based on information collected at application stage. 7,566 volunteers have been involved. Communities have raised over £2.3m in match.

In keeping with the programme's aims, the impact areas that most grantees are aiming to achieve are: to maximise ability to strengthen community cohesion and build social capacity; and to advance people's physical and mental health, wellbeing and safety.

UKCF have commissioned an independent evaluation of the programme.

#### New Programmes

##### YOUTH SOCIAL ACTION FUND/#iWill

After the election in 2015, the government pledged to support the #iwill campaign, run by Step Up To Serve. The campaign aims to increase by 50% participation in youth social action (volunteering, fundraising and campaigning) by 10-20 year olds by 2020. To support this development, Cabinet Office invested £1 million in 2015/16 to fund a pilot to support the development of youth social action opportunities. The total fund was split into two separate funds, one national and one local.

AS reported last year, UKCF managed the local pilot in East Anglia, which proved to be a considerable success. 3 community foundations were successful in matching the full amount offered by the funder. In the year under review, the decision was made to launch an England-wide programme, with UKCF and the network coordinating the small grants element.

## UK COMMUNITY FOUNDATIONS

### TRUSTEES' REPORT (Continued)

#### FOR THE YEAR ENDED 31 MARCH 2017

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The national programme is funded by Big Lottery Fund and Office of Civil Society in partnership with match funders - Pears Foundation, UK Community Foundations and Comic Relief. The funders committed an initial £2million to UK Community Foundations and CFs fund groups delivering local youth social action opportunities for 2016/17. The programme, which involves 43 community foundations and Forever Manchester in England, requires community foundations to match the funding received on a 1 for 1 basis.

As at the time of writing, £1,272,540 had been awarded to 266 groups across the country. At application stage, these groups anticipated reaching just over 70,000 beneficiaries. 42% of grants went towards 'Maximising the ability to strengthen community cohesion and build social capacity'; a further 33% went towards 'Improving life skills, education, employability and enterprise.'

In total, 38% of the expected match fund for Year 1 has been obtained or pledged to date. UKCF continues to work with community foundations to increase their match funding, as this will influence the pot available for Year 2.

#### BUILDING A STRONGER BRITAIN TOGETHER

During the year, UKCF partnered with M&C Saatchi to deliver the grants element of the Home Office's counter extremism programme 'Building a Stronger Britain Together' (BSBT). This is a significant programme for UKCF and the network. The Home Office's objectives are to support civil society and community organisations who work to create more resilient communities, stand up to extremism in all its forms and offer vulnerable individuals a positive alternative, regardless of race, faith, sexuality, age, and gender. UKCF is working with 9 community foundations, who are acting as regional leads to deliver grants across England and Wales.

The Home Office gave initial approval for grants of over £1.3 million to 44 groups across the UK in Round 1 of BSBT, launched in September 2016. Grants have now been awarded to almost of all these groups, with a few held back pending further due diligence.

In Round 2, launched in January 2017, community foundations put forward 87 eligible groups, applying for over £2.7 million for consideration from the Home Office. At the time of writing applications were undergoing review by the Home Office.

Groups were required to align their projects with one or more of the desired BSBT outcomes:

- fewer people holding attitudes, beliefs and feelings that oppose shared values;
- an increased sense of belonging and civic participation at the local level;
- more resilient communities.

Given that the first awards were granted in April 2017, it is too early to indicate what outcomes have been achieved.

## **UK COMMUNITY FOUNDATIONS**

### **TRUSTEES' REPORT (Continued)**

#### **FOR THE YEAR ENDED 31 MARCH 2017**

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#### **ROYAL LONDON FOUNDATION**

The leading insurance company, Royal London, engaged with UKCF to develop a grants programme after re-launching their Corporate Social Responsibility strategy in 2016. There have been three steps to the roll out of the Royal London Foundation programme which has a value of £156,000. Thus far 11 Community Foundations have been involved; more will be engaged as and when nominations come in.

The first step in the programme was to set up Charity Partners in each area where Royal London have a local office. Royal London staff nominated local charities they wished to see being the local Charity Partner; the relevant Community Foundations assessed nominations and put forward recommendations for Royal London to choose from. The charities that were selected are due to report to Community Foundations in July 2017 on funds raised by Royal London and activities supported by Royal London volunteers.

The second step was to award 12 grants of £4,000 to small community groups recommended for funding by one Community Foundation in each region. Grants were awarded in March 2017. Monitoring will be received in April 2018.

The grants made will be used as case studies to promote the third and final step of the programme (below). The third step aims to engage Royal London's members (its customers) in nominating local community groups to receive unrestricted awards of £5,000. 44 groups were nominated; nominated groups have been invited to complete full applications which will be assessed by the relevant Community Foundations in July/August 2017.

The grants have not been monitored at the time of writing. However, all partnerships and awards are required to fit within the Royal London theme of 'supporting people with a chronic or long-term condition'.

### **5. Structure, Governance and Management**

UKCF is a charitable company limited by guarantee with governance arrangements set out in the company's memorandum and articles of association.

UKCF is the national membership organisation for Community Foundations in the UK. Community Foundation means a foundation established to generate funds from all sources (including money given to build endowments), in order to provide grants for charitable purposes related to the needs of a defined community. Community Foundations thus provide services to donors and engage with others to strengthen local communities.

