

Charity Registration No. 1113226

Company Registration No. 5670692 (England and Wales)

**SUSSEX COMMUNITY FOUNDATION  
TRUSTEES' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

# SUSSEX COMMUNITY FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees - As at date of publication</b>	D P Allam DL E Bennett DL C C Brooke M A Burgess J Carette C Drayson J Fox J N Hart DL K Hollis T E James M R Martin R Pearson H J M Price M L Simpkin OBE P Stiles	Chairman & Chair of Fund Development Committee Vice Chairman & Chair of Grants Committee  Chair of Nominations Committee Treasurer & Chair of Finance & HR Committee Chair of Audit Committee
<b>Founder</b>	The Duke of Richmond and Gordon	
<b>Joint Presidents</b>	P Field JP Lord Lieutenant of East Sussex S Pyper Lord Lieutenant of West Sussex	
<b>Chairman</b>	D P Allam DL	
<b>Secretary</b>	K A J Richmond	
<b>Chief executive</b>	K A J Richmond	
<b>Charity number</b>	1113226	
<b>Company number</b>	5670692	
<b>Principal address &amp; Registered office</b>	15 Western Road Lewes East Sussex BN7 1RL	

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# SUSSEX COMMUNITY FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION (CONTINUED)

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<b>Website</b>	www.sussexgiving.org.uk
<b>Email</b>	info@sussexgiving.org.uk
<b>Auditors</b>	Knill James One Bell Lane Lewes East Sussex BN7 1JU
<b>Bankers</b>	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ  Santander Business Banking 301 St Vincent Street Glasgow G2 5HN
<b>Solicitors</b>	Thomas Eggar LLP Belmont House Station Road Crawley RH10 1JA
<b>Investment advisers</b>	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU  CCLA Investments 80 Cheapside London EC2V 6DZ

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# SUSSEX COMMUNITY FOUNDATION

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# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 MARCH 2015

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

The Trustees present their report and accounts for the year ended 31 March 2015.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

#### OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Foundation's Charitable Objects are:

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

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

Sussex Community Foundation exists to inspire local giving to meet local needs. We aim to make sustainable funding available for the community by promoting effective philanthropy.

#### What we do

- We are building funds to benefit Sussex for now and for the future
- We provide a service for donors who wish to give to their local community,
- We give grants to local groups to improve quality of life, promote resilient communities and address disadvantage across Sussex
- We promote effective philanthropy

#### Public Benefit

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

#### Grants Policy

The Foundation has developed a grants policy which aims to match the charitable goals of its donors with the needs of the community. The Foundation promotes all funds to the relevant communities and actively seeks applications from groups that are eligible for funding.

Sussex Community Foundation seeks to build stronger more resilient communities by addressing disadvantage and deprivation through its grant making. It believes that long-term change comes from within a community and will provide grants to support community and voluntary organisations to achieve this objective.

Sussex Community Foundation will develop a mixed economy of grant making, which will entail

- the continuation of our responsive grant making programmes awarding small grants to small community groups
- the development of a larger grants programme
- the development of proactive grant making, based on the findings of Sussex Uncovered

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2015**

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### **Endowment Fund**

In order to achieve long-term benefit for the community, the Foundation is building an Endowment Fund, which will enable Sussex communities to tackle deprivation and promote quality of life for generations to come. The Endowment Fund is invested using professional fund managers. The Trustees have the power to spend capital from the Endowment Fund to promote the charitable purposes of the Foundation.

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

### **ACHIEVEMENTS AND PERFORMANCE**

The Foundation continues to achieve substantial growth year-on-year.

Since 2008 this expansion has been significantly helped by Government match funding incentives for Endowment donations i.e. the Grassroots Endowment Challenge (2008-11) and the Community First Endowment Challenge (2012-15).

The key achievements for 2014-15 were:

- Awarding grants worth a total of £1,108,230 to local charities and community groups
- Raising donations for Endowment of £1,741,667 including £551,356 of match funding under the Government's Community First Endowment Challenge
- Attracting donations for immediate grant making of £888,869
- Managing a total of 21 Flow-through (Grant-making) Funds and 49 Endowment Funds

Since its establishment in 2006 the Foundation has awarded a total of £7,799,391 in 3,314 grants to 1,612 local charities and community groups. In nine years it has built an Endowment Fund of £11,291,630.

