

Company no. 2651777
Charity no. 1004630

**UK Community Foundations
Report & Financial Statements
31 March 2016**

UK Community Foundations

Legal and Administrative details

For the year ended 31 March 2016

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 and 19 March 2013 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 Operational address	12 Angel Gate 320-326 City Road London. EC1V 2PT
Honorary Presidency	Baroness Usha Prashar (Honorary President) His Grace the Duke of Westminster KG CB CVO OBE TD CD DL (Honorary Vice President)
Honorary Officers	David Sheepshanks CBE DL Chair

Members of the Board

Members of the Board, who are also trustees under charity law, who served during the year and up to date of this report were as follows:

David Sheepshanks, Chairman*	Jane Moss (appointed November 2015)
Charles Clark (retired November 2015)	John Nickson (appointed November 2015) *
Caroline Duckworth (retired October 2015)	Stephen Parsons
Cathy Elliot (retired November 2015)	Colin Seccombe (appointed November 2015)
Alun Evans *	Sonal Shah *
Trevor James (appointed November 2015)	Terry Walsh (retired November 2015)
Laura Keen (appointed November 2015)	Tom Ward
Tony McCusker	Eric Watts
Rosemary Macdonald, Vice-Chair	Rob Williamson
Andrew Middleton (retired November 2015)	Victoria Miles

Note: * means co-opted for one year from November 2015

Chief Executive	Fabian French
Company Secretary	Natasha Shortridge (until September 2015) John Okparocha (from September 2015)

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Legal and Administrative details

For the year ended 31 March 2016

Bankers

CAF Bank Ltd
Kings Hill
West Malling
KENT
ME19 4TA

Auditors

Kingston Smith LLP
Chartered Accountants
Devonshire House,
60 Goswell Road
LONDON
EC1M 7AD

UK Community Foundations

Chair's Report

For the year ended 31 March 2016

Chairman's Statement

During the Financial Year both UKCF and the 48 members of the community foundation network saw continued progress. UKCF drew up an ambitious new vision, purpose and strategy, which was announced at the very successful Conference in Belfast in September 2015. Under the leadership of the new CEO, Fabian French, the organisation has undertaken significant organisational change with a number of alterations to the senior management team.

Our new vision is that local philanthropy will increasingly become the norm and that through community foundations, communities will be able to help all those in need.

Our purposes are:

- To lead a network that can transform communities;
- To be champion of local causes that matter to the people of the UK; and
- To be a catalyst of growth and success for the community foundation movement.

Our strategic aims are:

- to have influence in the places where it matters;
- to grow a stronger and more cohesive network of community foundations; and
- to be properly resourced to achieve our goals.

The community foundation network has continued to grow the aggregate amount of grants made to around £70 million, making us one of the 5 largest grant-makers in the UK. Our collective endowment has, despite volatile markets, remained at around £ 500 million. Our ambition continues to be to grow both these figures significantly over the coming years.

As austerity has continued and local government funding has declined, grass roots organisations have come under greater pressure than ever before. Because of this, the role of community foundations has become even more crucial. Two generations ago, it was the extended family and network of neighbours who supported communities. In the last generation it was local and national government funding that ensured communities continued to thrive. Today, in the absence of these elements, the burden of ensuring flourishing and functioning communities has fallen much more on the shoulders of the voluntary sector, where the role of Community Foundations has never been more necessary nor pivotal.

We are constantly humbled by the passion that individuals and organisations have for their community. Community foundations are often the vehicle they choose to give locally and to ensure that their investment has a demonstrable impact. But the potential – and the need – for even greater levels of local philanthropy are huge. While the network's collective endowment of £500 million is a fine achievement, by comparison with what the community foundation movement has

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achieved in the US and Canada, we are only scratching the surface. UKCF is committed to leading the network to grow both endowment and grant-making substantially.

Community foundations represent the best way to help 'hard-to-reach' and vulnerable people. During the course of the year we have launched a number of new programmes: the Winter Floods Relief Appeal, the Youth Social Action pilot and the New Beginnings Fund for refugees and asylum seekers. And we have a number of other new programmes in the pipe-line. These are exciting times for the community foundation network.

I would like to thank all our supporters and partners for their belief in and commitment to the work UKCF and the network are doing. Particular thanks are due to those organisations which help fund our core costs. The Charles Stewart Mott Foundation of the USA has remained a crucial long term supporter, while the Westminster Foundation has generously continued to support us. The John Armitage Charitable Trust has provided most welcoming funding for a new Head of External Affairs role. We are also most grateful to a small number of individual donors, whose commitment to the network is extraordinary.

Our new CEO, Fabian French has settled in well. After extensive consultation, he is energetically driving the organisation's new strategy, which was launched at the UKCF Conference in Belfast in September.

We have said goodbye to some valued colleagues during the year, to whom I express our grateful thanks for all their efforts on our behalf, and we have welcomed some talented new additions to our team. Although staffing changes in a small team can cause a short term reduction in capacity, I am confident that we now have in place a team that will equip us better to deliver our strategic goals.

Crucial to our new strategy is the adoption of a set of values to inform and guide all UKCF's behaviour and activity. I am convinced that embedding these values will play a major role in driving UKCF's success in the future.

Our values are not single words but proactive statements of intent:

- Passionate about philanthropy – we are committed to promoting local philanthropy and making it the norm.
- Aspiring to excellence – the standards we set for ourselves and our members are high.
- Committed to learning – so we and our members can respond to a changing world based on clear evidence.
- Adding value – every service we provide to members helps them flourish and grow.

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- Demonstrating leadership – we will lead and inspire the success of the network, extending our influence and reputation.
- Devoted to teamwork - we work with our colleagues, members and partners to achieve the best results.

In summary, during the year UKCF has focussed on preparing itself for the next phase of development of the community foundation network. We have made good progress on many areas but there is still much to do. In 2016/17 we aim to see the profile of the network rise considerably and a number of new national programmes launched.

I profoundly believe that the time for community foundations is NOW. Community foundations are more relevant and important than ever before. UKCF is acutely conscious of its role in providing leadership and galvanising support for the network as it embraces the challenges and opportunities of the coming years.

David Sheepshanks CBE DL
Chair

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Trustees Report

For the year ended 31 March 2016

Report of the Board

1. Introduction

Community foundations connect donors with local groups in order to improve people's lives and to build stronger communities. UK Community Foundations (UKCF), as the network's umbrella body, promotes local charitable giving through the 48 quality accredited community foundations. The network covers the entire UK.

Over the past 20 years, donors have given over £1 billion to and through community foundations for local causes. This philanthropic spirit has secured long term and sustainable benefit for communities and achieved lasting social change. In 2015/16 over £70 million was donated to grass roots causes in communities across the four nations. This makes community foundations collectively one of largest grant making organisations in the UK.

Donors who care about their communities want to know that their money is used effectively. With the community foundations' local knowledge of need, UKCF's network is able to ensure that funding reaches those organisations best able to support the most vulnerable and disadvantaged in our communities.

2. UKCF's Vision and Goals

In the course of 2015/16, UKCF undertook a major strategic review. As part of this, we developed an ambitious new vision. This vision is that:

- Local philanthropy should be the norm and that, through community foundations, communities will be able to help all those in need.

We also clarified our purposes as a membership organisation. We agreed that we will aspire to be:

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

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

- Grow a stronger and more cohesive network of CFs
- Have influence in the places where it matters

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Trustees Report

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- Be properly resourced to achieve our goals

3. UKCF's Objects, Objectives and Activities for the Public Benefit

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

The objectives of UKCF are:

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

The changes or differences that UKCF seeks to make are:

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

4. Impact

UKCF attaches great importance to demonstrating the impact of charitable giving. It works with its members to encourage and support them in providing measurable evidence of their grant making. In 2015/16, the number of community foundations producing impact reports increased. Over a third of our members now produce impact reports and we expect this proportion to continue to grow.

In addition, as mentioned in IT and Digital Services above, UKCF has rolled out a digital tool to the network to greatly enhance and simplify individual community foundations' measurement of impact. This new tool has been widely adopted and well received.

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Spirit of 2012 – Fourteen

Fourteen is a £3.5m programme funded by Spirit of 2012, a charity set up by the Big Lottery Fund to connect events to communities across the country. It is community-led and each community will decide itself how it wishes to increase participation in one or more of the following activities: social action and volunteering; grassroots sport and physical activity; culture activity and arts; and youth leadership and personal development.

Fourteen communities are benefiting from the funding across Scotland, England, Wales and Northern Ireland. England, Scotland and Wales are delivered and managed by UKCF (in partnership with Community Foundation in Wales, Foundation Scotland, Heart of England Community Foundation, Forever Manchester, Tyne & Wear and Northumberland Community Foundation and Quartet Community Foundation). Northern Ireland is delivered and managed by SpringBoard (in partnership with Strive NI).

After one full year of Fourteen activities 166 grants have been awarded, for the benefit of an estimated 50,000+ local people. The most funded beneficiaries have been 'Children and Young People' which make up 43% of grants, supporting young people as a target group specifically works towards the Fourteen outcome to increase participation in youth leadership and personal development.

New Beginnings Fund

UKCF worked with a consortium of UK funders to design and launch the New Beginnings Fund in February 2016. The Fund is being delivered by the community foundations in seven areas across the UK with high levels of refugees and asylum seekers. The Fund receives proposals from small to medium size organisations that offer guidance, counselling, community integration and welcoming activities to vulnerable refugees and asylum seekers and which demonstrate an increase in the demand for their services.

From a grantable pot of £506k, the Fund was oversubscribed four-fold with community foundations receiving applications for over £2million in grants. The first grants were made early in the 2016/17 financial year. It is expected that there will be a second tranche (£450k) of this Fund launched in summer 2016 in additional regions of England with high levels of refugees and asylum seekers.

Given that the Fund is very new, it is too early to indicate outcomes. However, the evaluation process put in place will measure success against the following intended outcomes:

- Improve access to volunteering
- Improve community cohesion
- Improve the community working together

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- Strengthen organisations through capacity building
- Promote human rights and equality
- Reduce isolation
- Support vulnerable people

The Fund aims to reach over 7000 beneficiaries and 1,000 volunteers in the 12 month grant period.

Local Youth Social Action Fund

After the election in 2015, the Government pledged to support the #iwill campaign, run by Step Up To Serve. The campaign aims to increase, by 50%, participation in youth social action (volunteering, fundraising and campaigning) by 10-20 year olds by 2020. To support this development Cabinet Office invested £1 million during the year to support the development of youth social action opportunities. The total fund has been split into two separate funds, one national and one local.

The local Youth Social Action Fund, managed by UKCF, is a pilot fund which aims to grow youth social action in Norfolk, Suffolk and Cambridgeshire for the duration of two years. A Cabinet Office survey showed that young people living in the East of England had lower youth social action participation than the rest of the UK; the pilot fund was created specifically to build new opportunities in this area.

The fund was split equally between the Norfolk, Suffolk and Cambridgeshire Community Foundations and organisations were invited to bid for grants up to £5,000. The first funding round of £255,000 in August 2015 was funded by Office for Civil Society (OCS) and saw community foundations awarding 65 grants, estimating to have helped over 8,000 people. The second funding round of an equal amount will be taking place in 2016 and is funded by the community foundations.

Organisations must demonstrate that their programme can meet the quality principles of great youth social action, which are – reflective, challenging, youth-led, socially impactful, progressive and embedded.

Winter Flood Recovery Fund

In response to the terrible floods which affected parts of the UK during the winter, UKCF raised more than £500k from corporations and individuals for our Winter Flood Recovery fund. This amount was disbursed to eight impacted community foundations. These community foundations raised an additional £6.8m to assist in their local communities' recovery. This combined amount was generously matched 1:1 by Government, allowing £14.6m to be put to work to help people across the UK, especially those on low incomes with few resources, to recover from the floods.

Immediate relief grants were made to individuals, communities and small businesses to help them to meet emergency costs such as shelter, food and clothing. Priority was given to the vulnerable including the elderly, people on low incomes, families with young children and those with additional support needs. Community foundations supported local relief efforts such as information and care

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services to community organisations. Community foundations are also continuing to support the long-term recovery from the financial and emotional effects of flood damage.

Professional Footballers Association programme

During the year, UKCF formed a partnership with the PFA, whereby the PFA will refer professional footballers who wish to support the communities in which they live (or have lived) and where they play. These players will be introduced to community foundations who will then advise them on their philanthropic objectives and on setting up donor advised funds. The partnership was launched in May 2015 as a pilot and the PFA aims to refer at least five players by the end of 2016.

Comic Relief

UKCF has a longstanding relationship with Comic Relief. We are their largest outsourced grant maker in the UK and since 2009 have distributed over £30million through almost 10,000 grants on their behalf. We manage three grant programmes under their Stronger Communities theme which aims to empower people, organisations and networks to play an effective role in their communities and society, as well as nurturing talent and leadership. We award around £6 million a year for them grants supporting over 400,000 people.

Each programme is distinctive and operates within a bespoke set of criteria, which are carefully designed by UKCF and Comic Relief, taking into account Comic Relief's strategic objectives and communications needs and the Community Foundations' local expertise. Underscoring Community foundations' ability to reach groups outside the typical grant making channels, 80% of grantees funded had not applied for Comic Relief funding before and 22% had not received a grant from any other funder.

Vital Signs

During the year more community foundations adopted Vital Signs: this is an innovative process that engages communities in assessing the needs of their communities, assisting community foundations and their donors in focusing the grant making. A number of London-based private foundations have seen Vital Signs reports and have welcomed the insights they provided; we expect that a number of them will use these reports to influence their grant making strategies in so called "cold spots" outside London.

Philanthropy Activity

Our statistics show that 15,000 people give in a significant way through community foundations and that this number has been doubling every 4 years or so. This makes community foundations one of the leading developers of philanthropy in the UK. UKCF continues to focus on supporting community foundations in this activity, with a new initiative known as the Philanthropy Framework which was developed during the year and which will be rolled out in 2016/17.

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In April 2015, the biennial Beacon Awards took place. This celebration of extraordinary philanthropic achievement received much acclaim. Beacon is a separate charity from UKCF but it is administered by UKCF's staff. It forms an important element of UKCF's commitment to promoting philanthropy nationally as well as locally.

Member Services, Training and Development

The NCVO BIG Assist programme, which has supported many community foundations to address their development issues, came to an end in October 2015. During the year, however, full advantage was taken and a large number of community foundations received training and development funded by Big Assist. Particular emphasis was placed on fund development training, which was been very well received. Network learning and sharing best practice has progressed with peer to peer support and network forums.

Work on the proposed Leadership Academy, the programme for a comprehensive programme of training and development tool and forums, progressed during the year. In January 2016 an application was made to a major grant making foundation to fund the first phase of the programme. In April 2016, we were delighted to learn that the application had been approved to move the programme to the next stage.

IT and Digital Services

UKCF made progress during the year with its digital strategy designed to ensure that all community foundations maximise the possibilities from digital technology. The migration of the network to the Salesforce database was completed and the new system is now regarded as a vital tool for maximising the efficiency and effectiveness of community foundations, as well as providing an excellent platform for communications between members.

UKCF oversees a Salesforce grants administration database, Digits2, for use by our network members. In August 2015, UKCF launched bespoke Impact Assessment tools on Digits2. Each community foundation was provided a choice from three solutions to best support their organisation's impact reporting needs and capabilities.

All three impact options were designed to coordinate with the existing Digits2 grant application and monitoring tools. These tools enable members to collect impact data online for each of their grants. Importantly, the use of standard IMPACT categories across the three impact options will enable UKCF to report on the impact of our grants at a network wide level, strengthening our messaging and cohesion.

6. Structure, Governance and Management

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

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

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

These requirements mean that UKCF benefits from having the majority of trustees very familiar with community foundations in the UK and the issues that the Board considers. The Board meetings fit into the planning cycle so that the Board is able to focus on developing strategy, approving a three-year plan, agreeing the annual budget and reviewing lessons learned.

UKCF is quality accredited in line with the standards endorsed by the Charity Commission and are consistent with the Commission's "Hallmarks of an Effective Charity". However, from 2017, the Charity Commission will no longer offer an endorsement service so that UKCF is considering alternative endorsement approaches.

The Board of UKCF is the decision-making body for the company. The Board has delegated powers to committees to take specific decisions consistent with the overall direction set by the Board. The committees were reduced in number in May 2015 and currently comprise:

- Marketing, Development and Communications Committee– charged with raising the profile of the network and supporting the fund development, marketing and communications work of UKCF and its members, as well as measuring impact and IT programmes;
- Membership Committee– charged with developing member strategy, improving member services, philanthropy development and organising conferences and other member gatherings.
- Finance, Operations and Audit - charged with reviewing financial strategy and planning management, audit, risk, human resources and major contracts.

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UKCF is also the sole member of the Beacon Fellowship Charitable Trust. UKCF has appointed a majority of trustees to the Beacon Board who are not UKCF trustees to ensure that the independence of the Awards process cannot be questioned.

During the year, UKCF sold its 20% stake in Localgiving.com back to Localgiving for consideration of £1. The relationship with Localgiving remains strong, however, and a number of community foundations continue to use its services.

There is no formal training programme for the trustees of UKCF. However, all of them are either trustees of other charities or employed by community foundations and therefore have significant current knowledge of charity practice and regulation. Many of the UKCF trustees attend third sector seminars and events and some are offered training and development opportunities by their relevant community foundation. In addition, all UKCF trustees attend UKCF's Symposium and the UKCF Conference which fall in alternating years. Both these events have a programme of plenary speeches and workshops designed to develop the skills and knowledge of all attendees.

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

7. Investment Policy

UKCF holds on trust the funds previously held by the Birmingham and Black Country Community Foundation, which no longer operates following insolvency. The funds as at year end were a mixture of investments £732k and cash £88K.

The investments are held in a managed fund by Tilney Bestinvest with the objective of enhancing capital at a medium/low risk level. The objectives and risk level of the fund were set by the BBCCF Trustees.

Responsibility for administering grants from these funds has been transferred to the Heart of England community foundation. It is intended that the donor funds will be transferred to a new Birmingham-based entity in the coming year, see note 10.

8. Grant Making Policies

UKCF has been successful in winning contracts where it manages the primary funding relationship, then awards grants on behalf of donors or other funders to community foundations for disbursement in the communities they serve. The grant making policy for each programme is set in accordance with the specific aims and objectives of the funder and these are communicated to community foundations through formal grant offer letters. Monitoring and evaluation reports are required for all grants – the requirements of each donor and the size and time-frame for the grants determine the exact nature of the reporting.

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9. Financial Review

The principal sources of unrestricted funding for UKCF were:

Source of Funding	31-Mar-16		31-Mar-15	
	£'000	%	£'000	%
C S Mott Foundation	88	9%	92	11%
CCLA	20	2%	15	2%
First Trust Bank	-	-	5	1%
Foundation Scotland	25	3%	10	1%
John Armitage Charitable Trust	45	5%	-	-
Lady Hind Trust	10	1%	-	-
Schroders	2	0%	58	7%
UKOOG	-	-	8	1%
Ward Family Fund	10	1%	10	1%
Westminster Foundation	17	2%	17	2%
Miscellaneous	-	-	2	0%
Membership Subscriptions	326	33%	158	20%
Vital Signs	23	2%	28	3%
ICT Subscriptions	179	18%	169	21%
Big Assist	30	3%	191	24%
ASDA	10	1%	-	-
Comic Relief	112	11%	-	-
Spirit of 2012	16	2%	-	-
OCS- Youth Social Action Project	15	2%	-	-
Other	71	7%	38	5%
Investment income and interest	1	0%	1	0%
Total	1,000		802	

The overall financial position of UKCF improved during the year, with an increase in sustainable income from membership fees and core funding income. In addition, the volume of grants programmes administered by UKCF on behalf of the network grew.

During the course of the year the balance of UKCF's unrestricted income changed. Membership fees for the year 2015/16 increased from 30% of pre-ICT expenditure to 45% of pre-ICT expenditure. At the same time, due to the end of Community First in March 2015, overall income from programmes declined. Programme income was primarily from Comic Relief, Fourteen, Big Assist and the Youth Social Action Pilot.

Core funding increased by over £40k during the year. The C S Mott Foundation, the John Armitage Charitable Trust, the Westminster Foundation and one anonymous donor are to be heartily thanked

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for their generous support to UKCF. The John Armitage Charitable Trust donation of £45k per annum for 3 years will enable UKCF to recruit a Head of External Affairs with effect from April 2016. In addition, during the year, CCLA kindly agreed to increase its support of UKCF events and activities to £40k.

UKCF's expenditure increased as a result of increased rent and service charges as well as modest salary increases and larger temporary staff costs. Budgeted expenditure on website development and communications was deferred to 2016/17.

Unrestricted funds stood at £161k at the year-end, after taking into account the pension deficit of £68k.

10. Risks

The trustees of UKCF regularly review the major risks to which the charity is exposed, and systems and procedures are in place to manage these risks with reports from the CEO received half yearly at Board meetings. The key risks are associated with the ongoing resourcing of UKCF and the financial, operational and reputational risks associated with the delivery of its programmes. The most significant risks are a decline in UKCF's income as a result of loss of programmes or core funding grants and the departure of key staff members.

To mitigate the risks of a reduction of income, UKCF is actively pursuing new programmes and core funding opportunities. To mitigate the risk of staff departures, increased emphasis has been placed on regular appraisals and professional development opportunities.

11. Reserves Policy

The trustees have determined that, to ensure continuity of activities should any unforeseen funding gaps arise, UKCF should be covered, financially, for 6 months, taking account of both unrestricted reserves and unrestricted firm funding commitments (this amounts to £385k). The trustees believe this policy is a sensible balance between the need to maintain a secure long-term financial position and the requirement not to hold excessive charitable funds. As at the balance sheet date, the free reserves of the charity totalled £110k (comprising unrestricted funds of £115k less fixed assets of £5k).

Coupled with firm unrestricted funding commitments received of £342k, the reserves policy has therefore been met.

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12. Plans for the Future

During the year under review, the charity has formulated its new strategy and commenced rolling it out. A number of senior staff changes have taken place, which will allow the organisation to better deliver its new strategy. The Board of UKCF is confident that with the new strategy and staffing position, UKCF will deliver new programmes, raise the profile of the UK community foundation network and support its members as they develop.

13. Remuneration Policy

The trustees consider the Board of UKCF and the Chief Executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year, except Charles Clarke who was paid £6,664 for consulting services. Details of trustee expenses and related party transactions are disclosed in note 13 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Chief Executive and in accordance with UKCF's policy withdraw from decisions where a conflict of interest arises. The pay of the Chief Executive is reviewed annually taking into account movement in average earnings and relativity with the average salary of other employees. The remuneration of the Chief Executive and his/her senior management team 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.

14. Trustees' Responsibilities in relation to the Financial Statements

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

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

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- 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

15. Audit Information

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

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

16. Members' Liability

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of Members at 31 March 2016 was 48.

17. Trustees Indemnity Insurance

During the year, trustees were covered by indemnity insurance.

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For the year ended 31 March 2016

18. Auditors

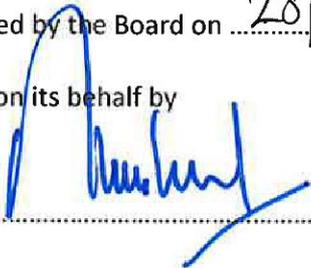
Kingston Smith LLP has indicated their willingness to continue in office and is deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

19. Small companies' exemption

Advantage is taken of the small companies' exemption.

Approved by the Board on 28/9/16

Signed on its behalf by


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David Sheepshanks CBE, DL Chair

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Auditors Report

For the year ended 31 March 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UKCF

We have audited the financial statements of UK Community Foundations for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement [set out on page 19] 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

UK Community Foundations

Auditors Report

For the year ended 31 March 2016

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

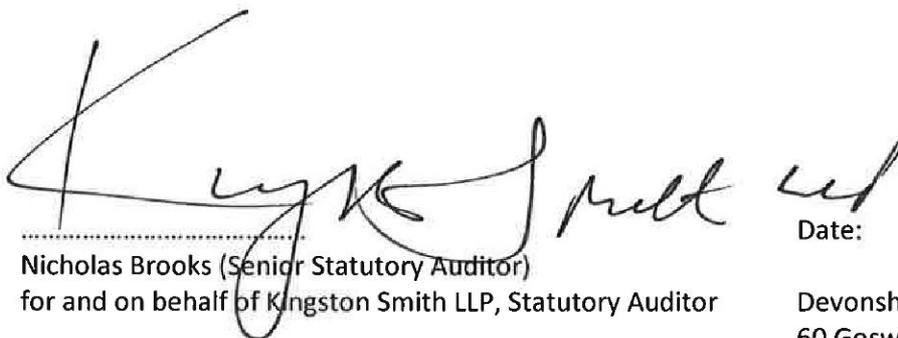
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.



Nicholas Brooks (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date:

11/10/16

Devonshire House
60 Goswell Road
London
EC1M 7AD

UK Community Foundations

Statement of financial activities

(Incorporating an Income and expenditure account)

For the year ended 31 March 2016

		2016			2015		
		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Income:							
Grants	3a		9,000	9,000		6,461	6,461
Donations	3a	217	-	217	217	-	217
Subscriptions	3b	349	-	349	186	-	186
Other	3c	433	-	433	398	7	405
Investments	4	1	-	1	1	1	2
Total		1,000	9,000	10,000	802	6,469	7,271
Expenditure On:							
Raising Funds	6	35	-	35	-	-	-
ICT Services	6	234	-	234	141	-	141
Member Services	6	672	-	672	539	-	539
Birmingham Funds	6	-	38	38	-	-	-
Projects and Programmes	6	-	153	153	-	595	595
Grant Payments	5	-	8,820	8,820	-	6,692	6,692
Total		941	9,011	9,952	680	7,287	7,967
Net (losses)/gains on investments	10	-	(2)	(2)	-	58	58
Net income/(expenditure)		59	(13)	46	122	(760)	(638)
Transfers Between Funds	16	(4)	4	-	(17)	17	-
Other recognised gains/(losses):							
Actuarial (losses)/gains on defined benefit pension schemes	19	(9)	-	(9)	3	-	3
Net movement in funds		46	(9)	37	108	(743)	(635)
Reconciliation of Funds:							
Total Funds Brought Forward		115	901	1,016	7	1,644	1,651
Total Funds Carried Forward	16,17	161	892	1,053	115	901	1,016

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. The notes on the accompanying pages form part of these financial statements

UK Community Foundations

Balance Sheet

As at 31 March 2016

		2016	2015
		Total Funds	Total Funds
	Note	£'000	£'000
Fixed assets:			
Tangible assets	9	5	3
Investment	10a	-	734
<i>Total fixed assets</i>		5	737
Current assets:			
Investment	10b	732	-
Debtors	11	849	513
Cash at bank and in hand		1,588	701
<i>Total current assets</i>		3,169	1,214
Liabilities:			
Creditors: Amounts falling due within one year	12	2,053	876
<i>Net current assets or liabilities</i>		1,116	338
<i>Total assets less current liability</i>		1,121	1,075
Creditors: Amounts falling due after more than one year		-	-
<i>Net assets or liabilities excluding pension asset or liability</i>		1,121	1,075
Defined benefit pension scheme assets or liabilities	19	(68)	(59)
Total net assets or liabilities	17	1,053	1,016
The funds of the charity:			
Restricted income funds	15	77	46
Birmingham Funds	15	815	855
<i>Total restricted funds</i>		892	901
Unrestricted funds- General	16	110	115
Unrestricted funds- Designated Funds	16	51	-
<i>Total unrestricted funds</i>		161	115
Total charity funds		1,053	1,016

The financial statements are prepared in accordance with part 15 of the Companies Act 2006 in regards to small companies.

Approved by the Board and authorised for distribution and signed on behalf of the trustees by: 28/9/16

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David Sheepshanks CBE DL - Chair

COMPANY NUMBER:
2651777

UK Community Foundations

Cash Flow Statement

For the year ended 31 March 2016

	2016	2015
	Total Funds	Total Funds
	£'000	£'000
Cash Flows from operating activities:		
<i>Net cash provided by/ (used in) operating activities</i>	908	(470)
Cash flows from investing activities:		
Dividends, interest and rents from investments	1	2
Purchase of property, plant and equipment	(6)	(3)
Proceeds from sale of investment	324	172
Purchase of investments	(319)	(172)
Movement in investment cash account	(21)	(10)
<i>Net cash (used in) investing activities</i>	(21)	(11)
<i>Change in cash and cash equivalents in the reporting period</i>	887	(481)
<i>Cash and cash equivalents at the beginning of the reporting period</i>	701	1,182
<i>Cash and cash equivalents at the end of the reporting period</i>	1,588	701

Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Current Year	Prior Year 2015
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	37	(635)
Adjustments for:		
Depreciation charges	4	3
Losses/(gains) on investment	18	(48)
Dividends, interest and rents from investments	(1)	(2)
(Increase)/decrease in debtors	(336)	(451)
Increase/(decrease) in creditors	1,186	663
<i>Net cash provided by/(used in) operating activities</i>	908	(470)

Analysis of cash and cash equivalents

	Current Year	Prior Year
	£'000	£'000
Cash in hand	1,588	701
Total cash and cash equivalents	1,588	701

UK Community Foundations

Notes to the financial statements

For the year ended 31 March 2016

1. Accounting policies

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

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. An explanation of how the transition has affected the reported financial position and financial performance is provided in note 21 to the financial statements.

b) Going concern policy

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

- c) 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.
- d) Subscriptions are included in the statement of financial activities when receivable. Donations and gifts to the charity are included in the statement of financial activities when received. Intangible income is recognised as incoming resources where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.
- e) Grants are included in the statement of financial activities when received and where it can be matched to the expenditure in relation to the grant commitment.
- f) 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. Investment income on restricted funds is treated either as restricted or unrestricted depending on the wishes of the original donor.
- g) Unrestricted funds are donations and other income received or generated for charitable purposes.

UK Community Foundations

Notes to the financial statements

For the year ended 31 March 2016

- h) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered. Costs are allocated directly to activities on the basis of staff time spent on each.
- i) Depreciation is provided on all tangible assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, which is 3 years. Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.
- j) 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. UKCF operates a multi-employer pension scheme and has agreed a deficit funding arrangement and therefore recognises a liability where the scheme is in deficit.
- k) Investments held as fixed assets are revalued at mid-market value at the balance sheet date and the gain or loss taken to the Statement of Financial Activities.
- l) 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.
- m) **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.

- n) **Other financial instruments**

- i. **Cash and cash equivalents**

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

- ii. **Debtors and creditors**

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

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

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.

3a. Donations and grants receivable

	Restricted £'000	Unrestricted £'000	2016 Total £'000
ASDA	392	-	392
BIG Local Papers	(7)	-	(7)
C S Mott Foundation	-	88	88
CCLA	-	20	20
Comic Relief	7,106	-	7,106
Flood and Storm Donations	318	-	318
Foundation Scotland	-	25	25
John Armitage Charitable Trust	-	45	45
Lady Hind Trust	-	10	10
Office for Civil Society	300	-	300
Schroders	-	2	2
Spirit of 2012 - Fourteen	871	-	871
Surviving Winter	20	-	20
Ward Family Fund	-	10	10
Westminster Foundation	-	17	17
Total funds	9,000	217	9,217

	Restricted £'000	Unrestricted £'000	2015 Total £'000
BIG Local Papers	(88)	-	(88)
Birmingham CF	(51)	-	(51)
C S Mott Foundation	-	92	92
Comic Relief	5,988	-	5,988
Community First	225	-	225
Evening Standard Dispossessed Fund	16	-	16
Flood and Storm Donations	57	-	57
People's Health Trust	3	-	3
Queen's Silver Jubilee Trust	14	-	14
Surviving Winter	36	-	36
CCLA	-	15	15
First Trust Bank	-	5	5
Foundation Scotland	-	10	10
Miscellaneous Donations	-	2	2
Schroders	-	58	58
UKOOG	-	8	8
Westminster Foundation	-	17	17
Spirit of 2012 - Fourteen	261	-	261
Ward Family Fund	-	10	10
Total funds	6,461	217	6,678

BIG Local Papers. In this financial year several groups underspent their funding and returned grant amounts to UKCF, via their local Community Foundations. These were in turn refunded to BIG Lottery (see notes 5 and note 15).

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

3b. Subscriptions

	2016 Total £'000	2015 Total £'000
Local Futures	-	8
Membership	326	158
Vital Signs	6	20
Grant Thornton	17	-
	349	186

All Subscription income received in 2016 and 2015 is unrestricted income.

3c. Other Income

	Restricted £'000	Unrestricted £'000	2016 Total £'000
ICT Subscriptions	-	179	179
Big Assist	-	30	30
ASDA	-	10	10
Comic Relief	-	112	112
Spirit of 2012	-	16	16
OCS- Youth Social Action Project	-	15	15
Other	-	71	71
	-	433	433

	Restricted £'000	Unrestricted £'000	2015 Total £'000
ICT Subscriptions	-	169	169
Big Assist	-	191	191
Other	7	38	45
	7	398	405

4. Investment Income

	Restricted £'000	Unrestricted £'000	2016 Total £'000
Bank interest	-	1	1
	-	1	1
	Restricted £'000	Unrestricted £'000	2015 Total £'000
Bank interest	1	1	2
	1	1	2

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

5. Grants paid

	2016	2015
	Total	Total
	£'000	£'000
BIG Local Papers	(7)	(88)
Comic Relief	6,967	5,904
Floods and Storms	314	518
OCS - Youth Social Action Project	300	-
People's Health Trust	-	2
Queen's Silver Jubilee Trust	-	16
Asda	392	-
Spirit of 2012	854	249
Time to Give	-	91
	<u>8,820</u>	<u>6,692</u>

BIG Local Papers: In this financial year some groups underspent their funding and returned grant amounts to UKCF, via their local community foundations. These were in turn refunded to BIG Lottery (see note 3a and note 17). All grants are restricted in 2016 and 2015.

UKCF has taken the exemption in charity law to provide the names of grant recipients.

6. Charitable activities

	Grants (note 5) £'000	Staff costs and consultancy £'000	Office and running costs £'000	Local partners £'000	2016 Total £'000
Fundraising	-	35	-	-	35
ICT Services	-	90	144	-	234
Member services	-	475	177	20	672
Birmingham Funds Expenditure	-	38	-	-	38
Projects and Programmes					
Comic Relief	-	112	-	-	112
Spirit 2012	-	22	-	-	22
Surviving Winter	-	-	-	19	19
Total for Projects and Programmes	-	134	-	19	153
Grants					
BIG Local Papers	(7)	-	-	-	(7)
Comic Relief	6,967	-	-	-	6,967
Floods and Storms	314	-	-	-	314
OCS Philanthropy UK	300	-	-	-	300
ASDA	392	-	-	-	392
Spirit of 2012	854	-	-	-	854
Total for Grants	8,820	-	-	-	8,820
2016 Total	8,820	772	321	39	9,952

UKCF charged a management fee to Birmingham and Black Country Community Foundation for previous year administration purposes. In the year to March 2016, Heart of England Foundation took over the administration of the fund. Management charges in respect of both can be seen above.

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

6. Charitable activities continued

	Grants (note 5) £'000	Staff costs and consultancy £'000	Office and running costs £'000	Local partners £'000	2015 Total £'000
Fundraising	-	-	-	-	-
ICT Services	-	99	42	-	141
Member services	-	184	195	160	539
Projects and Programmes					
Comic Relief	-	119	-	-	119
Spirit 2012	-	12	-	-	12
Surviving Winter	-	8	-	35	43
Community First	-	139	85	11	235
Evening Standard Dispossessed Fund	-	1	-	98	99
Flood and Storms	-	2	-	-	2
People's Health Trust	-	6	-	-	6
Time to Give	-	77	2	-	79
Total for Projects and Programmes	-	364	87	144	595
Grants					
BIG Local Papers	(88)	-	-	-	(88)
Comic Relief	5,904	-	-	-	5,904
Floods and Storms	518	-	-	-	518
People's Health Trust	2	-	-	-	2
Queen's Silver Jubilee Trust	16	-	-	-	16
Spirit of 2012	249	-	-	-	249
Time to Give	91	-	-	-	91
Total for Grants	6,692	-	-	-	6,692
2015 Total	6,692	647	324	304	7,967

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

7. Staff costs and numbers

	2016 £'000	2015 £'000
Salaries and wages	351	326
Social Security Costs	30	35
Pension contributions	11	23
	<u>392</u>	<u>384</u>
Other staff costs, including recruitment	212	263
	<u>604</u>	<u>647</u>

	2016 No.	2015 No.
Number of employees earning between £90,000 and £100,000	1	-

The total employer pension contributions for this employee were £ 0 (2015: £0)

The average number of employees was as follows:

	2016 No.	2015 No.
Direct charitable expenditure	9	9
	<u>9</u>	<u>9</u>

Key management personnel includes the Trustees, the CEO, and those reporting to the CEO. The Trustees received no remuneration except that received by 1 trustees mentioned in note 13. The remuneration paid to the CEO and those reporting to him amounted to £238k in 2016 (2015, £253k).

8. Net (expenditure)/income for the year

This is stated after charging:

	2016 £'000	2015 £'000
Depreciation	4	3
Operating lease rentals	45	39
Auditors' remuneration:		
Current year	10	9
In respect of the prior year	2	4
Non-audit services	2	17
	<u>63</u>	<u>62</u>

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

9. Tangible fixed assets

	Furniture & Office Equipment	2016 Total
	£'000	£'000
Cost		
At the start of the year	42	42
Additions in Year	6	6
Disposals during the year	(25)	(25)
At the end of the year	<u>23</u>	<u>23</u>
Depreciation		
At the start of the year	39	39
Charge for the year	4	4
Disposals during the year	(25)	(25)
At the end of the year	<u>18</u>	<u>18</u>
Net book value		
At the end of the year	<u>5</u>	<u>5</u>
At the start of the year	<u>3</u>	<u>3</u>

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

10a. Fixed asset investments

	2016	2015
	£000	£000
Market Value B/Fwd	734	
Transfer (to)/from (fixed)/current asset investment at the start of the year	(734)	676
Additions at cost	-	172
Disposal at opening MV	-	(167)
Unrealised gains on revaluation	-	43
Increase in cash	-	10
Market Value C/Fwd	<u>-</u>	<u>734</u>
Historic cost at the year end	<u>-</u>	<u>580</u>
Total investment funds comprise:		
Tilney BestInvest securities		704
Cash		30
Total		<u>734</u>
Invested Securities comprise:		
UK Securities		415
Overseas Securities		289
Total		<u>704</u>
Total Funds Held For Birmingham		
Tilney BestInvest securities		734
Cash at bank held with UKCF		121
Total		<u>855</u>

The fixed asset investment consisted of investments transferred from Birmingham and Black Country Community Foundation to UKCF on 4 March 2014 to be held on trust (see note 15). The listed investments are managed by Tilney BestInvest.

Fixed asset investments have been moved to current asset investments during the year as it is expected that these will be transferred to a Birmingham-based entity in the coming year (note 10b).

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

10b. Current asset investments

	2016	2015
	£000	£000
Transfer from fixed asset investment at the start of the year	734	-
Additions at cost	319	-
Disposal at opening MV (proceeds of £324,362; realised gain of £5,680)	(319)	-
Unrealised gains on revaluation	(23)	-
Increase in cash	21	-
Market Value C/Fwd	<u>732</u>	<u>-</u>
Historic cost at the year end	<u>613</u>	<u>-</u>
Total investment funds comprise:		
Tilney BestInvest securities	680	
Cash	52	
Total	<u>732</u>	
Invested Securities comprise:		
UK Securities	555	
Overseas Securities	125	
Total	<u>680</u>	
Total Funds Held For Birmingham		
Tilney BestInvest securities	732	
Cash at bank held with UKCF	83	
Total	<u>815</u>	

The fixed asset investment consisted of investments transferred from Birmingham and Black Country Community Foundation to UKCF on March 2014 to be held on trust (see note 15). The listed investments are managed by Tilney BestInvest.

Fixed asset investments have been moved to current asset investments during the year as it is expected that these will be transferred to a Birmingham-based entity in the coming year.

UKCF charged a management fee to the Birmingham and Black Country Community Foundation for previous year administration purposes. In the year to March 2016, Heart of England Community Foundation took over the administration of the fund. Management charges in respect of both can be found in note 6.

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

11. Debtors and prepayments

	2016 £'000	2015 £'000
Sundry debtors	1	1
Trade debtors	786	430
Beacon Fellowship Charitable Trust	20	-
Prepayments and accrued income	42	82
	<u>849</u>	<u>513</u>

All debtors are financial instruments measured at present value.

12. Creditors : Amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	57	17
Sundry Creditors	-	47
Accruals & Deferred Income	1,994	759
Social security and other taxes	2	53
	<u>2,053</u>	<u>876</u>

All creditors except accruals are financial instruments measured at present value.
Included within social security and other taxes is £329 owing to the pension scheme (2015: £269).

Included within the above is deferred income as follows:

Analysis of deferred income

	2016 £'000	2015 £'000
Deferred Income Brought Forward	594	-
Released to income in year	(594)	-
Deferred in year	869	594
As at 31st March 2016	<u>869</u>	<u>594</u>

Deffered income comprise of ICT, membership subscription and conga license charges for the year 2016-17 invoiced to members during the year and grant income for New Beginning received during the year but meant to be spent in 2016-17 financial year .

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

13. Trustee remuneration and expenses

20 members of the board (2015 - 13) received reimbursement of travel expenses to attend meetings while 1 member of the board (2015- 1) received remuneration.

	2016 £'000	2015 £'000
Reimbursement of travel expenses	13	15
Remuneration paid to trustees	7	5
	<u>20</u>	<u>20</u>

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

Charles Clarke who resigned as a trustee in November 5, 2015 was paid £6,664 (2015: £5,177) for consultancy services, providing advice to member foundations on endowment raising pursuant to our contract to support the Community First contract. Also Caroline Duckworth's husband was paid a fee on an arms length basis for being the official photographer of the 2015 conference. The decision to approve these payments was taken by the Board in November 2013 consistent with charity commission guidance and on the basis that payments were reasonable in relation to the services provided and were in the best interests of the charity.

The Trustees of grant beneficiaries do not participate in the awarding of the grants to the organisations they represent or benefit.

14. Operating lease commitments

Total annual commitments payable under operating leases are as follows:

	Land & Buildings		Other	
	2016	2015	2016	2015
Operating leases which expire:	£	£	£	£
	£'000	£'000	£'000	£'000
less than 1 year	26	39	2	5
between 1 - 2 years	-	26	2	2
between 2 - 5 years	-	-	4	-
	<u>26</u>	<u>65</u>	<u>8</u>	<u>7</u>

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

15. Restricted funds

	At 1 April 2015	Incoming Resources	Outgoing Resources	Gains/(losses) on investments	Transfers	At 31 March 2016
	£'000	£'000	£'000	£'000	£'000	£'000
BIG Local Papers	-	(7)	(7)	-	-	-
Birmingham and Black Country CF (inc. endowment)	855	-	38	(2)	-	815
Comic Relief	38	7,106	7,080	-	-	64
Flood and Storm Donations	5	318	314	-	-	9
Royal London	3	-	-	-	-	3
Spirit of 2012	-	871	875	-	4	-
Surviving Winter	-	20	19	-	-	1
ASDA	-	392	392	-	-	-
OCS- Youth Social Action Project	-	300	300	-	-	-
Total funds	901	9,000	9,011	(2)	4	892

Spirit of 2012: Unrestricted funds were transferred to cover additional grant amounts paid out that were not received as donations.

BIG - Local Papers

BIG Local Papers was a programme managed by UKCF that disbursed funds from the lottery through selected community foundations in partnership with their local newspaper. In this financial year some Community Foundations underspent their funding and returned grant amounts to UKCF. These were in turn refunded to BIG Lottery.

Birmingham and Black Country CF As a result of winding down Birmingham and Black Country Community Foundation, donors' funds were transferred to UKCF in March 2014, to be held on trust. The funds consist of bank balances and investments. The Trustees of Heart of England Community Foundation are managing the funds following legal agreements.

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

15. Restricted funds continued

Comic Relief	Comic Relief has awarded grants to UKCF to manage the national programme across the United Kingdom on their behalf from 2011 onwards.
Flood and Storm Funds	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.
Royal London	The Royal London Foundation awarded a grant to UKCF in 2011 in order for us to make grants to community groups nominated by members of The Royal London Group.
Spirit of 2012 - Fourteen	Spirit of 2012 - is funded by Spirit of 2012, a charity set up by the Big Lottery Fund to connect events to communities across the country. UKCF will manage and deliver the programme in England, Scotland and Wales in partnership with Community Foundation in Wales, Foundation Scotland, Heart of England Community Foundation, Forever Manchester, Tyne & Wear and Northumberland Community Foundation and Quartet Community Foundation.
Surviving Winter	The Surviving Winter campaign is funded by donations from the public to raise money for pensioners affected by fuel poverty. Grants are made by our member organisations.
ASDA	Asda donated all the monies raised from the Welsh Government's 5p single use carrier bag levy to community causes. Proceeds received from Asda were directed to Community Foundation in Wales to award grants across the nation.
OCS Philanthropy UK	The Office of Civil Society granted UKCF £300k to oversee the Youth Social Action programme. The programme targets the East of England, after an official survey in 2014 revealed only 25% of 10-20-year olds in the region say they get involved in their local community. UKCF allocated the money equally between three of the region's community foundations (Cambridgeshire Community Foundation, Suffolk Community Foundation and Norfolk Community Foundation) which made grants up to £5,000 to grassroots groups managing youth social action projects.

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

15. Restricted funds continued

	At 1 April 2014	Incoming Resources	Outgoing Resources	Transfers	At 31 March 2015
	£'000	£'000	£'000		£'000
BIG Local Papers	-	(88)	(88)	-	-
Birmingham and Black Country CF (inc. endowment)	848	(51)	-	58	855
Comic Relief	73	5,988	6,023	-	38
Community First	9	225	234	-	-
Evening Standard Dispossessed Fund	83	16	99	-	-
Flood and Storm Donations	468	57	520	-	5
People's Health Trust	6	3	9	-	-
Queen's Silver Jubilee Trust	2	14	16	-	-
Royal London	3	-	-	-	3
Spirit of 2012	-	261	261	-	-
Surviving Winter	(17)	43	43	17	-
Time to Give	169	1	170	-	-
Total funds	1,644	6,469	7,287	75	901

Community First

Community First was set up in 2011 as an Endowment Match Challenge, under which the government gives 50% match to endowed donations. UKCF is contracted to manage and support the endowment

Evening Standard Dispossessed Fund (ESDF)

The ESDF was set up by UKCF in June 2010 as a fundraising partnership across London between the Evening Standard and UKCF and the 10 local funders who were delivering the Grassroots Grants programme at that time. The fund is now used to collect monies from donors who want/need to give through UKCF as a result of historical relationships. The London Community Foundation is now the principal point of contact and manager of the fund and funds collected are remitted to the London

People's Health Trust

The People's Health Trust has awarded grants to UKCF to help them generate sufficient and good quality applications for funding for their Active Communities Programme.

Queen's Silver Jubilee Trust

The Queen's Silver Jubilee Trust made a grant to UKCF to manage a pilot programme, via a selected number of our members, seeking to scale up significantly high potential charities that enable young

Time To Give

Esmee Fairbairn Foundation awarded a grant to UKCF in 2011 to develop locally managed philanthropy. UKCF in turn has awarded grants to our members to enable them to create Fellowships of local philanthropists.

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

16. Unrestricted Funds

	At 1 April 2015 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfers £'000	At 31 March 2016 £'000
UK GAAP 31.03.15	174	1,000	941	(4)	229
FRS 102 pension deficit adjustment	(59)	-	(9)	-	(68)
Total Unrestricted funds	115	1,000	950	(4)	161

	At 1 April 2014 £'000	Incoming £'000	Outgoing £'000	Transfers £'000	At 31 March 2015 £'000
UK GAAP 31.03.14	69	802	680	(17)	174
FRS 102 pension deficit adjustment	(62)	-	3	-	(59)
Total Unrestricted funds	7	802	677	(17)	115

Analysis of unrestricted Funds

	2016 £'000	2015 £'000
Unrestricted funds- General	110	115
Unrestricted funds- Designated Funds	51	-
Total Funds	161	115

Designated funds consist of £26k and £25k for cost of office move and website development respectively. The cost of the office move and website development will likely be spent in November and December 2016 respectively.

17. Analysis of net assets between funds

	Restricted £'000	Unrestricted £'000	2016 £'000
Tangible fixed assets	-	5	5
Current asset investments	732	-	732
Net Current Assets	160	224	384
Defined Benefit Pension Scheme	-	(68)	(68)
Net assets at 31 March 2016	892	161	1,053

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

17. Analysis of net assets between funds continued

	Restricted £'000	Unrestricted £'000	2015 £'000
Tangible fixed assets	-	3	3
Fixed asset investments	734	-	734
Net Current Assets	167	171	338
Defined Benefit Pension Scheme	-	(59)	(59)
Net assets at 31 March 2015	901	115	1,016

18. Related party

In 2009, UKCF became the sole corporate member of the Beacon Fellowship Charitable Trust (BFCT). Two UKCF nominated trustees joined the Board (Matthew Bowcock and Anne Boyd) of BFCT. David Sheepshanks, Chairman of UKCF, joined the Board in November 2013. BFCT is a separate legal entity and is not controlled by UKCF.

UKCF have now sold their stake at LocalGiving.com.

19. Contingent liability

1. UKCF participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for UKCF to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme
2. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.
3. The scheme is classified as a 'last-man standing arrangement'. Therefore UKCF is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

19. Contingent liability continued

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2013 to 31 March 2023:	£13.9m per annum (payable monthly and increasing by 3% each on 1st April)
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4. A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
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From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)
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5. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.
6. Where the scheme is in deficit and where UKCF has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The present value provision is £67,704 for March 2016 (£59,006, 2015). The unwinding of the discount rate is recognised as a finance cost.
7. UK Community Foundations paid a contribution of £7,118 during the accounting period. Members paid the contributions at the rate of 0% during the accounting period. In the year to March 2017, we are expected to contribute £7,331.
8. As at the balance sheet date there were no active members of the plan employed by UKCF. UKCF has closed the plan to new entrants but has no intention of exiting the scheme.

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

19. Contingent liability continued

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 March 2016 (£s)	Period Ending 31 March 2015 (£s)
Provision at start of period	59,006	61,841
Unwinding of the discount factor (interest expense)	965	1,640
Deficit contribution paid	(7,118)	(6,911)
Remeasurements - impact of any change in assumptions	(1,058)	2,436
Remeasurements - amendments to the contribution schedule	15,909	-
Provision at end of period	67,704	59,006

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 March 2016 (£s)	Period Ending 31 March 2015 (£s)
Interest expense	965	1,640
Remeasurements – impact of any change in assumptions	(1,058)	2,436
Remeasurements – amendments to the contribution schedule	15,909	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

19. Contingent liability continued

ASSUMPTIONS

	31 March 2015 % per annum	31 March 2014 % per annum
Rate of discount	1.74	2.82

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

UK Community Foundations

Notes to the financial Statements

For the year ended 31 March 2016

20. Transition to Financial Reporting Standards

This is the first year that the charity has prepared its financial statements under FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was 1 April 2014. A reconciliation of amounts presented under previous UK GAAP and FRS 102 is set out below for the charity's net expenditure [or income] for the financial year ended 31 March 2015 and for its total funds at 1 April 2014 and 31 March 2015 together with an explanation of changes in accounting policies on transition.

Reconciliation of net expenditure

	2015
	£'000
Net (expenditure)/income as reported under the previous UK GAAP	(638)
Pension Deficit	3
Reclassification of governance cost to support cost	-
Net (Expenditure)/income restated under FRS 102	(635)

Reconciliation of Total Funds

	1 April	31 March
	2014	2015
	£'000	£'000
Total Funds as reported under previous UK GAAP	1,713	1,075
Pension Deficit	(62)	(59)
Total funds restated under FRS 102	1,651	1,016