Membership of UKCF is restricted to quality accredited Community Foundations in the UK. The full members of UKCF elect the trustees of UKCF for three year terms, with a minimum of four trustees being trustees of member Community Foundations and a minimum of four being staff employed by member community foundations. Additional trustees including independent trustees are co-opted onto the Board to bring experience and skills to bear that are considered necessary by the Board.

## **UK COMMUNITY FOUNDATIONS**

### **TRUSTEES' REPORT (Continued)**

#### **FOR THE YEAR ENDED 31 MARCH 2017**

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These requirements mean that UKCF benefits from having the majority of trustees very familiar with Community Foundations in the UK and the issues that the Board considers. The Board meetings fit into the planning cycle so that the Board is able to focus on developing strategy, approving the operational plan, agreeing the annual budget and reviewing lessons learned.

The Board of UKCF is the decision-making body for the company. The Board has delegated powers to committees to take specific decisions consistent with the overall direction set by the Board. The committees were reduced in number in May 2015 and currently comprise:

- Development and Communications Committee– charged with raising the profile of the network and supporting the fund development, marketing and communications work of UKCF and its members, as well as measuring impact;
- Membership Committee– charged with developing member strategy, improving member services, philanthropy development, organising member gatherings and oversight of network wide IT.
- Finance, Operations and Audit - charged with reviewing financial strategy and planning management, audit, risk, human resources and major contracts.

There is no formal training programme for the trustees of UKCF. However, all of them are either trustees of other charities or employed by Community Foundations and therefore have significant current knowledge of charity practice and regulation. Many of the UKCF trustees attend third sector seminars and events and some are offered training and development opportunities by their relevant Community Foundation. In addition, all UKCF trustees attend UKCF's Symposium and the UKCF Conference which fall in alternating years. Both these events have a programme of plenary speeches and workshops designed to develop the skills and knowledge of all attendees.

UKCF is also the sole member of the Beacon Fellowship Charitable Trust. UKCF has appointed a majority of trustees to the Beacon Board who are not UKCF trustees to ensure that the independence of the Awards process cannot be questioned.

The legal and administrative information set out above forms part of this report.

### **6. Investment Policy**

Until Sep 2016, UKCF held on trust the funds previously held by the Birmingham and Black Country Community Foundation, which no longer operates following insolvency. These funds have now been transferred to Heart of England Community Foundation, which has assumed responsibility for Birmingham. Whilst managed by UKCF, the investments were held in a managed fund by Tilney Bestinvest with the objective of enhancing capital at a medium/low risk level. The objectives and risk level of the fund were those set by the BBCCF Trustees.

# UK COMMUNITY FOUNDATIONS

## TRUSTEES' REPORT (Continued)

FOR THE YEAR ENDED 31 MARCH 2017

### 7. Grant Making Policies

UKCF has been successful in winning contracts where it manages the primary funding relationship with, then awards grants on behalf of, donors or other funders to Community Foundations for disbursement in the communities they serve. The grant making policy for each programme is set in accordance with the specific aims and objectives of the funder and these are communicated to Community Foundations through formal grant offer letters or contracts. Monitoring and evaluation reports are required for all grants; the requirements of each donor and the size and time-frame for the grants determine the exact nature of the reporting.

### 8. Financial Review

The principal sources of unrestricted funding for UKCF were:

	Sources of Funding			
	31-Mar-17		31-Mar-16	
	£'000	%	£'000	%
ASDA			10	1%
Big Assist			30	3%
Building a Stronger Britain Together [BSBT]	85	7%	-	-
CCLA	40	3%	20	2%
Comic Relief	67	6%	112	11%
CS Mott Foundation	60	5%	88	9%
Foundation Scotland		-	25	3%
The Goldsmith Co.	10	1%		-
ICT Subscriptions	188	16%	179	18%
Investment Income Interest		-	1	-
John Armitage Charitable Trust	45	4%	45	5%
Lady Hind Trust		-	10	1%
Membership Subscriptions	320	28%	326	33%
New Beginnings - The Refugee Project	22	2%		-
OCS - Youth Social Action Project	100	9%	15	2%
Royal London	14	1%		-
Schroders		-	2	
Spirit of 2012 - Fourteen	17	1%	16	2%
Vital Signs	24	2%	23	2%
Ward Family Fund	25	2%	10	1%
Westminster Foundation	17	1%	17	2%
Other	117	10%	71	7%
	1,151	100%	1,000	100%

The overall financial position of UKCF improved during the year, with a sustainable income from membership fees. In addition, the volume of grants programmes administered by UKCF on behalf of the network grew.

The year ended 31 March 2017 witnessed a 15% increase in unrestricted income. The main sources of the increase in income were new programmes such as Building a Stronger Britain Together (BSBT), The Youth Social Action project (YSA), New Beginnings and Royal London. Income from Comic Relief halved in the year as the Community First programme ended as reported in the previous year's report. Income from ICT subscriptions in the year was largely stable.

Core funding remained a similar level to 2016. The C S Mott Foundation, the John Armitage Charitable Trust, the Westminster Foundation, CCLA, Goldsmiths and Esmée Fairbairn Foundation are to be heartily thanked for their generous support to UKCF.

UKCF's unrestricted expenditure fell in the year mainly due to a reduction in expenditure on ICT services as well as modest staff related costs reduction.

