

UK COMMUNITY FOUNDATIONS

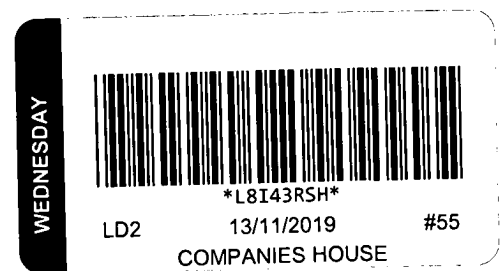
(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Company Number: 2651777

Charity Number: 1004630



UK COMMUNITY
FOUNDATIONS
GIVING FOR LOCAL GOOD

UK COMMUNITY FOUNDATIONS
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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Status:	The organisation is a charitable company limited by guarantee, incorporated on 7 October 1991 and registered as a charity on the 11 October 1991.
Governing document:	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.
Company number:	2651777
Charity number:	1004630
Registered Office and Operations address:	Unit 1.04, 9 Brighton Terrace, London, SW9 8DJ.
Honorary Presidency:	Baroness Usha Prashar (Honorary President)
Honorary Officers:	Chair - David Sheepshanks CBE DL (to 24 th October 2018); Jane Lady Gibson (from 24 th October 2018 to 31 st May 2019); Acting Chair – Victoria Miles (from 31 st May 2019 to 24 th July 2019); Jerome Booth (from 24 th July 2019). Treasurer - Colin Seccombe MBE
Members of the Board:	
David Sheepshanks CBE DL, Chair (to 24 th October 2018)	Jane Moss (to 24 th October 2018)
Jane Gibson, Chair (from 24 th October 2018 to 31 st May 2019)	John Nickson
Martha Wilkinson	Stephen Parsons (to 24 th October 2018)
Stephen Singleton	Colin Seccombe MBE, Treasurer
Jan Garrill	Rob Williamson, Vice-Chair (to 24 th October 2018)
Alun Evans	Niamh Goggin
Trevor James (to 24 th October 2018)	Tom Ward, Vice-Chair
Laura Keen (to 24 th October 2018)	Victoria Miles DL, Vice-Chair (from 24 th October 2018), Acting Chair (from 31 st May to 24 th July 2019)
Arthur Roberts	Jerome Booth, Chair (from 24 th July 2019)

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Chief Executive:	Fabian French
Company Secretary:	Chris Hughes
Bankers:	CAF Bank Ltd, Kings Hill, West Malling, Kent ME19 4TA
Auditors:	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG

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INTRODUCTION

UKCF is the national network organisation for all accredited Community Foundations across the UK. Community Foundations are community leaders, convenors and catalysts: they help people and organisations invest in local communities where it is most needed and where it will make most impact. Our vision is of a society where local philanthropy is the norm and where communities will be able to support all those in need.

WHO WE ARE

Our network consists of 46 accredited 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 needs. Community Foundations are able to advise donors how to fund causes that they are not only passionate about but that will also make the most difference.

We believe that Community Foundations are the most strategic and effective way for local people and organisations 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 and fund local projects at the grass roots level on a wide range of issues, such as poverty alleviation, emergency crisis response, youth engagement, isolation and mental health. We are purposeful generalists in the causes we fund, because community need manifests itself in so many ways. Our beneficiaries are as diverse as the communities we are engaged in.

The network of accredited Community Foundations now gives grants totalling over £98 million a year. Over the past 20 years, donors have given over £1 billion to and through Community Foundations for local causes.

Through the Community Foundations the philanthropic spirit in the UK has secured long term and sustainable benefit for communities and has achieved lasting social change. We are one of the UK's largest grant-giving organisations, but the need is growing and so must we.

Donors who care about their communities want to know that their money is used effectively. With the Community Foundations' local knowledge of need, they ensure that funding reaches

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those organisations best able to support the most vulnerable and disadvantaged in our communities.

CHAIR'S REPORT

I am delighted to report that the year to March 2019 has been a positive one for both UK Community Foundations (UKCF) and for the Community Foundation movement as a whole. We saw good progress towards our strategic goals and achieved a surplus during the year, thus increasing our ability to invest in our network.

The year saw significant successes in terms of new national programmes and increased profile, particularly on social media. During the period, we started a major new investment in training and development for our members, the Community Foundation Leadership Programme, and kicked off an important initiative to revitalise trusts which have become dormant or inactive. We also rolled out a new Membership Strategy and Membership Offer. All these steps have been well received and have had a positive impact on member engagement.

Our network of 46 Community Foundations has continued to grow. The aggregate value of grants remained at £98 million in 2018-19 which still indicates impressive growth given that just over 10% of the total grants awarded in 2017-18 was specifically for disaster funds - a much higher percentage than is typical. Our collective endowment saw significant growth from £615 million in 2017-18 to £693 million in 2018-19.

During the year, there has been a lot of discussion in the voluntary sector about place-based funding. Community Foundations have continued to prove their value as the original and best place-based funders. Our members are developing new approaches to engage with their communities and to catalyse change. Across the network, there have been many great examples of local innovation, based on our role as community leaders and convenors.

Our Symposium and AGM held in October 2018 was a great success. Speakers included Baroness Tina Stowell, Chair of the Charity Commission, and Julia Unwin, Chair of the Civil Society Futures project. Our ability to attract such prominent sector players to speak at our event underlines the growing recognition of the importance of the role of Community Foundations in our sector.

SUPPORTING AND STRENGTHENING OUR NETWORK

During 2018/19 we have been working hard to develop the ways in which we support our members, led by Dianne Jones, our Head of Membership. We have refreshed our membership offer and can now better demonstrate the benefits of membership to our network, in addition to delivering more cost savings by securing new deals with partner organisations. We continue to look at ways to better understand members' needs and this year we introduced

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a series of meetings for Community Foundations of different sizes. We will use the feedback from these meetings to continue to shape our offer to meet the needs of all Community Foundations in the network.

I am delighted that our vision for a Leadership Programme to inspire, motivate and create a new mind set amongst Community Foundations has become a reality. One of our highest priorities is to invest in the talent of our members. Based on a very generous grant from Fidelity Foundation and supported by other donations and drawing on UKCF's reserves, we have been able to fund this exciting programme for an initial three-year period. Led by our Head of Learning, Rebekah Goddard, the first cohort of Community Foundation leaders has already completed an intensive programme of training and development. We have held masterclasses on subjects such as social media influencing and donor development. We have had residential development sessions for 12 Community Foundation CEOs and directors. The response to these initiatives is overwhelmingly positive, despite the very substantial time commitment that participation involves.

NATIONAL PROGRAMMES

We continue to coordinate and deliver national programmes for the network of Community Foundations. This area of our work is led by Vicki Papworth, Director of Programmes and Development.

This year we were successful, once again, in winning the largest share of Tampon Tax funding for community projects supporting women and girls. We also secured the second phase of the #iwill youth social action programme and a major new corporate programme for GVC. We are now in the fourth round of Building a Stronger Britain Together, funded by the Home Office.

National programmes represent around 14% of the network's total grant-making. We have made changes to ensure that Community Foundations have the chance to input at the earliest possible stage in the design of these programmes, and at all other operational stages afterwards, especially when there may be ethical issues to consider.

TRUST TRANSFERS

The transfer of dormant or inactive charitable trusts to Community Foundations has been taking place for some years. Community Foundations are very effective in revitalising these trusts, maximising the return on their funds and ensuring that the original donor's objectives are met as closely as possible. Working with the Office of Civil Society and the Charity Commission, we have launched the Revitalising Trusts Programme, which actively encourages

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trustees of dormant trusts to consider using Community Foundations to become more active. This initiative was formally announced as part of the government's Civil Society Strategy in August 2018, although it started earlier in the year.

