

# UK COMMUNITY FOUNDATIONS

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

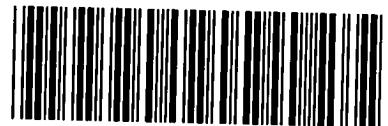
Company Number: 2651777  
Charity Number: 1004630



**UKCOMMUNITY  
FOUNDATIONS**

**GIVING FOR LOCAL GOOD**

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**UK COMMUNITY FOUNDATIONS**

**YEAR ENDED 31 MARCH 2021**

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## **INTRODUCTION**

UK Community Foundations (UKCF, charity number 1004630) is the national membership organisation for all accredited community foundations across the UK. In addition to being place-based grant-makers, community foundations are community leaders, convenors and catalysts. They encourage and develop local philanthropy; we help people and organisations invest in local communities where it is most needed and where it will make the most impact. Our vision is of a society where local philanthropy is the norm and where communities will be able to help all those in need.

### **Who we are**

Our network consists of 47 accredited community foundations and three overseas members. 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. This understanding and community knowledge is the result of extensive local research. Community foundations are thus able to advise donors on how best to fund local causes most efficiently and effectively.

Community foundations are the best 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 and organisations at the grassroots level across a wide range of local issues, such as poverty alleviation, emergency crisis response, youth engagement, isolation and mental health. The causes we fund are as diverse as the communities we engage with.

Community foundations are community convenors and leaders, able to harness and influence local resources to achieve community benefit. We are able to bring disparate people and agencies around the table to achieve meaningful social change.

Community foundations are focussed on local philanthropy, as endowed charities they build a sustainable source of funding from and for their local communities.

The network of accredited community foundations gives grants totalling around £100 million annually (2020-21 increased to almost £175 million due to COVID-19 related programmes). This makes us, collectively, one of the UK's largest grant-giving organisations. Over the past

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20 years, donors have given over £1 billion to and through community foundations to address local need. This demonstrates how the philanthropic spirit in the UK has secured long term and sustainable benefit for communities and achieved lasting social change.

## CHAIR'S REPORT

2020-21 was an extraordinary year for UKCF and for the whole community foundation network; full of change, challenges and achievements. This annual report marks and celebrates those achievements, which resulted in £81.7 million being distributed to meet and sustain the needs of our communities across the UK, in what were extremely tough circumstances. The report also looks forward to the future, to a vibrant and thriving UKCF and community foundation network.

COVID-19 hit UK and in March 2020, lockdown began. Early that year, Fabian French, our CEO, stepped down. The UKCF Board thanks Fabian for his leadership at the helm of UKCF over the previous five years.

Fortunately, Wiltshire Community Foundation generously released its CEO, Rosemary Macdonald, to be appointed UKCF's interim CEO in March 2020. Later, after an open recruitment process, Rosemary was appointed to be UKCF's new, permanent CEO in July.

As lockdown began, it had become apparent that UKCF and all community foundation members would have to work together in a new and different way to support and sustain our communities through the pandemic. The National Emergencies Trust (NET) launched its COVID-19 appeal in March 2020 and UKCF was delighted to work with NET as its main distribution partner.

Straight away, our members commenced the distribution of huge amounts of funding to communities across the UK. It was an amazing success, made even more impressive because teams throughout the network had transitioned from working in comfortable and collegiate offices to working from home, frequently in pretty stressful circumstances, to manage very large volumes of funding. UKCF and the network celebrate the tremendous achievement of distributing £75.6 million of NET funding to our communities between March and October 2020 (£2.6 million of which was distributed in financial year 2019-20). Other funding brought that total to £81.7 million of grants distributed for the financial year 2020-21. I am extremely proud of UKCF and our members.

The staff team at UKCF also underwent significant change. Team members were furloughed and others departed to seek openings elsewhere. This gave UKCF an opportunity to rethink its strategic direction and to build a new team for the future. Eleven new team members were recruited during 2020-21. Now UKCF team members work remotely from across the UK, which improves our diversity and better reflects the communities we serve.

UKCF undertook a governance review during the year. A nominations committee was appointed to run the election process for trustees from the membership and to oversee the appointment of independent trustees to the board. A new board of trustees was voted in at the virtual AGM on 23 October 2020 and six new independent trustees were co-opted to the

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### CHAIR'S REPORT

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board on 23 June 2021. A new set of articles was approved at a virtual EGM on 10 December 2020.

Michelle Cooper, Kevin Richmond, David Rossington, Mark Spofforth and Tom Van Oss were elected to the board as new trustees from the membership. Toby Anstruther, John Gordon, Stephen Singleton and I (Andrew Tuggey) were re-elected as member trustees. Colin Seccombe remained on the board as an independent trustee.

Following a rigorous recruitment process supported by Green Park, specialists in helping boards to strengthen and diversify their membership, we were delighted to welcome independent trustees Daniel Anjorin, Gill Bull, Helen McEachern, Anushka Nagpal, Kayathiri Supramaniam and Edge Watchorn to the board on 23 June 2021.

The UKCF board now comprises 16 trustees, nine from the membership and seven independents.

I thank Jerome Booth, Jan Garrill, Niamh Goggin, Andrew McCracken, Victoria Miles, John Nickson, Paul Palmer, Arthur Roberts and Martha Wilkinson for their service as trustees during 2020-21.

2020-21 was a year in which the equity, diversity and inclusion (EDI) of both UKCF and the network gained the importance it deserves. We were challenged fairly in relation to our commitment to racial justice and the equitable distribution of our funding. EDI has now been made a priority for UKCF and all community foundations. Following the publication of our EDI policy in October 2020, UKCF appointed a Director of EDI, Kaveed Ali, to provide the strategic lead at UKCF and for the network. This is a new chapter in our EDI journey and I look forward to reporting progress in coming years.

Following through from 2020-21, UKCF looks ahead with confidence. There are new strategic priorities; strengthening the network, building the UKCF profile, unlocking resources and building a thriving UKCF, with EDI, digital transformation and communications woven through the fabric of our work.

Reflecting on thirty years of co-operation and collaboration and looking ahead, UKCF is at an exciting point in its history, ready to inspire and equip our members to serve their communities as the UK recovers from the pandemic and all its challenges.



Andrew Tuggey CBE DL

UKCF Chair

## REPORT OF THE BOARD

The Trustees present their annual Trustees' Report, incorporating the strategic report, together with the audited accounts of the charity for the year ended 31 March 2021.

### 1. UKCF'S VISION, MISSION, VALUES AND GOALS

**Vision - A National Voice for Local Communities.** Community foundations have a UK-wide reputation as agile agents for change for every local community – addressing need through vibrant local philanthropy and giving, sustainable charitable funding and local partnership working – and are recognised as an integral element of any national discussions relating to local communities.

**Purpose.** To position community foundations at UK national level as the partner of choice for empowering local communities.

**Mission.** To provide inspirational leadership and advocacy at UK national level for community foundations across the UK by delivering training, resources and a national profile to enhance and sustain their support of local communities.

**UKCF Values.** Why are we here? We believe in justice and fairness. Everyone should have the opportunity to have a fulfilling life and to feel they belong. This cannot be mandated by government, or done to people, only with them. Change needs to come from within communities, driven by people who understand the local situation and our support makes this possible. We understand the challenges, will find the funding and work with those who have the solutions to improve lives.

- We put **inclusivity** at the forefront of all we do:
  - o Valuing diversity of experience and thought
  - o Ensuring all voices are heard
  - o Challenging and dismantling barriers wherever we find them
- We put **relationships** first:
  - o Everything we achieve will be done with and through others
  - o Demonstrating integrity, openness, honesty, and care in all we do
  - o Empowering networks that support places to thrive

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- We are ambitious for members and the communities they support:
  - o Valuing future generations
  - o Focussing on underlying causes not symptoms
  - o Constantly challenging our knowledge and practice

#### Overarching Strategic Goals

1. **Strengthen the Network:** We shall work to ensure that each of our members has the skills and capacity to meet the needs of their communities by offering a range of services that add value to members of all sizes, based on members' needs and interests.
2. **Build Profile:** We shall improve our visibility with government and other influencers to position community foundations as the partner of choice and experts on place-based social change by enhancing our communications and developing a policy platform and a clear and unified voice.
3. **Unlock Resources:** We shall generate investment in the network from a wide range of philanthropists, donors and partners by building a strong case for support of community foundations and UKCF.
4. **Build a Thriving UKCF:** We shall create an exemplar organisation that has the confidence of members, is sustainable and a great place to work, by investing in our people, systems, processes, and leadership.