Unrestricted funds stood at £336k at the year-end, after taking into account the pension deficit of £64k. Under FRS 102 charities are required to bring the pension deficits into the accounts where they have entered a deficit reduction plan.

## **9. Risks**

The trustees of UKCF regularly review the major risks to which the charity is exposed, and systems and procedures are in place to manage these risks with reports from the CEO received half yearly at Board meetings. The key risks are associated with the ongoing resourcing of UKCF and the financial, operational and reputational risks associated with the delivery of its programmes. The most significant risks are a decline in UKCF's income as a result of loss of programmes or core funding grants and the departure of key staff members.

To mitigate the risks of a reduction of income, UKCF is actively pursuing new programmes and core funding opportunities. To mitigate the risk of staff departures, employees have received a modest salary increase to reflect their contribution and increased emphasis has been placed on regular appraisals and professional development opportunities.

## **10. Reserves Policy**

The trustees have determined that, to ensure continuity of activities should any unforeseen funding gaps arise, UKCF should be covered, financially, for 6 months, taking account of both unrestricted reserves and firm funding commitments (this amounts to £385k). The trustees believe this policy is a sensible balance between the need to maintain a secure long-term financial position and the requirement not to hold excessive charitable funds. As at the balance sheet date, the free reserves of the charity totalled £334k (comprising unrestricted funds of £336k less fixed assets of £2k). Coupled with firm funding commitments received of £320k, the reserves policy has therefore been met.

The charity also held £167k of restricted funds at 31 March 2017 (2016: £892k)

## **11. UKCF Going Concern**

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donations income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

## **12. Plans for the Future**

During the year under review, the charity has worked on implementing its 2015-2020 strategy. A number of senior staff changes have taken place, which will allow the organisation better to deliver its new strategy. The Board of UKCF is confident that the strategy and staffing position UKCF well to deliver new programmes, raise the profile of the UK community foundation network and to support its members as they develop.

## **13. Remuneration Policy**

The trustees consider the Board of UKCF and the CEO as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 13 to the accounts.

Trustees are required to disclose all relevant interests and register them with the CEO or Company Secretary and in accordance with UKCF's policy withdraw from decisions where a conflict of interest arises.

The pay of the CEO is reviewed annually taking into account movement in average earnings and the relativity with the average salary of other employees. The remuneration of the CEO and his/her senior reports is benchmarked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and comparable with that generally paid for similar roles. The CEO has not had a cost of living related pay increase since March 2015.

## **14. Impact**

UKCF attaches great importance to demonstrating the impact of charitable giving. It works with its members to encourage and support them in providing measurable evidence of their grant making. In 2015/16, the number of Community Foundations producing impact reports increased. Over a third of our members now produce impact reports and we expect this proportion to continue to grow.

In addition, as mentioned in IT and Digital Services above, UKCF has rolled out a digital tool to the network to greatly enhance and simplify individual Community Foundations' measurement of impact. This new tool has been widely adopted and well received.

As a membership organisation, it is hard for UKCF to demonstrate impact itself. However, the feedback from members during the year confirms that they are supportive of UKCF's direction of travel and that the organisation provides much needed support and input for the network across a range of issues and challenges. All conferences and forums of the membership include feedback forms, which allow UKCF to measure the level of member satisfaction.



### **15. Trustees' Responsibilities in relation to the Financial Statements**

The trustees (who are also Directors of UK Community Foundations for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law requires trustees 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 its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that 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.

### **16. Audit Information**

So far as each of the trustees, at the time the trustees' report is approved, is aware:

- a) There is no relevant information of which the auditors are unaware; and
- b) They have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### **17. Members' Liability**

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of Members at 31 March 2017 was 46.

### **18. Trustees' Indemnity Insurance**

During the year, trustees were covered by Directors' and Officers' insurance.

**19. Auditors**

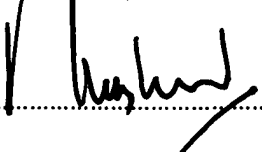
haysmacintyre have indicated their willingness to continue in office and is deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

**20. Small companies' exemption**

Advantage is taken of the small companies' exemption from the requirement to prepare a strategic report.

Approved by the Board on 12.9.17.....

Signed on its behalf by

  
.....

David Sheepshanks CBE, DL Chair

## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF UK COMMUNITY FOUNDATIONS

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We have audited the financial statements of UK Community Foundations for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of the charitable company's net movement in funds, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- The information given in the Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (the directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

**Matters on which we are required to report by exception**

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

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; and
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report incorporating the Strategic Report.



Anna Bennett (Senior Statutory Auditor)  
for and on behalf of haysmacintyre, Statutory Auditors