By the end of March 2019, over £6.6 million in endowed funds had been transferred to Community Foundations for local distribution and £4 million had been transferred to UKCF for national distribution via Community Foundations.

BUILDING OUR PROFILE AND INFLUENCE

One of our key objectives is raising the profile of the network in the right places. Whilst we have made some progress with key audiences such as financial advisers, we have not been satisfied with our performance overall. In autumn 2018 we recruited Sally Catmull as our Head of Communications and External Affairs. Since her arrival we have launched a new communications strategy to tell a more effective and coordinated story about our work and harness the collective insights of the network at a national level. Our social media presence has already been transformed, communications are better embedded into our national programmes and our communication with all our stakeholders is much improved.

We regularly speak at forums and participate in policy steering groups, especially on issues around place-based funding. We are represented on the Board of the new National Emergencies Trust and have been closely involved in discussions regarding the establishment of a national disaster response process, drawing on our experience of flood appeals, the Grenfell Tower tragedy and other major incidents.

There continues to be much discussion in the sector about the potential for the release of Dormant Assets held in unclaimed insurance policies, investment funds and the like. We remain convinced that UKCF and the network are ideally positioned to manage and deliver long-term funding to communities when these Dormant Assets are released. We are actively promoting the Community Foundations' potential role in this regard. We have already received support from NCVO and other respected voices in the sector. We have joined the Community Wealth Fund initiative, which is encouraging government to push forward with the release of this funding.

Related to this we have also commissioned the independent researcher Cat Walker of the Researchery to produce a substantive report on the impact and value of Community Foundations. This report is due to be published in the autumn of 2019 and we hope this will provide additional evidence around the vital role our network plays in supporting and enabling communities to thrive, as well as being the leaders in local philanthropy.

SUPPORT

Although UKCF is funded in part by our members and in part by cost-contributions from national programmes, we depend on grants and donations for our sustainability. I would like to thank all our donors 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 continues to be a crucial long-term supporter and ally and the John Armitage Charitable Trust has generously supported our external affairs and policy work. CCLA also remains a much-valued core supporter. We are also very grateful to Fidelity Foundation which has most generously made a significant grant to our Leadership Programme. Several investment management organisations have agreed to sponsor our 2019 Conference in Glasgow and we thank them in advance for their support.

Importantly, we have also benefitted from the generous support of a small number of individual donors.

FINANCES

Our financial position has been strengthened over the year through a combination of prudent financial management and the cost contribution from national programmes. The income from national programmes allows us to invest in the whole organisation and improve the service we can offer our members. We are making some important investments in the future of the organisation, especially in terms of human resource and IT, which in turn will improve the overall support and benefit we deliver to our members. That's said, we are not yet in a position to fund all the investments we would like to make.

THE FUTURE

Community Foundations remain a unique and effective way for individuals and organisations to support their communities. We have a compelling proposition of connecting local people with local need, offering expert guidance and enabling donors to be strategic and effective in their giving. Support for our model continues to grow. We see how targeted philanthropic activity can have a transformational impact on communities and individuals around the UK. Our members, their trustees, staff and volunteers can be justly proud of their efforts.

However, the cuts in national and local government spending and the precarious state of many local grassroots charities mean that need in communities is growing more rapidly than our ability to respond. As well as increasing donations, we need to create more innovative solutions that can help communities to thrive. Partnership working and convening local

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parties to effect change is ever more important. Brave, fresh thinking is needed to adapt to the new digital technology age and engage the younger generations who are adopting new approaches to philanthropy. Community Foundations are ideally positioned to take the lead. We are fully aware of the challenges of our fractured society and we are committed to rebuilding engagement and respect from the bottom up.

I am excited that the Community Foundation movement across the UK continues to prosper and develop, and I am pleased that we have been able to help millions of people achieve improvements in their lives, tempered by the fact that there is always so much more to do.

During the year we said goodbye to several CEOs and Chairs around our network and are sad to see them go. I would like to thank them for their service to their communities and am heartened to see the very high quality and passion of the people who have been selected to replace them. This bodes very well for our collective future.

I would like to record my thanks to Jane Lady Gibson who was our Chair from October 2018 until her resignation in May 2019. Jane showed great energy and commitment during her short time with UKCF and the wider network, and we wish her well for the future. I would also like to welcome Jerome Booth, who assumed the role of Chair from July 2019, and to thank the Board and staff for their support during my period as acting Chair.



Victoria Miles DL

Acting Chair (31st May to 24th July 2019)

UK Community Foundations

REPORT OF THE BOARD

The Trustees present the Trustees' Report, incorporating the strategic report, together with the audited accounts of the charity for the year ended 31 March 2019.

1. 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 Community Foundation movement in the UK.

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; and
- Be properly resourced to achieve our goals.

2. UKCF'S OBJECTS, OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

During the year, 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;

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- To advance education of the public in the work of such foundations; and
- 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 local philanthropy;
- Increasing the network's efficiency, effectiveness and accountability through member services: quality accreditation; training; network meetings and conferences; transfer of best practice and internal communications; and
- Enabling faster growth, increased efficiency and greater effectiveness through IT, digital services, social media and network projects.

3. ACHIEVEMENTS AND PERFORMANCE

2018/2019 was a positive year for the Community Foundation network. We saw growth in the combined endowment of our members and the total amount of grants made stayed at the same high level as last year. The endowment increased to over £693 million and total grants made exceeded £98 million. Our network of Community Foundations continues to be at the forefront of developing philanthropy, particularly local philanthropy, in the UK.

We continued to be successful in securing and delivering national programmes for major funders. Around 14% of the total grants made by the network came from national programmes initiated and managed by UKCF.

In 2018/19 a large number of Community Foundations produced needs assessments, of which many adopted the well-regarded Vital Signs methodology. Needs assessments are a very important way of demonstrating the insights Community Foundations have into the communities they operate in and allow us to demonstrate patterns of need to both local and national funders.

Several CEOs/Directors of Community Foundations departed during the year, many of whom had been in post for a considerable period. We were sorry to say goodbye to valued colleagues and we thank them for their contribution. It is pleasing to see that those who replaced them are well-qualified, energetic and enthusiastic individuals, keen to drive their Community Foundation to the next level.

2018/19 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 COMMUNITY FOUNDATIONS

In the year under review, we focused on our offering to our members. The highlight of the year was our biennial Symposium which was very well attended. Speakers included Julia Unwin (Chair of Civil Society Futures), Baroness Stowell (Chair of the Charity Commission for England and Wales) and Debra Allcock-Tyler (CEO of the Directory of Social Changes).

Several new initiatives were launched to strengthen the network and to improve member relations. A new summary of UKCF's membership offer was developed, and a fresh Membership Strategy was approved by the Board.

In addition to the launch of the Leadership Programme, we continued with our programme of training and development webinars for members on a wide range of topics. We introduced new subject specific forums for senior Community Foundation staff members, including finance staff, as well as separate forums for the CEOs of small, mid-sized and large Community Foundations. Our meetings for newly appointed CEOs continued to be well received and induction meetings are now being offered to trustees who join the Boards of our members.

Engagement between UKCF and our members is better than it has ever been, reflecting a more formal relationship management style of communication with Community Foundations. We receive more feedback on membership services than ever before and are listening carefully to what our members are telling us.

IT AND DIGITAL SERVICES

UKCF made some progress during the year with its digital strategy designed to ensure that all Community Foundations maximise the possibilities from digital technology. We continued to work on improving the efficiency and effectiveness of the Salesforce platform for our members, both as a grant making and donor management tool and as a platform for communications between members.