### **Attracting Funds for the Benefit of the Community**

The Foundation works to attract new funds, and to build a long-term Endowment so as to make a difference to local needs now and for generations to come.

The Foundation's strategy for attracting funds is based on providing a donor service to people and organisations that care about their local community. The charity helps donors to make the maximum positive impact on the community and shows them the benefits achieved with their giving.

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

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

The following report details achievements in attracting funds for Flow-through and Endowment purposes.

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

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#### **Endowment Building**

As described above, endowment funds enable donors to make a long-term gift to Sussex which will provide a sustained source of funding for the community for generations to come.

In 2006 the trustees set themselves a target of building this Endowment to £10 million by 2016. Following achievement of this target, the trustees have re-set their target to £17m by 2020.

Between 1 April 2014 and 31 March 2015 the Foundation set itself a challenging target of increasing the value of its Endowment by £1,575,000.

Endowment donations received within the year totalled £1,741,667 (£3,031,135 in 2013-14) including match funding under the Community First Endowment Challenge of £551,356. The Foundation is most grateful to those donors who have given to Endowment Funds this year, and who have helped towards this achievement.

The Government match funding under the Community First Endowment Challenge, which came to an end on 31st March 2015 was subject to certain conditions. All Community First Endowment Funds across England must be deposited in a central fund managed by CCLA Investment Management Ltd and the Foundation was required to establish a specific trust called the "Community First Trust for Sussex" to hold all Community First Endowment Funds. A copy of the Trust Deed and full Terms of the Community First programme are available from the Foundation's office.

#### **Endowment Named Funds**

As at 31st March 2015 The Foundation was responsible for 49 Endowment Named Funds (43 in 2013-14).

#### **Drawdown from Endowment for Grant Making**

During the year a total of £194,742 was drawn down from Endowment for grants (2013-14 £241,267). This reduction in draw down was due to the policy attached to the Community First Endowment Fund, which was set by the Government, requiring the Foundation to retain the indexed linked capital value of the fund.

#### **Flow-through Grant Funds**

Flow-through Named Funds offer donors an ideal way to maximise the immediate impact on the needs of the local community.

The Foundation's target for generation of Flow-through funds in 2014-15 was £1,025,000. Donations received during the year did not reach this target, totalling £888,869 (including donations and match funds via [localgiving.com](http://localgiving.com)). This reduction was due in part to timing of some annual donations, which are expected to be received in the next financial year.

The Trustees wish to thank the donors who contributed to the 21 Named Flow-through Funds, which have been active during the year (24 in 2013-14).

#### **Foundation Donors**

The Trustees wish to express their gratitude to the following Foundation Donors who have supported the operating costs of the charity this year:

John Peel OBE  
West Sussex County Council  
Plus one anonymous donor

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2015**

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### **Grant Making**

The Board of Trustees is responsible for all grants awarded by the Foundation but delegates detailed decision-making to its Grants Committee. This Board has set up an additional Grants Strategy Committee to advise the Board on the needs of the local community. The Foundation solicits applications and assesses those that are eligible for funding. Applications are then matched with the charitable goals of each fund and donor.

During 2014-15 the Foundation distributed £1,108,230 to benefit the community in Sussex. It made 424 grants worth £1,060,092 and paid £48,138 to local groups on behalf of people donating via localgiving.com. This represents a decrease of £137,763 (2013-14 426 grants worth £1,197,855).

The average grant awarded was £2,471 (2013-14 - £2,638). 46% of grants were of £1,000 or less (2013-14 - 34%).

The Foundation continues to reach small local organisations. 75% of the organisations funded have an annual income of less than £120,000 (2013-14 - £280,000), and 50% had income of less than £24,319 (2013-14 - £34,473) per year. At the last count, there were over 145,000 volunteers involved in funded groups.

During the year 13 grants of £10,000 and over were awarded, including four grants of £25,000 per year for three years each. This reflects the development of a mixed economy of grant making including larger grants as well as small grants for small groups. These grants were made possible by larger endowment funds and by a three-year commitment from the Blagrove Trust, for which the trustees are very grateful.