30 November

..... 2017

26 Red Lion Square  
London  
WC1R 4AG

# UK COMMUNITY FOUNDATIONS

## STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)

FOR THE YEAR ENDED 31 MARCH 2017

		2017			2016		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
INCOME FROM:	Notes	Fund £'000	Funds £'000	£'000	Fund £'000	Funds £'000	£'000
Grants	3a	60	8,983	9,043		9,000	9,000
Donations	3a	119	111	230	217	-	217
Subscriptions	3b	355	-	355	349	-	349
Other	3c	617	-	617	433	-	433
Investments	4	-	-	-	1	-	1
<b>Total Income</b>		<b>1,151</b>	<b>9,094</b>	<b>10,245</b>	<b>1,000</b>	<b>9,000</b>	<b>10,000</b>
<b>EXPENDITURE ON:</b>							
Raising funds	6	36	-	36	35	-	35
ICT Services	6	169	-	169	234	-	234
Member Services	6	676	37	713	672	-	672
Birmingham Funds	6	-	854	854	-	38	38
Projects and Programmes	6	15	119	134	-	153	153
Grant Payments		-	8,932	8,932	-	8,820	8,820
<b>Total expenditure</b>		<b>896</b>	<b>9,942</b>	<b>10,838</b>	<b>941</b>	<b>9,011</b>	<b>9,952</b>
Net (losses)/gains on investments	10	-	39	39	-	(2)	(2)
<b>Net income/(expenditure)</b>		<b>255</b>	<b>(809)</b>	<b>(554)</b>	<b>59</b>	<b>(13)</b>	<b>46</b>
<b>Transfers Between Funds</b>		<b>(84)</b>	<b>84</b>	<b>-</b>	<b>(4)</b>	<b>4</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>							
Actuarial (losses)/gains on defined benefit pension schemes	19	4	-	4	(9)	-	(9)
<b>Net Movement on Funds</b>		<b>175</b>	<b>(725)</b>	<b>(550)</b>	<b>46</b>	<b>(9)</b>	<b>37</b>
<b>Reconciliation of funds</b>							
Total Funds Brought Forward		161	892	1,053	115	901	1,016
<b>Total Funds Carried Forward:</b>	16,17	<b>336</b>	<b>167</b>	<b>503</b>	<b>161</b>	<b>892</b>	<b>1,053</b>

All the above results are derived from continuing activities. There were no recognised gains or losses other than those stated above. The notes on the accompanying pages form part of these financial statements.

The notes set out on pages 29 to 46 form an integral part of these financial statements.

UK COMMUNITY FOUNDATIONS

BALANCE SHEET

AS AT 31 MARCH 2017

Company number: 2651777

	Notes	2017 £'000	2016 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	2	5
Total fixed assets:		2	5
<b>CURRENT ASSETS</b>			
Investment	10	-	732
Debtors	11	560	849
Cash at bank		1,951	1,588
Total current assets:		2,511	3,169
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS - amounts falling due within one year</b>	12	1,946	2,053
<b>NET CURRENT ASSETS</b>		565	1,116
<b>CREDITORS: Amounts falling due after more than one year</b>		-	-
Defined benefit pension liability	19	(64)	(68)
<b>TOTAL NET ASSETS OR LIABILITIES</b>	17	503	1,053
The funds of the charity:			
Restricted income funds	15	167	77
Birmingham Funds	15	-	815
Total restricted funds		167	892
Unrestricted funds – general	16	336	110
Unrestricted funds – Designated Funds	16	-	51
<b>TOTAL UNRESTRICTED FUNDS</b>		336	161
<b>TOTAL CHARITY FUNDS</b>		503	1,053

The financial statements were approved and authorised for issue by the Trustees 2017 and signed on their behalf by:

David Sheepshanks CBE DL – Chair

The notes set out on pages 29 to 46 form an integral part of these financial statements.

# UK COMMUNITY FOUNDATIONS

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

	Total Funds 2017 £	Total Funds 2016 £
<b>Net cash flow from operating activities:</b>		
Net cash provided by/(used in) operating activities	(408)	908
<b>Cash flow from investing activities</b>		
Dividends, interest and rents from investments	-	1
Purchase of property, plant and equipment	-	(6)
Proceeds from sale of investment	771	324
Purchase of investments	-	(319)
Movement in investment cash account	-	(21)
Net cash provided by/(used in) investing activities	<u>771</u>	<u>(21)</u>
<b>Net change in cash and cash equivalents in the reporting period</b>	<u>363</u>	<u>887</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<u>1,588</u>	<u>701</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>1,951</u></u>	<u><u>1,588</u></u>

Reconciliation of net income/(expenditure) to net cash flow from operating activities.

Analysis of Cash and cash equivalents	Current Year 2017 £	Prior year 2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(550)	37
Adjustment for:		
Depreciation charges	3	4
Losses/(gains) on investments	(39)	18
Dividends, interest and rents from investments	-	(1)
Increase/(decrease) in debtors	290	(336)
Increase/(decrease) in creditors	(112)	1,186
Net cash provided by/(used in) operating activities	<u>(408)</u>	<u>908</u>

Analysis of cash and cash equivalents

	Current Year 2017 £	Prior year 2016 £
Cash in hand	<u>1,951</u>	<u>1,588</u>
Total cash and cash equivalents	<u><u>1,951</u></u>	<u><u>1,588</u></u>

The accompanying notes form part of these accounts.

## **UK COMMUNITY FOUNDATIONS**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2017**

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#### **1. ACCOUNTING POLICIES**

##### **Basis of Preparation**

The financial statements have been prepared under the historical cost convention (with the exception of investments which are stated at valuation) and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit company for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

##### **Going concern**

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charity's forecasts and projections and have taken account of pressures on donations income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Income**

Income generated from the supply of goods or services is included in the statement of financial activities in the period in which the supply is made.

Subscriptions are included in the statement of financial activities when receivable. Donations and gifts to the charity are included in the statement of financial activities when received. Intangible income is recognised as incoming resources where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.

