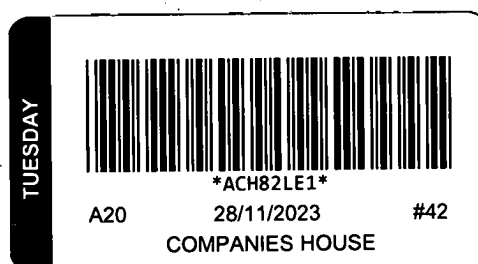


Charity registration number 1113226

Company registration number 5670692 (England and Wales)

**SUSSEX COMMUNITY FOUNDATION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**



# SUSSEX COMMUNITY FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

Andrew Baird  
Maggie Burgess  
Julia Carrette  
Sally Case (Appointed 11 May 2023)  
Guy Davison  
Corinne Day  
Mebrak Ghebreweldi  
Christine Gibbons (Appointed 11 May 2023)  
David Hill  
Keith Hollis  
Brian Mills  
Martin Roberts  
Mark Spofforth OBE - Chair  
Patrick Stevens - Treasurer  
Pamela Stiles  
Rachel Misra (Appointed 11 May 2023)

### Secretary and Chief Executive

Kevin Richmond

### Founder

The 10th Duke of Richmond & Gordon

### Joint Presidents

Andrew Blackman Lord Lieutenant of East Sussex  
Lady Emma Barnard Lord Lieutenant of West Sussex

### Patron

The 11th Duke of Richmond & Gordon

### Company number

5670692

### Registered office

15 Western Road  
Lewes  
East Sussex  
BN7 1RL

[www.sussexgiving.org.uk](http://www.sussexgiving.org.uk)  
[info@sussexgiving.org.uk](mailto:info@sussexgiving.org.uk)

### Auditor

Knill James LLP  
One Bell Lane  
Lewes  
East Sussex  
BN7 1JU

### Bankers

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

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# **SUSSEX COMMUNITY FOUNDATION**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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Handelsbanken  
109 Church Road  
Hove  
East Sussex  
BN3 2AF

### **Solicitors**

Adams and Remers LLP  
Trinity House  
School Hill  
Lewes  
East Sussex  
BN7 2NN

### **Investment advisors**

CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London  
EC4M 8BU

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# **SUSSEX COMMUNITY FOUNDATION**

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# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2023

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The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

#### Chair's report 2022-23

It is never "business as usual" at the Sussex Community Foundation. The aftermath of the pandemic continues to impact on our own work, and staff, and of course on the activities, staff, and volunteers of charities and community groups throughout the county. On top of this we face what has come to be known as "the cost-of-living crisis", a euphemism for the grave and real hardships that impact on the day to day lives of so many.

We have been only too well aware of the real risk of many vital local charities, deeply affected by the current situation, being lost. The need for us to help them by sustaining and growing our effective grant making is greater than ever.

During the pandemic charitable giving led to a welcome, and much needed, "spike" in our flow through income (i.e., that part of our income that doesn't derive from our endowment investments). This spike was partly due to the fantastic response to our own Sussex Crisis Fund appeal, and that of the National Emergencies Trust in 2020 to 21, and partly due to increased support from East & West Sussex County Councils. Sussex Community Foundation was trusted to make efficient and focussed payments to help charities cope with the pandemic, a task which I am confident we fulfilled. As a consequence, over the last two years our grant making has increased from around £2m pre pandemic to over £4m.

These figures are now changing as we come out of the covid crisis, with the consequent withdrawal of local government funding and significant drop in public giving nationally. Our flow-through income will inevitably decrease substantially, even as the demand for grants continues to increase. We have to work hard to raise funds to make up our grant making capacity to support so many excellent charities.

In anticipation of this situation, we have developed and launched a new strategy, already bearing fruit, which makes a set of public commitments by which our progress can be tested over the next five years. As part of that strategy, we have instituted important changes in our management structure, introducing significantly more delegation across our different teams, without we hope losing the nimbleness which has been a hallmark of our operation since the Foundation's creation. We have also commenced in-depth work on our investment and drawdown policies to ensure continued long-term growth and strong financial sustainability.

The new strategy plans to attract a further £10m in endowment funds over five years and to give out at least £3m each year in grants, less than the covid years' "spike" but significantly more than our pre covid grant giving. That spike reinforces our firm belief that our endowment model is the best, indeed perhaps the only, realistic way of ensuring that our grant programmes are sustainable evenly over the long term, avoiding over-reliance on the pressures and vagaries of flow through income.

During this financial year the total income to endowment was £566,423. While this was lower than budget the trustees are not overly concerned because the pipeline for new endowment funds appears fairly strong. They are aware that endowment donations tend to come in large lumps so the actual performance in any one year is hard to predict. After our annual drawdown and capital gains and losses the total value of the endowment was £24,034,460.

To meet our endowment target we need to tap into the very many potential sources of charitable giving in Sussex that somehow remain unaware not only of the existence of a local Community Foundation and what it can achieve for their charitable giving, but of the fiscal and other advantages of doing so. To implement those plans we have invested a portion of our strong reserves in our philanthropy and marketing teams to help us reach more potential donors and, in short, to raise more money.

# **SUSSEX COMMUNITY FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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Each and every week our grants team is assessing grant applications, and our many grants panels are meeting, to decide who we can best help, bearing in mind the inevitable limitations on our available resources. Decisions can be difficult, even at times painful, but both staff and Trustees approach their task assiduously and with great care. The work is often little known, but it means a great deal to communities throughout the County, East and West, as well as the City of Brighton and Hove.

