

UK COMMUNITY FOUNDATIONS

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Company Number: 2651777

Charity Number: 1004630



UK COMMUNITY
FOUNDATIONS

GIVING FOR LOCAL GOOD

UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2020

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REFERENCE AND ADMINISTRATION DETAILS

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| Status: | The organisation is a charitable company limited by guarantee, incorporated on 7 October 1991 and registered as a charity on the 11 October 1991. |
| Governing document: | The organisation was established under a memorandum of association on 7 October 1991 and amended on 2 December 1993, 17 July 1996, 21 October 1998, 19 January 2000, 27 April 2001, 23 April 2003, 17 November 2010, 19 March 2013 and 16 November 2016 which established the objects and powers of the organisation and is governed under its articles of association. |
| Company number: | 2651777 |
| Charity number: | 1004630 |
| Registered Office and Operations address: | Unit 1.04, 9 Brighton Terrace, London, SW9 8DJ. |
| Honorary Presidency: | Baroness Usha Prashar (to 31 st December 2019) |
| Honorary Officers: | Jane Lady Gibson (from 24 th October 2018 to 31 st May 2019); Acting Chair – Victoria Miles (from 31 st May 2019 to 24 th July 2019, and 30 th September to date); Dr Jerome Booth (from 24 th July 2019 to 30 th September 2020). Treasurer - Colin Seccombe MBE |
| Members of the Board: | Toby Anstruther (from 10th December 2019) Dr Jerome Booth, Chair (from 24th July 2019 to 30 th September 2020) Alun Evans (to 9th September 2019) Jan Garrill Jane Gibson, Chair (to 31st May 2019) Niamh Goggin (to 15th June 2020) John Gordon (from 28th July 2020) Victoria Miles DL, Vice-Chair, Acting Chair (from 31st May to 24th July 2019, and 30 th September 2020 to date) John Nickson Professor Paul Palmer (from 10th December 2019) Arthur Roberts Colin Seccombe MBE, Treasurer Stephen Singleton |

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REFERENCE AND ADMINISTRATION DETAILS

| | |
|----------------------------|---|
| | Andrew Tuggey (from 24th June 2020) Tom Ward, Vice-Chair (to 9th September 2019) Martha Wilkinson |
| Chief Executive: | Fabian French (to 9 th April 2020); Rosemary Macdonald (from 1 st March 2020) |
| Company Secretary: | Chris Hughes (to 24 th July 2019); Ian Smith (from 24 th July 2019) |
| Bankers: | CAF Bank Ltd, Kings Hill, West Malling, Kent ME19 4TA |
| Investment Bankers: | CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET |
| Auditors: | Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG |

INTRODUCTION

UKCF is the national membership organisation for all accredited Community Foundations across the UK. In addition to being place-based grantmakers, Community Foundations (CFs) are community leaders, convenors and catalysts. CFs 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 46 accredited Community Foundations. We cover the whole of the United Kingdom and we have an unparalleled reach into local communities. Each Community Foundation has an in-depth understanding of its local area, what the priority needs are and how best to address these needs. 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 only 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.

The network of accredited Community Foundations gives grants totalling around £100 million annually. This makes us, collectively, one of the UK's largest grant-giving organisations. Over the past 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

I am pleased to report that the year to March 2020 has overall been a positive one for both UK Community Foundations (UKCF) and the Community Foundation movement as a whole. However, we have had some significant challenges during the year.

Whilst it is true that Community Foundations are all very individual, they also have a great deal in common. Beyond the obvious shared passion for their local communities, CFs have a shared desire to become a more cohesive national movement and to achieve a much higher profile both individually and collectively. I am confident that UKCF can help them achieve those ambitions; this will be a key focus of our new Strategic Plan which I refer to later on.

The network's key involvement in the National Emergencies Trust Coronavirus Emergency Appeal, which commenced at the end of the period under review, has in fact already helped realise those ambitions to some extent. We are determined to build on this momentum and increased profile further; we must become better known and understood.

More generally, 2019/20 saw some good progress towards our strategic goals and we were able to invest in various areas. Our biennial UKCF Conference was held in Glasgow in September 2019 and was the best attended membership event we have ever organised with over 400 attendees. We have also increased the number and frequency of focussed meetings and webinars for CFs. The UKCF Leadership Programme, which has the ambition of developing and inspiring future leaders in our network, has continued to be rolled out and has been seen as transformative by all of those who have taken part.

Our network of 46 Community Foundations has continued to grow in terms of community leadership and grants made. CFs continued to prove themselves the original and best place-best funders. The aggregate value of grants made in 2019-2020 was over £100 million. Our collective endowment of £690 million saw only a small reduction against the previous year with a large proportion of the initial market losses in late February and March due to Covid-19 economic concerns recovering by 31st March 2020.

The Strategic Plan which was rolled out in 2015 had a 5-year duration. Work began in late 2019 on a new strategic plan which is being put together in collaboration with our member Community Foundations. Due to the pandemic, this work has been paused while we respond to the crisis. We expect to have a new plan in place by December 2020. The plan will focus on, amongst other things, raising the profile of the CF network and finding ways to develop the network into a more cohesive movement. I look forward to sharing our new Strategic Plan later in 2020-21.

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During the year, we decided that we wanted to ensure that our governance is fit for the future. We appointed an external consultant to undertake a detailed review and consult with our members. After extensive consultation with the network, the review made a number of recommendations to improve UKCF's governance structure including major changes to the makeup of the Board of Trustees and how they are recruited.

Having been an agent of change for UKCF, and having been instrumental in providing Members with a choice over the future governance arrangements, our Chair Jerome Booth decided that it was the right time to step down. The Board and I are grateful to Jerome for leading UKCF through what has been a truly challenging but rewarding time for the community foundation network. He leaves UKCF in a much stronger position than when we started, and he has played a key role in helping our network support communities through these unprecedented times.