No-one in Sussex lives more than five miles away from a project funded by Sussex Community Foundation. 118 grants were awarded in West Sussex (2013-14 – 99), 122 in East Sussex (2013-14 – 150) and 117 in Brighton & Hove (2013-14 – 150). 44 individuals benefitted from a grant from either the Paul Rooney Foundation Fund or the Westdene Fund (2013-14 – 21).

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2015*

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### FINANCIAL REVIEW

The financial year from April 2014 to March 2015 was another highly successful one for Sussex Community Foundation.

The Foundation benefitted from substantial donations to the endowment fund, supported by match funding under the Community First Endowment Challenge. Thanks to the generosity of Sussex donors, Sussex Community Foundation was able to claim £551,356 in government match funding and as a result of donations and match funding the charity's endowment funds increased by £1,741,667.

Endowment income fell in comparison to 2013-14, which was an exceptional year helped by a single donation of £1.25m

The Community First Endowment Challenge came to an end on 31st March 2015 after four years. The trustees are not expecting there to be any similar programme from the Government for at least one financial year. The national membership charity for community foundations, UKCF, is lobbying the Government to highlight the success and the long-term benefit of the Community First and Grassroots Endowment Challenges. While there is a possibility that a future government may establish a new endowment match challenge, this is by no means certain so the trustees have decided to plan on the basis of there being no national match funding available. This may have the effect of slowing down growth in endowment, but we are confident that endowment remains an attractive option for many donors.

Income for immediate grant making (flow-through funds) was also strong during the year, although at £888,869, it was slightly lower than budgeted. This was mainly due to the timing of regular donations, which have previously been received at the end of the old financial year and are now expected in the new financial year.

Operational costs increased in 2014-15 because the charity moved office. The Foundation has taken on a 10 year lease on these new premises.

The draw down from endowment to grant making funds was less than expected for 2014-15 because there was no capital gain on the Community First Endowment Funds during the year. The policies for this fund, which were set by the government, do not allow the trustees to draw down any capital for grant making which would take the value of the endowment fund below the capital value of donations after inflation.

As with all charities, Sussex Community Foundation faces a significant challenge to raise the funds required to support the development of the charity itself. At the year end the foundation was in deficit by £20,220, despite having a very successful year. The trustees have built the charities reserves to a level, which is sufficient to cover this deficit and still remain within the reserves policy. However they have developed a new Friends Scheme to attract unrestricted donations. The trustees hope that this scheme will generate sufficient income to support immediate costs and provide a basis for future growth and development of the charity. The Foundation will promote the Friends Scheme more actively from April 2015.

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2015**

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### **Reserves Policy**

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

The balance of unrestricted funds has been allowed to rise above this level in recognition of the fact that core funding is likely to remain uncertain. The charity's income for operating costs is highly variable. The Trustees expect to draw upon reserves over a period of three years to sustain and develop the organisation. It is expected that at the end of this period the level of reserves will be in line with policy.

### **Investment Policy**

#### **Powers of Investment**

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

The Endowment Fund is invested using professional fund managers. In instructing these advisors, Sussex Community Foundation aims to achieve a balance between meeting current needs for grant making funds (by generating an annual income) and developing an Endowment to meet the needs of future generations (by maintaining the real value of the capital). The Trustees have the power to spend capital from the Endowment Fund to promote the charitable purposes of the Foundation.

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

Under the Articles of Association the Trustees have the power to invest funds not immediately required by the Charity and to appoint professional investment managers to manage investments on their behalf.

The Trustees of the Foundation adopted an Investment Policy at their meeting of 21 November 2007 and reviewed this policy at their meeting of 23rd September 2010. The policy is compliant with the Charity's Articles of Association, the Charity Commission's Statement of Recommended Practice, and the Trustee Act 2000 and formed part of the Charity's successful submissions for Quality Accreditation by UK Community Foundations in 2007, 2010 and 2013. It includes the Charity's attitude to risk and ethical investment.

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

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

In line with this policy, in July 2008 the Trustees selected Sarasin & Partners as investment advisers following an open recruitment and selection process.