The trustees of the Foundation have signed up to the Funder's Commitment on Climate Change, which is now administered by the Association of Charitable Foundations. As part of this we are committed to reviewing all our operations, from office administration to grant making and investments, in the light of their impact on climate. Our actions towards raising more funds, and giving more grants, for this area of work is evident from our strategy. We will also carry out an energy audit of our day to day operations to identify how we can minimise our carbon footprint.

After seven years as Chair of the board of Trustees of the Foundation I step down this summer and will leave the board later in the year after nine years as a trustee. The Foundation has changed a great deal in that time. I am sorry to be leaving, although it is quite right that I should do so after such a long term. I am full of admiration, and indeed affection, for each and every one of the staff at the Foundation with whom I have worked over the years. Their dedication to the work they do is unequalled. I am proud to have played some small part.

*Keith Hollis 11 June 2023*

As the incoming Chair of Sussex Community Foundation, I would like to give sincere thanks to Keith Hollis for doing such an excellent job. Keith has steered the charity with great tact and diplomacy, and with a real passion for the cause. He has always made sure that everyone has the chance to fully participate and taken care to look after the people who work for the charity. This care and support was vital during the very challenging times of the Covid pandemic. He is a hard act to follow, but I promise to do my very best. Thank you Keith.

*Mark Spofforth, Chair (from 1st July 2023).*

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### OBJECTIVES AND ACTIVITIES

The Foundation's Charitable Objects are:

- The promotion of any charitable purposes for the benefit of the community in the Counties of East Sussex, West Sussex and the City of Brighton and Hove and in particular the advancement of education, the protection of good health both mental and physical and the relief of poverty and sickness;
- Other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the Trustees, beneficial to the community including those in the area of benefit.

For ease of reference East Sussex, West Sussex and Brighton and Hove are referred to as "Sussex" in this document.

The Trustees carried out a strategic review during the course of 2021 and 2022. This led to a new strategy which was approved by the Board in July 2022 and launched at our public meeting on 1<sup>st</sup> December 2022. The following vision statement and objectives were agreed as part of that strategy.

### OUR VISION:

To see a fairer and more equal Sussex, where people and communities thrive for today and for the future.

### OUR MISSION:

To champion and enable all who want to make a positive contribution to our local area through effective philanthropy and community action.

### WE WILL DO THIS BY:

Inspiring local people to give to meet local needs

Investing in local charities and community groups, and helping them to become strong and sustainable organisations

Informing & Influencing philanthropists and the wider community about local needs, now and in the longer term.

### ALL OUR WORK IS INFORMED BY OUR VALUES:

We show leadership, acting boldly and positively for the public good.

We champion equity, working in accessible and inclusive ways, supporting greater fairness, and standing against prejudice, discrimination and disadvantage.

Our approach is empowering, helping others to make the difference that they want to make.

We maintain the highest standards of integrity in all that we do.

We believe that people achieve the most when they work together with shared passion and vision.

### OUR COMMITMENTS:

Sussex Community Foundation is a broad-based local funder, supporting a wide range of charitable activities and enabling philanthropists to address the causes they care about. In this strategy we are making seven specific commitments. We will measure our progress on each and report each year on what we have achieved and what is left to do.

#### Our commitments are:

To focus our support clearly and openly on addressing poverty and disadvantage

To help strengthen local communities and the voluntary sector

To increase the amount and the effectiveness of local philanthropy in Sussex

To use data and local knowledge to inform our work

To promote equity, diversity and inclusion

To support local action to address climate change

To be an open and trusting grant maker

Alongside this review the Trustees commissioned Studio Kico to develop a new brand identity to replace the existing branding which had been in place since 2006. The new brand was also launched on 1<sup>st</sup> December 2022.

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### Achievements and performance

#### ATTRACTING FUNDS FOR IMMEDIATE GRANT MAKING

Indicator	2022/23	2021/22
Amount Donated to flow-through	£1,949,222	£2,524,758
Number of active Flow-through funds	41	39
Contribution to grant funds from Community First Endowment	£498,860*	£253,223
Contribution to grant funds from other endowment	£967,413	£1,171,908

If funds raised for immediate grant making are greater than the amount distributed in the year then the surplus will be distributed in future periods.

\*N.B. The investment income from Community First Funds is inflated by 25% this year due to a change in accounting policy. In previous years we reported investment income on receipt but as from 2022-23 we will accrue for interest earned in each quarter.

#### GRANT MAKING

One of the most challenging roles for the Trustees is choosing which of many deserving causes should be assisted from limited resources. The Board of Trustees is ultimately responsible for all grants awarded by the Foundation but it delegates detailed decision-making to its Grants Committee. The report, "Sussex Uncovered 3", published by the Foundation in November 2019, details the Indices of Multiple Deprivation in areas across Sussex and is used to inform the grant making strategy. The Foundation solicits applications and assesses those that are eligible for funding. Applications are then matched with the charitable goals of each fund and donor.

Indicator	2022/23	2021/22
Value of grants awarded	£3,274,590	£4,254,328
Number of grants awarded	727	1,106
Average size of grant	£4,524	£4,193
Number of grants £10,000 or over	82	118
Number of groups supported	505 *	639
Number of grants to individuals	29	23
Number of grants under £1,000	84 (12%)	174 (15 %)

\*147 groups received more than one grant (average number of grants per group was 1.4).

A number of grants were awarded subject to conditions, which have not yet been fulfilled. The total value of these conditional grants was £56,113.



# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### Number of grants by Local Authority area\*

Number of Grants

Local Authority	2022/23	2021/22
East Sussex	214 (29%)	294 (27%)
West Sussex	217 (30%)	353 (36%)
Brighton & Hove	224 (31%)	328 (33%)
Other	71 (9%)	18 (2%)
Total	727	993
*Does not include grants to individuals.		