#### Special Projects

1. **Equity Diversity and Inclusion:** In order to improve our diversity, scrutiny and decision making, we have appointed an EDI Director who will be responsible for ensuring that all aspects of our work take equity, diversity and inclusion on board. During 2021, they will be focussed on, embedding best practice across our grant-making, philanthropy, communications, governance and operations at UKCF, and then sharing our EDI learning and experience across the network.
2. **UN Sustainable Development Goals:** The UN Sustainable Development Goals provide a framework which neatly explains the wide range of work that community foundations do. By adopting the goals and targeting the 2030 timeframe, we will have



a methodology for measuring our impact, a communication hook, and the ability to position community foundations on the national and international stage.

3. **Digital Transformation:** Improving our use of digital is a key focus for UKCF and the members. The digital transformation project will reach into every area of UKCF's operation from grant-making and impact measurement, to communication, finance and membership services. We will improve the systems used by members, especially our CRM which is managed centrally and requires development. Being able to operate in a smooth and agile way will benefit our members, and stakeholders.

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

During the year, the Board of UKCF has complied with the duty set out 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 objects of UKCF are:

- To promote and improve the efficiency and effectiveness of community foundations in direct pursuit of their objectives, in such a manner as may be thought fit and in particular by raising and distributing funds for application for the general purposes of such foundations;
- To advance the 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:

- We are the only national network of funders with a physical presence in every part of the UK. We are part of, invest in and learn from those who know what needs to be done in partnership with our local communities. Harnessing the scale, impact and passion of our members to raise our profile, reputation and expertise is what UKCF does; bringing together the rich tapestry of community foundations across the UK to deliver a collective voice for all.
- Place-based funding is what makes our community foundations special. Our members are embedded in their place, understand the challenges their communities face and

are tireless in their pursuit of better opportunities for all. They pursue long term change for their communities and the people that live there, they can't do this unless they understand the local context, work with others, manage multiple interventions and learn and adapt their approaches over time. Their interventions include making grants to charities and individuals, working in partnership with key stakeholders, encouraging local philanthropy to build endowment.

- Local philanthropy matters. Building local philanthropy is at the heart of what we do, so we can provide funding to those who need it into the future. The first community foundation was set up in America in 1914, as a way for the Cleveland Trust Company to manage multiple small endowments for the benefit of Cleveland. Like other philanthropists at the time, they had trouble finding beneficiaries for their grants, and needed to improve efficiency. The solution they came to was to design a model that would look at the root causes of problems in communities rather than being cause specific, engage local people in decision making and be more efficient. This is the model we have today: multiple small endowments, held by community foundations. Our endowments are crucial to communities as other sources of funding reduce.

### 3. ACHIEVEMENTS AND PERFORMANCE

2020-2021 was one of the most challenging years UKCF and our members have had. Two weeks into the financial year the scale of the pandemic became evident, and the world went into lockdown. This brought a halt to business as usual as everyone transitioned to working from home.

#### Emergency Funding in the Pandemic

The National Emergencies Trust (NET), one of our strategic partners, responded to the emergency by launching a fundraising appeal. By 18 April NET had raised £8.2 million which UKCF distributed to our members across the UK to support their communities. By June 2020, we distributed £30 million to members and, by October, £75 million from the NET Coronavirus Appeal. This was distributed by our members to nearly 11,000 charities and community groups across the UK over that period.

In addition, we distributed grant-funding from the Department of Culture Media and Sport, Barclays, 3i, Direct Line Insurance and the Worshipful Company of Weavers. We also distributed funding from our endowment funds, The Sir George Earle Fund and a Trust Transfer flow through funding from Sick Man's Friend Society. Total funds of £79.5 million

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were distributed to our members for COVID-19 support and recovery work across 2019-20 and 2020-21.

The issues that received the most funding during the pandemic were food and essentials, mental health support, information and advice, and digital and social isolation.

To distribute this amount of funding during a very short time was an achievement. Due to the speed at which things happened, we were building the systems for our coronavirus appeal programme, while it was underway. This led to our data capture not being as accurate as it should have been. We were challenged by Charity So White during the pandemic to show that we had distributed 20% of our funding to BAME led groups. We re-analysed thousands of grants against more stringent criteria to establish whether we were close to the benchmark. Once this exercise was completed, it was proved that we had distributed nearly 20% of our funding to BAME led groups.

It became apparent through our review that the infrastructure for BAME groups was less well developed than for other parts of the sector. This led to NET establishing a BAME fund of £1 million, which we were delighted to manage, to build links with BAME infrastructure organisations across the country to increase our reach into those communities.

#### **Staffing**

We had been fortunate to move to Sharepoint in the period immediately before the lockdown; this considerably aided our transition to working from home. However, during the year, we had to furlough two members of staff, who subsequently both decided not to return to UKCF and unfortunately lost a number of other members of the team. This resulted in considerable pressure on the remaining team to deliver the unprecedented level of funding described above. We are deeply thankful for their commitment during this difficult time.

We updated our staff policies and procedures to ensure we were delivering our duty of care to our team. This included the adoption of a mental health wellbeing app which provides a range of support and advice to our team free of charge. We also held training sessions for the team on working from home, increased our check ins with individuals and were flexible for those with home schooling or caring responsibilities.

Once the immediate emergency passed, we began recruiting new team members, using a blind recruitment tool called Beapplied and we now have eleven new people in the team. Having made the decision to become a remote organisation, we developed a new induction process and we have recruited from across the country, making our team more

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representative of our members. Most of the new team replaced those members who left, but we have three new positions: a Director of Business Development and External Affairs, a Director of Equity Diversity and Inclusion, and a Head of Digital.

#### **Members**

As with all membership bodies, the challenges of managing 47 UK members and three overseas members are not to be underestimated. The pandemic provided opportunities to increase our support for members. The NET became our largest donor, providing unprecedented funding for our members and into their communities. The amount of teamwork required to deliver that programme was significant and the members pulled together magnificently. The Senior Leadership Team focussed on improving communication, including a weekly CEO's update meeting on zoom attended by over 40 community foundations each week. In normal times, the CEOs would get together three or four times a year, so the opportunity to speak every week, share challenges and encourage each other, was greatly valued by our members. The Programmes Team held weekly webinars with the grants teams across the network, and our marketing and comms activity also increased dramatically. We provided free access to our PR agency for any community foundation requiring crisis communications.

We set up series of "CEOs' Conversations", which provided a confidential space for CEOs to share what they were most concerned about which was well received.

Our leadership programme continued, albeit with a slight delay and in a remote form, and Cohort 3 has now graduated and satisfaction with the programme is high.

We held consultations with members on the development of the new strategy, and our governance review. It is pleasing to note that engagement has been high, facilitated by online meetings. We have engaged with trustees as well as community foundation staff.

The Chair of Trustees has held numerous Chairs Webinars to build relationships across the network and to focus on topics of interest, including EDI and philanthropy. This has been important, as we have has many new Chairs of Trustees appointed across the network.

#### **PR and Marketing**

We appointed a PR agency, PHA, to build our profile and have been successful in appearing in a range of national newspapers and trade press. These included the Independent, the Financial Times, the Mirror, the I, the Charity Times and others.

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Our social media presence has also improved. Since January 2020, our tweets have been viewed 1,082,000 times. This is up 172,000 on the same period last year which represents a 16% increase. Since January last year our followers on LinkedIn have grown by over 160%. Twitter followers have grown by 2,000 since September 2019 which represents a 40% increase.

We have published two reports about the work of community foundations during the pandemic, one as an update on the emergency funding and a second sharing the results of a survey of members, about the future post pandemic.

We have launched a new website and have updated our branding.

#### **Governance**

During 2020-21, we undertook a governance review, following the Charity Commission's Code of Governance Framework, with an independent firm, The Connectives, advising us. We held a consultation with members, including trustees of community foundations, to discuss our challenges and to gather views from the network. The outcome of our work with The Connectives and members was a clear desire for a more diverse board of trustees at UKCF, a clearer selection and appointment process for UKCF trustees and a new set of articles.

A new Nominations Committee was put in place to guide us through the trustee recruitment process. We are required to have trustees from our membership in the majority on our board and have the capacity to appoint independent trustees to make sure the skills on the board are appropriate for our strategic needs.

We held an election at our AGM in October to appoint trustees from the membership. We then began the process to find independent trustees. At our June 2021 meeting six new independent trustees were co-opted and will be officially appointed at our AGM in November 2021.