Grants are included in the statement of financial activities when received and where it can be matched to the expenditure in relation to the grant commitment.

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. Investment income on restricted funds is treated either as restricted or unrestricted depending on the wishes of the original donor.

Unrestricted funds are donations and other income received or generated for charitable purposes.

##### **Expenditure**

Expenditure is recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered. Costs are allocated directly to activities on the basis of staff time spent on each.

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, which is 3 years. Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.



**Expenditure (continued)**

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. The charity has no other obligation under these schemes. UKCF operates a multi-employer pension scheme and has agreed a deficit funding arrangement and therefore recognises a liability where the scheme is in deficit.

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the lease duration.

**Investments**

Investments held as fixed assets are revalued at bid value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.

**Critical accounting estimates and areas of judgement**

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**Other financial instruments**

**i. Cash and cash equivalents**

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

**ii. Debtors and creditors**

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

**2. Taxation**

The charity is exempt from corporation tax under section 505 of the Income and Corporation Taxes Act 1988 as all its income is applied to charitable purposes.

# UK COMMUNITY FOUNDATIONS

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 MARCH 2017

<b>3a. Donations and grants receivable</b>	<b>Restricted £'000</b>	<b>Unrestricted £'000</b>	<b>2017 Total £'000</b>
Building a Stronger Britain	789	-	789
CCLA	-	40	40
Comic Relief	3,354	-	3,354
C S Mott Foundation	-	60	60
Esmee Fairburn Foundation	37	-	37
Flood and Storm Donations	93	-	93
Goldsmiths Company	40	-	40
John Armitage Charitable Trust	-	45	45
New Beginnings	1,049	-	1,049
Royal London	177	-	177
Spirit of 2012 – Fourteen	1,337	-	1,337
Surviving Winter	18	-	18
Ward Family Fund	-	25	25
Youth Social Action	2,200	-	2,200
Other	-	9	9
<b>Total funds</b>	<b>9,094</b>	<b>179</b>	<b>9,273</b>

<b>b. Donations and grants receivable (2016)</b>	<b>Restricted £'000</b>	<b>Unrestricted £'000</b>	<b>2016 Total £'000</b>
ASDA	392	-	392
BIG Local Papers	(7)	-	(7)
C S Mott Foundation	-	88	88
CCLA	-	20	20
Comic Relief	7,106	-	7,106
Flood and Storm Donations	318	-	318
Foundation Scotland	-	25	25
John Armitage Charitable Trust	-	45	45
Lady Hind Trust	-	10	10
Office for Civil Society	300	-	300
Schroders	-	2	2
Spirit of 2012 – Fourteen	871	-	871
Surviving Winder	20	-	20
Ward Family Fund	-	10	10
Westminster Foundation	-	17	17
<b>Total funds</b>	<b>9,000</b>	<b>217</b>	<b>9,217</b>

Big Local Papers: In the previous financial year several groups underspent their funding and returned grant amounts to UKCF, via their local Community Foundations. These were in turn refunded to BIG Lottery (see notes 5 and note 15).

UK COMMUNITY FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 MARCH 2017

3b. Subscriptions

	2017 Total £'000	2016 Total £'000
Membership	320	326
Grant Thornton	15	17
Vital Signs	9	6
QA4 Accreditation	11	-
	<u>355</u>	<u>349</u>

All Subscription income received in 2017 and 2016 is unrestricted income.

3c. Other Income

	Restricted £'000	Unrestricted £'000	2017 Total £'000
Beacon	-	40	40
Building a Stronger Britain Together	-	85	85
Comic Relief	-	67	67
Goldsmiths	-	10	10
ICT Subscriptions	-	188	188
New Beginnings	-	22	22
OCS – Youth social action project	-	100	100
Royal London	-	14	14
Spirit of 2012	-	17	17
Westminster Foundation	-	17	17
Other	-	57	57
	<u>-</u>	<u>617</u>	<u>617</u>

	Restricted £'000	Unrestricted £'000	2016 Total £'000
ICT Subscriptions	-	179	179
Big Assist	-	30	30
ASDA	-	10	10
Comic Relief	-	112	112
Spirit of 2012	-	16	16
OCS – Youth social action project	-	15	15
Other	-	71	71
	<u>-</u>	<u>433</u>	<u>433</u>

# UK COMMUNITY FOUNDATIONS

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 MARCH 2017

### 4. Investment Income

	2017 Total £'000	2016 Total £'000
Bank interest	-	1
	<u>-</u>	<u>1</u>

All investment income received in 2017 and 2016 is unrestricted.

### 5. Grants paid to organisations

	2017 Total £'000	2016 Total £'000
Asda	-	392
Big Local Papers	-	(7)
Building a Stronger Britain	784	-
Comic Relief	3,366	6,967
Floods and Storms	80	314
New Beginnings	1,051	-
OCS – Youth Social Action Project	2,198	300
Royal London	69	-
Spirit of 2012	1,384	854
	<u>8,932</u>	<u>8,820</u>

All grants paid are restricted in 2017 and 2016.