We recognise that there is an urgent need to adopt a more digital approach to the way we work, not least because the next generation of philanthropists will demand a less analogue relationship with Community Foundations. In addition, we need to modernise and improve

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our CRM system further. This will be a key area of UKCF's focus moving forward. It is clear that not all Community Foundations are using the existing Salesforce platform in the optimal way and we have instituted training forums. We have formed a CRM Task Force who are reviewing options for adopting more digital ways of working and improving, or changing, the CRM system. The Maximising Tech Committee continues to provide invaluable input into maximising the effectiveness of the existing platform

TRAINING AND DEVELOPMENT

Training and development remains a key focus of UKCF. Our expanded programme of webinars is well received and the number of Community Foundations participating is growing. Forums for learning and sharing best practice for grants and development practitioners, finance teams and communications staff are well attended.

The year saw the launch of the Community Foundation Leadership Programme. This initiative has started to deliver a comprehensive programme of training and development tools and forums for senior Community Foundations staff as well as for Trustees. As mentioned above, this initiative has been funded by a substantial grant from Fidelity Foundation along with other smaller donations and funding from UKCF's own reserves. Rebekah Goddard, our Head of Learning who manages the Leadership Programme, joined UKCF in August 2018.

The first residential cohort for Community Foundation leaders was very successful, along with Master Classes on a variety of topics. The Philanthropy Book Club is just one example of the fresh approach to learning and development that the Leadership Programme has developed.

VITAL SIGNS AND NEEDS ASSESSMENTS

Vital Signs is a framework for measuring and presenting 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.

Although many Community Foundations use Vital Signs as their methodology for needs assessment, others use different methodologies. For example, in some areas of relative

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prosperity, an alternative approach is needed to focus on those areas of deprivation which can be hidden in larger scale data. These can be known as 'Hidden' or 'Uncovered' reports.

Community Foundations also use a variety of tools to gain insight about local communities. This year we were pleased to secure a partnership with data experts, OCSI (Oxford Consultants for Social Inclusion) to offer Community Foundations a reduced rate for Local Insights, a community mapping and reporting tool which presents open data to help gain a deeper understanding of need in their local areas.

TRUST TRANSFERS – THE REVITALISING INACTIVE TRUSTS INITIATIVE

During the year we launched, in partnership with the Charity Commission for England and Wales (CCEW), the Office of Civil Society and our Trust Transfer Associate, an initiative to reinvigorate more dormant and inactive trusts. There are many millions of pounds of capital tied up in charitable trusts which for various reasons is not being distributed. Sometimes the charitable objectives are outdated; sometimes the trustees have lost interest.

The Revitalising Inactive Trusts initiative identifies those trusts which can be revived by transferring the capital to the relevant Community Foundation and signposts the trustees of such trusts towards us. Working with the CCEW have developed a way to make what is normally a very long-winded transfer process quicker and more streamlined. This has been enabled by OCS funding additional dedicated resource at CCEW.

This important initiative, which will benefit all our members and the communities they serve, was announced as part of the government's Civil Society Strategy in the summer of 2018. In its first full year over £10 million of inactive trusts were transferred to the Community Foundation network, and there are substantial additional amounts in the pipeline at the time of writing.

STRATEGIC GOAL - HAVE INFLUENCE IN THE PLACES WHERE IT MATTERS

In 2018/19 UKCF has continued to focus on raising its profile amongst specific target audiences. These include government, philanthropists, voluntary sector opinion formers, financial advisers and legal advisers. However, it is fair to say that our overall level of awareness is much lower than we would like.

RAISING OUR PROFILE

Raising the profile of the Community Foundation movement in the UK is a key element of UKCF's strategic focus. The network and its members continue to be less well known than they should be – especially given that our volume of grant making makes us collectively one of the largest charitable funders in the UK.

During the year, we have transformed UKCF's and the network's profile on social media. Our activity on Twitter and other media has improved in both quality and quantity. Our voice is being heard more clearly across the voluntary sector and beyond. We have produced various publications, including a report on Vital Signs findings which was funded by the Worshipful Company of Goldsmiths. We co-produced a joint publication with Charities Aid Foundation (CAF) entitled *Philanthropy Comes of Age*. We intend to produce and co-produce more material going forward and, as mentioned above, have commissioned an independent review of the contribution of Community Foundations to society which will be published in the autumn of 2019.

UKCF has continued to promote the role of Community Foundations in connection with the anticipated release of Dormant Assets. These are unclaimed assets which sit with investment managers, pension companies and insurance providers which may have a value of over £1 billion. We are part of the Community Wealth Fund initiative which is advocating for the early release of these assets.

Using both data-based evidence and stories of our work, we make the argument that Community Foundations are the ideal vehicles for holding community capital and using it wisely to benefit all our communities – especially those which need most support.

We have held meetings with the Minister for Civil Society, with civil servants and with Special Advisers 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.

Raising our movement's profile is an area to which we intend to dedicate additional effort and resource over the next year. We deserve and need to be better known than we are.

BEACON AWARDS

During the year, the Beacon Awards (formerly managed by UKCF) became part of the Philanthropy Collaborative. The Philanthropy Collaborative is the brainchild of Matthew Bowcock CBE, a former Chair of UKCF, who is focussing on encouraging greater giving from

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the very wealthiest in our society. He is supported in this initiative by some other very well-known and generous philanthropists. The Beacon Fellowship Charitable Trust, of which UKCF was previously the sole member, has now become the vehicle for all the Philanthropy Collaborative's activities, which is now known as the Beacon Philanthropy Collaborative. The Beacon Philanthropy Collaborative, which UKCF supports as a member of the organisational council, is committed to continuing the promotion and celebration of philanthropy and is reviewing how this is best achieved. UKCF looks forward to being actively involved in this discussion.

STRATEGIC GOAL - BE PROPERLY RESOURCED TO ACHIEVE OUR GOALS

During the year, UKCF continued to build our financial resources and to strengthen our organisation. Our financial position became more robust due to increases in core funding and the cost contributions received in respect of national programmes. We have been able to invest in our organisation to further improve our services to members. But there is a great deal more needed to meet our ambitious goals.

STAFFING

The senior management team comprised: Fabian French, CEO; Vicki Papworth, Director of Programmes and Development; and Chris Hughes, Director of Finance and Operations. Dianne Jones, Head of Membership Services, Sally Catmull Head of Communications and External Affairs, and Rebekah Goddard, Head of Learning make up the executive management team together with the three Directors. We have recruited additional posts in the Programmes, Membership and Learning teams.

The Board is grateful to them and all the staff at UKCF for their hard work and commitment to the network as a whole and to its members individually.

UKCF CORE FUNDING

As mentioned above, UKCF's overall financial position improved during the year, due to increased income combined with a close focus on costs. As a result, we have been able to invest in our operations without turning to our members for help. Membership fees in total grew by less than inflation year on year, and in 2018/19 were 39% percent of our total expenditure excluding ICT costs and programme related costs. This is a positive result against the target set in 2015 of 45%.

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Grants from CS Mott, John Armitage Charitable Trust, and CCLA were the largest contributors to core costs and we continue to be very grateful to these wonderful organisations for their ongoing support. CCLA also sponsored our 2018 Symposium. Sponsorship remains an important element in our core funding and we are most grateful to all our sponsors for their contribution.