We would like to thank The Connectives for their work during this review. We would also like to thank Alan Banes from Howard Kennedy LLP for his support and guidance in updating our articles and Tom Ward for his generous donation to help fund this governance review.

Further information regarding UKCF's governance is provided in section 4 of this report.

### **IT and Digital Transformation**

We have been working with Digital Wonderlab to develop a new digital transformation strategy. Consultation with members has taken place and a skills audit across UKCF has been undertaken. There is considerable work to do in this area, to improve our use of Salesforce, move into a "digital first" mentality and to improve communications between UKCF and members. Data management was highlighted as a weakness during the pandemic and is a priority area to resolve. We have undergone Cyber Essentials accreditation and will achieve Cyber Essentials Plus accreditation by September 2021. We are building a communications hub for members and UKCF to access to streamline our multiple communication channels. We have appointed a new Head of Digital who will lead this work on our behalf.

### **The Revitalising Trusts Programme**

The Revitalising Trusts Programme (RTP) was formed to help struggling trustees of inactive or ineffective trusts to revitalise their charities and put their trust assets back to work for the public benefit in local communities. The programme was overseen by a steering group made up of all three organisations involved with the programme: The Office for Civil Society (now Civil Society and Youth)/DCMS, The Charity Commission (CC) and UKCF. The steering group ran between January 2018 until the end of March 2021.

Ineffective trusts are defined as trusts that are struggling to spend 30% of their income over a five year period. Inactive trusts are defined as those that have no income or expenditure reported over five year period. The RTP, which began in January 2018 and continues today, seeks to release funds from these inactive and ineffective trusts in one of several ways. One of these ways, recommended by the CC, is for the inactive trust's capital to be transferred to the relevant community foundation. This is done through a streamlined process to enable funds to be released quickly and spent exactly as they were meant to be – on excellent projects at the heart of their communities.

Since its launch in 2018, the programme has revitalised £51.9 million to help good causes, with £21.3 million revitalised in Year 3 alone. Of this amount, £18.2 million has been transferred to the community foundation network and UKCF. The remainder has been revitalised through modernising the purpose of the relevant trust, with the trustees continuing to provide local management, or the funds have been transferred to another local charity.

At the time of writing, UKCF and the network has a substantial pipeline to work through which we hope will result in an increase in endowment for a number of foundations.

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Towards the end of 2020-21, progress had been made towards moving trusts through to the final stages of the programme – when the CC enacts its powers to place UKCF as trustee for those trusts which have not responded. This is an exciting development and we look forward to reporting on this in the next annual report.

The RTP is also developing across the UK, with the programme commencing in Wales, as well as Foundation Scotland and The Community Foundation Northern Ireland establishing their own versions. UKCF is proud to be supporting these foundations with this work.

The programme has proved to be a major success due to the partnership and funding from DCMS, and therefore the CC and UKCF have decided to continue with the programme permanently. To facilitate this, UKCF has employed a permanent member of staff to deliver the programme, which was previously delivered by an external consultant, underlying our commitment to the programme over the long term.

#### **UKCF Core Funding**

UKCF's overall financial position improved during the year, mainly due to increased income from the NET Programme combined with a close focus on costs and the inability to continue with certain projects during the pandemic. Whilst 1% was available, we decided to take a contribution of only 0.5% to overheads throughout the NET programme. The total value of grant-making available through the programme made it the largest programme we have ever delivered, and the 0.5% contribution helped to strengthen our finances during a difficult time.

CS Mott Foundation, John Armitage Charitable Trust and CCLA were the largest donors to core costs and we continue to be very grateful to these wonderful organisations for their ongoing support.

#### **Membership Fees**

Our membership fees are based on a percentage of the endowment of each individual community foundation so that community foundations with larger endowments pay higher fees than those with smaller endowments. This demonstrates the values of the network in that larger community foundations help to ensure the prosperity and growth potential of their smaller colleagues.

Lower fees are charged to our overseas members as they have limited access to membership benefits compared to our UK accredited members.

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Membership fees made up 27% of unrestricted income in the year (excluding pass-through income for IT subscriptions).

#### **UKCF Endowment**

As a result of the Revitalising Trusts Programme, UKCF holds £5.2 million (2020: £4.0 million) in its own endowment fund. This arises from transfers of inactive or dormant trusts which have a national or UK-wide objective. The endowment from these trust transfers is held by UKCF but the grants from the income generated are made by individual community foundations. UKCF receives an annual contribution to overheads 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 but reports regularly to the network.

#### **Fundraising**

UKCF 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. We are registered with the Fundraising Regulator.

#### **National Programmes**

Over the past year, UKCF has continued to manage many national programmes for government or corporate donors, which are distributed by some or all our members.

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.

UKCF has consolidated relationships with funders and has successfully launched new programmes in addition to the emergency funding described above, including with Made by Sport and the Department for Digital, Culture, Media & Sport. Other programmes came to an end during the year, including The Nationwide programme as they moved the programme inhouse. We are in the process of delivering the final report for Nationwide. We are very thankful to Nationwide for being flexible and allowing the participating foundations to repurpose the funds towards COVID-19 recovery.



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For the year 2020-21, UKCF was responsible for programmes that distributed £81.7 million of charitable funding through the organisation's national network of 47 community foundations and other partners. This figure compares with £15.1 million in the previous year, the large increase being due to the NET Coronavirus Emergency Appeal.

This funding was distributed on behalf of 13 different partners, two more than last year:

- 3i: £0.2 million
- Barclays: £1.0 million
- Building a Stronger Britain Together (BSBT), for the Home Office: £0.1 million
- Cellnex: £0.1 million
- Department for Digital, Culture, Media & Sport Matched Fund: £2.2 million
- Direct Line: £0.1 million
- Duchy of Lancaster: £0.1 million
- #iwill Fund, for National Lottery Community Fund: £0.3 million
- Made by Sport: £4.4 million
- National Emergencies Trust: £73.0 million
- Sick Man's Friend: £0.05 million
- Sir George Earle: £0.1 million
- The Worshipful Company of Weavers: £0.03 million

UKCF has been very fortunate to have partners who were flexible during the pandemic. They allowed us to repurpose funding across the network so that the those most adversely affected by the pandemic could be supported. They also allowed for greater flexibility in reporting for which both the network and onward grant recipients were grateful.

## 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), 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.

Full membership of UKCF is restricted to quality-accredited community foundations in the UK.

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Some of our trustees are from our membership and some are independent, with members in the majority. We hold elections for UKCF trustees from our membership, whether they are trustees or staff of community foundations. Independent trustees are co-opted onto the board to bring experience and skills to bear that are considered necessary by the Board. This process is overseen by our Nominations Committee. Terms of office are a maximum of three terms of two years as a trustee.

The Board meetings fit into the planning cycle so that the Board can 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 committees in 2020-2021 were:

- Nominations Committee - charged with overseeing the recruitment of trustees and trustee training and development.
- Finance, Audit and Operations - charged with reviewing financial strategy and planning, audit, risk, human resources and major contracts.
- Community First Investment Committee – charged with oversight of the UKCF endowment and the community foundations' endowment established during the Community First Match Challenge Programme (see further below).

All trustees have an induction and are encouraged to attend training provided for them. However, most of them are either a trustee of other charities or employed by community foundations and therefore have significant current knowledge of charity practice and regulation. We do welcome those who have not been a trustee before and we provide the support needed, including a "buddying" system to help them develop the skills required of a trustee. Two of our co-opted trustees have not held a trustee position before. Many of the UKCF trustees attend third sector seminars and events and some are offered training and development opportunities by their relevant community foundation. 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. In addition, the Board agenda includes updates on charity governance matters.

The legal and administrative information at the end of the financial statements forms part of this report.

## 5. INVESTMENT POLICY

UKCF's investment policy is to build and hold a significant endowment fund, created to support community foundations and their communities now and for generations to come. The intention is that UKCF will continue to develop its endowment from the transfer of dormant or inactive trusts with a national reach. Although legally the endowment could be treated as expendable, it will be held as a long-term capital fund in perpetuity, to provide income for current and future grant-making and to contribute to administration costs. As an incorporated charity, UKCF is unable legally to hold a permanent endowment.

UKCF's endowment was invested in CCLA COIF funds throughout the year and was moved to CCLA's COIF Ethical fund in July 2021. UKCF operates a total return policy which enables Investment Managers to invest funds for long-term growth. The objective of the fund is to produce as much total return as possible whilst seeking to maximise the long-term real value of the fund.