A full list of grants is available at: <http://www.ukcommunityfoundations.org/our-programmes>

UK COMMUNITY FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 MARCH 2017

6. CHARITABLE ACTIVITIES

	Grants (Note 5) £'000	Staff costs and Consultancy £'000	Office and Running Costs £'000	Local Partners £'000	Total 2017 £'000
Fundraising	-	36	-	-	36
ICT Services	-	85	84	-	169
Member services	-	492	216	5	713
Birmingham Funds Expenditure	-	-	-	854	854
<b>Projects and Programmes</b>					
Comic Relief	-	70	-	-	70
Spirit 2012	-	17	-	-	17
Vital signs	-	-	-	47	47
<b>Total for Projects and Programmes</b>	<b>-</b>	<b>87</b>	<b>-</b>	<b>47</b>	<b>134</b>
<b>Grants</b>					
Building a Stronger Britain	784	-	-	-	784
Comic Relief	3,366	-	-	-	3,366
Floods and Storms	80	-	-	-	80
New Beginnings	1,051	-	-	-	1,051
OCS – Youth Social Action Project	2,198	-	-	-	2,198
Royal London	69	-	-	-	69
Spirit of 2012	1,384	-	-	-	1,384
<b>Total for Grants</b>	<b>8,932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,932</b>
<b>2017 Total</b>	<b>8,932</b>	<b>700</b>	<b>300</b>	<b>906</b>	<b>10,838</b>

UK COMMUNITY FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE PERIOD ENDED 31 MARCH 2017

6. CHARITABLE ACTIVITIES (Continued)

	Grants (Note 5) £'000	Staff costs and Consultancy £'000	Office and Running Costs £'000	Local Partners £'000	Total 2016 £'000
Fundraising	-	35	-	-	35
ICT Services	-	90	144	-	234
Member services	-	485	177	20	672
Birmingham Funds Expenditure	-	38	-	-	38
<b>Projects and Programmes</b>					
Comic Relief	-	112	-	-	112
Spirit 2012	-	22	-	-	22
Surviving Winter	-	-	-	19	19
<b>Total for Projects and Programmes</b>	-	134	-	19	153
<b>Grants</b>					
BIG Local Papers	(7)	-	-	-	(7)
Comic Relief	6,967	-	-	-	6,967
Floods and Storms	314	-	-	-	314
OCS Philanthropy UK	300	-	-	-	300
ASDA	392	-	-	-	392
Spirit of 2012	854	-	-	-	854
<b>Total for Grants</b>	8,820	-	-	-	8,820
<b>2016 Total</b>	<b>8,820</b>	<b>772</b>	<b>321</b>	<b>39</b>	<b>9,952</b>

7. Staff costs and numbers

	2017 Total £'000	2016 Total £'000
Salaries and wages	443	351
Social Security Costs	47	30
Pension contributions	11	11
	501	392
Other staff costs, including recruitment	78	212
	579	604

**UK COMMUNITY FOUNDATIONS**

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

**FOR THE PERIOD ENDED 31 MARCH 2017**

**7. Staff costs and numbers (continued)**

	<b>2017</b>	<b>2016</b>
Number of employees earning between £90,000 and £100,000	<u>1</u>	<u>1</u>

The average number of employees was as follows:

	<b>2017</b>	<b>2016</b>
Direct charitable expenditure	<u>10</u>	<u>9</u>
	<u>10</u>	<u>9</u>

Key management personnel includes the Trustees, the CEO, and those reporting to the CEO. The Trustees during the year received no remuneration (2016: 1 trustee as mentioned in note 13). The remuneration paid to the CEO and those reporting to him amounted to £277k in 2017 (2016, £238k).

**8. Net (expenditure)/income for the year**

This is stated after charging:

	<b>2017 £'000</b>	<b>2016 £'000</b>
Depreciation	3	4
Operating lease rentals	-	45
Auditors' remuneration:		
Current year	8	10
In respect of the prior year	-	2
Non-audit services	<u>-</u>	<u>2</u>

UK COMMUNITY FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2017

9. Tangible fixed assets

This is stated after charging:

	<b>Furniture &amp; Office Equipment £'000</b>	<b>2017 Total £'000</b>	<b>2016 Total £'000</b>
<b>Cost</b>			
At the start of the year	23	23	42
Additions in year	-	-	6
Disposals during the year	-	-	(25)
	<u>23</u>	<u>23</u>	<u>23</u>
<b>Depreciation</b>			
At the start of the year	18	18	39
Charge for the year	3	3	4
Disposals during the year	-	-	(25)
	<u>21</u>	<u>21</u>	<u>18</u>
<b>At the end of the year</b>			
	21	21	18
<b>Net book value</b>			
At the end of the year	2	2	5
At the start of the year	5	5	3
	<u><u>2</u></u>	<u><u>2</u></u>	<u><u>5</u></u>



# UK COMMUNITY FOUNDATIONS

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 10. Current asset investments

	2017 £'000	2016 £'000
Transfer from fixed asset investment at the start of the year	732	734
Addition at cost	-	319
Disposal at opening MV (proceeds of £324,362; realised gain of £5,680)	-	(319)
Unrealised gains on revaluation	39	(23)
Increase in cash	-	21
Transfer to Heart of England Community Foundation	(771)	-
Market Value Carried Forward	-	732
Historic cost at the year end	-	613
Total investment funds comprise:		
Tilney BestInvest securities	-	680
Cash	-	52
Total:	-	732
Invested Securities comprise		
UK Securities	-	555
Overseas Securities	-	125
Total:	-	680
Total Funds Held for Birmingham		
Tilney Bestinvest securities	-	732
Cash at bank held with UKCF	-	83
Total:	-	815

The fixed asset investment consisted of investments transferred from Birmingham and Black Country Community Foundation to UKCF on March 2014 to be held on trust (see note 15). The listed investments were managed by Tilney BestInvest. During the year ended 31 March 2017, the funds were transferred to the Heart of England Community Foundation.