MEMBERSHIP FEES

During the year the UKCF Board decided to change the way in which membership fees were calculated. Building an endowment is a key characteristic of Community Foundations, allowing us to be long term in our funding decisions; endowment is also a measure of the strength of individual Community Foundations. With effect from March 2019, membership fees are based on a percentage of the endowment of the individual community Foundations, rather than on a blend of grants made and endowment. The effect of this has been to increase the fees paid by Community Foundations with larger endowments and reduce the fees paid by those with smaller endowments. This change, which was discussed extensively with members in advance, has demonstrated the support and generosity of the larger Community Foundations to ensure the prosperity and growth potential of their smaller colleagues.

UKCF ENDOWMENT

During the year, UKCF received a trust transfer of £4 million from the Sir George Earle Charitable Foundation along with a few smaller trust transfers. As part of the Revitalising Inactive Trusts initiative, these are transfers of inactive or dormant trusts which have a national or UK-wide objective. The endowment from these transfers is held by UKCF, but the grants from the income generated are made by individual Community Foundations. UKCF receives an annual management fee for holding and administering the central endowment and the funds have been invested in CCLA COIF funds. The Community First Investment Committee (a committee of the UKCF Board) has oversight of the funds.

FUNDRAISING

UK Community Foundations does not actively fundraise from members of the public, and no third-party fundraisers are used by the Charity. Donations are, however, gratefully received and accepted. The majority of our funding comes directly from grants and other institutional funders. We have not received any complaints in respect of fundraising.

PROGRAMMES

Over the past year UKCF has continued to build the suite of national programmes which it delivers for a range of funders, and to further promote UKCF's offer to different potential clients.

The grants made in respect of national programmes are delivered by members of the network rather than by UKCF itself. UKCF's role is to arrange, administer and report on these programmes to the grantors – who prefer to have a single point of contact.

A number of new programmes were won during the year which necessitated UKCF expanding the Programmes team. The cost contribution on these programmes has also allowed UKCF to invest in other areas of membership support including the Leadership Programme, member services and systems improvements.

UKCF has consolidated relationships with a number of funders and has successfully extended several programmes of existing activity across the UK.

For the year 2018/19, UKCF was responsible for programmes that distributed £13.9 million of charitable funding through the organisation's national network of 46 Community Foundations. These figures include programme funding from UKCF, matched funding from local Community Foundations and contributions to costs for grant management. (Some payments were, however, made directly by grantors to participating Community Foundations.) This funding was distributed on behalf of eight different partners:

- o #iwill Fund, for National Lottery Community Fund: £2.2m
- o Building a Stronger Britain Together (BSBT), for the Home Office: £2.9m
- o Local Communities, for Comic Relief: £0.1m
- o Community Grants, for Nationwide Building Society: £4.3m
- o Community Grants for Mars: £0.1m
- o Community Matters grants for Royal London Foundation: £0.5m
- o Tampon Tax Community Grants for Department for Culture Media and Sport: £3.3m
- o Transformation and Growth Fund for the Oak Foundation: £0.5m

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The three largest contributors to the overall total of funding distributed were Nationwide (31% of overall funding), the Tampon Tax fund (24%) and the Building a Stronger Britain Together programme (21%).

UKCF's programmes team has grown to 6 people, with some on short-term contracts. This model allows us to scale up when needed without increasing UKCF's permanent establishment.

#IWILL / YOUTH SOCIAL ACTION

The #iwill campaign is funded by the National Lottery Community Fund and the Office for Civil Society and is delivered in conjunction with Step Up to Serve. We completed the first phase of this partnership, which covered 2017 and 2018, and recently confirmed a further two-year extension until the end of the campaign's lifecycle.

The programme supports volunteering, skills development and social action opportunities for young people in disadvantaged areas and from backgrounds with below-average levels of participation. UKCF distributes grants of £5-10k for projects which work with young people to make a positive impact on their communities through our network of Community Foundations in England.

Our initial participation with these partners was for £4m over the first two years, with a commitment for Community Foundations to provide matched funding. At the end of the first phase of the programme, our total match and leverage which groups brought to the programme stood at just over £9.2m in total. During 2018-19, the NLCF agreed to extend our contract into the final years of the #iwill campaign. The final phase covers the period from June 2019 to June 2020, with £2m to be matched from Community Foundations. This phase of the programme includes some centrally reserved funds, into which specific projects can be nominated by Community Foundations looking to develop a more strategic approach to this area of activity.

BUILDING A STRONGER BRITAIN TOGETHER (BSBT)

UKCF has partnered with M&C Saatchi to deliver several rounds of funding of a major Home Office initiative to build social cohesion and to counter extremism.

The 'Building a Stronger Britain Together' programme supports civil society and community organisations who work to create more resilient communities, stand up to extremism in all forms and offer vulnerable individuals a positive alternative, regardless of race, faith, sexuality, age, and gender.

UK COMMUNITY FOUNDATIONS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The third round of BSBT funding, in 2018-19, was the largest to date, with £16m of eligible applications received. £2.9m was awarded to 110 groups, with an average grant size of £31k.

UKCF and the Home Office have appointed Ipsos Mori as external evaluators for the programme. They are working with groups to develop an evaluation plan for the activities which are funded by the programme.

The programme is due to end in March 2020.

GVC / LADBROKES

UKCF is working with GVC Holdings, owner of Ladbrokes, on a five-year grant-making programme focussed on community sport and physical/mental health, in particular for young men. The fund of £2m has been invested by UKCF, and aims to provide a five-year, spend down fund of around £350k pa, starting next financial year.

UKCF has worked closely with London CF (who will be a programme anchor) and GVC, to ensure that there is complete transparency about the aims and values of the programme, and to provide clarity about potential ethical issues.

MARS

Working with a new product, GoodnessKNOWS (a fruit/cereal bar), Mars sought a charity partner which aligned with their values to distribute some of the profits from the product range.

The £0.1m 'Mars in the Community' fund launched in 2017, and ran again in 2018, offering grants of £5k in six geographical areas over the course of the programme (Scotland, Wales and Northern Ireland, plus Cumbria, Berkshire and Milton Keynes), focussing on making grants to fulfil the Mars corporate objective of active healthy lifestyles.

A key issue for Mars was the requirement not to engage with young people under the age of 13, aligning with their ethical policy on marketing to young people, specifically with regard to the age of informed consent for food decisions. A national panel was convened to review the applications and to make the final funding decisions, and in which Mars was keen to participate. Two members of Mars staff participated in the discussions and fed into final verdicts. This programme has now closed.

UK COMMUNITY FOUNDATIONS

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FOR THE YEAR ENDED 31 MARCH 2019

NATIONWIDE BUILDING SOCIETY (NBS)

This programme has a focus on housing issues and aims to tackle them at a local level, supporting both practical projects as well as innovative and creative ways to address the causes and associated challenges. As well as supporting direct activity, NBS were keen to use the opportunity to encourage skills-based volunteering. The application form helped direct projects to NBS staff who were interested in corporate volunteering opportunities.

This approach allows NBS to support grassroots activity as well as supporting local infrastructure, alongside a refreshed CSR strategy. It will allow NBS to provide direct support to people with housing issues across the country, in every area in which they have members or staff.

There are three main themes to the fund: prevention of homelessness; helping people into a home; and supporting people to remain in their home. Grants of up to £25,000 are available to single organisations and up to £50,000 for partnership bids. The application process is supported by a regional board of Nationwide members, employees and housing experts.

Around £4.3m in grants were made in 2018-19, in two separate rounds of funding, with an average grant size of £39k. These grants are made by Nationwide directly to the recipients. As such, they do not appear on UKCF's Statement of Financial Activities.