The Community First Investment Committee (a committee of the UKCF Board) has oversight of the funds and meets twice a year. The committee consists of experienced independent investment fund managers. The committee reports regularly to the membership network.

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.

## 6. FINANCIAL REVIEW

The statement of financial activities reports a surplus of £1,524k (2020: £4,320k deficit), including an unrestricted surplus of £248k (2020: £132k). The majority of the surplus is made up of an increase in endowment funds of £1,230k which is due to some new endowment income and investment gains during the year.

Total funds amount to £8,180k (2020: £6,656k). This includes unrestricted reserves of £908k (2020: £660k) which is made up of £413k of free reserves and £495k designated to particular projects.

Unrestricted funds are used for the day to day operations of UKCF. Excluding the ICT subscriptions, which are a fully recharged cost to our members, the unrestricted funds show

## **UK COMMUNITY FOUNDATIONS**

**YEAR ENDED 31 MARCH 2021**

### **TRUSTEES' REPORT**

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the income and expenditure required to operate UKCF. In comparison, restricted funds are pass through funds which we use for grant-making to our members, and, on very rare occasions, to other organisations. The only exceptions to this are restricted funds related to the leadership programme and the revitalising trusts programme which directly support activities at UKCF.

#### **INCOME**

Total income from grants, donations and subscriptions increased to £83,179k (2020: £11,897k). This is due to the NET COVID-19 appeal which generated income of £73,584k in the year (2020: £2,650k) and led to a record year for UK Community Foundations in terms of income and grant-making. Other large programmes that commenced in the year include Made by Sport and DCMS Match Funding. These replaced programmes that ended in the prior year (Nationwide, Building a Stronger Britain Together and Tampon Tax). Core funding increased slightly from 2020 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 £599k (2020: £441k) is recognised as related to endowment funds (this does not include investment gains). The majority is held as an investment fund, but this also includes investment income which is used to contribute to UKCF overheads and to be used for grant-making.

#### **EXPENDITURE**

Total expenditure increased to £83,027k (2020: £16,533k), as the result of increased grant-making from the NET programme. We delivered around 1,500 grants to our members (who then use each to make many smaller grants to groups in their local communities), which is double the amount of the previous year.

Unrestricted expenditure was similar to last year at £1,289k. During the year Governance costs were £29k (2020: £24k), which included costs relating to the governance review discussed above.

## 7. RESERVES POLICY

During the year the trustees reviewed the reserves policy, following the steps outlined in the Charity Commission's guidance CC19 (*Charity Reserves: building resilience*). This involves: taking a detailed look at the restrictions on the funds and assets we hold; understanding the impact of risk; assessing the reliability of our sources of income and taking into account future plans. During the current year, this gave us a target range of £300k to £410k for our unrestricted general reserves (£250k - £340k in 2020). This increase is due to the increase in size of the organisation, our commitments going forward and the slight increase in the uncertainty around programme income in the coming years. For comparison this translates to 3-4 months of unrestricted expenditure.

The trustees believe this policy is a sensible balance between the need to maintain a secure long-term financial position and the desire not to hold excessive charitable funds that should be distributed. The trustees review the reserves policy every year.

At the balance sheet date, the unrestricted reserves of UKCF were £908k, which includes £495k designated reserves and £413k general funds, just above the top of our range. The 2021-22 budget and projection for 2022-23 includes planned investment of the designated reserves into our new strategy.

### Designated Funds

Total designated funds at the year-end were £495k (2020: £36k). Designated funds comprise the following funds set aside by Trustees of UKCF:

- £104k is set aside for investment in specific strategic projects. This includes work on our digital strategy, setting up the network-wide equity, diversity and inclusion plan, and various communications and information gathering activities. These activities are vital to ensuring a successful start to our new strategy period.
- £250k is set aside for the digital transformation project, in particular the development of an improved CRM system for our network. The funds would be spent towards building and implementing the improved system. This spend is expected to be split over the next two years.
- £141k is set aside for a potential return of funds related to the #iwill programme. This was a matched fund programme and the amount is under review.

## **UK COMMUNITY FOUNDATIONS**

**YEAR ENDED 31 MARCH 2021**

### **TRUSTEES' REPORT**

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#### **Restricted Funds**

At 31 March 2021, UKCF held restricted funds of £2,025k (2020: £1,979k) reflecting funds that were received in previous financial years that will be spent on specific projects in future years. For further detail see note 15 of the financial statements.

#### **Endowment Funds**

Funds transferred through the Revitalising Inactive Trusts programme (RTP) are held as endowment funds. The balance of this fund at the end of the year is £5,247k (2020: £4,017k). The Sir George Earle Charitable Fund, which is held as a linked charity (Charity number 1004630-1), makes up the majority of this balance. The proceeds of the endowment funds are used to contribute to UKCF overheads and to provide grants to be made by individual community foundations.

UKCF also has a second linked charity: Aid for the Aged in Distress (Charity number 1004630-2). The funds for Aid for Aged in Distress are in the process of being transferred and a reasonable estimate of the value of the funds are included in these financial statements at £200k.

## **8. RISKS**

The trustees regularly review the major risks to which the charity is exposed. Systems and procedures are in place to manage these risks, with regular reports from the CEO at Board meetings. Mitigating actions are planned and prioritised and those with a financial implication are taken into account when setting the reserves policy.

The key risks are associated with the financial, operational and reputational risks associated with the delivery of UKCF's objectives. The most significant risk is a decline in income as a result of the loss of programmes or core funding grants. To mitigate the risks of a reduction of income, UKCF is actively pursuing new programmes and core funding opportunities. We have a new Director of Business Growth and External Affairs who is beginning to build up a pipeline to secure funding for the future. Following the focus on the NET programme, a reduction in income is expected in 2021-22 and plans have been agreed to enable us to reduce our expenditure as required during this period.

In addition, with the transition to a home working organisation, there is currently strong focus on risks associated with cyber security and delivering our digital transformation project on

## UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2021

### TRUSTEES' REPORT

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time and to budget. We have recruited a new Head of Digital post to lead on this delivery and are working with consultants to support the work. We will work to make our systems even more secure and provide training to staff in the first half of 2021-22, and plan to obtain cyber essentials plus certification.

## 9. 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.

The COVID-19 pandemic has been a time of unprecedented grant making for UKCF, most notably we became the main distribution partner for the NET COVID-19 appeal alongside funding from other institutions. The core funding contribution from these programmes has enabled us to strengthen our finances during a difficult time to ensure that we can continue to deliver going forward.

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.

## 10. PLANS FOR THE FUTURE

As discussed in Section 1 of this report, we have developed a new strategic plan for the next three years. The below provides some more detail on what activities we plan to undertake over the next three years.

1. **Strengthen the Network:** To ensure that each of our members has the skills and capacity to meet the needs of their communities by offering a range of services that add value to members of all sizes, based on members needs and interests.

## UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2021

### TRUSTEES' REPORT

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To develop tailored learning and support plans for our members based on the results of our quality accreditation process, which will be completed in October 2021

2. **Build Profile:** To improve our visibility with government and other influencers to position community foundations as the partner of choice and experts on place based social change by developing a policy platform and a clear unified voice.

To build our network of partners and agree a policy platform with members

3. **Unlock Resources:** To generate investment in the network from a wide range of donors and partners by building a strong case for support of community foundations and UKCF.

With a focus on developing corporate, philanthropy and government partnerships who wish to focus their funding in local communities

4. **Build a Thriving UKCF:** to create an exemplar organisation that has the confidence of members, is sustainable and a great place to work, by investing in our people, systems, processes, and leadership.

To complete the transition to working from home, focussing on digital transformation and robust training and development plans for the team

## 11. REMUNERATION POLICY

The trustees consider that the Board of UKCF and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling the charity and running and operating it on a day to day basis. All trustees give 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, following 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 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 awarded to all staff who had been in post for a year in April 2020.

## 12. IMPACT

UKCF's impact is considered in relation to the support we provide to our membership and the impact our members have on their communities with funding provided by us.

During the year, we focussed on supporting our members to deliver their work in the pandemic. We provided support to our CEOs by taking advantage of zoom to hold weekly update meetings, which was attended by approximately 40 of our CEOs each week. We also had confidential sessions for CEOs to share their concerns with peers, which were greatly valued. We developed an open and supportive culture discussing the difficulties of managing teams remotely, mental health, along with operational matters. We engaged with the trustees of our members, running webinars, including them in consultations on governance, strategy and digital transformation. As a result relationships have been strengthened across the network.