UK COMMUNITY FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2017

**11 Debtors and prepayments**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Sundry debtors	-	1
Trade debtors	465	786
Beacon Fellowship Charitable Trust	63	20
Prepayments and accrued income	32	42
	<u>560</u>	<u>849</u>

All debtors are financial instruments measured at present value.

**12. Creditors: Amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Grant creditors	1,160	1,125
Trade and sundry creditors	25	57
Accruals and deferred Income	650	869
Social security and other taxes	111	2
	<u>1,946</u>	<u>2,053</u>

All creditors except accruals are financial instruments measured at present value. Included within social security and other taxes is £621 owing to the pension scheme (2016: £329)

Included within the above is deferred income as follows:

**Analysis of deferred income**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Deferred Income Brought Forward</b>	869	594
<b>Released to income in year</b>	(869)	(594)
<b>Deferred in year</b>	<u>650</u>	<u>869</u>
<b>As at 31 March 2017</b>	<u>650</u>	<u>869</u>

# UK COMMUNITY FOUNDATIONS

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 13 Trustee remuneration and expenses

20 members of the board (2016-20) received reimbursement of travel expenses to attend meetings while no member of the board (2016-1) received remuneration.

	2017 £'000	2016 £'000
Reimbursement of travel expenses	12	13
Remuneration paid to trustees	-	7
	<u>12</u>	<u>20</u>

Most trustees are also either trustees or employees of our member organisations.

Charles Clarke who resigned as trustee in November 5, 2015 was paid £nil (2016: £6,664) for consultancy services, providing advice to member foundations on endowment raising pursuant to our contract to support the Community First contract. Also Caroline Duckworth's husband was paid a fee on an arms' length basis for being the official photographer of the 2015 conference. The decision to approve these payments was taken by the Board in November 2013 consistent with charity commission guidance and on the basis that payments were reasonable in relation to the services provided and were in the best interests of the charity.

The Trustees of grant beneficiaries do not participate in the awarding of the grants to the organisations they represent or benefit.

Total donations received from Trustees amounted to £25,000 (2016: £10,000).

#### 14 Operating lease commitments

Total annual commitments payable under operating leases are as follows

	Land and Buildings		Other	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Operating leases which expire:				
Less than 1 year	-	26	2	2
Between 1-2 years	-	-	-	2
Between 2-5 years	-	-	-	4
	<u>-</u>	<u>26</u>	<u>2</u>	<u>8</u>

# UK COMMUNITY FOUNDATIONS

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 15. Restricted funds

	At April 2016 £'000	Income £'000	Expenditure £'000	Gains/(losses) On investments £'000	Transfers £'000	At 31 March 2017 £'000
Birmingham and Black Country CF (inc. endowment)	815	-	(854)	39	-	-
Building a Stronger Britain	-	789	(784)	-	-	5
Comic Relief	64	3,354	(3,436)	-	18	-
Flood and Storm Donations	9	93	(80)	-	-	22
Esmée Fairburn – Leadership Academy	-	37	(37)	-	-	-
New Beginnings	-	1,049	(1,051)	-	2	-
OCS- Youth Social Action Project	-	2,200	(2,198)	-	-	2
Royal London	3	177	(69)	-	-	111
Spirit of 2012	-	1,337	(1,401)	-	64	-
Surviving Winter	1	18	-	-	-	19
Vital Signs – Goldsmiths Company	-	40	(32)	-	-	8
<b>Total Funds</b>	<b>892</b>	<b>9,094</b>	<b>(9,942)</b>	<b>39</b>	<b>84</b>	<b>167</b>

Transfers have been made to cover restricted expenditure which is not covered by income within the year.

Full comparatives of the restricted fund movements are shown within the audited accounts for the year ended 31 March 2017 which are available from the Charity Commission.

- Birmingham and Black Country FC**

As a result of winding down Birmingham and Black Country Community Foundation, donor's funds were transferred to UKCF in March 2014, to be held on trust. The funds consist of bank balances and investments. The Trustees of Heart of England Community Foundation managed the funds following legal agreements. The funds have been transferred to the Heart of England Community Foundation in full during the year ended 31 March 2017.

**15. Restricted Funds (continued)**

- **Building a Stronger Britain Together**

During the year, UKCF partnered with M&C Saatchi to deliver the grants element of the Home Office's counter extremism programme 'Building a Stronger Britain Together' (BSBT). The Home Office's objectives are to support civil society and community organisations who work to create more resilient communities, stand up to extremism in all its forms and offer vulnerable individuals a positive alternative, regardless of race, faith, sexuality, age, and gender.

- **Comic Relief**

Comic Relief has awarded grants to UKCF to manage various national programme across the United Kingdom on their behalf from 2011 onwards.

- **Esmée Fairbairn - Leadership Academy**

This fund relates to the proposed Leadership Academy for Community Foundations.

- **Flood and Storm Funds**

From December 2013 onwards, 11 community foundations set up local programmes to assist the victims of the extreme floods and storms. UKCF launched a national programme to support them. As a result, the Office for Civil Society, Wren Living Ltd, Comic Relief and others awarded grants to UKCF to distribute via the participating community foundations.