ROYAL LONDON

In early 2017 Royal London re-launched their Foundation with the support of UKCF. Royal London members wanted to support smaller, local organisations and they wanted to be involved in the selection process. The partnership with UKCF has enabled Royal London to support grassroots organisations at the frontline doing great work in local communities where Royal London's staff and members are based.

While Members of the Royal London Group are spread across the UK, the charity partners programme focussed on the existing major operational centres of Bath, London, Colchester, Wilmslow, Glasgow and Edinburgh. We worked with Royal London to manage the due diligence process on nominations sent from Members for local charities and are currently designing a full grant programme with Royal London of around £1m.

The awards take the form of unrestricted funding of up to £5k to local organisations, with an annual turnover under £500k and a local community impact, in particular supporting people living with a chronic or long-term condition.

UK COMMUNITY FOUNDATIONS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

TAMPON TAX

Grants were made from the Tampon Tax Community Fund to support women and girls in local communities. This funding was delivered in partnership with DCMS, who made awards of £15m on the VAT raised on sanitary products. UKCF was awarded the largest grant of the 9 partners who are delivering the fund which evidences our network's considerable reach to the frontline.

There are three core areas of funding, with further specific priorities being determined by each Community Foundation depending on local needs:

- building skills and confidence
- improving health and wellbeing
- building social networks

The fund was heavily oversubscribed, with around £12m of applications, and with over £3m in grants being awarded.

Community Foundations agreed a specific date to communicate the funding decisions, emphasizing the power of the network's collective voice. The reach for our social activity on the week of the awards was 19,263 people, with over 10 media mentions.

TRANSFORMATION AND GROWTH

This programme, funded by the Oak Foundation, is an organisational development programme, providing grassroots organisations with development grants to increase their capacity and resilience. The funding will help to build sustainability, develop ideas and strategic plans, so that the groups are better placed and with greater capacity to support people in vulnerable housing situations.

The Oak Foundation works in five areas in the UK and was keen to continue its geographic focus in Birmingham, Northern Ireland, South Wales, Glasgow & Edinburgh and Stoke. Grants of £0.5m were made in these areas in this first phase of the programme, which will run again in 2019-20 in the same areas, with an aim to make £1m in grants over the life of the programme.

UK COMMUNITY FOUNDATIONS

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

COMIC RELIEF

Comic Relief partnered with UK Community Foundations to deliver funds to support local groups at the heart of communities across the UK, through our network of Community Foundations, from 2008-2018.

With the help of these funds, local charities and organisations were able to deliver vital work in the community, often with small scale grants. Grants like these offer a lifeline to many of these organisations, which often have limited access to other sources of income, or struggle to cover costs such as overheads which many funders do not cover.

These funds provided support for vital local projects, such as foodbanks, counselling services and sports clubs.

Comic Relief's revised grants strategy has called for a different way of working including aligning with specific national partners, rather than a single organisation. The partnership therefore came to an end during the year. We are proud to have worked so closely with an organisation whose values around the power of local grant-making are so close to our own, and who is so committed to supporting grassroots groups.

4. 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

FOR THE YEAR ENDED 31 MARCH 2019

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 delegates powers to committees to recommend specific decisions to the Board consistent with the overall direction set by the Board. The standing committees currently comprise:

- Membership Committee - charged with developing member strategy, improving member services, philanthropy development and organising member gatherings.
- Finance, Operations and Audit - charged with reviewing financial strategy and planning, audit, risk, human resources and major contracts.
- Community First Investment Committee - oversight of the UKCF endowment and the Community Foundations' endowment established during the Community First Match Challenge Programme (see further below).

In July 2019 the Board of UKCF decided to undertake a comprehensive governance review. This review, which is led by external consultants the Connectives, is under way and is expected to be completed during the autumn of 2019.

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 events have a programme of plenary speeches and workshops designed to develop the skills and knowledge of all attendees.

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

A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. To facilitate operational effectiveness, the Chief Executive has delegated authority approved by the Trustees for operational matters including finance, employment and operational activities. The Chief Executive is supported by a wider senior management team and staff.

5. INVESTMENT POLICY

During the year, UKCF received a trust transfer of £4 million from the Sir George Earle Charitable Foundation. This endowment has been invested in CCLA COIF funds. The Community First Investment Committee (a committee of the UKCF Board) has oversight of the funds and meets twice a year. The intention is that UKCF will continue to develop its own endowment from the transfer of dormant or inactive trusts with a national reach.

In addition, UKCF has responsibility for the oversight of the Community First Match Fund Challenge endowment which is held by individual Community Foundations. This oversight has been delegated to the Community First Investment Committee and is also invested in CCLA COIF funds.

During the year, UKCF commissioned an independent review of CCLA's performance as investment manager, which confirmed they had performed strongly in terms of both investment performance and service to Community Foundations.

6. 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 timeframe for the grants determine the exact nature of the reporting.

7. FINANCIAL REVIEW

The statement of financial activities reports a surplus of £8,090k (2018: £2,383k), including an unrestricted surplus of £84k (2018: £108k). The total surplus for the year includes the new endowment fund balance of £3,846k.

Total funds amount to £10,976k (2018: £2,886k), this includes unrestricted reserves of £528k (2018: £444k).

INCOME

Total income from grants, donations and subscriptions increased to £14,290k (2018: £10,126k). This is due to an increase in income from the Building Stronger Britain Together programme and two new major grants programmes, Tampon Tax and Ladbrokes. These were offset by the Comic Relief programme ending in 2018 and income received last year from the Oak Foundation. Increases in programme management fees and membership income is offset slightly by reductions in other subscriptions income. Core funding remained at a similar level to 2018 and The C S Mott Foundation, the John Armitage Charitable Trust and CCLA, are to be heartily thanked for their generous and continued support of UKCF.

Additional income of £4,083k is recognised from the Sir George Earle Charitable Foundation and related investment income. The majority is held as an endowment fund, but this also includes setup and management fees for UKCF and investment income which is to be used for grant making.

EXPENDITURE

Total expenditure increased by £2,495k to £10,228k (2018: £7,733k), as the result of increased grant making.

Unrestricted expenditure increased marginally, mostly due to an increase in staff costs required to service the increased programme activity. During the year Governance costs were £17k (2018: £14k)

DEFINED BENEFIT PENSION

During the year the trustees approved the repayment of this deficit. This liability of £74k, which related to historic employees of UKCF, was settled in full and all future liabilities extinguished in May 2018.

8. RESERVES POLICY

During the year the trustees reviewed the reserves policy and agreed to maintain sufficient unrestricted reserves to cover 30% - 40% of annual unrestricted budgeted running costs net of guaranteed membership fees, including an allowance for any potential additional contingent liabilities.

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. The trustees review the reserves policy every year.

At the balance sheet date, the policy required UKCF to hold £275k - £365k in reserves. At this date the unrestricted reserves of the charity were £528k. The 2019-20 budget includes planned investment of £105k of these reserves which will result in a balance closer to our desired range.

DESIGNATED FUNDS

Total designated funds at the year end were £14k which is the remaining balance of funds collected from the Community Foundations through the year relating to CRM development and training.

RESTRICTED FUNDS

At 31 March 2019 UKCF held restricted funds of £6,602k (2018: £2,442k) reflecting funds received in advance of the relevant activities.

ENDOWMENT FUNDS

The Sir George Earle Charitable Foundation income is held as an endowment. The proceeds of which are used to fund related UKCF management fees and to provide grants to be made by individual Community Foundations. The balance of this fund at the end of the year is £3,846k.

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 regular reports from the CEO 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 changes in the regulatory environment.