Our members benefited from unprecedented levels of funding for communities during the year. UKCF secured the funding, managed the relationships with the donors, and worked with members to provide reports to the donors. The impact of the funding can be found in our two reports published during the year, available on our website.

2021 was an exceptional year, with challenges and opportunities. Our relationships with our members have been greatly enhanced and our understanding of them as individual organisations has improved, leading to us all being very optimistic for the future.

## 13. 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.)

## **UK COMMUNITY FOUNDATIONS**

**YEAR ENDED 31 MARCH 2021**

### **TRUSTEES' REPORT**

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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.

## **14. AUDIT INFORMATION**

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

- There is no relevant information of which the auditors are unaware; and
- 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.

UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2021

TRUSTEES' REPORT

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## 15. 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 2021 was 46.

## 16. TRUSTEES' INDEMNITY INSURANCE

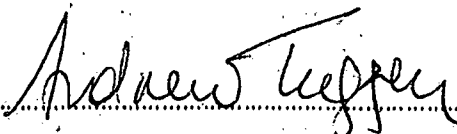
During the year, trustees were covered by Directors' and Officers' insurance.

## 17. AUDITORS

Haysmacintyre LLP has 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  
22 September 2021

Signed on its behalf by .....



**Andrew Tuggey**

Chair and Trustee, UK Community Foundations

## **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 2021 which comprise the Statement of Financial Activities, Balance Sheet, 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 2021 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.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and the Chair'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.

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.

## **RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS**

As explained more fully in the trustees' responsibilities statement set out in section 13, 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Charitable Company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Charity SORP, and payroll taxes.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in certain accounting estimates and judgements such as the income recognition policy applied to grant income. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;

## UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2021

### INDEPENDENT AUDITOR'S REPORT

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- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

### 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.



Siobhan Holmes (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP,  
Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: 15 November 2021

UK COMMUNITY FOUNDATIONS  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2021

INCOME AND ENDOWMENTS FROM:	Notes	2021			2020
		Unrestricted Fund £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Grants		390	8,572	-	8,962
NET Grants		430	73,154	-	73,584
Donations		83	12	-	95
Subscriptions		345	-	-	345
Other		193	-	-	193
<b>Total income</b>	<b>3</b>	<b>1,441</b>	<b>81,738</b>	<b>-</b>	<b>83,179</b>
Endowment transfer		-	-	457	457
Investment income		1	98	-	99
Management Fees from endowment		43	-	-	43
<b>Total income and endowments</b>		<b>1,485</b>	<b>81,836</b>	<b>457</b>	<b>83,778</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	77	-	-	77
ICT services	5	222	-	-	222
Member services	5	945	-	-	945
Projects and programmes	5	45	46	-	91
Grant payments	4	-	8,715	-	8,715
NET Grant payments	4	-	72,977	-	72,977
<b>Total expenditure</b>		<b>1,289</b>	<b>81,738</b>	<b>-</b>	<b>83,027</b>
<b>Net income/(expenditure)</b>		<b>196</b>	<b>98</b>	<b>457</b>	<b>751</b>
Transfers between funds		52	(52)	-	-
Other recognised gains/(losses):					
Investment gains/(losses)	16	-	-	773	773
Net movement on funds		248	46	1,230	1,524
<b>Reconciliation of funds</b>					
Total Funds Brought Forward		660	1,979	4,017	6,656
Total Funds Carried Forward:	14,15,16	908	2,025	5,247	8,180

No separate income and expenditure account, as required under Companies Act 2006, is presented here as the only difference between the net surplus for the year of £751k (2020: deficit of £4,195k) and the net surplus for the year as defined by the companies Act of £294k (2020: losses £4,491k) is income from endowments of £457k (2020: £296k).

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 35 to 50 form an integral part of these financial statements.

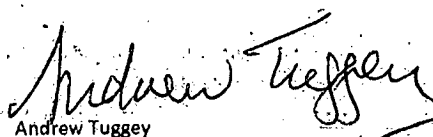


## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Investments	8	5,047	3,817
<b>Total fixed assets</b>		<u>5,047</u>	<u>3,817</u>
<b>CURRENT ASSETS</b>			
Debtors	9	374	310
Cash at bank and in hand		3,467	3,391
<b>Total current assets</b>		<u>3,841</u>	<u>3,701</u>
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	10	708	862
<b>NET CURRENT ASSETS</b>		<u>3,133</u>	<u>2,839</u>
<b>TOTAL NET ASSETS OR LIABILITIES</b>	17	<u>8,180</u>	<u>6,656</u>
<b>The funds of the charity:</b>			
Total unrestricted funds	14	908	660
Restricted Income funds	15	2,025	1,979
Endowments	16	5,247	4,017
<b>TOTAL CHARITY FUNDS</b>		<u>8,180</u>	<u>6,656</u>

The financial statements were approved and authorised for issue by the Trustees on 22nd September 2021 and signed on their behalf by:

  
Andrew Tuggey

The notes set out on pages 35 to 50 form an integral part of these financial statements.

UK COMMUNITY FOUNDATIONS

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £'000	2020 £'000
<b>Net cash flow from operating activities:</b>		
Net cash provided by/(used in) operating activities	533	(3,326)
<b>Cash flow from investing activities</b>		
Purchase of Investments	(457)	(96)
Net cash (used in) investing activities	(457)	(96)
<b>Net change in cash and cash equivalents in the reporting period</b>	<b>76</b>	<b>(3,422)</b>
Cash and cash equivalents at the beginning of the reporting period	3,391	6,813
Cash and cash equivalents at the end of the reporting period	3,467	3,391
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,524	(4,320)
Adjustment for:		
(Gains)/losses on investments	(773)	125
(Increase)/decrease in debtors	(64)	304
(Decrease)/increase in creditors	(154)	565
Net cash provided by/(used in) operating activities	533	(3,326)
<b>Analysis of cash and cash equivalents</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Cash in hand	3,467	3,391
Total cash and cash equivalents	3,467	3,391

During both the current and prior year, all cash and cash equivalents were held as cash at bank or in hand. At no stage did the charity have any borrowings, including overdrafts and finance leases, during this time, therefore no debt note has been disclosed.

The notes set out on pages 35 to 50 form an integral part of these financial statements.

**1: Accounting Policies**

**Company Information**

UK Community Foundations is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 1.04, 9 Brighton Terrace, London, SW9 8DJ.

**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 (Charities SORP second edition), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the Charitable Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

**Linked Charities**

UKCF has two linked charities: The Sir George Earle Fund (Charity number 1004630-1) and Aid for the Aged in Distress (Charity number 1004630-2). These have both been transferred as part of the Revitalising Trusts programme. The Sir George Earle Fund has been fully transferred and all income and expenditure is included as part of these financial statements. The funds for Aid for Aged in Distress are in the process of being transferred and a reasonable estimate of the value of the funds are included in these financial statements at £200k.

**Going concern**

The COVID-19 pandemic has been a time of unprecedented grant making for UKCF, most notably we became the main distribution partner for The National Emergencies Trust COVID-19 appeal alongside funding from other institutions (full detail is included in the Trustees Report). The core funding contribution from these programmes has enabled us to strengthen our finances during a difficult time to ensure that we can continue to deliver going forward.

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 income 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/contribution to overheads 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 funds transferred to UKCF which relate to the Revitalising Trusts Programme. The capital must be retained by the charity however the income from funds invested partly 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 it is incurred. Expenditure includes attributable VAT which cannot be recovered. Costs which are directly related to activities are allocated to those activities.

Fundraising costs comprise a portion of CEO and Business Development Director salary based on an estimate of time spent working with current and potential donors.

ICT Services costs comprise costs directly attributable to ICT consultants for the Network's CRM system and costs related to the CRM system itself.

Membership Services comprise mainly staffing and consultancy costs and other general costs related to our membership functions.

Projects and programmes comprise flow-through grants distributed throughout the Community Foundation Network and staffing and other costs, where these are specifically funded by donors.

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.

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**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at settlement value.