#### IMPACT REPORTING

Making decisions about who should benefit is challenging. However, the Foundation's role does not stop there, and the Trustees are mindful of the need to understand the impact that each grant has made, and to follow up contact with beneficiaries.

The Foundation requires all grant recipients to return monitoring forms at the end of their projects. These are used to monitor outcomes and inform assessment of future applications. The Foundation collates quantitative and qualitative data from these monitoring returns and uses this data to produce reports to Trustees, donors and stakeholders on the achievements of the groups that we fund.

The Board of Trustees has maintained oversight of the grants process and is satisfied with this year's outcomes. Healthy discussions at Board meetings ensure that there is no complacency with the Foundation's achievements, and the Trustees continue to learn and strive for greater impact with the resources available.

#### HELPING COMMUNITIES TO RECOVER FROM DISASTERS

In recent years, community foundations across the UK have played a key role in managing funds donated to help people affected by disasters. Community foundations have a unique knowledge of the needs of local communities and an ability to make grants quickly and effectively.

We used this knowledge and expertise to deliver the Sussex Crisis Fund in response to the Covid Pandemic between 2020 and 2022 and were very grateful to generous support from the National Emergencies Trust, East & West Sussex County Councils and many local people, companies and charities, that have enabled us to get funds to where they were most needed during the pandemic and through the recovery phase.

During the financial year 2022-23 we launched a new appeal to help local people and communities through the Cost-of-Living Crisis. While the public response was nowhere near as generous as it was to the Covid pandemic, we were nonetheless able to raise £150,023 and award 20 grants from our Cost-of-Living Funds.

#### PUBLIC BENEFIT

The goal of all the Foundation's activities is to provide benefit to the public in Sussex, focusing on addressing disadvantage and deprivation and building strong communities, but supporting all areas of charitable activity. It achieves this by awarding grants to local charities and community groups, which provide demonstrable community benefits. In assessing applications for a grant, the Foundation seeks evidence of genuine public benefit and requires applicants to have an appropriate Equal Opportunities Statement that assures that benefits are available to all within the relevant community. The Trustees have had due regard for the guidance published by the Charity Commission on public benefit.

# **SUSSEX COMMUNITY FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **GRANTS POLICY**

The Foundation has developed a grants policy, which aims to match the charitable goals of its donors with the needs of the community, focusing on addressing disadvantage, promoting thriving communities, improving quality of life, and helping people to fulfil their potential.

### **FUNDRAISING**

The Foundation is registered with the Fundraising Regulator and has signed up to the Fundraising Promise and the Code of Fundraising Practice. It is also Quality Accredited by UK Community Foundations.

The Foundation raises funds by developing long-term relationships with potential supporters. Fundraising activities are undertaken by paid employees and volunteer Trustees and ambassadors, all of whom are accountable to the Chief Executive and the Board of Trustees. The Foundation does not use any paid external fundraising agencies or consultants.

There have been no failures to comply with Fundraising Standards and no complaints regarding the Foundation's fundraising activities in this financial year.

The Foundation takes great care to communicate sensitively with supporters and potential supporters and to avoid any intrusion on an individual's privacy.

### **ENDOWMENT FUND**

In order to achieve long-term benefit for the community, the Foundation is building an Endowment Fund, which will enable the Foundation to provide public benefit to the local community across Sussex for generations to come. The Endowment Fund is invested using professional fund managers.

### **SERVICE TO DONORS**

The Foundation's individual character and, to some extent, competitive advantage over other organisations seeking to improve the lives of those in need in Sussex, arise from the strategy for attracting funds from donors who wish to monitor and advise on the manner in which their donations are applied. As a result, the Foundation's work additionally provides a comprehensive donor service to people and companies who care about their local community; it helps donors to make the maximum positive impact on the community and shows them the benefits achieved with their giving.

"Named Funds" are a core element of this service for donors. A Named Fund offers the donor the opportunity to establish a charitable fund in their own name, which can be used to award grants to match the donor's specific charitable interests.

Named Funds are of two types. A "Flow-through" named fund is distributed within an agreed timescale, normally one year, so as to maximise the immediate impact in the community. An "Endowment" Named Fund is a capital fund invested to generate investment income and capital growth, which can be distributed as grants for the benefit of the community for the long term.

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### Financial review

The financial year from April 2022 to March 2023 was another successful one for Sussex Community Foundation.

Donations to endowment, at £563,601 (2022 - £925,666) were lower than budgeted (£1,250,000). There was a drop during the Covid pandemic, when donations were focused towards immediate crisis response, but a strong result in 2021-22. However, there were significant pledges in the pipeline at the year-end which give the Trustees reassurance that the support for endowment giving remains strong.

Income for immediate grant making (flow-through funds) was £1,949,922 for the year (£2,524,758 in the previous year), compared with a budget of £2,001,000.

As at 31 March 2023, the Foundation held £1,611,699 in restricted grant making funds, which are for the sole purpose of grant making in future periods and cannot be used for the general purposes of the charity. The high value of funds held is due in part to advance payments for the Rampion Fund which are intended to be spent over a period of ten years. Other funds which carry over a large balance include the Brighton & Hove Homelessness Fund, which is a large grant for a capital project which has been delayed by the pandemic.

The charity's investments showed a capital loss over the year of £942,547 compared with a gain of £1,826,903 in 2021. Both were in line with market performance. The table below compares the investment performance of our two fund managers in the periods up to 31 March 2023.