To mitigate the risks of a reduction of income, UKCF is actively pursuing new programmes and core funding opportunities. To mitigate the risk of changes in the regulatory environment we commissioned an external GDPR audit and provided staff training.

10. 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.

11. PLANS FOR THE FUTURE

During the year under review, the charity has continued implementing its 2015-2020 strategy. The Board of UKCF is confident that the strategy and staffing and financial situation position UKCF well to support its members, deliver new national programmes and raise the profile of the UK community foundation network. The Board intends to develop a new strategic plan in autumn 2019.

12. 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 are disclosed in note 12 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 bench-marked 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. A cost of living increase was made to all staff except the CEO in April 2018. The CEO has not taken a cost of living related pay increase since he joined in March 2015.

13. 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 UKCF 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 is assisting our members to measure and demonstrate impact. 2018-19 saw the creation of a member-led Taskforce to review the use of this tool and to see how it aligns with sector best practice.

As a membership organisation, it is clearly challenging 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. This feedback has been largely positive or very positive.

14. 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; and
- 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.

15. 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.

16. 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 2019 was 46.

17. TRUSTEES' INDEMNITY INSURANCE

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

18. AUDITORS

Haysmacintyre LLP 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.

The Trustees' report, including the strategic report, was approved by the Board on

9th September 2019
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Signed on its behalf by *Victoria Miles*

Victoria Miles DL

Acting Chair (31st May to 24th July 2019)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK COMMUNITY FOUNDATIONS

OPINION

We have audited the financial statements of UK Community Foundations for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of the charitable company's net movement in funds, including the 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out on pages 29 and 30, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

UK COMMUNITY FOUNDATIONS

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and the Chairman's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

UK COMMUNITY FOUNDATIONS

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept by the charitable company; 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; or
- we have not received all the information and explanations we require for our audit.

UK COMMUNITY FOUNDATIONS

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

USE OF OUR REPORT

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



Anna Bennett (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place, London EC4R 1AG

12/11/19

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2019

INCOME AND ENDOWMENTS FROM:	Notes	2019			2018
		Unrestricted Fund £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Grants		37	13,120	-	13,157
Donations		86	-	-	86
Subscriptions		350	-	-	350
Other		698	(1)	-	697
Total income	3	1,171	13,119	-	14,290
Endowment transfer		-	-	3,901	3,901
Investment income		-	61	-	61
Management Fees from endowment		121	-	-	121
Total income and endowments		1,292	13,180	3,901	18,373
EXPENDITURE ON:					
Raising funds	5	64	-	-	64
ICT services	5	207	-	-	207
Member services	5	848	-	-	848
Projects and programmes	5	95	64	-	159
Grant payments	4	-	8,950	-	8,950
Total expenditure		1,214	9,014	-	10,228
Net income/(expenditure)		78	4,166	3,901	8,145
Transfers between funds		6	(6)	-	-
Other recognised gains/(losses):					
Investment gains/(losses)	16	-	-	(55)	(55)
Actuarial (losses)/gains on defined benefit pension schemes		-	-	-	(10)
Net movement on funds		84	4,160	3,846	2,383
Reconciliation of funds					
Total Funds Brought Forward		444	2,442	-	2,886
Total Funds Carried Forward:	14,15,16	528	6,602	3,846	2,886

No separate income and expenditure account as required under Companies Act 2006 is presented here as the only difference between net income for the year (£8,145k) and the net income for the year as defined by the companies Act (£4,244k) is incoming endowments (£3,901k)

All the results are derived from continuing activities. There were no recognised gains or losses other than those stated above.

A full comparative Statement of Financial Activities is included at note 18.

The notes set out on pages 39 to 52 form an integral part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £'000	2018 £'000
FIXED ASSETS			
Tangible assets	8	-	1
Investments	9	3,846	-
Total fixed assets		<u>3,846</u>	<u>1</u>
CURRENT ASSETS			
Debtors	10	613	807
Cash at bank and in hand		6,813	2,349
Total current assets		<u>7,426</u>	<u>3,156</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	11	296	197
NET CURRENT ASSETS		<u>7,130</u>	<u>2,959</u>
CREDITORS: Amounts falling due after more than one year			
Defined benefit pension scheme liability		-	(74)
TOTAL NET ASSETS OR LIABILITIES	17	<u>10,976</u>	<u>2,886</u>
The funds of the charity:			
Total unrestricted funds	14	528	444
Restricted income funds	15	6,602	2,442
Endowments	16	3,846	-
TOTAL CHARITY FUNDS		<u>10,976</u>	<u>2,886</u>

The financial statements were approved and authorised for issue by the Trustees on 9th September 2019 and signed on their behalf by:



Victoria Miles

The notes set out on pages 39 to 52 form an integral part of these financial statements.

UK COMMUNITY FOUNDATIONS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	2019 £'000	2018 £'000
Net cash flow from operating activities:		
Net cash provided by/(used in) operating activities	8,365	399
Cash flow from investing activities		
Purchase of property, plant and equipment	-	(1)
Purchase of Investments	(3,901)	-
Net cash (used in) investing activities	(3,901)	(1)
Net change in cash and cash equivalents in the reporting period	4,464	398
Cash and cash equivalents at the beginning of the reporting period	2,349	1,951
Cash and cash equivalents at the end of the reporting period	6,813	2,349
Reconciliation of net income/(expenditure) to net cash flow from operating activities.	2019 £'000	2018 £'000
Analysis of cash and cash equivalents		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	8,090	2,383
Adjustment for:		
Depreciation charges	1	2
Losses/(gains) on investments	55	-
(Increase)/decrease in debtors	194	(247)
Increase/(decrease) in creditors	25	(1,739)
Net cash provided by/(used in) operating activities	8,365	399
Analysis of cash and cash equivalents	2019 £'000	2018 £'000
Cash held by investment manager	9	-
Cash in hand	6,813	2,349
Total cash and cash equivalents	6,822	2,349

The notes set out on pages 39 to 52 form an integral part of these financial statements.

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 market value) 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 entity 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 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. General volunteer time is not included in the financial statements in line with the guidance set out in the SORP.

Grants are included in the statement of financial activities when there is an entitlement to the income, receipt is probable and it can be quantified with reasonable accuracy. Where grant agreements include a management fee element this is separately recorded as unrestricted income of the charity.

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

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.

Endowment funds reflect fund transferred from the Sir George Earle Benevolent Fund. The capital must be retained by the charity however the income from funds invested represents an unrestricted management fee at an agreed rate. Income in excess of the unrestricted management fee is restricted as set out in note 15.

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 activity.

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. Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

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. In the prior year, the charitable company had a liability for a defined benefit pension scheme. This was repaid in full during the year and no liability remains at 31 March 2019.

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 market 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 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.