##### **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. Income

	2021			2020		
Donations and grants	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
<b>National Emergencies Trust (NET)</b>						
NET - COVID 19	314	52,670	52,984	-	2,650	2,650
NET EDI Infrastructure - COVID 19	16	1,039	1,055	-	-	-
NET Government Fund - COVID-19	100	19,445	19,545	-	-	-
	<u>430</u>	<u>73,154</u>	<u>73,584</u>	<u>-</u>	<u>2,650</u>	<u>2,650</u>
3i - COVID 19	4	196	200	-	-	-
Barclays - COVID 19	10	990	1,000	-	-	-
Building a Stronger Britain Together	35	3	38	233	1,596	1,829
CCLA	40	-	40	40	-	40
Cellnex	-	119	119	-	-	-
Comic Relief	-	-	-	14	(3)	11
Connect	-	-	-	9	8	17
Coronavirus Jobs Retention Scheme	16	-	16	-	-	-
C S Mott Foundation	62	-	62	39	-	39
DCMS Match Funding	10	2,338	2,348	-	-	-
Direct Line	2	98	100	-	-	-
Duchy of Lancaster	2	97	99	-	-	-
Fidelity	-	-	-	7	48	55
Flood and Storm Donations	-	-	-	2	3	5
Hiwilll (YSA) Project	32	259	291	32	1,720	1,752
John Armitage Charitable Trust	45	-	45	45	15	60
Ladbrokes	-	-	-	50	(75)	(25)
Made By Sport	-	4,386	4,386	-	-	-
MLM	-	7	7	-	-	-
The Mohn Westlake Foundation	-	-	-	15	235	250
Nationwide Building Society	85	-	85	183	254	438
Oak Foundation	33	-	33	36	63	99
Revitalising Trusts	27	20	47	-	20	20
Royal London	8	-	8	19	399	417
Sick Man's Friend - COVID 19	1	48	49	-	-	-
Surviving Winter	-	12	12	-	1	1
Tampon Tax	35	(19)	16	35	3,506	3,541
Tom Ward - Governance	20	-	20	-	-	-
Uber	6	-	6	2	110	112
Weavers	-	30	30	-	-	-
<b>Total</b>	<u>903</u>	<u>81,738</u>	<u>82,641</u>	<u>761</u>	<u>10,552</u>	<u>11,313</u>
<b>Subscriptions</b>						
Membership	345	-	345	338	-	338
<b>Total</b>	<u>345</u>	<u>-</u>	<u>345</u>	<u>338</u>	<u>-</u>	<u>338</u>
<b>Other Income</b>						
D D McPhail Charitable Settlement	-	-	-	2	-	2
ICT subscriptions	186	-	186	215	-	215
Other	-	-	-	29	-	29
Services Recharge	7	-	7	-	-	-
<b>Total</b>	<u>193</u>	<u>-</u>	<u>193</u>	<u>246</u>	<u>-</u>	<u>246</u>

In the prior year, unrestricted grant income for core costs related to restricted programmes were included under the other income heading. This year, this type of income has been included under the donations and grants heading to better reflect its nature. The prior year figures have been amended to this same basis to ensure consistency of presentation.

UK COMMUNITY FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

4. Grants paid to organisations

	2021 £'000	2020 £'000
National Emergencies Trust (NET)		
NET - COVID 19	52,670	2,650
NET EDI Infrastructure - COVID 19	862	-
NET Government Fund - COVID 19	19,445	-
	<u>72,977</u>	<u>2,650</u>
3i - COVID 19	196	-
Barclays - COVID 19	990	-
Building a Stronger Britain Together	102	4,935
Cellnex	119	-
Comic Relief	-	5
DCMS Match Funding	2,238	-
Direct Line	98	-
Duchy of Lancaster	97	-
Endowment Fund	146	15
Flood and Storm Donations	-	19
#iwill (YSA) Project	287	1,662
Ladbroke's	-	440
Made By Sport	4,386	-
The Mohn Westlake Foundation	-	235
Nationwide Building Society	-	412
Oak Foundation	-	636
Royal London	-	484
Sick Man's Friend - COVID 19	48	-
Surviving Winter	-	12
Tampon Tax	(22)	3,502
Uber	-	108
Weavers	30	-
	<u>81,692</u>	<u>15,113</u>

All grants paid are restricted in 2021 and 2020.

## 5. Expenditure

	Grants (Note 4) £'000	Staff costs and consultancy £'000	Office and running costs £'000	Total 2021 £'000
Fundraising	-	77	-	77
ICT services	-	66	156	222
Member services	-	752	193	945
<b>Total for above</b>		<b>895</b>	<b>349</b>	<b>1,244</b>
<b>Projects and Programmes</b>				
National Emergencies Trust	72,977	10	4	72,991
3i - COVID 19	196	-	-	196
Barclays - COVID 19	990	-	-	990
Direct Line	98	-	-	98
Building a Stronger Britain Together	102	-	2	104
Cellnex	119	-	-	119
DCMS Match Funding	2,238	-	-	2,238
Duchy of Lancaster	97	-	-	97
Endowment Fund	146	-	-	146
#iwill (YSA) Project	287	-	-	287
Leadership Programme	-	45	-	45
Made By Sport	4,386	-	-	4,386
Revitalising Trusts	-	30	-	30
Sick Man's Friend - COVID 19	48	-	-	48
Tampon Tax	(22)	-	-	(22)
Weavers	30	-	-	30
<b>Total for Projects and Programmes</b>	<b>81,692</b>	<b>85</b>	<b>6</b>	<b>81,783</b>
<b>2021 Total</b>	<b>81,692</b>	<b>980</b>	<b>355</b>	<b>83,027</b>

	Grants (Note 4) £'000	Staff costs and consultancy £'000	Office and running costs £'000	Total 2020 £'000
<b>Prior year</b>				
Fundraising	-	79	3	82
ICT services	-	65	155	220
Member services	-	700	207	908
<b>Total for above</b>		<b>844</b>	<b>366</b>	<b>1,210</b>
<b>Projects and Programmes</b>				
Building a Stronger Britain Together	4,935	10	-	4,945
Comic Relief	5	0	-	5
Connect	-	15	-	15
Endowment Fund	15	-	-	15
Flood and Storm Donations	19	-	-	19
#iwill (YSA) Project	1,662	15	-	1,677
Ladbrokes	440	-	-	440
Leadership Programme	-	109	-	109
The Mohn Westlake Foundation	235	-	-	235
Nationwide Building Society	412	7	-	419
National Emergencies Trust	2,650	-	-	2,650
Oak Foundation	636	5	-	641
Revitalising Trusts	-	28	-	28
Royal London	484	3	-	487
Surviving Winter	12	-	-	12
Tampon Tax	3,502	15	-	3,517
Uber	108	3	-	110
<b>Total for Projects and Programmes</b>	<b>15,113</b>	<b>210</b>	<b>-</b>	<b>15,323</b>
<b>2020 Total</b>	<b>15,113</b>	<b>1,054</b>	<b>366</b>	<b>16,533</b>



6. Staff costs and numbers

	2021 Total £'000	2020 Total £'000
Salaries and wages	525	588
Social security costs	54	62
Pension contributions	20	26
	<u>599</u>	<u>675</u>
Redundancy costs	25	
Other staff costs, including recruitment	225	155
	<u>849</u>	<u>831</u>

	2021	2020
Number of employees earning between £100,000 and £110,000	-	1
Number of employees earning between £80,000 and £90,000	1	-
Number of employees earning between £60,000 and £70,000	<u>2</u>	<u>1</u>

The average number of employees analysed by activity:

	2021	2020
Charitable activities	<u>17</u>	<u>13</u>

Key management personnel includes the Trustees, the CEO and Senior Management Team. The remuneration paid to the CEO and Senior Management Team amounted to £288k (2020: £287k).

The redundancy cost relates to a payment to one member of staff.

7. Net income/(expenditure) for the year

This is stated after charging:

	2021 £'000	2020 £'000
Operating lease rentals	1	1
Auditor's remuneration:-		
Current year - Statutory audit	12	10
Prior year - Statutory audit	2	-
Current year - Tax advisory services	2	-
	<u>15</u>	<u>11</u>

## 8. Investments

	2021 £'000	2020 £'000
Valuation at 1 April	3,740	3,846
Additions in year	4	18
Net gain/(loss) on revaluation	773	(125)
<b>Valuation at 31 March</b>	<b>4,517</b>	<b>3,740</b>
Cash held by Investment manager	530	6
Cash held in CAF bank	-	71
<b>Total valuation at 31 March</b>	<b>5,047</b>	<b>3,817</b>

All investments are held with CCLA in COIF Charities Investment Fund.

## 9. Debtors

	2021 £'000	2020 £'000
Trade and sundry debtors	359	18
VAT Recoverable	-	75
Prepayments and accrued income	15	216
	<b>374</b>	<b>310</b>

## 10. Creditors : Amounts falling due within one year

	2021 £'000	2020 £'000
Trade and sundry creditors	370	496
Accruals and deferred income	309	346
Social security and other taxes	29	20
	<b>708</b>	<b>862</b>

Included within Social security and other taxes is £4,373 owing to the pension scheme (2020: £2,763).