	Last 12 months	3 years (average)	5 Years (average)
Sarasin	-3.8%	+8.3%	+5.9%
CCLA Charities ethical fund	-2%	+10.63%	+8.7%

In February 2020, the Trustees took the decision to move all our investments held at Sarasin to their "Climate Active Fund" which does not invest in fossil fuels and proactively invests in businesses that are making a positive contribution to addressing climate change. On 1 July 2021 the Trustees decided to transfer all funds held at CCLA to the CCLA Charities Ethical Fund. Both Sarasin and CCLA are seen as leaders in the field of ethical investing and active engagement with companies in which they invest. Details of our investment managers' ethical investment policies are available on request.

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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### RESERVES POLICY

As with all charities, Sussex Community Foundation must raise the funds required to support the development of the charity itself, in addition to grants to beneficiaries. It is important to ensure that the organisation is sustainable and successful in the long term. In order to ensure that sustainability, the Charity must hold an appropriate level of Reserves.

Our Reserves Policy is that unrestricted funds, which have not been designated for a specific use, should be maintained at a level equivalent to twenty-six weeks (six months) of the subsequent year's budgeted operating expenditure. The Trustees recognise that the charity's income for operating costs is variable and consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while plans are made to address changing circumstances.

As at 31 March 2023, unrestricted reserves stood at £502,490, which represents 28 weeks' operating expenditure budget for 2023-24 compared with £552,401 or 34 weeks in the previous year.

After a run of several years of strong financial performance where the level of reserves were increasing above the Trustees' reserves policy level, the Trustee undertook to invest by growing the staff team during 2022-23 to provide a basis to increase the value of the Foundation's grants output and of the endowment fund so as to maximise the Foundation's positive impact for the local community. These additional staffing resources are intended to meet the ambitious goals set out in the strategy which was launched on 1<sup>st</sup> December 2022.

The national and global economic situation changed dramatically in the autumn of 2022. The large increase in inflation and substantial drop in investment values will have a significant impact on the Foundation's financial models. The Trustees carefully reviewed their financial plans in the autumn and winter of 2022-23. They decided to continue to implement the strategy as approved, while keeping a close eye on the Foundation's financial performance and the wider economic situation. If the economic situation does not improve, and the Foundation does not achieve the income expected, plans will be adjusted accordingly. It is likely that the level of reserves will reduce in the next 3-5 year period.

The Trustees are continuing to promote a Friends Scheme to attract unrestricted donations and are planning to attract a wider range of donations at different levels to support our endowment, grant making and core costs.

### INVESTMENT POLICY

Central to Sussex Community Foundation's mission is the development of an Endowment Fund in order to provide sustainable funding to promote thriving communities, address disadvantage and improve quality of life across Sussex for generations to come. The Foundation continually works to attract new donations to help grow this fund for the benefit of the community.

Under the Articles of Association, the Trustees have the power to invest funds not immediately required by the Charity and to appoint professional investment managers to manage investments on their behalf. The Trustees have the power to spend capital from the Endowment Fund to promote the charitable purposes of the Foundation.

Sussex Community Foundation's investment policy for its Endowment seeks to:

- maximise performance through a diversified portfolio and a medium risk strategy
- achieve a total investment return after costs of at least 1% per annum above that of the median fund in the ARC Steady Growth Charity Index over rolling three-year periods
- achieve a total investment return which exceeds the Retail Price Index over rolling three-year periods

All Endowment funds are invested using professional fund managers. In instructing these advisors, Sussex Community Foundation aims to achieve a balance between meeting current needs for grant making funds (by generating an annual income) and developing an Endowment to meet the needs of future generations (by maintaining the real value of the capital).

The investment managers acting on behalf of the Foundation have extensive expertise in managing charity investments and have developed standard ethical investment policies, which the Trustees consider to be appropriate for their needs. The Trustees do not at present undertake any social investment or programme related investments.

# **SUSSEX COMMUNITY FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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At the end of each financial year the Trustees review the capital value of the Endowment Fund and any income received. They then decide the value of grants to be awarded from the Endowment Fund, and any contribution to the costs of running the charity. In making this decision they seek to balance the short and long-term needs of the community.

It is a requirement of Government Match Funding that all Community First donations be held in a central fund managed by a single advisor. This investment advisor is for the time being CCLA. Community First investments are overseen by a National Investment Committee, which is a sub-committee of the Board of UKCF.

#### **RISK MANAGEMENT**

The major factors which affect the success and sustainability of the charity are:

1. The degree of success in raising funds - for endowment, grant making and operating costs
2. The investment performance of endowment funds
3. The ability of the charity to provide a high quality service to its donors and to the community
4. The reputation of the charity among potential donors, community groups, charities and intermediaries

The Trustees have developed a comprehensive risk management policy and system, which allocates responsibility for managing risk to sub-committees and named individuals and is overseen by the Audit Committee.

#### **PLANS FOR FUTURE PERIODS**

Following a tumultuous recent period of change and against a backdrop of significant social, economic and health challenges, we took the decision to embark on a review of our strategy earlier this year. We felt it was necessary to do so given that our grant making, and our relationships with donors and other supporters, had substantially evolved during this time and based on our conviction that we would need to continue to develop our model considering continuing global uncertainty.

Our new vision, mission and values reflect what we have learned over the past few years and look to the future with clarity and continued hope and determination.

In developing this business plan, we have considered the external landscape, the needs of our donors and other stakeholders and importantly, how best we can support the voluntary sector in responding to the challenges – and opportunities – ahead over the coming years. Issues like climate change and challenges with the cost of living and rising inflation continue to be in the foreground as we plan our future work and priorities.

Our strategy and this plan set out clear commitments for the next few years. This includes delivering clearer and more intentional grant making to address poverty and disadvantage, to strengthen our local communities and the voluntary sector, and to support local action to address issues such as equity, diversity and inclusion and climate change. We are one of the signatories to the IVAR Flexible Funder Commitments and we are committed to improving the experience of all those seeking funding from us.

We will also increase the amount and the effectiveness of local philanthropy in Sussex, offering expert local philanthropy advice that enables maximum impact from charitable giving. We will be informed by data but also by people and will engage in regular community listening activities to inform our approach. We will champion and give voice to local issues, building our leadership role and casting light on where funding and support is needed most.

Over the past three years we have given out more than £11 million to over 1,000 unique charities and voluntary sector organisations. We have built lasting partnerships and now have over 100 active grant-making funds across a wide range of themes right across Sussex. We will continue with what we do today, but with strengthened intention, focus and reach and with a clear set of commitments on which we will report in 2027.

We do all this from a position of strength. We continue to build our endowment to ensure we are here for the long term. We have increased our capacity as a team in our communications and marketing, our philanthropy and in how we manage the day-to-day operations of our organisation. We have a fantastic and committed staff and trustee team with a wealth of local knowledge and a deep passion for what we do. Our people - including our donors and supporters - are truly our greatest asset.

# **SUSSEX COMMUNITY FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Structure, governance and management**

Sussex Community Foundation is a registered charity and a company limited by guarantee. It is governed by its Memorandum and Articles of Association dated 10th January 2006 as amended on 11 May 2010.

Trustees and officers who served during the year or at the time of publication were:

Andrew Baird	
Maggie Burgess	
Rodney Buse	(Resigned 24 November 2022)
Julia Carrette	
Sally Case	(Appointed 11 May 2023)
Guy Davison	
Corinne Day	
Jonica Fox	(Resigned 24 November 2022)
Mebrak Ghebreweldi	
Christine Gibbons	(Appointed 11 May 2023)
Nikki Glover	(Resigned 24 November 2022)
David Hill	
Keith Hollis	
Brian Mills	
Martin Roberts	
Mark Spofforth OBE - Chair	
Patrick Stevens - Treasurer	
Pamela Stiles	
Rachel Misra	(Appointed 11 May 2023)

#### **RECRUITMENT AND APPOINTMENT OF TRUSTEES**

Trustees are appointed by the Board of Trustees for a three-year term, which can be renewed up to twice. Recruitment of new Trustees is overseen by a Nominations Committee, which makes recommendations to the Board. At least every three years, the Trustees carry out a detailed review of the skills of members of the Board in order to identify any gaps. This review was completed in June 2022.

During 2022, the Trustees advertised to seek applications for new trustees. After a very positive response, three new trustees were appointed to the Board to start in May 2023 and a further three were appointed to join the Board in November 2023.

#### **TRUSTEE INDUCTION AND TRAINING**

The Foundation has adopted procedures for recruitment, induction and training of Trustees, which include meetings with the Chair and Chief Executive on appointment, a recruitment information pack and appropriate training for Trustees.

#### **TRUSTEE REMUNERATION AND REGISTER OF INTERESTS**

All Trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in Note 9 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and to withdraw from decisions where a conflict of interest arises. At the beginning of every trustee meeting, those present are asked to declare any interests in any item in the agenda. Trustees may also declare any additional interest as the meeting unfolds.

# **SUSSEX COMMUNITY FOUNDATION**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2023**

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### **ORGANISATION**

The Board of Trustees, which meets four times per year, governs the charity.

Sub-committees have been established to address specific areas of governance and meet as required. These committees include a Finance, Strategy & HR Committee, Grants Committee, Grants Strategy & Impact Committee, Fund Development Committee, Nominations Committee, Marketing Committee and Audit and Risk Committee.

As at July 2023, 13 permanent and 3 temporary paid staff conduct the day-to-day business of the charity, supported by volunteers and led by the Chief Executive who reports to the Board.

The Trustees are extremely grateful for the valuable contribution of volunteers and ambassadors, who help to attract funds, assess applications and assist in administration. These volunteers have played a central role in the success of the charity and the Trustees are always looking for ways to increase the Foundation's effectiveness by the involvement of volunteers.

### **PAY POLICY FOR SENIOR STAFF**

The pay of all staff is reviewed annually against the Consumer Prices Index, other indicators of the cost of living and other comparable jobs. Job Descriptions are reviewed from time to time as posts become vacant or as roles and the requirements of the organisation develop. All Job Descriptions are reviewed at least every three years. The pay for new or revised Job Descriptions is benchmarked against similar posts in other community foundations and the local voluntary sector.

### **RELATED CHARITIES**

None of the Trustees has any beneficial interest in the Foundation. All of the Trustees are members of the company and guarantee to contribute £10 in the event of winding-up.

Sussex Community Foundation is a quality accredited member of UK Community Foundations (which is itself a Registered Charity). Accreditation is subject to independent assessment every three years. The Foundation achieved accreditation in 2007, 2010, 2013, 2017 and 2021. The Chief Executive of the Foundation is currently a Trustee of UKCF.

The Foundation is also an associate member of the Association of Charitable Foundations

### **Auditor**

In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

### **Disclosure of information to auditor**

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Keith Hollis  
Trustee

27 September 2023

# **SUSSEX COMMUNITY FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The Trustees, who are also the directors of Sussex Community Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# SUSSEX COMMUNITY FOUNDATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

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#### Opinion

We have audited the financial statements of Sussex Community Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### 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 charity'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 annual report, other than the financial statements and our auditor's report thereon. 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.

# SUSSEX COMMUNITY FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

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

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

#### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity'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.

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

# SUSSEX COMMUNITY FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and the Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Trustees' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are employment law and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of report

This report is made solely to the charitable company's trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed

*Knill James LLP*

Mark Filsell FCA (Senior Statutory Auditor)  
for and on behalf of Knill James LLP

Chartered Accountants  
Statutory Auditor

*27 November 2023*

One Bell Lane  
Lewes  
East Sussex  
BN7 1JU

# SUSSEX COMMUNITY FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

### Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
<b>Income from:</b>						
Donations and legacies	2	693,453	1,949,922	563,601	3,206,976	4,102,285
Other trading activities	3	-	-	2,822	2,822	13,875
Investments	4	14,985	322,529	-	337,514	260,459
<b>Total income and endowments</b>		<b>708,438</b>	<b>2,272,451</b>	<b>566,423</b>	<b>3,547,312</b>	<b>4,376,619</b>
<b>Expenditure on:</b>						
Raising funds	5	140,618	-	-	140,618	93,247
Charitable activities	6	617,731	3,635,019	263,978	4,516,728	5,376,182
<b>Total expenditure</b>		<b>758,349</b>	<b>3,635,019</b>	<b>263,978</b>	<b>4,657,346</b>	<b>5,469,429</b>
Net gains/(losses) on investments	11	-	-	(942,547)	(942,547)	1,826,903
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(49,911)</b>	<b>(1,362,568)</b>	<b>(640,102)</b>	<b>(2,052,581)</b>	<b>734,093</b>
Gross transfers between funds		-	1,290,726	(1,290,726)	-	-
<b>Net movement in funds</b>		<b>(49,911)</b>	<b>(71,842)</b>	<b>(1,930,828)</b>	<b>(2,052,581)</b>	<b>734,093</b>
Fund balances at 1 April 2022		552,401	1,683,540	25,965,288	28,201,229	27,467,136
<b>Fund balances at 31 March 2023</b>		<b>502,490</b>	<b>1,611,698</b>	<b>24,034,460</b>	<b>26,148,648</b>	<b>28,201,229</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

# SUSSEX COMMUNITY FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
	Notes				
<b>Income from:</b>					
Donations and legacies	2	651,861	2,524,758	925,666	4,102,285
Other trading activities	3	11,235	2,640	-	13,875
Investments	4	437	260,022	-	260,459
<b>Total income and endowments</b>		<b>663,533</b>	<b>2,787,420</b>	<b>925,666</b>	<b>4,376,619</b>
<b>Expenditure on:</b>					
Raising funds	5	93,247	-	-	93,247
Charitable activities	6	524,757	4,595,272	256,153	5,376,182
<b>Total expenditure</b>		<b>618,004</b>	<b>4,595,272</b>	<b>256,153</b>	<b>5,469,429</b>
Net gains/(losses) on investments	11	-	-	1,826,903	1,826,903
<b>Net (outgoing)/incoming resources before transfers</b>		<b>45,529</b>	<b>(1,807,852)</b>	<b>2,496,416</b>	<b>734,093</b>
Gross transfers between funds		-	1,213,564	(1,213,564)	-
<b>Net movement in funds</b>		<b>45,529</b>	<b>(594,288)</b>	<b>1,282,852</b>	<b>734,093</b>
Fund balances at 1 April 2021		506,872	2,277,828	24,682,436	27,467,136
<b>Fund balances at 31 March 2022</b>		<b>552,401</b>	<b>1,683,540</b>	<b>25,965,288</b>	<b>28,201,229</b>

# SUSSEX COMMUNITY FOUNDATION

## SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Gross income	2,980,889	3,450,953
Transfer from endowment funds	1,290,726	1,213,564
<b>Total income in the reporting period</b>	<b>4,271,615</b>	<b>4,664,517</b>
Total expenditure from income funds	4,393,368	5,213,276
<b>Net expenditure for the year</b>	<b>(121,753)</b>	<b>(548,759)</b>
<b>Reconciliation to Statement of Financial Activities</b>		
Gross income (above)	2,980,889	3,450,953
Endowment fund income	563,601	925,666
<b>Total income and endowments</b>	<b>3,544,490</b>	<b>4,376,619</b>
Total expenditure from income funds (above)	4,393,368	5,213,276
Endowment fund expenditure	263,978	256,153
<b>Total expenditure</b>	<b>4,657,346</b>	<b>5,469,429</b>
Net gains/(losses) on investments	(942,547)	1,826,903
<b>Net movement in funds</b>	<b>(2,055,403)</b>	<b>734,093</b>

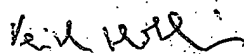
# SUSSEX COMMUNITY FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	13				542
Investments	14		23,781,307		25,489,868
			23,781,307		25,490,410
<b>Current assets</b>					
Debtors	16	194,629		55,756	
Investments	17	291,000		291,000	
Cash at bank and in hand		2,038,168		2,414,395	
		2,523,797		2,761,151	
<b>Creditors: amounts falling due within one year</b>	18	(156,456)		(50,332)	
Net current assets			2,367,341		2,710,819
<b>Total assets less current liabilities</b>			26,148,648		28,201,229
<b>Capital funds</b>					
Endowment funds	20		24,034,460		25,965,288
<b>Income funds</b>					
Restricted funds	21		1,611,698		1,683,540
Unrestricted funds			502,490		552,401
			26,148,648		28,201,229

The financial statements were approved by the Trustees on 27 September 2023



Keith Hollis  
Trustee

Company registration number 5670692

# SUSSEX COMMUNITY FOUNDATION

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	25	(1,479,755)	(1,295,453)
<b>Investing activities</b>			
Purchase of investments		(686,686)	(14,014,563)
Proceeds from disposal of investments		1,452,700	14,594,410
Investment income received		337,514	260,459
<b>Net cash generated from investing activities</b>		1,103,528	840,306
<b>Net cash used in financing activities</b>		-	-
<b>Net decrease in cash and cash equivalents</b>		(376,227)	(455,147)
Cash and cash equivalents at beginning of year		2,414,395	2,869,542
<b>Cash and cash equivalents at end of year</b>		<u>2,038,168</u>	<u>2,414,395</u>



# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2023

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#### 1 Accounting policies

##### Charity information

Sussex Community Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Western Road, Lewes, East Sussex, BN7 1RL.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used or have been raised by the charity for particular purposes. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Expendable endowment funds represent those assets which, under the Articles of Association, the trustees have power to invest and which have been invested to generate investment income and capital gains which can be distributed as grants for the benefit of the community. Income arising on the expendable endowment funds can be used in accordance with the objects of the charity and is split between restricted and unrestricted funds in accordance with agreements made with individual donors. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 1 Accounting policies

(Continued)

For flow-through funds management fees are taken at the time the donation is received by the Foundation. If the value of the fee exceeds £5,000 this income is spread over the period during which the grant making fund is disbursed. In all cases the management fee is treated as income at the date of receipt of the donation.

#### 1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out by the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year in which they are awarded.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Capital purchases over £5,000 are recognised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	straight line over four years
--------------------------------	-------------------------------

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.10 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.11 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

#### **1.12 Fund accounting**

Unrestricted funds are general funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity including core costs and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. All Restricted Funds held are Flow-through Named Funds, intended for awarding grants to local charities and community groups within a short timescale (normally up to one year). These funds are detailed in Note 16 to the financial statements.

Expendable endowment funds represent those assets which, under the Articles of Association, the trustees have power to invest and which have been invested to generate investment income and capital gains which can be distributed as grants for the benefit of the community. Income arising on the expendable endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

## SUSSEX COMMUNITY FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 2 Donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Donations and gifts	693,453	1,949,922	563,601	3,206,976	651,861	2,524,758	925,666	4,102,285

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 3 Other trading activities

	Endowment funds 2023 £	Total Unrestricted funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Management charge income	-	-	11,235	-	11,235
Letting arrangements	2,822	2,822	-	2,640	2,640
Other trading activities	2,822	2,822	11,235	2,640	13,875

### 4 Investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from unlisted investments	-	322,529	322,529	-	260,022	260,022
Interest receivable	14,985	-	14,985	437	-	437
	14,985	322,529	337,514	437	260,022	260,459

### 5 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising and publicity		
Fundraising events	1,177	1,223
Other fundraising costs	347	382
Staff costs	139,094	91,642
	140,618	93,247

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 6 Charitable activities

	2023 £	2022 £
Staff costs	354,097	313,876
Depreciation and impairment	542	180
Management charge	624,406	597,067
Other costs	60,494	53,313
	<u>1,039,539</u>	<u>964,436</u>
Grant funding of activities (see note 7)	3,274,590	4,254,358
Share of support costs (see note 8)	140,779	104,913
Share of governance costs (see note 8)	61,820	52,475
	<u>4,516,728</u>	<u>5,376,182</u>
<b>Analysis by fund</b>		
Unrestricted funds	617,731	524,757
Restricted funds	3,635,019	4,595,272
Endowment funds	263,978	256,153
	<u>4,516,728</u>	<u>5,376,182</u>

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 7 Grants payable

	2023 £	2022 £
Grants to institutions	<u>3,274,590</u>	<u>4,254,358</u>

727 grants (2022 – 1,106) worth £3,274,590 (2022 - £4,254,328 ) were awarded to 505 groups (2022 - 639) and 29 individuals (2022 – 23). The average grant awarded was £4,524 (2021 - £4,193). 120 grants were for £1,000 or less (2022 – 174).

\*146 groups received more than one grant.

Grants to institutions of more than £10,000 awarded during the year were as follows:

Details	Amount £
Hampshire & Isle of Wight Community Foundation	£70,655
Albourne, Sayers Common	£11,000
Creative Heart Littlehampton	£13,333
Eastbourne Food Bank	£20,000
Kent Community Foundation	£55,400
Surrey Community Foundation	£33,650
Towner Art Gallery	£20,000

Grants to Kent Community Foundation relate to the Little Cheyne Court Wind Farm Fund, Grants to Community Foundation for Surrey and Hampshire & Isle of Wight Foundation relate to the Cubitt & West Estate Agents Emergency Fund which are managed in partnership with the respective foundations.

In addition to the above, grants amounting to £50,113 were awarded subject to conditions which had not been met at the year end.

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	28,712	37,301	66,013	18,484	28,807	47,291
Rent	22,836	-	22,836	27,885	-	27,885
Insurance	270	-	270	2,296	-	2,296
Property service charge	5,915	-	5,915	6,639	-	6,639
Bank charges	297	-	297	112	-	112
Staff training and recruitment	41,133	-	41,133	10,446	-	10,446
Staff travel and subsistence	4,822	-	4,822	6,527	-	6,527
Computer software, systems and applications	29,382	-	29,382	23,677	-	23,677
Printing, postage and stationery	2,816	-	2,816	4,924	-	4,924
Telephone	4,124	-	4,124	2,453	-	2,453
Repairs and maintenance	472	-	472	1,470	-	1,470
Grant making costs	-	370	370	-	994	994
Audit fees	-	7,260	7,260	-	6,060	6,060
Legal and professional	-	6,852	6,852	-	10,417	10,417
Bookkeeping and accountancy	-	5,806	5,806	-	4,510	4,510
Trustees meetings and expenses	-	2,058	2,058	-	261	261
Annual report and AGM	-	2,173	2,173	-	1,426	1,426
	<u>140,779</u>	<u>61,820</u>	<u>202,599</u>	<u>104,913</u>	<u>52,475</u>	<u>157,388</u>
Analysed to						
Charitable activities	<u>140,779</u>	<u>61,820</u>	<u>202,599</u>	<u>104,913</u>	<u>52,475</u>	<u>157,388</u>

The charity's auditors Knill James LLP also supplied accountancy services (and bookkeeping services in 2022) to the charity during the year for a fee of £600 (2022 - £2,781).

### 9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.



# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Charitable employees	14	13

#### Employment costs

	2023 £	2022 £
Wages and salaries	489,397	397,522
Social security costs	46,733	35,186
Other pension costs	23,074	20,101
	559,204	452,809

#### Pension contributions

The charity operates a defined contribution pension scheme. At the year end, there were £2,230 of outstanding pension contributions owing to the scheme (2022 - £2,393).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
In the band £80,001 - £90,000	1	1

Contributions totalling £3,688 were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

### 11 Net gains/(losses) on investments

	Endowment funds 2023 £	Endowment funds 2022 £
Revaluation of investments	(942,547)	1,826,903

### 12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 13 Tangible fixed assets

	Fixtures, fittings & equipment £
<b>Cost</b>	
At 1 April 2022	13,758
At 31 March 2023	13,758
<b>Depreciation and impairment</b>	
At 1 April 2022	13,216
Depreciation charged in the year	542
At 31 March 2023	13,758
<b>Carrying amount</b>	
At 31 March 2023	-
At 31 March 2022	542

### 14 Fixed asset investments

	Securities £
<b>Cost or valuation</b>	
At 1 April 2022	25,489,868
Additions	686,686
Valuation changes	(942,547)
Disposals	(1,452,700)
At 31 March 2023	23,781,307
<b>Carrying amount</b>	
At 31 March 2023	23,781,307
At 31 March 2022	25,489,868

### 15 Financial instruments

	2023 £	2022 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	24,072,307	25,780,868

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

### 16 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	106,195	12,357
Other debtors	81,252	43,399
Prepayments and accrued income	7,182	-
	<u>194,629</u>	<u>55,756</u>

### 17 Current asset investments

	2023	2022
	£	£
Short term investments	<u>291,000</u>	<u>291,000</u>

Current asset investments represent freehold properties held for sale.

### 18 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	12,027	7,029
Trade creditors	13,227	725
Other creditors	2,208	2,393
Accruals and deferred income	128,994	40,185
	<u>156,456</u>	<u>50,332</u>

### 19 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £23,074 (2022 - £20,101).

## SUSSEX COMMUNITY FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 20 Endowment funds

	Balance at 1 April 2021 £	Incoming resources £	Movement in funds			Balance at 1 April 2022 £	Incoming resources £	Movement in funds			Balance at 31 March 2023 £
			Resources expended £	Transfers £	Investments gains/losses £			Resources expended £	Transfers £	Investments gains/losses £	
<b>Expendable endowments</b>											
Sarasin											
Endowment											
including											
grassroots.	12,118,470	775,666	(194,370)	(637,923)	589,428	12,651,271	395,423	(186,523)	(712,213)	(451,580)	11,696,378
Community First											
Trust	8,745,169	-	-	(1,108,676)	710,010	8,346,503	-	-	(86,618)	(416,896)	7,842,989
CCLA Other	3,818,797	150,000	(61,783)	533,035	527,465	4,967,514	171,000	(77,455)	(491,895)	(74,071)	4,495,093
	<u>24,682,436</u>	<u>925,666</u>	<u>(256,153)</u>	<u>(1,213,564)</u>	<u>1,826,903</u>	<u>25,965,288</u>	<u>566,423</u>	<u>(263,978)</u>	<u>(1,290,726)</u>	<u>(942,547)</u>	<u>24,034,460</u>

Transfers of £1,290,726 (2022 - £1,213,564) represent drawdowns from endowment for grant-making and operating costs. "Grassroots" and "Community First" relate to two government funded endowment match challenges.

## SUSSEX COMMUNITY FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

#### 21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds				Balance at 31 March 2023
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£	£	£
Funds held for grant making	2,277,828	2,787,420	(4,595,272)	1,213,564	1,683,540	2,272,451	(3,635,019)	1,290,726	1,611,698

#### 22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total Unrestricted funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:								
Tangible assets	-	-	-	-	542	-	-	542
Investments	-	-	23,781,307	23,781,307	-	-	25,489,868	25,489,868
Current assets/(liabilities)	502,490	1,611,698	253,153	2,367,341	551,859	1,683,540	475,420	2,710,819
	502,490	1,611,698	24,034,460	26,148,648	552,401	1,683,540	25,965,288	28,201,229

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	26,333	26,333
Between two and five years	13,480	38,064
	<u>39,813</u>	<u>64,397</u>

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows:

	2023 £	2022 £
Aggregate compensation	<u>86,841</u>	<u>81,509</u>

### 25 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(2,052,581)	734,093
Adjustments for:		
Investment income recognised in statement of financial activities	(337,514)	(260,459)
Fair value gains and losses on investments	942,547	(1,826,903)
Depreciation and impairment of tangible fixed assets	542	180
Movements in working capital:		
(Increase)/decrease in debtors	(138,873)	38,196
Increase in creditors	106,124	19,440
<b>Cash absorbed by operations</b>	<u>(1,479,755)</u>	<u>(1,295,453)</u>

### 26 Analysis of changes in net funds

The charity had no debt during the year.