3. Donations and grants receivable

	2019			2018		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Building a Stronger Britain Together	-	5,798	5,798	-	1,908	1,908
CCLA	40	-	40	47	-	47
Comic Relief	-	-	-	-	3,378	3,378
Connect	-	27	27	-	-	-
C S Mott Foundation	37	-	37	53	-	53
Fidelity	-	56	56	-	-	-
#iwill (YSA) Project	-	975	975	-	1,225	1,225
John Armitage Charitable Trust	45	15	60	45	-	45
Ladbrokes	-	1,971	1,971	-	-	-
Mars	-	109	109	-	108	108
MLM	-	14	14	-	-	-
Nationwide Building Society	-	324	324	-	469	469
Oak Foundation	-	(76)	(76)	-	1,206	1,206
Royal London	-	578	578	-	105	105
Spirit of 2012	-	-	-	-	543	543
Surviving Winter	-	11	11	-	9	9
Tampon Tax	-	3,320	3,320	-	-	-
Other	1	-	1	8	-	8
Total	123	13,120	13,243	153	8,951	9,104
Subscriptions						
Membership	335	-	335	323	-	323
Grant Thornton	15	-	15	24	-	24
QA4 Accreditation	-	-	-	46	-	46
Total	350	-	350	393	-	393
Other Income						
Building a Stronger Britain Together	236	-	236	125	-	125
Beacon	-	-	-	20	-	20
Comic Relief	5	-	5	48	-	48
Connect	6	-	6	-	-	-
ICT subscriptions	168	-	168	207	-	207
#iwill (YSA) Project	25	-	25	75	-	75
Mars	14	-	14	9	-	9
MLM	10	-	10	-	-	-
Nationwide	68	-	68	33	-	33
New Beginnings	-	-	-	5	-	5
Oak Foundation	76	-	76	-	-	-
Royal London	21	-	21	5	-	5
Spirit of 2012	18	-	18	22	-	22
Tampon Tax	36	-	36	-	-	-
Vital Signs	1	(1)	-	-	-	-
Other	15	-	15	80	-	80
Total	698	(1)	697	629	-	629

4. Grants paid to organisations

	2019	2018
	£'000	£'000
Building a Stronger Britain Together	2,944	1,200
Comic Relief	77	3,329
Endowment Fund	15	-
#iwill (YSA) Project	1,169	1,026
Mars	104	108
MLM	14	-
Nationwide Building Society	319	291
Oak Foundation	514	
Royal London	483	201
Spirit of 2012	7	526
Surviving Winter	7	18
Tampon Tax	3,298	-
	8,950	6,699

All grants paid are restricted in 2019 and 2018

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

5. Expenditure

	Grants (Note 4) £'000	Staff costs and consultancy £'000	Office and running costs £'000	Local partners £'000	Total 2019 £'000
Fundraising	-	64	-	-	64
ICT services	-	86	121	-	207
Member services	-	522	326	-	848
Total for above	-	672	447	-	1,119
Projects and Programmes					
Building a Stronger Britain Together	2,944	19	-	-	2,963
Comic Relief	77				77
Connect	-	20	-	-	20
Endowment Fund	15				15
#iwill (YSA) Project	1,169	3	-	-	1,171
Leadership Programme	-	48	-	-	48
Mars	104				104
MLM	14				14
Nationwide Building Society	319	9	-	-	329
Oak Foundation	514	31	-	-	546
Royal London	483				483
Spirit of 2012	7	21	-	-	29
Surviving Winter	7				7
Tampon Tax	3,298	5	-	-	3,304
Vital Signs	-	2	-	-	2
Total for Projects and Programmes	8,950	159	-	-	9,109
2019 Total	8,950	831	447	-	10,228

	Grants (Note 4) £'000	Staff costs and consultancy £'000	Office and running costs £'000	Local partners £'000	Total 2018 £'000
Fundraising	-	61	-	-	61
ICT services	-	102	117	-	219
Member services	-	514	207	-	721
Total for above	-	677	324	-	1,001
Projects and Programmes					
Building a Stronger Britain Together	1,200	-	-	-	1,200
Comic Relief	3,329	12	-	-	3,341
#iwill (YSA) Project	1,026	-	-	-	1,026
Mars	108	-	-	-	108
Nationwide Building Society	291	-	-	-	291
Royal London	201	-	-	-	201
Spirit of 2012	526	-	-	18	544
Surviving Winter	18	-	-	-	18
Vital Signs	-	3	-	-	3
Total for Projects and Programmes	6,699	15	-	18	6,732
2018 Total	13,398	692	324	18	7,733

6. Staff costs and numbers

	2019	2018
	Total	Total
	£'000	£'000
Salaries and wages	538	449
Social security costs	56	47
Pension contributions	18	19
	<u>612</u>	<u>515</u>
Other staff costs, including recruitment	95	67
	<u>707</u>	<u>582</u>

	2019	2018
Number of employees earning between £100,000 and £110,000	1	1
Number of employees earning between £60,000 and £70,000	<u>1</u>	<u>-</u>

The average number of employees was as follows:

	2019	2018
Direct charitable expenditure	<u>13</u>	<u>10</u>

Key management personnel includes the Trustees, the CEO and the Senior Management Team. The Trustees during the year received no remuneration (2018: nil). The remuneration paid to the CEO and the Senior Management Team amounted to £284k (2018: £294k).

7. Net income/(expenditure) for the year

This is stated after charging:

	2019	2018
	£'000	£'000
Depreciation	1	2
Operating lease rentals	2	4
Auditor's remuneration:		
Current year	9	9
	<u>12</u>	<u>15</u>

8. Tangible Fixed Assets

	Furniture & Office Equipment 2019 £'000
Cost	
At the start of the year	10
Additions in Year	-
Disposals during the year	10
At the end of the year	-
Depreciation	
At the start of the year	9
Charge for the year	1
Disposals during the year	10
At the end of the year	-
Net book value	
At the end of the year	-
At the start of the year	1

9. Investments

	2019 £'000
Valuation at 1 April	-
Additions in year	3,893
Disposals during the year	-
Net gain/(loss) on revaluation	(55)
Valuation at 31 March	3,838
Cash held by investment manager	9
Total valuation at 31 March	3,846

All investments are held with CCLA in COIF Charities Investment Fund

10. Debtors and prepayments

	2019	2018
	£'000	£'000
Trade debtors	573	224
Beacon Fellowship Charitable Trust	2	22
Prepayments and accrued income	39	57
Accrued grant income	-	504
	<u>613</u>	<u>807</u>

All debtors are financial instruments measured at present value

11. Creditors : Amounts falling due within one year

	2019	2018
	£'000	£'000
Trade and sundry creditors	103	68
Accruals and deferred income	121	9
Social security and other taxes	72	120
	<u>296</u>	<u>197</u>

All creditors except accruals are financial instruments measured at present value. Included within Social security and other taxes is £2,337 owing to the pension scheme (2018: £673)

Included with the above is deferred income as follows:

Analysis of deferred income

	2019	2018
	£'000	£'000
Deferred income brought forward	9	650
Released to income in year	(9)	(650)
Deferred in year	61	9
As at 31 March 2019	<u>61</u>	<u>9</u>

12. Trustee remuneration and expenses

14 members of the board (2018:10) received reimbursement of travel expenses to attend meetings, this amounted to £17k (2018:£6k). No member of the board (2018:Nil) received remuneration.

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

Total donations received from trustees amounted to £200 (2018:£839).

13. Operating lease commitments

Total annual commitments payable under operating leases are as follows

	Land and Buildings		Other	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Operating leases which expire				
Less than 1 year	-	-	-	-
Between 1-2 years	-	-	2	-
Between 2-5 years	197	-	-	4
Greater than 5 years	-	149	-	-
	<u>197</u>	<u>149</u>	<u>2</u>	<u>4</u>

14. Unrestricted and Designated Funds

	At 1 April 2018 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2019 £'000
Unrestricted Funds:					
General funds	518	1,278	1,214	(68)	514
Pensions deficit	(74)	-	-	74	-
Designated Funds:					
CRM Training and Development	-	14	-	-	14
Total	444	1,292	1,214	6	528
	At 1 April 2017 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2018 £'000
Unrestricted Funds:					
General funds	400	1,175	1,034	(23)	518
Pensions deficit	(64)	-	10	-	(74)
Total	336	1,175	1,044	(23)	444

15. Restricted funds

	At 1 April 2018 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2019 £'000
Building a Stronger Britain Together	713	5,798	2,944	-	3,567
Comic Relief	85	(0)	77	-	8
Connect	-	27	20	-	7
Endowment Funds	-	61	15	-	47
Fidelity	-	56	38	-	18
Flood and Storm Donations	22	-	-	-	22
#iwill (YSA) Project	201	975	1,169	-	8
Ladbrokes	-	1,971	-	-	1,971
John Armitage Charitable Trust	-	15	5	-	10
Mars	-	109	104	-	5
MLM	-	14	14	-	-
Nationwide Building Society	178	324	319	(6)	177
Oak Foundation	1,206	(76)	514	-	616
Royal London	17	578	483	-	112
Spirit	7	-	7	-	(0)
Surviving Winter	9	11	7	-	13
Tampon Tax	-	3,320	3,298	-	21
Vital Signs	4	(1)	2	-	-
Total funds	2,442	13,181	9,015	(6)	6,602

Transfers relate to allocation of direct costs which have been charged to unrestricted funds.