- **New Beginnings**

The New Beginnings Fund aims to increase the capacity of small community groups to welcome and integrate refugees and asylum seekers into the UK, and reduce the strain on current support networks.

- **[OCS Philanthropy UK**

The Office of Civil Service granted UKCF £300k to oversee the Youth Social Action programme. The programme targeted the East of England, after an official survey in 2014 revealed only 25% of 10-20 year olds in the region say they get involved in their local community. UKCF allocated the money equally between three of the region's community foundations (Cambridgeshire Community Foundation, Suffolk Community Foundation and Norfolk Community Foundation) which made grants up to £5,000 to grassroots groups managing youth social action projects.

- **Royal London**

The Royal London Foundation awarded a grant to UKCF in 2011 in order for us to make grants to community groups nominated by members of The Royal London Group.

- **Spirit of 2012 – Fourteen**

Spirit of 2012- is funded by Spirit of 2012, a charity set up by the Big Lottery Fund to connect events to communities across the country. UKCF will manage and deliver the programme in England, Scotland and Wales in partnership with Community Foundation in Wales, Foundation Scotland, Heart of England Community Foundation, Forever Manchester, Tyne and Wear and Northumberland Community Foundation and Quartet Community Foundation.

**UK COMMUNITY FOUNDATIONS**

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

**FOR THE YEAR ENDED 31 MARCH 2017**

**15. Restricted Funds (continued)**

- **Surviving Winter**

The Surviving Winter campaign is funded by donations from the public to raise money for pensioners affected by fuel poverty. Grants are made by our member organisations.

- **Vital signs**

Vital Signs is a programme for measuring the vitality and wellbeing of communities across the UK.

**16. Unrestricted Funds**

	At April 2016 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2017 £'000
General Funds	229	1,151	896	(84)	400
Pensions deficit	(68)	4	-	-	(64)
<b>Total Unrestricted Funds</b>	<b>161</b>	<b>1,155</b>	<b>896</b>	<b>(84)</b>	<b>336</b>

Analysis of unrestricted Funds	2017 £'000	2016 £'000
Unrestricted funds – General	336	110
Unrestricted funds – Designated Funds	-	51
<b>Total Funds</b>	<b>336</b>	<b>161</b>

Full comparatives of the unrestricted fund movements are shown within the audited accounts for the year ended 31 March 2016 which are available from the Charity Commission.

Designated funds in the prior year consisted of £26k and £25k for cost of office move and website development respectively.

**17. Analysis of net assets between funds**

	Restricted £	Unrestricted £	2017 £
Tangible fixed assets	-	2	2
Net Current Assets	167	398	565
Defined Benefit Pension Scheme	-	(64)	(64)
<b>Net assets at 31 March 2017</b>	<b>167</b>	<b>336</b>	<b>503</b>

Full comparatives of the net assets by fund are shown within the audited accounts for the year ended 31 March 2016 which are available from the Charity Commission.

## UK COMMUNITY FOUNDATIONS

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### FOR THE YEAR ENDED 31 MARCH 2017

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#### 18. RELATED PARTY

In 2009, UKCF became the sole corporate member of the Beacon Fellowship Charitable Trust (BFCT). David Sheepshanks, Chairman of UKCF, is a Trustee of BFCT. There are no other common Trustees. BFCT is a separate legal entity and is not controlled by UKCF.

#### 19. PENSION SCHEME LIABILITY

1. UKCF participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for UKCF to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.
2. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.
3. The scheme is classified as a 'last-man standing arrangement'. Therefore UKCF is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.
4. A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

##### Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

**19. PENSION SCHEME LIABILITY (CONTINUED)**

5. Where the scheme is in deficit and where UKCF has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The present value provision is £64,105 for March 2017 (2016: £67,704). The unwinding of the discount rate is recognised as a finance cost.
6. UK Community Foundations paid a contribution of £6,917 during the accounting period. Members paid the contributions at the rate of 0% during the accounting period. In the year to March 2018, we are expected to contribute £7,124.
7. As at the balance sheet date there were no active members of the plan employed by UKCF. UKCF has closed the plan to new entrants but has no intention of exiting the scheme.

	Period ending 31 March 2017 £	Period ending 31 March 2016 £
Provision at start period	67,704	59,006
Unwinding of the discount factor ( interest expense)	1,324	965
Deficit contribution paid	(6,917)	(7,118)
Remeasurements – impact of any change in assumptions	1,994	(1,058)
Remeasurements- amendments to the contribution schedule	-	15,909
Provision at end of period	64,105	67,704

Income and Expenditure Impact	Period ending 31 March 2017 £	Period ending 31 March 2016 £
Interest expense	1,324	965
Remeasurements – impact of any change in assumptions	1,994	(1,058)
Remeasurements – amendments to the contribution schedule	-	15,909
Contributions paid in respect of future service*	-	-
Costs recognised in income and expenditure account	-	-



**UK COMMUNITY FOUNDATIONS**

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

**FOR THE YEAR ENDED 31 MARCH 2017**

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**19. PENSION SCHEME LIABILITY (CONTINUED)**

\*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

**ASSUMPTIONS**

	31 March 2017 % per annum	31 March 2016 % per annum
Rate of discount	1.32	2.07

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.