Included with the above is deferred income as follows:

Analysis of deferred income	2021 £'000	2020 £'000
Deferred income brought forward	354	61
Released to income in year	(241)	(61)
Deferred in year	163	354
<b>As at 31 March 2021</b>	<b>276</b>	<b>354</b>

Deferred Income relates to income for evaluation and monitoring work related to programmes which were ongoing at the year end.

**11. Trustee remuneration and expenses**

No members of the board (2020: 11), and no committee members (2020: 5) received reimbursement of travel expenses to attend meetings, this amounted to £nil (2020: £15k). No member of the board (2020: £nil) received remuneration.

Most trustees are also either trustees or employees of our member organisations (see note 12).

Total donations received from trustees amounted to £nil (2020: £nil).

**12. Related party transaction**

UKCF is a membership organisation which exists to serve its members. Some of our trustees are also involved in local Community Foundations, listed below, which are members of UKCF. Day to day transactions such as membership fees, licence fees and grant payments, take place between UKCF and its members. These transactions are on the same basis as the other members. If decisions are made about transactions with individual Community Foundations where trustees may have a conflict of interest, this interest is declared and the trustee not involved in the decision.

Trustee Name	Community Foundation
Toby Anstruther	Foundation Scotland
Michelle Cooper	County Durham Community Foundation
Jan Garrill	Two Ridings Community Foundation
Niamh Goggin	Community Foundation Northern Ireland
John Gordon	Community Foundation Northern Ireland
Andrew McCracken	Community Foundation Northern Ireland
Victoria Miles	Northamptonshire Community Foundation
Kevin Richmond	Sussex Community Foundation
Arthur Roberts	Community Foundation for Merseyside & Lancashire
David Rossington	Oxfordshire Community Foundation
Stephen Singleton	Suffolk Community Foundation
Mark Spofforth	Sussex Community Foundation
Andrew Tuggey	Community Foundation Wales
Tom Van Oss	Cornwall Community Foundation
Martha Wilkinson	Devon Community Foundation

**13. Operating lease commitments**

Total annual commitments payable under operating leases are as follows

	Land and Buildings		Other	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Operating leases which expire				
Less than 1 year	46	46	-	1
Between 1-2 years	46	46	-	-
Between 2-5 years	16	62	-	-
	<u>108</u>	<u>154</u>	<u>-</u>	<u>1</u>

## 14. Unrestricted and Designated Funds

	At 1 April 2020 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2021 £'000
<b>Unrestricted Funds:</b>					
General funds	624	1,485	1,253	(443)	413
<b>Designated Funds:</b>					
CRM Training and Development	36	-	36	-	-
Strategic Development	-	-	-	104	104
Digital Transformation	-	-	-	250	250
#iwill Programme	-	-	-	141	141
<b>Total</b>	<b>660</b>	<b>1,485</b>	<b>1,289</b>	<b>52</b>	<b>908</b>

The strategic development designated funds are for investment specific strategic projects including in the areas of equity, diversity and inclusion, communications and advocacy activities.

The designated funds relating to digital transformation are for the development of an improved network-wide CRM system.

The #iwill programme designated funds are a potential return of funds relating to an ongoing negotiation about the matched funding of Community Foundation management fees.

	At 1 April 2019 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2020 £'000
<b>Unrestricted Funds:</b>					
General funds	514	1,363	1,253	-	624
<b>Designated Funds:</b>					
CRM Training and Development	14	22	-	-	36
<b>Total</b>	<b>528</b>	<b>1,385</b>	<b>1,253</b>	<b>-</b>	<b>660</b>

## 15. Restricted funds

	At 1 April 2020 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2021 £'000
3i - COVID 19	-	196	196	-	-
Barclays - COVID 19	-	990	990	-	-
Building a Stronger Britain Together	218	3	104	(47)	70
Cellnex	-	119	119	-	-
DCMS Match Funding	-	2,338	2,238	-	100
Direct Line	-	98	98	-	-
Duchy of Lancaster	-	97	97	-	-
Endowment - Education Fund	-	1	-	-	1
Endowment - Relief of Poverty Fund	-	-	-	-	-
Endowment - Sir George Earl Fund	129	95	146	-	78
Fidelity	21	-	8	-	13
Flood and Storm Donations	6	-	-	-	6
#iwill (YSA) Project	52	259	287	-	24
John Armitage Charitable Trust	5	-	5	-	-
Ladbrokes	1,456	2	-	-	1,458
Made By Sport	-	4,386	4,386	-	-
Mars	5	-	-	(5)	-
MLM	-	7	-	-	7
Nationwide Building Society	12	-	-	-	12
NET - COVID 19	-	52,670	52,670	-	-
NET EDI Infrastructure - COVID 19	-	1,039	872	-	167
NET Government Fund - COVID 19	-	19,445	19,445	-	-
Oak Foundation	38	-	-	-	38
Revitalising Trusts	-	20	20	-	-
Royal London	23	-	1	-	22
Sick Man's Friend - COVID 19	-	48	48	-	-
Surviving Winter	3	12	-	-	15
Tampon Tax	11	(19)	(22)	-	14
The Worshipful Company of Weavers	-	30	30	-	-
<b>Total funds</b>	<b>1,979</b>	<b>81,836</b>	<b>81,738</b>	<b>(52)</b>	<b>2,025</b>

Negative income figures relate to the correction of unrestricted income recognised as restricted in previous years.

UK COMMUNITY FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2019 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2020 £'000
Building a Stronger Britain Together	3,567	1,596	4,945	-	218
Comic Relief	8	(3)	5	-	-
Connect	7	8	15	-	-
Endowment Fund	47	97	15	-	129
Fidelity	18	48	46	-	21
Flood and Storm Donations	22	3	19	-	6
#iwill (YSA) Project	8	1,720	1,677	-	52
John Armitage Charitable Trust	10	15	20	-	5
Ladbroke's	1,971	(75)	440	-	1,456
Mars	5	-	-	-	5
The Mohn Westlake Foundation	-	235	235	-	-
Nationwide Building Society	177	254	419	-	12
National Emergencies Trust	-	2,650	2,650	-	-
Oak Foundation	616	63	641	-	38
Revitalising Trusts	-	28	28	-	-
Royal London	112	399	487	-	23
Surviving Winter	13	1	12	-	3
Tampon Tax	21	3,506	3,517	-	11
Uber	-	110	110	-	-
<b>Total funds</b>	<b>6,602</b>	<b>10,657</b>	<b>15,280</b>	<b>-</b>	<b>1,979</b>

3I - COVID 19

The overarching theme of the grant programme is the alleviation of poverty and its consequences and, within this, the fund has focused its giving on a number of areas such as: food provision, education, domestic violence, the advancement of minorities and disadvantaged groups, community development, homelessness, elderly people and mental health.

Barclays - COVID 19

Donations from Barclays Covid 19 response were put towards Community Foundation programmes supporting vulnerable communities facing hardship due to the Covid-19 pandemic

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 has ended and is in the process of being closed down. A transfer has been made from restricted to unrestricted funds in the year to recognise the element of the grant funding which was a contribution towards UKCFs overheads.

Cellnex

Funded by Cellnex, the aim of the programme is to target digital exclusion and the funds have been used to support and work with organisations who are working in this area. All funds were distributed during 2020-2021.

#### **DCMS Match Funding**

The overall aim of the Programme is to provide support for local voluntary and community organisations that are helping vulnerable people impacted by the Covid-19 crisis. DCMS provided match funding to UKCF for onward distribution through the Community Foundations. The two key objectives for the Programme are to ensure essential services are provided to vulnerable people through the work of charitable organisations; and to reduce closures of charities that provide essential services to vulnerable groups during the COVID-19 crisis thereby reducing the burden on public services.

#### **Direct Line**

Donations from Direct Line were put towards Community Foundation Covid-19 related programmes in specific local areas.

#### **Duchy of Lancaster**

UKCF distributed funds on behalf of Duchy of Lancaster Benevolent Fund (DLBF) by awarding grants to communities affected by COVID-19. These grants were used to help communities in DLBF areas of interest on the basis of where there is the most need as identified by the local Community Foundations. All funds were distributed during 2020-2021.

#### **Endowment Funds**

There are three endowment funds held by UKCF which generate income. The largest is funded mainly 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. The two other funds are to specifically address relief of poverty and advancement of Education.