	At 1 April 2017 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2018 £'000
Building a Stronger Britain Together	5	1,908	1,200	-	713
Comic Relief	-	3,378	3,329	36	85
Flood and Storm Donations	22	-	-	-	22
#iwill (YSA) Project	2	1,225	1,026	-	201
Mars	-	108	108	-	-
Nationwide Building Society	-	469	291	-	178
Oak Foundation	-	1,206	-	-	1,206
Royal London	111	105	201	2	17
Spirit	-	543	526	(10)	7
Surviving Winter	19	9	18	(1)	9
Vital Signs	8	-	-	(4)	4
Total funds	167	8,951	6,699	23	2,442

• **Building a Stronger Britain Together**

UKCF has partnered with advertising agency M&C Saatchi to deliver several rounds of funding of a major Home Office initiative to build social cohesion and to counter extremism. The programme supports civil society and community organisations who work to create more resilient communities, stand up to extremism in all forms and offer vulnerable individuals a positive alternative, regardless of race, faith, sexuality, age, and gender. The programme is due to end in March 2020.

• **Comic Relief**

Comic Relief awarded grants to UKCF to manage various national programmes across the United Kingdom on their behalf from 2011-2018. This programme has closed and remaining funds will be disbursed during 2019.

• **Connect**

UKCF were funded by the Access Foundation and Barrow Cadbury Trust to manage a Connect Fund Learning Pilot. The pilot set out to develop the Network's understanding of the opportunities associated with social investment and how it could be used to support local voluntary, community and social enterprise organisations and the communities they serve.

• **Endowment Funds**

Funded by the investment income from the Sir George Earle Charitable Foundation, which was originally set up to provide discretionary grants to support current and former employees of the cement manufacturer in cases of financial hardship. The scope has been extended to work with local communities and projects which support older people, particularly with regard to reducing loneliness or isolation, and in specific geographies around historic cement works.

• **Fidelity**

Funding the Community Foundation Leadership Programme and associated leadership development activities which are in delivery phase for 2019 and planning phase for repeat and new events in late 2019 and throughout 2020.

• **Flood and Storm Donations**

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. This balance will be disbursed during 2019.

- **#iwill (formerly known as OCS-Youth Social Action)**

Funded by the National Lottery Community Fund and the Office for Civil Society, and delivered in conjunction with Step Up to Serve. UKCF completed the first phase of this partnership, which covered 2017 and 2018, and recently confirmed a further two year extension. The programme supports volunteering, skills development and social action opportunities for young people in disadvantaged areas and from backgrounds with below-average levels of participation. UKCF distributes grants of £5-10k for projects through our network of Community Foundations in England.

- **Ladbroke's**

A five-year grant-making programme focussed on community sport and physical/mental health, in particular for young men. The fund aims to provide a five-year spend down fund of around £350k pa, starting next financial year.

- **John Armitage Charitable Trust**

Additional funding for the Community Foundation Leadership Programme and associated leadership development activities.

- **Mars**

Established in August 2017, the money is distributed to groups and individuals across the UK to help overcome disadvantage and build stronger communities, focussing on making grants with the objective of active healthy lifestyles.

- **MLM**

This programme aims to support local communities and projects, with a focus on skills building and employability

- **Nationwide Building Society**

UK Community Foundations is working with Nationwide Building Society to provide grant funding for projects that are providing housing services to people in need and supporting homeless people in to homes. Grants available in the North East of England, Central England, Wales, Scotland and Northern Ireland.

- **Oak Foundation**

The Transformation & Growth Fund will fund voluntary and community organisations serving those at risk of homelessness. The fund is a capacity building programme to increase organisations' resilience and sustainability to support people in vulnerable housing situations.

- **Royal London**

The Royal London Foundation partners with UKCF to deliver the Corporate Social Responsibility strategy that awards unrestricted funding of up to £5k to local organisations, with an annual turnover under £500k and a local community impact, in particular supporting people with a chronic or long-term condition.

- **Spirit of 2012 – Fourteen**

Funded by Spirit of 2012, a charity set up by the Big Lottery Fund to support local grant making via community panels in Fourteen places across the UK. UKCF have managed and delivered 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.

- **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.

- **Tampon Tax**

Funded via DCMS through the VAT levied on sanitary products, UKCF is making grants across the UK, investing in a wide variety of projects that benefit women and girls, and that make a tangible and long-term difference to health, well-being and confidence.

• **Vital signs**

Vital Signs was a project funded by Goldsmiths to support 8 CFs to deliver a local needs analysis, using the Vital Signs methodology, which is an assessment of the issues, challenges and social capital within a specific location

16. Endowment Funds

	At April 2018 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Net Gains / (Losses) £'000	At 31 March 2019 £'000
Sir George Earle Charitable Fund	-	3,901	-	(55)	3,846
Total Unrestricted Funds	-	3,901	-	(55)	3,846

The Sir George Earle Charitable Fund was transferred to UKCF in the financial year. Investment income from this fund is spend in accordance with the restricted fund outline in note 15. No endowment funds were held in the prior year.

17. Analysis of net assets between funds

	Unrestricted £'000	Restricted £'000	Endowment £'000
Tangible fixed assets	-	-	-
Net current assets	528	6,602	-
Investments	-	-	3,846
Net assets at 31 March 2019	528	6,602	3,846

	Unrestricted £'000	Restricted £'000	Endowment £'000
Tangible fixed assets	1	-	-
Net current assets	517	2,442	-
Investments	-	-	-
Defined benefit pension scheme	(74)	-	-
Net assets at 31 March 2018	444	2,442	-

**18. Comparative Statement of Financial Activities
(31 March 2018)**

	2018			Total £'000
	Unrestricted Fund £'000	Restricted Funds £'000	Endowment Funds £'000	
INCOME FROM:				
Grants	53	8,951	-	9,004
Donations	100	-	-	100
Subscriptions	393	-	-	393
Other	629	-	-	629
Total income	1,175	8,951	-	10,126
Endowment Income	-	-	-	-
Total income and endowments	1,175	8,951	-	10,126
EXPENDITURE ON:				
Raising funds	61	-	-	61
ICT services	219	-	-	219
Member services	721	-	-	721
Projects and programmes	33	-	-	33
Grant payments	-	6,699	-	6,699
Total expenditure	1,034	6,699	-	7,733
Net income/(expenditure)	141	2,252	-	2,393
Transfers between funds	(23)	23	-	-
Other recognised gains/(losses):				
Actuarial (losses)/gains	(10)	-	-	(10)
Net movement on funds	108	2,275	-	2,383
Reconciliation of funds				
Total Funds Brought Forward	336	167	-	503
Total Funds Carried Forward:	444	2,442	-	2,886