I am delighted to report that UKCF has had another strong year in terms of finances, which has allowed us to invest in areas which we hope will benefit all our members. In addition, the organisation has increased its reserves which gives us flexibility when it comes to making the investments identified in the new Strategic Plan. Income from national programmes has been strong in the year under review but is expected to decline in 2020/21 – excluding the National Emergencies Trust Coronavirus Emergency Appeal – as some of our larger programmes come to an end.

A proportion of UKCF's funding comes from grants and donations towards our core costs. I would like to thank all our donors and sponsors for their belief in the work UKCF and the network are doing.

Particular thanks are due to those organisations which fund us consistently. The Charles Stewart Mott Foundation of the USA continues to be a crucial long-term supporter and ally and the John Armitage Charitable Trust has generously supported our external affairs and policy work. CCLA also remains a much-valued core supporter. We are also very grateful to Fidelity Foundation which has most generously made a significant grant to our Leadership Programme. Several investment management organisations sponsored our successful 2019 Conference in Glasgow and we thank them for their support.

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

I am pleased to report that the Revitalising Inactive Trusts programme, which UKCF has developed with the Charity Commission for England and Wales and the Office of Civil Society

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within Department for Culture Media and Sport (DCMS), has resulted in over £15 million in additional endowment being gained by the network. We are grateful for the support of the Charity Commission for England and Wales and the Office of Civil Society for their assistance in running the programme. We are also proud that the Home Office and DCMS have entrusted the distribution of national programmes to us and our members.

I am convinced that Community Foundations remain a unique and effective way for individuals and organisations to support their communities. We are the original and most experienced place-based funders. We have a compelling proposition of connecting local people with local need, offering expert guidance and enabling donors to be strategic and effective in their giving. Support for our model continues to grow. We see how targeted philanthropic activity can have a transformational impact on communities and individuals around the UK. The recent role of CFs in the context of Coronavirus has underlined how effective CFs are in identifying and meeting local need at times of crisis when every day counts. Our members, their trustees, staff and volunteers can be justly proud of their efforts.

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

I would like to thank the Board for their support and to welcome our new Board members, Toby Anstruther, Professor Paul Palmer, Andrew Tuggey and John Gordon. I would like to thank Niamh Goggin, Tom Ward and Alun Evans who have left the Board during the year for their contributions over many years. They are missed. I would also like to record my thanks to Jane Lady Gibson who was our Chair from October 2018 until her resignation in May 2019.

I would like to thank all the staff of UKCF for their commitment and hard work, especially since the unprecedented pressures caused by the Coronavirus crisis. I am sorry to say goodbye to Fabian French who was CEO from March 2015 to April 2020 and was responsible for many positive developments during his 5 years in post. I am hugely grateful to our interim CEO, Rosemary Macdonald, who has led the organisation so capably during a period of challenge and change, and I am delighted that Rosemary agreed to take up the position permanently in July.

The Chair and Board of Trustees would like to express their heartfelt thanks to Baroness Usha Prashar, President of the UKCF network from its earliest inception, who retired from this honorary position at the end of 2019. Baroness Prashar played an integral part in the development of the Community Foundation movement and was a passionate advocate for its

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work within the communities it serves. She was instrumental in the development of increasing the combined endowments of Community Foundations through her guidance and subsequent lobbying for both The Grassroots Grants Match Challenge and The Community First Programme. We would like to thank Baroness Prashar for her counsel, wisdom and ambassadorial support over the years.



Victoria Miles DL

Acting Chair, UK Community Foundations

REPORT OF THE BOARD

The Trustees present the Trustees' Report, incorporating the strategic report, together with the audited accounts of the charity for the year ended 31 March 2020.

1. UKCF'S VISION AND GOALS

As mentioned above, UKCF is currently working on its new long term strategic plan. For the year to March 2020, the strategic plan set out in 2015 guided our vision and goals and is discussed below.

UKCF's vision for the Community Foundation network is that local philanthropy should be the norm and that, through Community Foundations, communities will be able to help all those in need.

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

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

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

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

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

During the year, the Board of UKCF has complied with the duty 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.

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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:

- Uniting the Community Foundation movement around a shared strategy for accelerating growth by raised profile and enhanced credibility;
- Promoting Community Foundations' services to UK-wide funders: companies, trusts, private family offices, individuals and other organisations;
- Establishing Community Foundations as leading promoters of local philanthropy;
- Increasing the network's efficiency, effectiveness and accountability through member services: quality accreditation; training; network meetings and conferences; transfer of best practice and internal communications; and
- Enabling faster growth, increased efficiency and greater effectiveness through IT, digital services, social media and network projects.

3. ACHIEVEMENTS AND PERFORMANCE

2019/20 was a positive year overall for the Community Foundation network. We saw the combined endowment of our members remain reasonably static to the previous year at £690 million, even following the pressure on the markets towards the end of the year. The total amount of grants distributed increased to over £100 million. Our network of Community Foundations continues to be at the forefront of developing philanthropy, particularly local philanthropy, in the UK. We are more than ever playing a key role in community leadership, using all our knowledge and resources to bring about positive change.

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

There were some changes to the staff at UKCF during the year, including senior staff. Chris Hughes, our Director of Finance and Operations, went into semi-retirement and was replaced

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by Ian Smith, who joined us from WWF. Vicki Papworth, Director of Programmes and Development, left us to join Coutts' philanthropy department. She has been replaced by Ben Robinson, from Early Action Funders Alliance. All the members of staff who have left during the year have made a great contribution to UKCF and we wish them all well.

Achievements and performance for the year by strategic objective are given below.

STRATEGIC OBJECTIVE 1 - GROW A STRONGER AND MORE COHESIVE NETWORK OF COMMUNITY FOUNDATIONS

In the year under review, we continued to focus on our offering to our members.

In addition to an extremely well-attended and well-received conference in Glasgow in September 2019, we introduced a new programme of forums for smaller, medium-sized and larger Community Foundations. During the year we increased our programme of subject-specific webinars for members, with strong attendance. We worked hard to further improve the dialogue with our members and emphasize our role in supporting their efforts.

LEADERSHIP PROGRAMME

The Community Foundation Leadership Programme came to maturity during the year. This initiative, led by Rebekah Goddard – our Head of Learning - succeeded in delivering a key programme of leadership development for senior staff. At the time of writing 21 CF Directors had attended the course. It has had exceptional feedback and is already playing a major part in developing the ambitions and skills of our network's leadership. The programme is funded by a substantial grant from Fidelity Foundation along with other smaller donations and funding from UKCF's reserves. In addition to the residential courses, there have been Master Classes on a wide range of topics with a particular emphasis on philanthropy.

NATIONAL PROGRAMMES

National programmes remained an important part of our activity during the year. Due to staff capacity constraints, the emphasis was very much on working on existing programmes rather than soliciting new ones. We continued to be successful in securing and delivering national programmes for major donors. Around 15% of the total grants made by the network came from national programmes initiated and managed by UKCF.

IT AND DIGITAL SERVICES

UKCF did not make as much progress as we would have liked in improving IT and digital services to our members. We made some improvements to the efficiency and effectiveness of the Salesforce platform for our members but more work is required. As a network, we must adopt a more digital approach to the way we work. The next generations of both grantees and philanthropists will demand a less analogue relationship with Community Foundations. The CRM Task Force formed last year, have advised on options for adopting more digital ways of working and a consultancy named OJO Solutions, has developed a new digital plan, which we will be implementing over the coming months.

THE REVITALISING INACTIVE TRUSTS INITIATIVE

During 2018-19 we launched an initiative to reinvigorate more dormant and inactive trusts. We did this in partnership with the Charity Commission for England and Wales (CCEW), the Office of Civil Society (OCS) and our Trust Transfer Associate, Toni Shaw. There are many millions of pounds of capital tied up in charitable trusts which for various reasons are not being distributed. Sometimes the charitable objectives are outdated; sometimes the trustees no longer have the capacity to manage the trust.

The Revitalising Inactive Trusts initiative identifies and prompts those trusts which can be revived to do so in one of several ways. One of these ways, recommended by the CCEW, is for the inactive trust's capital to be transferred to the relevant Community Foundation. This streamlined process to revitalise trusts has been enabled by the OCS funding additional dedicated resource at CCEW. The funding for the first phase of the initiative expired at the end of March 2020, but funding for an additional year has been agreed by OCS.

As at the end of March 2020, a total of £31 million of trusts had been revitalised since the inception of the programme. Of this figure, some £15 million had been transferred to UKCF and members of our network. Around £16 million has been revitalised through modernising the purpose of the trust and where the trustees continue to provide local management, or where the funds have been transferred to another local charity. This programme is seen by CCEW and OCS as a great success by both our partners. There are substantial additional amounts in the pipeline at the time of writing.

STRATEGIC OBJECTIVE 2 - HAVE INFLUENCE IN THE PLACES WHERE IT MATTERS

As in recent years, UKCF has continued to focus on raising its profile amongst specific target audiences. These include government, philanthropists, voluntary sector opinion formers, financial advisers and legal advisers. We have put significant effort into improving our social media presence, with a degree of success. However, it is fair to say that our overall level of awareness remains much lower than we would like.

RAISING OUR PROFILE

Raising the profile of the Community Foundation movement in the UK is, and always will be, a key element of UKCF's strategic focus. Given the scale of our collective grant-making and our role in civil society generally, we deserve to be better known and understood.

During the year, we have continued to focus on UKCF's and the network's profile on social media. Our activity on Twitter and other media has improved in both quality and quantity. We have established more of a narrative than we have had previously. Our voice is being heard more clearly across the voluntary sector and beyond.

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

We have held meetings with the Minister for Civil Society, with civil servants and with Special Advisers to increase their awareness of Community Foundations and the benefits of government support for Community Foundations as a key way of strengthening communities and ensuring the sustainability of small local charities and voluntary groups.

EMERGENCY RESPONSE

One of the key areas of focus during the year has been how Community Foundations can respond in the context of local and national disasters. Working closely with the Charity Commission for England and Wales, the British Red Cross and other national charities, UKCF (on behalf of the CF network) was invited to be a founder member of the National Emergencies Trust (NET). As such we have a seat on NET's Board. NET was launched in the presence of HRH Prince William in April 2019. UKCF is also a key member of the associated VCS Emergency Partnership.

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The role of NET is to launch an appeal in response to a specific emergency to raise funds to support those that need help and to create a mechanism to distribute those appeal funds most effectively.

Working in partnership with NET, UKCF has developed training modules and materials for Community Foundations to ensure that they would be fully ready to respond quickly in the event of an emergency.

Little did we think, when NET was launched, that its role – and that of CFs as distributors of funding - would be tested so soon. On March 18th 2020 NET launched its first appeal, the Coronavirus Emergencies Appeal, with funds to be distributed locally via the Community Foundation network. UKCF is enormously proud to have been recognised as the trusted distribution partner of NET. Our ability to work at speed to meet immediate need across communities has been truly impressive and is a real demonstration of the key role we play in our communities. We had distributed £17.5 million of appeal funding within a month of the launch, with £2.7m being distributed in the year under review. At the time of writing, £63.5m has been distributed through our member Community Foundations.

The profile of the CF network has become considerably higher as a result of our role with the NET Coronavirus emergency appeal, and that has helped to enhance the success of the programme and enabled us to reach areas of communities that we have struggled to reach in the past. However, not everything goes smoothly in an emergency. We realised that some communities were disproportionately affected by the virus, and we could not be sure that we were reaching them. We have built new networks with BAME groups and infrastructure organisations and are working to improve our equity, diversity and inclusion which will form a strong part of our new strategy. We have decided to retain the services of a PR consultancy to ensure we are responding in the right way to any criticism, and to maximise the benefit of the positive messages to the programme.

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STRATEGIC OBJECTIVE 3 - BE PROPERLY RESOURCED TO ACHIEVE OUR GOALS

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

STAFFING

There have been some important changes in senior management over the past 12 months

The senior management team at the start of the year comprised: Fabian French, CEO; Vicki Papworth, Director of Programmes and Development; and Chris Hughes, Director of Finance and Operations. As mentioned above, Vicki was replaced by Ben Robinson in December 2019 and Chris by Ian Smith in July 2019.

Fabian French left UKCF shortly after the end of the year and was replaced by Rosemary Macdonald as interim CEO. An open process to recruit a permanent CEO was started in May 2020. From a very strong field of candidates, we are delighted that Rosemary was successful and agreed to take the role permanently as of 1st July 2020.

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

UKCF CORE FUNDING

As mentioned above, UKCF's overall financial position improved during the year, mainly due to increased income from National Programmes combined with a close focus on costs.

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. A large number of organisations sponsored our 2019 Conference. Sponsorship remains an important element in our core funding and we are most grateful to all our sponsors for their contribution.

MEMBERSHIP FEES

With effect from March 2019, we changed how membership fees are calculated. Fees are now based on a percentage of the endowment of the individual Community Foundations, rather than on a blend of grants made and endowment. The effect of this has been to increase the fees paid by Community Foundations with larger endowments and reduce the fees paid

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by those with smaller endowments. This change, which was discussed extensively with members in advance, has demonstrated the support and generosity of the larger Community Foundations to ensure the prosperity and growth potential of their smaller colleagues.

UKCF ENDOWMENT

As a result of the Revitalising Inactive Trusts initiative, UKCF holds £4 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 management fee for holding and administering the central endowment and the funds have been invested in CCLA COIF funds. The Community First Investment Committee (a committee of the UKCF Board) has oversight of the funds.

FUNDRAISING

UK Community Foundations does not actively fundraise from members of the public, and no third-party fundraisers are used by the Charity. Donations are, however, gratefully received and accepted. The majority of our funding comes directly from grants and other institutional funders. We have not received any complaints in respect of fundraising. We are registered with the 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 extended several programmes of existing activity across the UK. At the same time, some programmes came to an end; most notably the long-standing relationship with Comic Relief. Comic Relief decided to review their entire strategy including UK grants, and did not award UK grant-making to UKCF; however, The Community Foundation Northern Ireland have retained the role of grant-making in Northern Ireland.

For the year 2019/20, UKCF was responsible for programmes that distributed £15.1 million of charitable funding through the organisation's national network of 46 Community

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Foundations. This figure compares with £9 million in the previous year, mainly due to significantly increased activity with the Home Office on the Building a Stronger Britain Together programme and the commencement of the NET Coronavirus Emergency Appeal.

This funding was distributed on behalf of eleven different partners, three more than last year:

- Building a Stronger Britain Together (BSBT), for the Home Office: £4.9m
- #iwill Fund, for National Lottery Community Fund: £1.7m
- Ladbrokes: £0.4m
- The Mohn Westlake Foundation: £0.2m
- Community Grants, for Nationwide Building Society: £0.4m
- National Emergencies Trust: £2.7m
- Transformation and Growth Fund for the Oak Foundation: £0.6m
- Community Matters grants for Royal London Foundation: £0.5m
- Tampon Tax Community Grants for Department for Culture Media and Sport: £3.5m
- Uber: £0.1m

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.

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

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 2019/2020 were:

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

There is no formal training programme for the trustees of UKCF. However, all 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. 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

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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.

We are currently undergoing a review of our governance with the help of consultants The Connectives and lawyers from Howard Kennedy LLP. This is to ensure that our governance structure enables us to be the most effective membership organisation we can be, to ensure we have the right experience and skills on the Board and to update our Articles if required. Proposals will be brought to our members at our AGM and work will commence to make any agreed changes thereafter.

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

5. INVESTMENT POLICY

UKCF's investment strategy is to build and hold a significant endowment fund, created to support Community Foundations and their communities now and for generations to come. 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 is invested in CCLA COIF funds. 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 intention is that UKCF will continue to develop its endowment from the transfer of dormant or inactive trusts with a national reach. The committee consists of experienced independent investment fund managers.

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 deficit of £4,320k (2019: £8,090k surplus), including an unrestricted surplus of £133k (2019: £84k). The deficit is due to the spending of restricted funds, the income for which were recognised in previous financial years. During the year we also saw an increase in endowment funds of £171k.

Total funds amount to £6,656k (2019: £10,976k), this includes unrestricted reserves of £661k (2019: £528k).

INCOME

Total income from grants, donations and subscriptions reduced to £11,896k (2019: £14,290k). This is due to higher income in the previous year from the Building Stronger Britain Together programme and Ladbrokes. These were offset partly by the income from the National Emergencies Trust this year. There were smaller increases in other income mainly through programme unrestricted income, reflecting the increased programme activity in the year. Core funding remained at a similar level to 2019 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 £441k (2019: £4,083k) is recognised as related to endowment funds. The majority is held as an investment fund, but this also includes setup and management fees for UKCF and investment income which is to be used for grant-making.

EXPENDITURE

Total expenditure increased by £6,304k to £16,532k (2019: £10,228k), as the result of increased grant-making.

Unrestricted expenditure was similar to last year at £1,252k. During the year Governance costs were £24k (2019: £17k), the increase relating to the governance review discussed above.

7. RESERVES POLICY

During the year the trustees reviewed the reserves policy and agreed to follow 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 £250k to £340k for our unrestricted reserves. This is similar in value to the previous reserves policy which stipulated to maintain sufficient unrestricted reserves to cover 30% - 40% of annual unrestricted budgeted running costs net of guaranteed membership fees, including an allowance for any potential additional contingent liabilities.

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

At the balance sheet date, the unrestricted reserves of the charity were £661k, which includes £36k designated reserves and £625k general funds. The 2020-21 budget and projection for 2021-22 includes planned investment of £220k of these reserves which will result in a balance closer to our desired range.

DESIGNATED FUNDS

Total designated funds at the year-end were £36k which is the remaining balance of funds collected from the Community Foundations through the year relating to CRM development and training. These funds will be used to subsidise an increase in CRM licence fees to our members for one year and to fund some digital consultancy work.

RESTRICTED FUNDS

At 31 March 2020 UKCF held restricted funds of £1,978k (2019: £6,602k) reflecting funds that were received in previous financial years that will be spent on specific projects in future years.

ENDOWMENT FUNDS

Funds transferred through the Revitalising Inactive Trusts programme are held as endowment funds. The balance of this fund at the end of the year is £4,017k (2019: £3,846k). 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

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fund related UKCF management fees 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 of UKCF regularly review the major risks to which the charity is exposed, and systems and procedures are in place to manage these risks with regular reports from the CEO at Board meetings. The key risks are associated with the ongoing resourcing of UKCF and the financial, operational and reputational risks associated with the delivery of its programmes. The most significant risks are a decline in UKCF's income as a result of 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.

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. 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

Following our governance review, we are developing a new strategic plan for the next three years. The environment we work in has changed considerably with the advent of Covid, so much of our earlier thinking needed updating.

The delivery of the NET Coronavirus Emergency Appeal programme has been a success. We have pulled together as a network and been able to learn and improve our grant-making as a result. However, the need of communities is growing persistently, and we are conscious that we must equip our members to meet these needs.

Proposed strategic objectives:

- A. To strengthen the network by providing a range of services that add value to members of all sizes, based on members needs and interests
- B. To build the profile of the community foundation movement and ensure we have an influential voice as experts on place based social change
- C. To unlock resources for communities and promote local and national charitable giving
- D. To successfully transition UKCF from an office-based organisation to a peripatetic organisation with the systems, process and leadership in place to make UKCF a great place to work

11. REMUNERATION POLICY

The trustees consider the Board of UKCF and the CEO as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 12 to the accounts.

Trustees are required to disclose all relevant interests and register them with the CEO or Company Secretary and, 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 made to all staff in April 2019.

12. IMPACT

UKCF attaches great importance to demonstrating the impact of charitable giving. We work with our members to encourage and support them in providing measurable evidence of their grant-making.

As a membership organisation, our impact is measured by the strength of our members. If we are providing the right training, support, programmes and leadership, our members should thrive. We have provided a range of networking opportunities for peer learning at our conference and events which have been rated very positively. We have three special programmes: our Leadership Programme; a Diversity Equity and Inclusion network; and a Sustainable Development Goals group which are well supported and valued by members. We run a quality accreditation process which provides an insight into our members and their development requirements. We will be reaccrediting our members in 2021.

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.)

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;

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- 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:

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

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 2019 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

30/09/20
.....

Signed on its behalf by 

Victoria Miles DL

Acting 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 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

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

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INDEPENDENT AUDITOR'S REPORT

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

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INDEPENDENT AUDITOR'S REPORT

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.

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

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company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anna Bennett (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place, London EC4R 1AG

Date: 12/10/2020

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

| | Notes | 2020 | | | Total £'000 | 2019 Total £'000 |
|---|----------|-------------------------------|------------------------------|-----------------------------|----------------|------------------------|
| | | Unrestricted Fund £'000 | Restricted Funds £'000 | Endowment Funds £'000 | | |
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Grants | | 39 | 7,902 | - | 7,941 | 13,157 |
| NET Grants | | - | 2,650 | - | 2,650 | - |
| Donations | | 85 | - | - | 85 | 86 |
| Subscriptions | | 338 | - | - | 338 | 350 |
| Other | | 883 | - | - | 883 | 697 |
| Total income | 3 | <u>1,345</u> | <u>10,552</u> | <u>-</u> | <u>11,897</u> | <u>14,290</u> |
| Endowment transfer | | - | - | 296 | 296 | 3,901 |
| Investment income | | - | 97 | - | 97 | 61 |
| Management Fees from endowment | | 40 | 8 | - | 48 | 121 |
| Total income and endowments | | <u>1,385</u> | <u>10,657</u> | <u>296</u> | <u>12,337</u> | <u>18,373</u> |
| EXPENDITURE ON: | | | | | | |
| Raising funds | 5 | 82 | - | - | 82 | 64 |
| ICT services | 5 | 220 | - | - | 220 | 207 |
| Member services | 5 | 908 | - | - | 908 | 848 |
| Projects and programmes | 5 | 43 | 167 | - | 210 | 159 |
| Grant payments | 4 | - | 12,463 | - | 12,463 | 8,950 |
| NET Grant payments | 4 | - | 2,650 | - | 2,650 | - |
| Total expenditure | | <u>1,253</u> | <u>15,280</u> | <u>-</u> | <u>16,533</u> | <u>10,228</u> |
| Net income/(expenditure) | | 132 | (4,623) | 296 | (4,195) | 8,145 |
| Transfers between funds | | - | - | - | - | - |
| Other recognised gains/(losses): | | | | | | |
| Investment gains/(losses) | 16 | - | - | (125) | (125) | (55) |
| Actuarial (losses)/gains on defined benefit pension schemes | | - | - | - | - | - |
| Net movement on funds | | <u>132</u> | <u>(4,623)</u> | <u>171</u> | <u>(4,320)</u> | <u>8,090</u> |
| Reconciliation of funds | | | | | | |
| Total Funds Brought Forward | | 528 | 6,602 | 3,846 | 10,976 | 2,886 |
| Total Funds Carried Forward: | 14,15,16 | <u>660</u> | <u>1,979</u> | <u>4,017</u> | <u>6,656</u> | <u>10,976</u> |

No separate income and expenditure account, as required under Companies Act 2006, is presented here as the only difference between net losses for the year (£4,195k) and the net losses for the year as defined by the companies Act (£4,491k) is incoming endowments (£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 34 to 47 form an integral part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|---|-------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible assets | | - | - |
| Investments | 8 | 3,817 | 3,846 |
| Total fixed assets | | <u>3,817</u> | <u>3,846</u> |
| CURRENT ASSETS | | | |
| Debtors | 9 | 310 | 613 |
| Cash at bank and in hand | | 3,391 | 6,813 |
| Total current assets | | <u>3,701</u> | <u>7,426</u> |
| CURRENT LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 10 | 862 | 296 |
| NET CURRENT ASSETS | | <u>2,839</u> | <u>7,130</u> |
| TOTAL NET ASSETS OR LIABILITIES | 17 | <u>6,656</u> | <u>10,976</u> |
| The funds of the charity: | | | |
| Total unrestricted funds | 14 | 660 | 528 |
| Restricted income funds | 15 | 1,979 | 6,602 |
| Endowments | 16 | 4,017 | 3,846 |
| TOTAL CHARITY FUNDS | | <u>6,656</u> | <u>10,976</u> |

The financial statements were approved and authorised for issue by the Trustees on 30th September 2020 and signed on their behalf by:



Victoria Miles DL

The notes set out on pages 34 to 47 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

| | 2020 | 2019 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Net cash flow from operating activities: | | |
| Net cash provided by/(used in) operating activities | <u>(3,326)</u> | <u>8,365</u> |
| Cash flow from investing activities | | |
| Purchase of property, plant and equipment | - | - |
| Purchase of Investments | (96) | (3,901) |
| Net cash (used in) investing activities | <u>(96)</u> | <u>(3,901)</u> |
| Net change in cash and cash equivalents in the reporting period | <u>(3,422)</u> | <u>4,464</u> |
| Cash and cash equivalents at the beginning of the reporting period | 6,813 | 2,349 |
| Cash and cash equivalents at the end of the reporting period | 3,391 | 6,813 |
| Reconciliation of net income/(expenditure) to net cash flow from operating activities | 2020 | 2019 |
| | £'000 | £'000 |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | (4,320) | 8,090 |
| Adjustment for: | | |
| Depreciation charges | - | 1 |
| Losses/(gains) on investments | 125 | 55 |
| (Increase)/decrease in debtors | 304 | 194 |
| Increase/(decrease) in creditors | 565 | 25 |
| Net cash provided by/(used in) operating activities | <u>(3,326)</u> | <u>8,365</u> |
| Analysis of cash and cash equivalents | 2020 | 2019 |
| | £'000 | £'000 |
| Cash in hand | <u>3,391</u> | <u>6,813</u> |
| Total cash and cash equivalents | <u>3,391</u> | <u>6,813</u> |

The notes set out on pages 34 to 47 form an integral part of these financial statements.

1. Accounting Policies

Basis of Preparation

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

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 Earl 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.

UKCF became the sole corporate trustee for Sarah Wood Fogwell's Charity (Charity number 254738) on 29th October 2019 as part of the Revitalising Trusts programme which is managed with the Charity Commission. This Charity's objects lie in the region of Devon and as such, it is held by UKCF on behalf of Devon Community Foundation and will be transferred to them as soon as is practicable. The £59k cash holdings of the Charity were transferred to UKCF during 2019/20 and are held as a creditor on the balance sheet prior to transfer to Devon Community Foundation.

UKCF is currently in the process of investigating any other assets held by the Charity. At present, it is thought that some property may be held but the details of this are currently unavailable and as such, cannot be reliably measured for inclusion in the financial statements. During the year to 31 March 2021, UKCF will investigate this further and arrange for assets to be transferred to Devon Community Foundation.

Going concern

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

Income

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

Subscriptions are included in the statement of financial activities when receivable. Donations and gifts to the charity are included in the statement of financial activities when received. Intangible income is recognised as incoming resources where the provider of the service has incurred a financial cost. General volunteer time is not included in the financial statements in line with the guidance set out in the SORP.

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

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

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund.

Endowment funds reflect 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. Resources expended include attributable VAT which cannot be recovered. Costs which are directly related to activities are allocated to those activities.

Depreciation is provided on all tangible assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life. Items of equipment are capitalised where the purchase price exceeds £2,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. The charitable company currently has no assets which exceed the minimum value for depreciation.

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

i. Cash and cash equivalents

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

ii. Debtors and creditors

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

2. Taxation

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

3. Donations and grants receivable

| | 2020 | | | 2019 | | |
|--------------------------------------|-----------------------|---------------------|----------------|-----------------------|---------------------|----------------|
| | Unrestricted £'000 | Restricted £'000 | Total £'000 | Unrestricted £'000 | Restricted £'000 | Total £'000 |
| Building a Stronger Britain Together | - | 1,596 | 1,596 | - | 5,798 | 5,798 |
| CCLA | 40 | - | 40 | 40 | - | 40 |
| Comic Relief | - | (3) | (3) | - | - | - |
| Connect | - | 8 | 8 | - | 27 | 27 |
| C S Mott Foundation | 39 | - | 39 | 37 | - | 37 |
| Fidelity | - | 48 | 48 | - | 56 | 56 |
| Flood and Storm Donations | - | 3 | 3 | - | - | - |
| #iwill (YSA) Project | - | 1,720 | 1,720 | - | 975 | 975 |
| John Armitage Charitable Trust | 45 | 15 | 60 | 45 | 15 | 60 |
| Ladbrokes | - | (75) | (75) | - | 1,971 | 1,971 |
| Mars | - | - | - | - | 109 | 109 |
| MLM | - | - | - | - | 14 | 14 |
| The Mohn Westlake Foundation | - | 235 | 235 | - | - | - |
| Nationwide Building Society | - | 254 | 254 | - | 324 | 324 |
| National Emergencies Trust | - | 2,650 | 2,650 | - | - | - |
| Oak Foundation | - | 63 | 63 | - | (76) | (76) |
| Revitalising Trusts | - | 20 | 20 | - | - | - |
| Royal London | - | 399 | 399 | - | 578 | 578 |
| Surviving Winter | - | 1 | 1 | - | 11 | 11 |
| Tampon Tax | - | 3,506 | 3,506 | - | 3,320 | 3,320 |
| Uber | - | 110 | 110 | - | - | - |
| Other | - | - | - | 1 | - | 1 |
| Total | 124 | 10,552 | 10,676 | 123 | 13,120 | 13,243 |
| Subscriptions | | | | | | |
| Membership | 338 | - | 338 | 335 | - | 335 |
| Grant Thornton | - | - | - | 15 | - | 15 |
| Total | 338 | - | 338 | 350 | - | 350 |
| Other Income | | | | | | |
| Building a Stronger Britain Together | 233 | - | 233 | 236 | - | 236 |
| Comic Relief | 14 | - | 14 | 5 | - | 5 |
| Connect | 9 | - | 9 | 6 | - | 6 |
| ICT subscriptions | 215 | - | 215 | 168 | - | 168 |
| D D Mcphail Charitable Settlement | 2 | - | 2 | - | - | - |
| Fidelity | 7 | - | 7 | - | - | - |
| Flood and Storm Donations | 2 | - | 2 | - | - | - |
| #iwill (YSA) Project | 32 | - | 32 | 25 | - | 25 |
| Ladbrokes | 50 | - | 50 | - | - | - |
| Mars | - | - | - | 14 | - | 14 |
| MLM | - | - | - | 10 | - | 10 |
| Mohn Westlake | 15 | - | 15 | - | - | - |
| Nationwide | 183 | - | 183 | 68 | - | 68 |
| Oak Foundation | 36 | - | 36 | 76 | - | 76 |
| Royal London | 19 | - | 19 | 21 | - | 21 |
| Spirit of 2012 | - | - | - | 18 | - | 18 |
| Tampon Tax | 35 | - | 35 | 36 | - | 36 |
| Vital Signs | - | - | - | 1 | (1) | - |
| Uber | 2 | - | 2 | - | - | - |
| Other | 29 | - | 29 | 15 | - | 15 |
| Total | 883 | - | 883 | 698 | (1) | 697 |

4. Grants paid to organisations

| | 2020 | 2019 |
|--------------------------------------|---------------|--------------|
| | £'000 | £'000 |
| Building a Stronger Britain Together | 4,935 | 2,944 |
| Comic Relief | 5 | 77 |
| Endowment Fund | 15 | 15 |
| Flood and Storm Donations | 19 | - |
| #iwill (YSA) Project | 1,662 | 1,169 |
| Ladbrokes | 440 | - |
| Mars | - | 104 |
| MLM | - | 14 |
| The Mohn Westlake Foundation | 235 | - |
| Nationwide Building Society | 412 | 319 |
| National Emergency Trust | 2,650 | - |
| Oak Foundation | 636 | 514 |
| Royal London | 484 | 483 |
| Spirit of 2012 | - | 7 |
| Surviving Winter | 12 | 7 |
| Tampon Tax | 3,502 | 3,298 |
| Uber | 108 | - |
| | <u>15,113</u> | <u>8,950</u> |

All grants paid are restricted in 2020 and 2019

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

5. Expenditure

| | Grants (Note 4) £'000 | Staff costs and consultancy £'000 | Office and running costs £'000 | Total 2020 £'000 |
|--|-----------------------------|---|--------------------------------------|---------------------|
| Fundraising | - | 79 | 3 | 82 |
| ICT services | - | 65 | 155 | 220 |
| Member services | - | 700 | 207 | 908 |
| Total for above | - | 844 | 366 | 1,210 |
| Projects and Programmes | | | | |
| 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 |
| Total for Projects and Programmes | 15,113 | 210 | - | 15,323 |
| 2020 Total | 15,113 | 1,054 | 366 | 16,533 |

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

| 6. Staff costs and numbers | | 2020 | 2019 |
|--|-----------------------|--------------|--------------|
| | | Total | Total |
| | | £'000 | £'000 |
| Salaries and wages | | 588 | 538 |
| Social security costs | | 62 | 56 |
| Pension contributions | | 26 | 18 |
| | | <u>675</u> | <u>612</u> |
| Other staff costs, including recruitment | | 155 | 95 |
| | | <u>831</u> | <u>707</u> |
| | | 2020 | 2019 |
| Number of employees earning between | £100,000 and £110,000 | 1 | 1 |
| Number of employees earning between | £60,000 and £70,000 | <u>1</u> | <u>1</u> |
| The number of employees at the end of the year was as follows: | | | |
| | | 2020 | 2019 |
| Direct charitable expenditure | | <u>17</u> | <u>13</u> |

Key management personnel includes the Trustees, the CEO and Senior Management Team. The Trustees during the year received no remuneration (2019: nil). The remuneration paid to the CEO and Senior Management Team amounted to £287k (2019: £284k).

7. Net income/(expenditure) for the year

This is stated after charging:

| | 2020 | 2019 |
|-------------------------|--------------|--------------|
| | £'000 | £'000 |
| Depreciation | - | 1 |
| Operating lease rentals | 1 | 2 |
| Auditor's remuneration: | | |
| Current year | 10 | 9 |
| | <u>10</u> | <u>12</u> |

8. Investments

| | 2020 | 2019 |
|------------------------------------|---------------------|---------------------|
| | £'000 | £'000 |
| Valuation at 1 April | 3,846 | - |
| Additions in year | 18 | 3,893 |
| Disposals during the year | - | - |
| Net gain/(loss) on revaluation | (125) | (55) |
| Valuation at 31 March | <u>3,740</u> | <u>3,838</u> |
| Cash held by investment manager | 6 | 9 |
| Cash held in CAF bank | 71 | - |
| Total valuation at 31 March | <u><u>3,817</u></u> | <u><u>3,846</u></u> |

All investments are held with CCLA in COIF Charities Investment Fund

9. Debtors and prepayments

| | 2020 | 2019 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade debtors | 18 | 573 |
| VAT Recoverable | 75 | - |
| Beacon Fellowship Charitable Trust | - | 2 |
| Prepayments and accrued income | 216 | 39 |
| | <u>310</u> | <u>613</u> |

10. Creditors : Amounts falling due within one year

| | 2020 | 2019 |
|---------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade and sundry creditors | 496 | 103 |
| Accruals and deferred income | 346 | 121 |
| Social security and other taxes | 20 | 72 |
| | <u>862</u> | <u>296</u> |

Included within Social security and other taxes is £2,763 owing to the pension scheme (2019: £2,337)

Included with the above is deferred income as follows:

| Analysis of deferred income | 2020 | 2019 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Deferred income brought forward | 61 | 9 |
| Released to income in year | (61) | (9) |
| Deferred in year | 354 | 61 |
| As at 31 March 2019 | <u>354</u> | <u>61</u> |

11. Trustee remuneration and expenses

11 members of the board (2019:11), plus 5 committee members (2019:5) received reimbursement of travel expenses to attend meetings, this amounted to £15k (2019:£15k). No member of the board (2019:Nil) received remuneration.

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

Total donations received from trustees amounted to £0 (2019:£200).

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. 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 |
| Alun Evans | Community Foundation Wales |
| Jan Garrill | Two Ridings Community Foundation |
| Niamh Goggin | Community Foundation Northern Ireland |
| John Gordon | Community Foundation Northern Ireland |
| Victoria Miles | Northamptonshire Community Foundation |
| Arthur Roberts | Community Foundation for Merseyside & Lancashire |
| Stephen Singleton | Suffolk Community Foundation |
| Andrew Tuggey | Community Foundation Wales |
| Tom Ward | Foundation Scotland |
| Martha Wilkinson | Devon Community Foundation |

13. Operating lease commitments

Total annual commitments payable under operating leases are as follows

| | Land and Buildings | | Other | |
|-------------------------------|---------------------------|--------------|--------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| | £'000 | £'000 | £'000 | £'000 |
| Operating leases which expire | | | | |
| Less than 1 year | 46 | - | 1 | - |
| Between 1-2 years | 46 | - | - | 2 |
| Between 2-5 years | 62 | 197 | - | - |
| Greater than 5 years | - | - | - | - |
| | <u>154</u> | <u>197</u> | <u>1</u> | <u>2</u> |

14. Unrestricted and Designated Funds

| | At 1 April 2019 £'000 | Income / Other gains £'000 | Expenditure / Other losses £'000 | Transfers £'000 | At 31 March 2020 £'000 |
|------------------------------|--------------------------|----------------------------------|--|--------------------|------------------------------|
| Unrestricted Funds: | | | | | |
| General funds | 514 | 1,363 | 1,253 | - | 624 |
| Designated Funds: | | | | | |
| CRM Training and Development | 14 | 22 | - | - | 36 |
| Total | 528 | 1,385 | 1,253 | 0 | 660 |

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

15. Restricted funds

| | 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 |
| Ladbrokes | 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 | - | - |
| Total funds | 6,602 | 10,657 | 15,280 | - | 1,978 |

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

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

Building a Stronger Britain Together

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

Comic Relief

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

Connect

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

Endowment Funds

Funded 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.

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

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.

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.

The Mohn Westlake Foundation

This one year grant was set up to support community projects via Community Foundations, in particular to support young people in the areas of employability and skills, mental health, and the arts.

Nationwide Building Society

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

National Emergencies Trust

UKCF are the main distribution partner of the National Emergencies Trust for the Corona-virus 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. A small proportion of the funds were distributed at the end of 2019-20, with the majority falling into early 2020-21 .

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 £20k of these funds, the remainder being a proportion of funds transferred to cover set up costs of the trusts being revitalised. These are paid to a consultant to help run the programme.

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.

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.

Uber

This one year programme aims to support local communities and projects, with a focus on skills building and employability. Grants of up to £5,000 are awarded in specific areas across the UK.

16. Endowment Funds

| | 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 |
| Total Endowment Funds | 3,846 | 296 | - | (125) | 4,017 |

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

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. Investment income from these funds are spend 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 three new funds in 2019-20 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 |
|------------------------------------|-----------------------|---------------------|--------------------|
| Tangible fixed assets | - | - | - |
| Net current assets | 660 | 1,979 | - |
| Investments | - | - | 4,017 |
| Net assets at 31 March 2020 | 660 | 1,979 | 4,017 |

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

**18. Comparative Statement of Financial Activities
(31 March 2019)**

| | 2019 | | | Total £'000 |
|---|-------------------------------|------------------------------|-----------------------------|----------------|
| | Unrestricted Fund £'000 | Restricted Funds £'000 | Endowment Funds £'000 | |
| INCOME AND ENDOWMENTS FROM: | | | | |
| Grants | 37 | 13,120 | - | 13,157 |
| Donations | 86 | - | - | 86 |
| Subscriptions | 350 | - | - | 350 |
| Other | 698 | (1) | - | 697 |
| Total income | 1,171 | 13,119 | - | 14,290 |
| Endowment transfer | - | - | 3,901 | 3,901 |
| Investment income | - | 61 | - | 61 |
| Management Fees from endowment | 121 | - | - | 121 |
| Total income and endowments | 1,292 | 13,180 | 3,901 | 18,373 |
| EXPENDITURE ON: | | | | |
| Raising funds | 64 | - | - | 64 |
| ICT services | 207 | - | - | 207 |
| Member services | 848 | - | - | 848 |
| Projects and programmes | 95 | 64 | - | 159 |
| Grant payments | - | 8,950 | - | 8,950 |
| Total expenditure | 1,214 | 9,014 | - | 10,228 |
| Net income/(expenditure) | 78 | 4,166 | 3,901 | 8,145 |
| Transfers between funds | 6 | (6) | - | - |
| Other recognised gains/(losses): | | | | |
| Investment gains/(losses) | - | - | (55) | (55) |
| Actuarial (losses)/gains on defined benefit pension schemes | - | - | - | - |
| Net movement on funds | 84 | 4,160 | 3,846 | 8,090 |
| Reconciliation of funds | | | | |
| Total Funds Brought Forward | 444 | 2,442 | - | 2,886 |
| Total Funds Carried Forward: | 528 | 6,602 | 3,846 | 10,976 |