#### **Fidelity**

Funding the Community Foundation Leadership Programme and associated leadership development activities

#### **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 will continue to be disbursed in 2020-21

#### **#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 in 2017 and 2018, and has now completed the two year extension covering 2019 and 2020. The programme supported volunteering, skills development and social action opportunities for young people in disadvantaged areas and from backgrounds with below-average levels of participation. UKCF distributed grants of £5-10k for projects through our network of Community Foundations in England.

#### **John Armitage Charitable Trust**

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

#### **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 £440k pa. The programme was paused for 2020-21 due to the coronavirus pandemic and will be resumed with two years spend in 2021-22.

#### **Made by Sport**

MBS funded this programme to award grants to charities focused on grassroots sport for development, with a particular focus on clubs in crisis, specifically with the intention to save organisations from closure and to get them back on their feet following the pandemic. This is being distributed by the Community Foundation Network.

**Mars**

Established in August 2017, the money was 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. A transfer has been made from restricted to unrestricted funds in the year to recognise the element of the grant funding which was a contribution towards UKCFs overheads.

**MLM**

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

**Nationwide Building Society**

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

**National Emergencies Trust (NET)**

UKCF are the main distribution partner of the National Emergencies Trust for the Covid-19 appeal programme. The overall aim of the programme is to effectively and efficiently support local voluntary and community organisations that are helping vulnerable people impacted by the covid-19 crisis. The NET EDI Infrastructure Funding is for grant making to BAME led Infrastructure groups. The NET Government Fund specifically relates to funds received from the Big Night In Fundraiser.

**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.

**Revitalising Trusts**

DCMS provide this grant to support the Revitalising Trusts Programme which is run in partnership with the Charity Commission.

**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.

**Sick Man's Friend**

Funds received from Sick Man's Friend Society were to put towards Community Foundation Covid-19 related programmes.

**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.

**The Worshipful Company of Weavers**

A donation was received from the Worshipful Company of Weavers to put towards the Covid-19 related programmes in specific Community Foundation local areas.



UK COMMUNITY FOUNDATIONS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

16. Endowment Funds

	At April 2020 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Net Gains / (Losses) £'000	At 31 March 2021 £'000
Sir George Earle Charitable Fund	3,725	-	-	768	4,493
Education Fund	18	51	-	4	73
Relief of Poverty Fund	272	406	-	1	679
Central Fund	2	-	-	-	2
<b>Total Endowment Funds</b>	<b>4,017</b>	<b>457</b>		<b>773</b>	<b>5,247</b>

	At April 2019 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Net Gains / (Losses) £'000	At 31 March 2020 £'000
Sir George Earle Charitable Fund	3,846	-	-	(122)	3,725
Education Fund	-	21	-	(3)	19
Relief of Poverty Fund	-	272	-	(0)	272
Central Fund	-	2	-	-	2
<b>Total Endowment Funds</b>	<b>3,846</b>	<b>296</b>		<b>(125)</b>	<b>4,017</b>

As part of the Revitalising Trusts Programme with the Charity Commission, the Sir George Earle Charitable Fund was transferred to UKCF in 2018-19 and multiple other smaller value funds have been transferred to UKCF during 2019-20 & 2020-21. Investment income from these funds are spent in accordance with their initial restrictions prior to transfer to UKCF. More detail on the restrictions relating to the Sir George Earle Fund can be found in note 15. Income from the new funds in 2020-21 must be spent respectively on Education, Relief of Poverty or more broadly for the Central Fund.

17. Analysis of net assets between funds

	Unrestricted £'000	Restricted £'000	Endowment £'000
Net current assets	908	2,025	200
Investments	-	-	5,047
<b>Net assets at 31 March 2021</b>	<b>908</b>	<b>2,025</b>	<b>5,247</b>
	Unrestricted £'000	Restricted £'000	Endowment £'000
Net current assets	660	1,979	200
Investments	-	-	3,817
<b>Net assets at 31 March 2020</b>	<b>660</b>	<b>1,979</b>	<b>4,017</b>

18. Comparative Statement of Financial Activities  
(31 March 2020)

	2020			
	Unrestricted Fund £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>				
Grants	39	7,902	-	7,941
NET Grants	-	2,650	-	2,650
Donations	85	-	-	85
Subscriptions	338	-	-	338
Other	883	-	-	883
<b>Total Income</b>	<b>1,345</b>	<b>10,552</b>	<b>-</b>	<b>11,897</b>
Endowment transfer	-	-	296	296
Investment Income	-	97	-	97
Management Fees from endowment	40	8	-	48
<b>Total Income and endowments</b>	<b>1,385</b>	<b>10,657</b>	<b>296</b>	<b>12,337</b>
<b>EXPENDITURE ON:</b>				
Raising funds	82	-	-	82
ICT services	220	-	-	220
Member services	908	-	-	908
Projects and programmes	43	167	-	210
Grant payments	-	12,463	-	12,463
NET Grant payments	-	2,650	-	2,650
<b>Total expenditure</b>	<b>1,253</b>	<b>15,280</b>	<b>-</b>	<b>16,533</b>
<b>Net Income/(expenditure)</b>	<b>132</b>	<b>(4,623)</b>	<b>296</b>	<b>(4,195)</b>
Transfers between funds	-	-	-	-
<b>Other recognised gains/(losses):</b>				
Investment gains/(losses)	-	-	(125)	(125)
Actuarial (losses)/gains on defined benefit pension schemes	-	-	-	-
<b>Net movement on funds</b>	<b>132</b>	<b>(4,623)</b>	<b>171</b>	<b>(4,320)</b>
<b>Reconciliation of funds</b>				
Total Funds Brought Forward	528	6,602	3,846	10,976
<b>Total Funds Carried Forward:</b>	<b>660</b>	<b>1,979</b>	<b>4,017</b>	<b>6,656</b>

## UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2021

### REFERENCE AND ADMINISTRATION DETAILS

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### REFERENCE AND ADMINISTRATION DETAILS

<b>Status:</b>	The organisation is a charitable company limited by guarantee, incorporated on 7 October 1991 and registered as a charity on 11 October 1991.
<b>Governing document:</b>	The organisation was established under a memorandum of association on 7 October 1991 and amended on 2 December 1993, 17 July 1996, 21 October 1998, 19 January 2000, 27 April 2001, 23 April 2003, 17 November 2010, 19 March 2013, 16 November 2016 and 10 December 2020 which established the objects and powers of the organisation and is governed under its articles of association.
<b>Company number:</b>	2651777
<b>Charity number:</b>	1004630
<b>Registered Office and Operations address:</b>	Unit 1.04, 9 Brighton Terrace, London, SW9 8DJ.
<b>Honorary Officers:</b>	Chair – Andrew Tuggey CBE DL (from 22 October 2020) Acting Chair – Victoria Miles (from 30 September to 22 October 2020 ) Chair – Dr Jerome Booth (from 24 July 2019 to 30 September 2020) Treasurer - Colin Seccombe MBE
<b>Members of the Board:</b>	Toby Anstruther Dr Jerome Booth, Chair (to 30 September 2020) Michelle Cooper MBE (from 22 October 2020) Jan Garrill (to 22 October 2020) Niamh Goggin (to 15 June 2020) John Gordon (from 28 July 2020) Andrew McCracken (from 22 October 2020 to 10 December 2020) Victoria Miles DL, Vice-Chair (to 22 October 2020) John Nickson (to 22 October 2020) Professor Paul Palmer (to 22 October 2020) Kevin Richmond (from 22 October 2020)

**UK COMMUNITY FOUNDATIONS**

**YEAR ENDED 31 MARCH 2021**

**REFERENCE AND ADMINISTRATION DETAILS**

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	Arthur Roberts (to 22 October 2020) Timothy David Rossington (from 22 October 2020) Colin Seccombe MBE, Treasurer Stephen Singleton David Mark Spofforth (from 22 October 2020) Andrew Tuggey CBE DL (from 24 June 2020) Thomas Van Oss (from 22 October 2020) Martha Wilkinson (to 22 October 2020)
<b>Chief Executive:</b>	Fabian French (to 9 April 2020) Rosemary Macdonald (from 1 March 2020)
<b>Company Secretary:</b>	Ian Smith
<b>Bankers:</b>	CAF Bank Ltd, Kings Hill, West Malling, Kent ME19 4TA
<b>Investment Bankers:</b>	CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET
<b>Auditors:</b>	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG