

UK COMMUNITY FOUNDATIONS

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Company Number: 2651777
Charity Number: 1004630



**UKCOMMUNITY
FOUNDATIONS**

GIVING FOR LOCAL GOOD

UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2022

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INTRODUCTION

UK Community Foundations (UKCF, charity number 1004630) is the national membership organisation for all accredited community foundations across the UK. UKCF provides a range of services for members, including training and support, networking opportunities, national PR and national grant programmes. We help our members to be the best place-based grant makers, community leaders, convenors and catalysts. They encourage and develop local philanthropy; helping people and organisations invest in local communities where it is most needed and where it will make the most impact. Our vision is of a society where local philanthropy is the norm and where communities will be able to help all those in need.

Who we are

Our network consists of 47 accredited community foundations and three overseas members. Our members cover the whole of the United Kingdom. They are mainly county based, or covering metropolitan boroughs, or in the case of Scotland, Wales and Northern Ireland one community foundation for each of the devolved administrations. Our overseas members are from the Republic of Ireland, Jersey and Bermuda.

What our members do

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

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

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 they fund are as diverse as the communities they engage with.

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

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INTRODUCTION

The network of accredited community foundations gives grants totalling around £170 million annually. This makes the community foundation network, one of the UK's larger 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 supporting social change.

The network of community foundations together owned endowments of £741m at 31 March 2022.

CHAIR'S REPORT

The year 2021/2022 saw UKCF go from strength to strength. We are pleased to announce that we have appointed a new President, Lord Hastings of Scarisbrick. Lord Hastings brings considerable expertise to UKCF and we are delighted that he has decided to join us.

The new Board has worked well together and with the Senior Management team. The additional skills brought by the new independent trustees continue to make valuable contributions to the strategic aims of UKCF. A new committee structure has been established with a Finance Audit and Operations Committee, which includes the Community First Investment Committee, a Nominations and Governance Committee, a Forward Planning Committee together with working groups focussed on Quality Accreditation, Equity Diversity and Inclusion (EDI), Digital Transformation, plus a Grants Advisory Panel.

Our strategy has been effective, with progress being made on improving the membership offer, improving our profile and UKCF's relationships with government, attracting new donors to the network, and strengthening our organisation. The Senior Management Team report strategic progress to the Board monthly, which is scrutinised quarterly by the Board and the supporting committees.

One key success this year has been UKCF's communities of practice. These groups meet throughout the year focussing on areas of interest, such as philanthropy, marketing and communications, finance and operations, grant making and EDI. These groups allow staff members from across the network to meet each other and UKCF, share ideas, challenges and opportunities to work together on network wide projects.

UKCF provides regular webinars for the Chairs and for trustees of community foundations to engage on specific topics and to build a network of peer support. In September 2021 we held our first in-person Chairs' Away Day with 47 Chairs and trustees from across the network in attendance. I continue to visit community foundations across the UK to learn, listen and to hear about what is important to them.

UKCF held its first online conference "Together 21" in November, which focussed on EDI and involved a range of speakers from the membership and experts in their field from outside the network. Over 400 people watched the presentations. We look forward to holding UKCF's first in person conference since lockdown in Manchester in October 2022.

During the year all members went through the quality accreditation (QA) process with a 100% pass rate. Though challenging, it is important that we and our stakeholders know with confidence that our membership can deliver their work at a good standard. UKCF will be working with the network to make the next QA process in 2025 even more effective and relevant.

We launched our new Membership Hub, which has improved communication across the network significantly. Many of our members have had in person visits to their foundations from UKCF staff and trustees. This has built relationships and increased understanding of the

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challenges and successes members have had during the year, putting UKCF in a good place to meet members' needs.

Two members of the UKCF staff team have left having secured promotions in other charities. The rest of the team has adapted well to remote working. Three in-person, team away days were held in Coventry, Liverpool and Wiltshire to enable the team to meet and learn about the host community foundations, to work on strategy, carry out training and meet each other. The away days have been a great success and the team works well as a unit.

Daniel Anjorin and David Rossington stepped down as trustees during the year, I thank them for their service and wish them all success.

UKCF looks forward to 2022/2023 with confidence, determined to provide even better service and support to the network and other stakeholders, listening, advocating, and engaging.

Andrew Tuggey CBE DL

Chair, UK Community Foundations

TRUSTEES' REPORT

The Trustees present their annual Trustees' Report, with the Audited Accounts of the charity for the year ended 31 March 2022.

I. UKCF'S VISION, MISSION, VALUES AND GOALS

Vision - A National Voice for Local Communities.

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

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

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

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

- We put **inclusivity** at the forefront of all we do:
 - o Valuing diversity of experience and thought
 - o Ensuring all voices are heard
 - o Challenging and dismantling barriers wherever we find them
- We put **relationships** first:
 - o Everything we achieve will be done with and through others
 - o Demonstrating integrity, openness, honesty, and care in all we do
 - o Empowering networks that support places to thrive
- We are **ambitious** for members and the communities they support:
 - o Valuing future generations
 - o Focussing on underlying causes not symptoms
 - o Constantly challenging our knowledge and practice

Overarching Strategic Goals

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

Cross Cutting Themes

- 1. Equity Diversity and Inclusion:** In order to improve our diversity, scrutiny and decision making, we have appointed an EDI Director who will be responsible for ensuring that all aspects of our work take equity, diversity and inclusion on board.
- 2. UN Sustainable Development Goals:** The UN Sustainable Development Goals provide a framework which neatly explains the wide range of work that community foundations do. By adopting the goals and targeting the 2030 timeframe, we will have a methodology for measuring our impact, a communication hook, and the ability to position community foundations on the national and international stage.
- 3. Digital Transformation:** Improving our use of digital is a key focus for UKCF and the members. The digital transformation project will reach into every area of UKCF's operation from grant-making and impact measurement, to communication, finance and membership services. We will improve the systems used by members, especially our CRM which is managed centrally and requires development. Being able to operate in a smooth and agile way will benefit our members, and stakeholders.

2. IMPACT

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

During the year, we have focussed on supporting our members with a range of training and networking opportunities. Peer to peer learning has accelerated with our communities of practice, the members hub and in particular our Together 21 conference on Equity Diversity and Inclusion.

Together 21 satisfaction statistics:

- 320 registered for the event
- Average of 170 views per session (the highest was 419)
- Feedback: 62% said T21 met expectations and 31% said it partially met expectations
- Before T21, respondents rated confidence level in engaging with EDI issues as follows: Low confidence (13%), Some confidence (72%), High confidence (15%)
- After T21, respondents rated confidence level in engaging with EDI issues as follows: Low confidence (0%), Some confidence (62%), High confidence (38%)

Our members have commented on the improvement in communication across the network and with UKCF. This has been achieved through a number of face to face visits to members by UKCF staff and trustees, and through the new members hub which facilitates peer to peer networking. The Chairs of Trustees across our network, have formed a vibrant network with regular webinars, and an in person Chairs Day to help build relationships.

Our profile with government has improved throughout the year with UKCF building and strengthening relationships with many government departments and All Party Parliamentary Groups (APPGs).

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

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

The objects of UKCF are:

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

The changes UKCF seeks to make are:

- We are the only national network of funders with a physical presence in every part of the UK. We are part of, invest in and learn from those who know what needs to be done in partnership with our local communities. Harnessing the scale, impact and passion of our members to raise our profile, reputation and expertise is what UKCF does; bringing together the rich tapestry of community foundations across the UK to deliver a collective voice for all.
- Place-based funding is what makes our community foundations special. Our members are embedded in their place, understand the challenges their communities face and are tireless in their pursuit of better opportunities for all. They pursue long-term change for their communities and the people that live there and they can't do this unless they understand the local context, work with others, manage multiple interventions and learn and adapt their approaches over time. Their interventions include making grants to voluntary groups, charities and individuals, working in partnership with key stakeholders, encouraging local philanthropy to build endowment.
- Local philanthropy matters. Building local philanthropy is at the heart of what we do, so we can provide funding to those who need it into the future. The first community foundation was set up in America in 1914, as a way for the Cleveland Trust Company to manage multiple small endowments for the benefit of Cleveland. Like other philanthropists at the time, they had trouble finding beneficiaries for their grants, and needed to improve efficiency. The solution they came to was to design a model that would look at the root causes of problems in communities rather than being cause specific, engage local people in decision making and be more efficient. This is the model we have today: multiple small endowments, held by community foundations. Our endowments are crucial to communities as other sources of funding reduce.

I. ACHIEVEMENTS AND PERFORMANCE

- a) **Strengthen the Network:** To ensure that each of our members has the skills and capacity to meet the needs of their communities by offering a range of services that add value to members of all sizes, based on members needs and interests.
- i) Members have many interactions with UKCF during the year. Much of this was not recorded centrally, so we have adopted a CRM approach to improve our communication with members. Utilizing Salesforce, we now record significant interactions with members, providing visibility amongst the UKCF team.
- ii) Members asked for streamlined communication as we had a significant number of channels which were difficult to search and find information from. In response, we launched a new membership hub, which is the central communications tool and resource hub for the membership. This reduced the number of communication channels and improved efficiency. The membership hub has been widely adopted with 560 of our members enrolled.
- iii) Quality Accreditation (QA) was completed during the year. Passing QA is a requirement of full membership of UKCF. QA covers all aspects of strategy, governance and risk, financial and information management, philanthropy services and donor management, grant making and community participation, organisational and network development. We are delighted to report that UKCF and our members achieved a 100% pass rate.
- iv) Our training offer continues to grow.
- (1) We set up communities of practice which meet regularly online across a wide range of topics. We have groups working on grant making, philanthropy, equity diversity and inclusion, finance and operations, marketing and communications, digital transformation and sustainable development goals. We also hold regular CEOs' meetings every two weeks and Chairs' webinars run every five to six weeks. We have also started to run webinars for trustees of community foundations.
- (2) Our leadership programme has been a great success. We have completed our fourth cohort and so far 43 CEOs and senior leaders from the network have participated. We carried out an external evaluation of the programme in January 2022 and the report showed that the levels of satisfaction are high, and the impact of the training has been significant.

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- (3) We ran an online conference during the year, *Together 21*, focussed on Equity Diversity and Inclusion. We had over 400 attendees and a wide range of external speakers providing advice and challenge to current practice.
 - (4) We set up a Programme Reference Group that informs UKCF on the design and delivery of national programme opportunities that arise.
 - (5) We have designed an impact framework, which will make reporting on programmes more consistent across the network. Thirty community foundations are involved in the framework with the remainder expected to join during the year.
- b) **Build Profile:** To improve our visibility with government and other influencers to position community foundations as the partner of choice and experts on place based social change by developing a policy platform and a clear unified voice.
- i) Our profile with government has increased during the year. We are members of a number of APPGs and have built relationships with various government departments.
 - ii) Our national and international profile has increased due to our involvement with COP 26, and the F20. We work closely with our European colleagues, especially with the war in Ukraine, and as the needs of refugees become more prevalent. Our emergency work has involved collaboration with the Voluntary Sector Emergency Partnership, the British Red Cross and Government Departments. Good relationships are being maintained with the National Emergencies Trust (NET).
 - iii) Marketing UKCF and the membership has progressed with refreshed branding and a new website launched in July 2021. Two reports were published during the year:
 - (1) *“Thinking globally, acting locally: How community foundations are contributing to the United Nations’ Sustainable Development Goals”*, published in November 2021
 - (2) *“Investing, Inspiring, Including: How community foundations are helping recovery from the pandemic”*, published in July 2021
- c) **Unlock Resources:** To generate investment in the network from a wide range of donors and partners by building a strong case for support of community foundations and UKCF.

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- i) The Revitalising Trusts Programme (RTP) is a joint initiative with the Charity Commission. The RTP has transferred £7,232,899 of dormant trusts to community foundations or other appropriate charities during the year.
 - ii) We secured two government programmes, #IWill from DCMS (£637k) which will be received in 2022/2023 and £5m from the Arts Council England Lets Create Fund
 - iii) £491k was secured from four corporates; Primary Health Property Group, Cellnex UK, Original Cottages and Vita Coco
 - iv) We distributed a £4.3m fund from Made by Sport and the Duchy of Lancaster has donated to three of our members.
- d) **Build a Thriving UKCF:** to create an exemplar organisation that has the confidence of members, is sustainable and a great place to work, by investing in our people, systems, processes, and leadership.
- i) During the financial year, three new staff were recruited. A Director of EDI, Head of Membership, and a Membership Officer. Two staff left the organisation moving for promotion, the Finance and Operations Director and a Membership Officer. Since the end of the financial year, we have appointed an apprentice and Digital Transformation Lead.
 - ii) Staff welfare is a prominent part of our work. Working remotely can result in feeling isolated. We have quarterly team away days, based with one of our members where the team can meet in person, carry out training and attend project visits. We have signed up to Health Assured – an employee assistance programme which provides advice and support for a range of health-related matters. We have signed up to the Living Wage pledge and are a Disability Confident employer.
 - iii) Each member of staff has a training budget of £750 to access training specific to their roles. Sixty three percent of our team took advantage of the funding during the year. We have team-based training that takes place throughout the year; topics covered were strategy, philanthropy, budgets, equity diversity and inclusion, and values. We use a Charity Learning platform providing a range of courses that everyone in the team is expected to complete. Cyber Security, GDPR and Health and Safety have been completed. Teamwork, Communications Skills and Workplace Wellbeing are in progress.
 - iv) Defining our values as a team was one of the most important tasks completed during the year. The values are built into our appraisal process and the team hold

one another to account for living them. Inclusive, relational and ambitious, as set out in section I of this report, define who we are and how we work.

2. Cross Cutting Themes

a) Equity Diversity and Inclusion (EDI):

Equity diversity and inclusion(EDI) is embedded within our culture and practice at UKCF. To progress EDI throughout the network, we have established an EDI Steering Group made up of ten staff representatives from the membership covering a wide range of roles within their foundations. Their role is:

- To develop a common understanding of EDI across the network in terms of language and messaging and to promote a common strategy
 - To promote EDI principles and practices at the local and national level, across all practice areas of the UKCF network
 - To share best practice in developing EDI strategies and incorporating EDI principles in all aspects of Community Foundations' work
 - To identify and promote suitable skills and development training in EDI for the network
 - To be the reference group for EDI knowledge and expertise within the Community Foundation network
- Much of our effort in our first year has been to build engagement through learning events such as Together21, Chairs' Day 2021, the CEOs' residential along with several other learning events and webinars for the network.
 - We have established a network EDI plan which is being developed with the EDI steering group.
 - The EDI curriculum has been partially delivered through the Member Hub, with further training and resources under development. Additionally, a learning cohort of three foundations is being established.
 - Work on the community development toolkit has been initiated and is expected to be delivered in the summer.
 - The EDI leaders' programme is in the early stages, but work is gaining traction through the work of the EDI steering group and developing EDI learning cohort.
 - We carried out a UKCF EDI Network Survey to determine the demographics of our network and the learning needs of members to enable us to tailor our training offer appropriately. We received 185 responses across all roles and role levels. We discovered that compared to national statistics the networks' demographics on race diversity were slightly lower than the national averages, and that people with disabilities are significantly under represented. The network also has a workforce with

significantly higher levels of education than the average for the population. This insight has shown us all that we cannot be complacent during recruitment, and we must ensure that we are promoting opportunities to the widest network to bring our statistics into line with national averages.

- When asked about specific areas for EDI learning, both personally and organisationally, four areas were most requested: race, disability, LGBTQ+ and socioeconomic issues. Respondents were asked in an open question about what UKCF could do to support their EDI practice; responses showed four main themes which will be incorporated into our EDI training plan:
 - Good practice: respondents wanted to see examples of good practice from the network and beyond.
 - Data: answers stressed the importance of accurate and comprehensive data collection.
 - Training: respondents shared types and formats of training they wanted, including promoting external training, peer-to-peer 'exchange programmes', etc.
 - Network culture: answers noted how UKCF should work to influence the culture of the network to support EDI goals.

b) The United Nations Sustainable Development Goals (SDGs)

The SDG's are often seen as a way of communicating with external audiences and a toolkit to demonstrate how our work is aligned to achieving the goals. It is also an intrinsic element of business as usual and not simply an add on. Over the last year we have:

- Delivered a series of SDG Peer Learning Sessions
- Published the 'Think Globally, Act Locally' report looking at how the place-based community foundation model aligns with SDGs - with examples of work from community foundations across the country.
- Developed of the SDG resource pack to share best practice and learning from external experts and our members.
- Delivered the Together21 conference - An interactive convention around equitable and inclusive communities linked to goal 10: reduced inequalities
- Created a dedicated area in the Member Hub to allow sharing of best practice and learning from outside the sector.

c) Digital Transformation

Digital transformation is as much an issue of culture as technology. The need for systems that are streamlined and transparent is vital when working remotely. The Digital Transformation programme is divided into two parts, firstly simplifying our processes and having a CRM platform which is fit for purpose. We are working with our members to deliver a solution which will do the following:

- Simplify the application and due diligence process
- A more efficient approach to due diligence
- Improved reporting
- Improve the grantee and donor experience
- Systems that talk to each other

Fundraising

UKCF does not actively fundraise from members of the public, and no third-party fundraisers are used by the Charity. Donations are, however, gratefully received and accepted. Most of our funding comes directly from grants, members and other institutional funders. We have not received any complaints in respect of fundraising. We are registered with the Fundraising Regulator.

3 STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

Some of our trustees are from our membership and some are independent, with members in the majority. We hold elections for UKCF trustees from our membership, whether they are trustees or staff of community foundations. Independent trustees are co-opted onto the board to bring experience and skills to bear that are considered necessary by the Board. This process

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is overseen by our Nominations and Governance Committee. Terms of office are a maximum of three terms of two years as a trustee.

The Board meetings fit into the planning cycle so that the Board can focus on developing strategy, approving the operational plan, agreeing the annual budget and reviewing lessons learned.

The Board of UKCF is the decision-making body for the company. The Board delegates powers to committees to recommend specific decisions to the Board consistent with the overall direction set by the Board. The committees in 2021-2022 were:

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

All trustees have an induction and are encouraged to attend training provided for them. However, most of them are either a trustee of other charities or employed by community foundations and therefore have significant current knowledge of charity practice and regulation. We do welcome those who have not been a trustee before and we provide the support needed, including a “buddying” system to help them develop the skills required of a trustee. Many of the UKCF trustees attend third sector seminars and events and some are offered training and development opportunities by their relevant community foundation. All UKCF trustees attend UKCF's Symposium and the UKCF Conference which fall in alternating years. Both events have a programme of plenary speeches and workshops designed to develop the skills and knowledge of all attendees. In addition, the Board agenda includes updates on charity governance matters.

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

4 AUDIT INFORMATION

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

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

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- 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.

5 FINANCIAL REVIEW

Total charity income for the year was £6,712k (2021: £83,778) and expenditure was £8,000k (2021: £83,027k) with other gains of £434k (2021: £773k) giving a deficit of £854k (2021: £1,524 surplus).

UKCF has three types of funds - Unrestricted, Restricted and Endowment.

Unrestricted funds – deficit of £399k (2021: £196k surplus) Fund transfers of £116k (2021: £52k) give an overall downward movement on funds of £283k (2021: £248k upward movement).

Excluding the ICT subscriptions, which are a fully recharged cost to our members, the unrestricted funds show the income and expenditure required to operate UKCF.

Restricted funds – deficit of £1,200k (2021: £98k surplus) Fund transfers of £22k (2021: £52k) give an overall downward movement on funds of £1,222k (2021: £46k upward movement).

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

Endowment funds – Income of £311k (2021: £457k) Fund transfers of £94k (2021: nil) Investment gains of £434k (2021: £773k) - give an overall upward movement on funds of £651k (2021: £1,230k).

As a result of the RTP, UKCF also holds an endowment fund. This arises from transfers of inactive or dormant trusts which have a national or UK-wide objective.

INCOME

Unrestricted Income - was £1,116k (2021: £1,485k)

Membership income of £362k (2021: £345k) comprised 32% (2021: 23%) of our unrestricted income for the year. Our membership fees are based on a percentage of the endowment of each individual community foundation. Lower fees are charged to our overseas members as they have limited access to membership benefits compared to our UK accredited members.

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We welcomed one new fully accredited member in the year and one overseas member, the balance of the increased membership fees was from the networks endowment growth.

Service recharges to members of £294k (2021: £193k) comprised 26% (2021: 13%) of our unrestricted income for the year. These recharges mainly relate to the network wide CRM which is administered by UKCF and in 2022 the cost of the triennial quality accreditation process. CRM recharge income increased this year due to increased use of the system.

Unrestricted income linked to flowthrough grant making funding of £267k (2021: £709k) comprised 24% (2021: 48%) of our unrestricted income for the year. The income in 2021 was exceptionally high due to the NET COVID-19 appeal, which accounted for £430k in 2021. For further detail see note 3 of the financial statements.

Unrestricted income from donations and grants which were not linked to grant making of £103k (2021: £167k) comprised 9% (2021: 11%) of our unrestricted income for the year. In 2021 we received one off funding for a governance review and the final instalment of a three-year grant from the John Armitage Charitable Trust. We would like to give our thanks to The C S Mott Foundation and CCLA for their generous and continued support of UKCF in 2022 and beyond.

The remaining unrestricted income of £90k (2021: £71k) comprised 9% (2021: 5%) and was made up from multiple sources including Endowment transfers £4k, fees from managing Endowments £68k, and event sponsorship £16k.

Restricted Income – was £5,285k (2021: £81,836k)

Restricted income used for flow through grant making was £5,103k (2021: £81,738). The £76,635 decrease is because 2021 was an exceptional year due to the NET COVID-19 appeal which generated income of £73,154k and other COVID-19 related income of £3,797k which led to a record year for UK Community Foundations in terms of income and grant-making. For further detail see note 3 of the financial statements.

Restricted income for the leadership and RTP was £94k (2021: £20k). We would like to give our thanks Fidelity and the John Armitage Charitable Trust for their support of the leadership programme.

Investment income was £88k (2021: £89k).

Endowment Income – was £311k (2021: £457k) with Investment gains was £434k (2021: £773k).

Funds transferred through the RTP are held as endowment funds. The balance of this fund at the end of the year is £5,898k (2021: £5,247k).

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The Sir George Earle Charitable Fund, which is held as a linked charity (Charity number 1004630-1), makes up most of this balance. The proceeds of the endowment funds are used to contribute to UKCF overheads and to provide grants to be made by individual community foundations.

UKCF also has a second linked charity: Aid for the Aged in Distress (Charity number 1004630-2). The funds for Aid for Aged in Distress are in the process of being transferred and a reasonable estimate of the value of the funds are included in these financial statements at £91k.

Capital drawdowns are made in line with fund agreements to augment grant making, this is shown as a fund transfer. Grants of £149k (2021; £146k) were made related to the Sir George Earle endowment fund.

EXPENDITURE

Unrestricted Expenditure – was £1,515k (2021: £1,289k)

UKCF's main cost is our team, which represented 61% (2021: 64%) of our total non-grant expenditure. Team costs, which include employees and contractors, have increased to £990k from £849k (financial statements note 6). This is driven by an increased in headcount from 12 to 18.

Governance costs were £47k (2021: £41k), which included costs relating to the audit, independent trustee recruitment and governance review.

Restricted Expenditure – was £6,485k (2021: £81,738k)

Restricted flow through grants awarded was £6,370k (2021; £81,692). The remaining expenditure of £115k (2021: £46k) related to direct restricted expenditure for Projects & Programmes.

The difference between restricted income received and expended in year arises due to grant making in-year being made from brought forward funds.

Endowment Expenditure - was none (2021: none)

6 INVESTMENTS

Through its Community First Investment Committee (the CFIC), UKCF supervises the investment of the Community First Investment Funds on behalf of 45 of the community foundations. That fund was valued at £171m as of 31 March 2022, which was up from the figure of £169m as of 31 March 2021.

UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

UKCF's endowment fund comprising the Sir George Earl Fund and some smaller funds stood (as described in note 16 of the financial statements) at £5.9m as of 31 March 2022. Compared to £5.2m as of 31 March 2021.

These funds are all managed by CCLA Investment Management Limited.

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

UKCF's endowment is invested in CCLA's COIF Ethical fund. UKCF operates a total return policy in order to invest funds for long-term growth.

The CFIC meets twice a year and reports regularly to the membership network. In the opinion of the CFIC, CCLA exercised its investment responsibilities with due care during the year.

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

	Total investment performance in year to 31 March 2022 (net of fees and costs)	Total investment performance in year to 31 March 2021 (net of fees and costs)	Total investment performance annualised three-year return to 31 March 2022 (net of fees and costs)
CCLA – COIF Ethical Investment Fund	11.56%	23.87%	11.46%
ARC Steady Growth (peer group comparison)	6.29%	24.01%	6.68%

7 RESERVES POLICY

Total funds amount to £7,236k (2021: £8,180k).

Unrestricted funds were £625k (2021: £908k)

Restricted funds were £803k (2021: £2,025k)

Endowment funds were £5,898k (2021: £5,247k).

During the year the trustees reviewed the reserves policy, following the steps outlined in the Charity Commission's guidance CCI9 (*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 considering future plans. During the current year, this gave us a target range of £300k to £410k for our unrestricted general reserves and is the same as our target range in 2021. The size of the organisation is similar to 2021, as are our commitments going forward and the uncertainty around programme income in the coming years. For comparison this translates to 3-4 months of unrestricted expenditure excluding recharged costs.

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

At the balance sheet date, the unrestricted reserves of UKCF were £625k, which includes £170k designated reserves and £455k general funds, just above the top of our range. The 2021-22 budget and projection for 2022-23 includes planned investment of the designated reserves into our strategy.

Designated Funds

Total designated funds at year-end were £170k (2021: £495k). Designated funds comprise the following funds set aside by Trustees of UKCF:

- £100k is set aside for investment in specific strategic projects. This includes work on setting up the network-wide EDI plan, various communications and information gathering activities and developing our internal systems, processes and culture. These activities are vital to ensuring successful delivery of our strategy. This expenditure is anticipated in 2022/23.
- £70k is set aside for the digital transformation project, in particular the development of an improved CRM system for our network. The funds would be spent towards

building and implementing the improved system. This spend is expected to be split over the next two to three years.

8 REMUNERATION POLICY

The trustees consider that the Board of UKCF and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling the charity and running and operating it on a day-to-day basis. All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 11 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 considering movement in average earnings and the relativity with the average salary of other employees. The remuneration of the CEO and her senior reports is bench-marked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and comparable with that generally paid for similar roles. A cost-of-living increase was awarded to all staff who had been in post for a year in April 2021.

9 PLANS FOR THE FUTURE

As discussed in Section 1 of this report, our strategic plan is in its second year. Following a review of our strategy we have strengthened our objectives for the next 12 months. The items below provide additional detail on the activities we plan to undertake over the next two years.

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

Building a culture of learning: carefully planned, peer-led, curated learning offer for everyone in the network

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

Deliver a detailed communications plan, focussed on positioning UKCF and its members' expertise in philanthropy, permanence, and place

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

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

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

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

To undertake a review of our business model.

10 RISKS

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

The key risks are associated with the financial, operational, and reputational risks associated with the delivery of UKCF's objectives. The most significant risk is a decline in income as a result of the loss of programmes or core funding grants. To mitigate the risks of a reduction of income, UKCF is actively pursuing new programmes and core funding opportunities.

In addition, with the transition to a home working organisation, there is currently strong focus on risks associated with cyber security and delivering our digital transformation project on time and to budget. We have achieved cyber essentials plus certification.

11 UKCF GOING CONCERN

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular,

the trustees have considered the charity's forecasts and projections and have taken account of pressures on income generation and investment market fluctuations.

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

After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity, therefore, continues to adopt the going concern basis in preparing its financial statements.

12 TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure for that period. In preparing these financial statements, the trustees are required to:

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

UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

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.

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

Date:

Signed on its behalf by

.....

Andrew Tuggey CBE DL

Chair and Trustee, UK Community Foundations

Signed on its behalf by

.....

Mark Spofforth, OBE

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 2022 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES FOR THE FINANCIAL STATEMENTS

As explained more fully in the trustees' responsibilities statement set out in section 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

INDEPENDENT AUDITOR'S REPORT

- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

A further description of our responsibilities 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.

USE OF OUR REPORT

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

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

10 Queen Street Place
London
EC4R 1AG

Date:

	Notes	2022			2021	
		Unrestricted	Restricted	Endowment	Total	
		Fund	Funds	Funds	Total	
INCOME AND ENDOWMENTS FROM:		£'000	£'000	£'000	£'000	£'000
Grants		230	5,272	-	5,502	8,962
NET Grants		75	(95)	-	(20)	73,584
Donations		65	20	-	85	95
Subscriptions		362	-	-	362	345
Other		312	-	-	312	193
Total income	3	<u>1,044</u>	<u>5,197</u>	<u>-</u>	<u>6,241</u>	<u>83,179</u>
Endowment transfer		4	-	311	315	457
Investment income		-	88	-	88	99
Management Fees from endowment		68	-	-	68	43
Total income and endowments		<u>1,116</u>	<u>5,285</u>	<u>311</u>	<u>6,712</u>	<u>83,778</u>
EXPENDITURE ON:						
Raising funds	5	86	-	-	86	77
ICT services	5	250	-	-	250	222
Member services	5	1,126	-	-	1,126	945
Projects and programmes	5	53	115	-	168	91
Grant payments	4	-	6,307	-	6,307	8,715
NET Grant payments	4	-	63	-	63	72,977
Total expenditure		<u>1,515</u>	<u>6,485</u>	<u>-</u>	<u>8,000</u>	<u>83,027</u>
Net (expenditure) / income		(399)	(1,200)	311	(1,288)	751
Transfers between funds		116	(22)	(94)	-	-
Other recognised gains/(losses):						
Investment gains	16	-	-	434	434	773
Net movement on funds		(283)	(1,222)	651	(854)	1,524
Reconciliation of funds						
Total Funds Brought Forward		908	2,025	5,247	8,180	6,656
Total Funds Carried Forward:	14,15,16	<u>625</u>	<u>803</u>	<u>5,898</u>	<u>7,326</u>	<u>8,180</u>

No separate income and expenditure account, as required under Companies Act 2006, is presented here as the only difference between the net deficit for the year of £1,285k (2021: surplus of £751k) and the net deficit for the year as defined by the companies Act of £1,596k (2021: surplus £294k) is income from endowments of £311k (2021: £457k).

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 49 form an integral part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2022

		2022	2021
		£'000	£'000
	Notes		
FIXED ASSETS			
Investments	8	5,808	5,047
Total fixed assets		<u>5,808</u>	<u>5,047</u>
CURRENT ASSETS			
Debtors	9	73	374
Cash at bank and in hand		1,692	3,467
Total current assets		<u>1,765</u>	<u>3,841</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	10	247	708
NET CURRENT ASSETS		<u>1,518</u>	<u>3,133</u>
TOTAL NET ASSETS OR LIABILITIES	17	<u>7,326</u>	<u>8,180</u>
THE FUNDS OF THE CHARITY			
Total unrestricted funds	14	625	908
Restricted income funds	15	803	2,025
Endowments	16	5,898	5,247
TOTAL CHARITY FUNDS		<u>7,326</u>	<u>8,180</u>

The financial statements were approved and authorised for issue by the Trustees on 23 September 2022 and signed on their behalf by:

Andrew Tuggey CBE DL
Chair

David Mark Spofforth OBE
Treasurer

The notes set out on pages 34 to 49 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	£'000	£'000
Net cash flow from operating activities:		
Net cash (used in) / provided by operating activities	(1,448)	533
Cash flow from investing activities		
Purchase of Investments	(421)	(457)
Proceeds on disposal of investments	94	-
Net cash (used in) investing activities	(327)	(457)
Net change in cash and cash equivalents in the reporting period	(1,775)	76
Cash and cash equivalents at the beginning of the reporting period	3,467	3,391
Cash and cash equivalents at the end of the reporting period	1,692	3,467
Reconciliation of net (expenditure) / income to net cash flow from operating activities	2022	2021
	£'000	£'000
Net (expenditure) / Income for the reporting period (as per the statement of financial activities)	(854)	1,524
Adjustment for:		
(Gains) on investments	(434)	(773)
Decrease / (Increase) in debtors	301	(64)
(Decrease) in creditors	(461)	(154)
Net cash (used in) / provided by operating activities	(1,448)	533
Analysis of cash and cash equivalents	2022	2021
	£'000	£'000
Cash in hand	1,692	3,467
Total cash and cash equivalents	1,692	3,467

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

The notes set out on pages 34 to 49 form an integral part of these financial statements.

I. Accounting Policies

Company Information

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

Basis of Preparation

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

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

Linked Charities

UKCF has two linked charities: The Sir George Earle Fund (Charity number 1004630-1) and Aid for the Aged in Distress (Charity number 1004630-2). These have both been transferred as part of the Revitalising Trusts programme. The Sir George Earle Fund has been fully transferred and all income and expenditure is included as part of these financial statements. The funds for Aid for Aged in Distress are in the process of being transferred and a reasonable estimate of the value of the funds are included in these financial statements at £92k.

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 income where the provider of the service has incurred a financial cost. General volunteer time is not included in the financial statements in line with the guidance set out in the SORP.

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

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

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

Endowment funds reflect funds transferred to UKCF which relate to the Revitalising Trusts Programme. The capital must be retained by the charity however the income from funds invested partly represents an unrestricted management fee at an agreed rate. Income in excess of the unrestricted management fee is restricted as set out in note 15.

Expenditure

Expenditure is recognised in the period in which it is incurred. Expenditure includes attributable VAT which cannot be recovered. Costs which are directly related to activities are allocated to those activities.

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

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

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

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

The charitable company makes payments to defined contribution pension schemes on behalf of employees. The contributions are treated as an expense in the year in which they are payable. The charity has no other obligation under these schemes.

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

Investments

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

Critical accounting estimates and areas of judgement

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

Other financial instruments

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

i. Cash and cash equivalents

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

ii. Debtors and creditors

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

2. Taxation

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

3. Income	2022			2021		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Donations and grants						
National Emergencies Trust (NET)						
NET - COVID 19	80	-	80	314	52,670	52,984
NET EDI Infrastructure - COVID 19	(5)	(85)	(90)	16	1,039	1,055
NET Government Fund - COVID-19	-	(10)	(10)	100	19,445	19,545
	<u>75</u>	<u>(95)</u>	<u>(20)</u>	<u>430</u>	<u>73,154</u>	<u>73,584</u>
3i - COVID 19	-	-	-	4	196	200
Arts Council - Lets Create Jubilee Fund	30	4,860	4,890	-	-	-
Barclays - COVID 19	-	-	-	10	990	1,000
Building a Stronger Britain Together	-	-	-	35	3	38
CCLA	40	-	40	40	-	40
Cellnex - Digital Exclusion Fund	3	198	201	-	119	119
Coronavirus Jobs Retention Scheme	-	-	-	16	-	16
C S Mott Foundation	59	-	59	62	-	62
DCMS Match Funding	15	-	15	10	2,338	2,348
Direct Line	-	-	-	2	98	100
Duchy of Lancaster	-	-	-	2	97	99
Fidelity	4	74	78	-	-	-
Flood and Storm Donations	-	-	-	-	-	-
#iwill (YSA) Project	32	(23)	9	32	259	291
John Armitage Charitable Trust	-	15	15	45	-	45
Ladbrokes	40	-	40	-	-	-
Made By Sport	44	-	44	-	4,386	4,386
MLM	-	-	-	-	7	7
Nationwide Building Society	-	-	-	85	-	85
Oak Foundation	15	-	15	33	-	33
Original Cottages	2	19	21	-	-	-
Other	4	-	4	-	-	-
PHP Group - Social Prescribing Fund	8	143	151	-	-	-
Revitalising Trusts	-	5	5	27	20	47
Royal London	-	-	-	8	-	8
Sick Man's Friend - COVID 19	-	-	-	1	48	49
Surviving Winter	-	1	1	-	12	12
Tampon Tax	-	-	-	35	(19)	16
Tom Ward - Governance	-	-	-	20	-	20
Uber	-	-	-	6	-	6
Weavers	-	-	-	-	30	30
Total	<u>371</u>	<u>5,197</u>	<u>5,568</u>	<u>903</u>	<u>81,738</u>	<u>82,641</u>
Subscriptions						
Membership	362	-	362	345	-	345
Total	<u>362</u>	<u>-</u>	<u>362</u>	<u>345</u>	<u>-</u>	<u>345</u>
Other Income						
D D McPhail Charitable Settlement	3	-	3	-	-	-
ICT subscriptions	235	-	235	186	-	186
Services Recharge	58	-	58	7	-	7
Event Sponsorship	16	-	16	-	-	-
Total	<u>312</u>	<u>-</u>	<u>312</u>	<u>193</u>	<u>-</u>	<u>193</u>

4. Grants paid to organisations

	2022	2021
	£'000	£'000
National Emergencies Trust (NET)		
NET - COVID 19	(7)	52,670
NET EDI Infrastructure - COVID 19	80	862
NET Government Fund - COVID 19	(10)	19,445
	<u>63</u>	<u>72,977</u>
3i - COVID 19	-	196
Arts Council - Lets Create Jubilee Fund	4,860	-
Barclays - COVID 19	-	990
Building a Stronger Britain Together	-	102
Cellnex - Digital Exclusion Fund	198	119
DCMS Match Funding	100	2,238
Direct Line	-	98
Duchy of Lancaster	-	97
Sir George Earle Endowment Fund	149	146
#iwill (YSA) Project	(20)	287
Ladbrokes	880	-
Made By Sport	(5)	4,386
MLM	7	-
PHP Group - Social Prescribing Fund	143	-
Original Cottages	19	-
Royal London	15	-
Sick Man's Friend - COVID 19	-	48
Tampon Tax	(40)	(22)
Weavers	-	30
	<u>6,369</u>	<u>81,692</u>

All grants paid are restricted in 2022 and 2021.

5. Expenditure

	Grants (Note 4) £'000	Staff costs and consultancy £'000	Office and running costs £'000	Total 2022 £'000
Fundraising	-	86	-	86
ICT services	-	83	167	250
Member services	-	830	296	1,126
Total for above	-	999	463	1,462
Projects and Programmes				
NET - COVID 19	(7)	-	-	(7)
NET EDI Infrastructure - COVID 19	80	1	-	81
NET Government Fund - COVID 19	(10)	-	-	(10)
Arts Council - Lets Create Jubilee Fund	4,860	7	1	4,868
Cellnex - Digital Exclusion Fund	198	-	-	198
DCMS Match Funding	100	-	-	100
Sir George Earle Endowment Fund	149	-	-	149
#iwill (YSA) Project	(20)	5	-	(15)
Ladbrokes	880	5	1	886
Leadership Programme	-	91	8	99
Made By Sport	(5)	4	-	(1)
MLM	7	-	-	7
Oak Foundation	-	11	-	11
PHP Group - Social Prescribing Fund	143	-	-	143
Original Cottages	19	-	-	19
Revitalising Trusts	-	34	1	35
Royal London	15	-	-	15
Tampon Tax	(40)	-	-	(40)
Total for Projects and Programmes	6,369	158	11	6,538
2022 Total	6,369	1,157	474	8,000

5. Expenditure (cont)

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

6. Staff costs and numbers

	2022	2021
	Total	Total
	£'000	£'000
Salaries and wages	798	525
Social security costs	85	54
Pension contributions	39	20
	<u>922</u>	<u>599</u>
Redundancy costs	-	25
Other staff costs, including recruitment	68	225
	<u>990</u>	<u>849</u>

		2022	2021
Number of employees earning between	£100,000 and £110,000	1	-
Number of employees earning between	£80,000 and £90,000	-	1
Number of employees earning between	£70,000 and £80,000	1	-
Number of employees earning between	£60,000 and £70,000	<u>2</u>	<u>2</u>

The average number of employees analysed by activity:

	2022	2021
Charitable activities	<u>18</u>	<u>12</u>

Key management personnel includes the Trustees, the CEO and Senior Management Team. The remuneration paid to the CEO and Senior Management Team amounted to £441k (2021: £288k).

7. Net income/(expenditure) for the year

This is stated after charging:

	2022	2021
	£'000	£'000
Operating lease rentals	-	1
Auditor's remuneration:		
Current year - Statutory audit	12	12
Prior year - Statutory audit	1	2
Current year - Tax advisory services	3	2

8. Investments

	2022	2021
	£'000	£'000
Valuation at 1 April	4,517	3,740
Additions in year	907	4
Disposals during the year	(94)	-
Net gain/(loss) on revaluation	434	773
Valuation at 31 March	<u>5,764</u>	<u>4,517</u>
Cash held by investment manager	-	530
Cash held in CAF bank	44	-
Total valuation at 31 March	<u><u>5,808</u></u>	<u><u>5,047</u></u>

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

9. Debtors

	2022	2021
	£'000	£'000
Trade and sundry debtors	50	359
Prepayments and accrued income	23	15
	<u>73</u>	<u>374</u>

10. Creditors : Amounts falling due within one year

	2022	2021
	£'000	£'000
Trade and sundry creditors	79	370
Accruals and deferred income	124	309
Social security and other taxes	44	29
	<u>247</u>	<u>708</u>

Included within Social security and other taxes is £6,250 owing to the pension scheme (2021: £4,373).

Included with the above is deferred income as follows:

Analysis of deferred income	2022	2021
	£'000	£'000
Deferred income brought forward	275	354
Released to income in year	(249)	(241)
Deferred in year	67	163
As at 31 March 2022	<u>93</u>	<u>276</u>

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

11. Trustee remuneration and expenses

Six members of the board (2021: nil), and no committee members (2021: nil) received reimbursement of travel expenses to attend meetings, this amounted to £2,281 (2021: £nil). No member of the board (2021: nil) received remuneration.

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

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

12. Related party transaction

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

Trustee Name	Community Foundation
Toby Anstruther	Foundation Scotland
Michelle Cooper	County Durham Community Foundation
John Gordon	Community Foundation Northern Ireland
Kevin Richmond	Sussex Community Foundation
Stephen Singleton	Suffolk Community Foundation
Mark Spofforth	Sussex Community Foundation
Andrew Tuggey	Community Foundation Wales
Tom Van Oss	Cornwall Community Foundation

13. Operating lease commitments

Total annual commitments payable under operating leases are as follows

	Land and Buildings		Other	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Operating leases which expire				
Less than 1 year	46	46	-	-
Between 1-2 years	16	46	-	-
Between 2-5 years	-	16	-	-
	<u>62</u>	<u>108</u>	<u>-</u>	<u>-</u>

14. Unrestricted and Designated Funds

	At 1 April 2021 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2022 £'000
Unrestricted Funds:					
General funds	413	1,116	1,365	291	455
Designated Funds:					
CRM Training and Development	-	-	-	-	-
Strategic Development	104	-	104	100	100
Digital Transformation	250	-	46	(134)	70
#iwill Programme	141	-	-	(141)	-
Total	908	1,116	1,515	116	625

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

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

The #iwill programme designated funds were a potential return of funds relating to an ongoing negotiation about the matched funding of Community Foundation management fees. This return was not required and the balance has been transferred to general funds.

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

15. Restricted funds

	At 1 April 2021 £'000	Income / Other gains £'000	Expenditure / Other losses £'000	Transfers £'000	At 31 March 2022 £'000
Arts Council - Lets Create Jubilee Fund	-	4,860	4,860	-	-
Building a Stronger Britain Together	70	-	-	(70)	-
Cellnex - Digital Exclusion Fund	-	198	198	-	-
DCMS Match Funding	100	-	100	-	-
Endowment - Education Fund	1	1	-	-	2
Endowment - Relief of Poverty Fund	-	3	-	-	3
Endowment - General Fund	-	-	-	-	-
Endowment - Sir George Earle Fund	78	84	149	94	107
Fidelity	13	74	84	-	3
Flood and Storm Donations	6	-	-	-	6
#iwill (YSA) Project	24	(23)	(20)	-	21
John Armitage Charitable Trust	-	15	15	-	-
Ladbrokes	1,458	-	880	-	578
Made By Sport	-	-	(5)	(5)	-
MLM	7	-	7	-	-
Nationwide Building Society	12	-	-	(12)	-
NET - COVID 19	-	-	(7)	-	7
NET EDI Infrastructure - COVID 19	167	(85)	80	(2)	-
NET Government Fund - COVID 19	-	(10)	(10)	-	-
Oak Foundation	38	-	11	(27)	-
Original Cottages	-	19	19	-	-
PHP Group - Social Prescribing Fund	-	143	143	-	-
Revitalising Trusts	-	5	5	-	-
Royal London	22	-	15	-	7
Surviving Winter	15	1	-	-	16
Tampon Tax	14	-	(39)	-	53
Total funds	2,025	5,285	6,485	(22)	803

Negative income figures relate to either the correction of unrestricted income recognised as restricted in previous years or income which has been received in previous years but where there has been a grant underspend which is returned to the funder.

Negative expenditure figures represent this grant underspend being returned to UKCF.

15. Restricted Funds (cont)

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

Arts Council - Lets Create Jubilee Fund

The Let's Create Jubilee Fund is to support voluntary and community groups to develop creative and cultural activities as part of the Queen's Platinum Jubilee celebrations in June 2022. The funding is delivered via the community foundation network.

Building a Stronger Britain Together

UKCF partnered with advertising agency M&C Saatchi to deliver several rounds of funding of a major Home Office initiative to build social cohesion and to counter extremism. The programme supports civil society and community organisations who work to create more resilient communities, stand up to extremism in all forms and offer vulnerable individuals a positive alternative, regardless of race, faith, sexuality, age, and gender. The programme has ended and has been closed down. A transfer has been made from restricted to unrestricted funds in the year to recognise the element of the grant funding which was a contribution towards UKCFs overheads.

15. Restricted Funds (cont)

Cellnex - Digital Exclusion Fund

Funded by Cellnex, the aim of the programme is to target digital exclusion and the funds have been used to support and work with organisations who are working in this area. All funds were distributed during 2021-2022.

DCMS Match Funding

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

Direct Line

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

Duchy of Lancaster

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

Endowment Funds

There are four endowment funds held by UKCF which generate income. The largest is funded mainly by the investment income from the Sir George Earle Charitable Foundation, which was originally set up to provide discretionary grants to support current and former employees of the cement manufacturer in cases of financial hardship. The scope has been extended to work with local communities and projects which support older people, particularly with regard to reducing loneliness or isolation, and in specific geographies around historic cement works. Two of the funds are to specifically address relief of poverty, advancement of education and the general fund can be used more generally.

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 2022-23.

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

Funded by the National Lottery Community Fund and the Office for Civil Society, and delivered in conjunction with Step Up to Serve. UKCF completed the first phase of this partnership in 2017 and 2018, and has now completed the two year extension covering 2019 and 2020. The programme supported volunteering, skills development and social action opportunities for young people in disadvantaged areas and from backgrounds with below-average levels of participation. UKCF distributed grants of £5-10k for projects through our network of Community Foundations in England.

John Armitage Charitable Trust

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

15. Restricted Funds (cont)

Ladbrokes

A five-year grant-making programme focussed on community sport and physical/mental health, in particular for young men. The fund aims to provide a five-year spend down fund of around £440k pa. The programme was paused for 2020-21 due to the coronavirus pandemic with two years worth of spend in 2021-22. 2022-23 will be the final year of this programme.

Made by Sport

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

MLM

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

Nationwide Building Society

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

National Emergencies Trust (NET)

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

Oak Foundation

The Transformation & Growth Fund funded 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.

Original Cottages

Core costs donation for seven community foundations working in the areas where Original Cottages have key business.

PHP Group - Social Prescribing Fund

Funded by Primary Healthcare Properties Group, the aim of the programme is to provide grants to charities focussed on social prescribing and community wellbeing in the pilot areas of Scotland and Lincolnshire. All funds were distributed during 2021-2022.

Revitalising Trusts

Grant funding from Community Foundation for Wales towards the revitalising trusts programme which is run in partnership with the Charity Commission.

Royal London

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

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.

15. Restricted Funds (cont)**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.

16. Endowment Funds

	At April	Income /	Expenditure	Net Gains /	At 31 March
	2021	Other gains	/ Other	(Losses)	2022
	£'000	£'000	losses	£'000	£'000
			£'000		
Sir George Earle Charitable Fund	4,493	-	94	389	4,788
Education Fund	73	-	-	6	79
Relief of Poverty Fund	679	51	-	29	759
General Fund	2	260	-	10	272
Total Endowment Funds	5,247	311	94	434	5,898

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

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. Investment income from these funds are spent in accordance with their initial restrictions prior to transfer to UKCF. More detail on the restrictions relating to the Sir George Earle Fund can be found in note 15. Income from the other funds must be spent respectively on Education, Relief of Poverty or more broadly for the General Fund.

17. Analysis of net assets between funds

	Unrestricted	Restricted	Endowment
	£'000	£'000	£'000
Net current assets	625	803	90
Investments	-	-	5,808
Net assets at 31 March 2022	625	803	5,898

	Unrestricted	Restricted	Endowment
	£'000	£'000	£'000
Net current assets	908	2,025	200
Investments	-	-	5,047
Net assets at 31 March 2021	908	2,025	5,247

18. Comparative Statement of Financial Activities (31 March 2021)

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

UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

REFERENCE AND ADMINISTRATION DETAILS

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, 16 November 2016 and 10 December 2020 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 Officers: President – Lord Michael Hastings CBE
Chair – Andrew Tuggey CBE DL
Treasurer – Colin Seccombe MBE (to 8 September 2021)
Treasurer – David Mark Spofforth OBE (from 8 September 2021)

Members of the Board/ Trustees: Toby Anstruther
Gill Bull (from 4 November 2021)
Michelle Cooper MBE
John Gordon
Helen McEachern (from 4 November 2021)
Anushka Nagpal (from 4 November 2021)
Kevin Richmond
Timothy David Rossington (to 4 November 2021)
Colin Seccombe MBE (to 4 November 2021)
Stephen Singleton MBE
David Mark Spofforth OBE
Kayathiri Supramaniam (from 4 November 2021)
Andrew Tuggey CBE DL
Thomas Van Oss
Emma-Jane Watchorn (from 4 November 2021)

UK COMMUNITY FOUNDATIONS

YEAR ENDED 31 MARCH 2022

TRUSTEES' REPORT

Chief Executive:	Rosemary Macdonald BEM
Company Secretary:	Ian Smith (to 16 February 2022) Rosemary Macdonald (from 16 February 2022)
Bankers:	CAF Bank Ltd, Kings Hill, West Malling, Kent ME19 4TA
Investment Managers:	CCLA Investment Management Ltd, Senator House, 85 Queen Victoria Street, London EC4V 4ET
Auditors:	Haysmacintyre LLP, 10 Queen Street Place, London EC4R 1AG 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.
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 2022 was 47.
Trustees' Indemnity Insurance	During the year, trustees were covered by Directors' and Officers' insurance.