It is a requirement of Government Match Funding that all Community First Donations be held in a central fund managed by a single advisor. This investment advisor is for the time being CCLA. The Trustees of the Foundation took extensive advice before agreeing to these conditions and establishing the Community First Trust for Sussex.

The Charity monitors the work of projects funded to ensure that they are also providing a public benefit within the meaning of charity law and Charity Commission guidance.

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

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#### Structure, governance and management

The Trustees, who are also the directors for the purpose of company law and who served during the year were:

D P Allam DL	
E Bennett DL	
C C Brooke	
M A Burgess	(Appointed 22 July 2014)
J Carette	(Appointed 5 March 2015)
C Drayson	
J Fox	
K A Gore DL	(Retired 13 November 2014)
J N Hart DL	
K Hollis	(Appointed 22 July 2014)
T E James	
S Manwaring	(Retired 13 November 2014)
M R Martin	
J A Peel OBE	(Retired 13 November 2014)
R Pearson	
H J M Price	
M L Simpkin OBE	
P Stiles	

Trustees are appointed by the Board of Trustees for a three year term which can be renewed once or twice. Every three years, the Trustees carry out a detailed review of the skills of members of the Board in order to identify any gaps. This review was completed in May 2013 and will be repeated in 2016. The skills and knowledge of Trustees is kept under informal review by the Board in the intervening period. The Trustees may advertise any identified vacancies through the Foundation's own publicity and website, as well as using a robust network of contacts and referrals.

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

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

The Board of Trustees, which meets four times per year, governs the charity. Board committees have been established to address specific areas of governance and meet as required. As at 31 March 2015, six paid staff conduct the day-to-day business of the charity, supported by volunteers. The staff are led by the Chief Executive who reports to the Board.

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

#### Related Charities

Sussex Community Foundation is a quality accredited member of UK Community Foundations (which is itself a Registered Charity).

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2015*

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### **Risk management**

The Trustees undertake an annual review of the principal risks the Foundation faces and, as part of that review, seek to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. A risk register is maintained and risks considered include the loss of core funding; failure to achieve the necessary levels of voluntary income; a major fall in value of investments; fraud or other risks relating to grants awarded and loss of key personnel. Steps have been taken to mitigate the identified risks.

The Trustees have instituted a system of strategic planning. A five-year strategic plan was adopted in September 2011 and reviewed in July 2013. They are currently working on a revised Strategy for 2015-20.

### **Register of Interests**

All Trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 10 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and to withdraw from decisions where a conflict of interest arises. At the beginning of every Trustees meeting, those present are asked to declare any interests in any item on the agenda. Trustees may also declare an interest as the meeting unfolds.

### **Bribery Act**

The Trustees believe that corruption, bribery and unfair actions hamper development and impede progress. At the Sussex Community Foundation, Trustees insist on integrity in all aspects of their activities and expect the same from all those who work with the Foundation.

### **Disclosure of information to auditors**

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

In line with the Charity Commission's Guidance on reporting serious incidents, the trustees declare that during the year there were no serious incidents that they have failed to bring to the commission's attention.

### **Auditors**

In accordance with section 487(2) of the Companies Act 2006, a resolution proposing that Knill James be reappointed as auditors of the charitable company will be put to the Annual General Meeting.

# SUSSEX COMMUNITY FOUNDATION

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

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### Plans for the future

The Trustees believe that the success of the Foundation to date gives a strong indication of the need and the potential for future growth. Over the period to 2020, Sussex Community Foundation plans to further invest in its staffing team in order to increase significantly its impact on the local community, to improve its services for donors and to achieve self-sustaining growth with sufficient capacity to deliver on the charity's promises and goals.

By the end of December 2020, the trustees aim to:

- Have built an endowment fund of £17 million
- Be awarding £1.5 million in grants every year
- To maintain a reserve of one half of each subsequent year's running costs

In order to maintain the required level of reserves, the trustees believe that they need to raise around £95,000 each year towards the development costs of the charity.

Sussex Community Foundation will continue to provide bespoke services for major donors, which maximise the positive impact of their philanthropy on local needs.

The Foundation also works to promote effective local philanthropy, developing a proactive strategy for meeting the needs of Sussex and inspiring others to maximise the difference they make for the local community.

In 2013, as the first stage of this strategy, the trustees published the Sussex Uncovered report into the needs of local communities across Sussex. The Foundation reviewed its grant making strategy in the light of this report, consulting both donors and grant recipients. The Trustees intend to develop a mixed economy of grant making to include responsive small grants programmes, larger grants and proactive projects.

The Trustees have also reviewed their income generation strategy and have decided to maintain the principles of its original fund development strategy and place greatest emphasis on attracting named funds from

- High Net Worth Individuals
- Legacies
- Transfers of dormant or closing Charitable Trusts
- Local Companies (especially family owned companies)
- Local Authorities, grant making charities and other public bodies

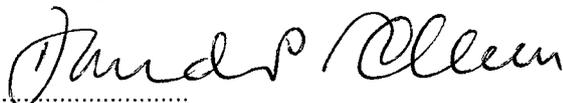
The charity will continue to seek introductions to potential donors from trustees, ambassadors and professional advisors as these have been the most productive referral methods. It will also seek to develop existing donors as a potential source of growth, including through legacies.

During the winter of 2013-14 a number of community foundations across the UK assisted local communities effected by flooding, by managing funds raised through public appeals and ensuring that such funds reached those most in need. The trustees are preparing contingency plans so that the Foundation can stand ready to help should a disaster occur in Sussex.

2016 will be the tenth anniversary of the formation of Sussex Community Foundation. The trustees are planning a series of events to mark this milestone and to raise awareness of the importance of local philanthropy. As part of this they intend to publish an updated version of Sussex Uncovered, which will report on disadvantage in Sussex and provide evidence of the work being done to address this disadvantage by grant recipients.

The Trustees are pleased with the charity's achievements since 2006, but recognise that this is the fruit of much hard work, the generosity of many donors and a long-term commitment to the community. They look forward to continuing to work towards the charity's ambitious objectives for the future.

On behalf of the board of Trustees



D P Allam DL

Chairman

Dated: ..... 21/7/2015

# SUSSEX COMMUNITY FOUNDATION

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

# SUSSEX COMMUNITY FOUNDATION

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

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We have audited the accounts of Sussex Community Foundation for the year ended 31 March 2015 set out on pages 13 to 24. 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).

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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of Sussex Community Foundation for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts 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 accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 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
- the accounts have been prepared in accordance with the Companies Act 2006;

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

# SUSSEX COMMUNITY FOUNDATION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

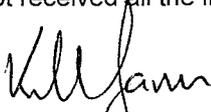
### TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

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#### 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 accounts 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.



Kevin Powell FCA (Senior Statutory Auditor)  
for and on behalf of Knill James

#### Chartered Accountants

#### Statutory Auditor

One Bell Lane

Lewes

East Sussex

BN7 1JU

Dated: .....



# SUSSEX COMMUNITY FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2015 £	Total 2014 £
<b>Incoming resources from generated funds</b>						
Voluntary income	2	330,271	888,869	1,741,667	2,960,807	4,321,827
Investment income	3	2,975	210,196	131,699	344,870	215,093
		333,246	1,099,065	1,873,366	3,305,677	4,536,920
Other incoming resources		1,165	-	-	1,165	2,252
<b>Total incoming resources</b>		<b>334,411</b>	<b>1,099,065</b>	<b>1,873,366</b>	<b>3,306,842</b>	<b>4,539,172</b>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Costs of generating donations and legacies	5	78,180	-	3,516	81,696	63,328
<b>Net incoming resources available</b>		<b>256,231</b>	<b>1,099,065</b>	<b>1,869,850</b>	<b>3,225,146</b>	<b>4,475,844</b>
<b>Charitable activities</b>						
Grants awarded	7	-	1,108,230	-	1,108,230	1,316,480
Other direct charitable expenditure	4	245,234	185,822	83,100	514,156	425,356
Governance costs	5	31,217	-	-	31,217	32,613
<b>Total resources expended</b>		<b>354,631</b>	<b>1,294,052</b>	<b>86,616</b>	<b>1,735,299</b>	<b>1,837,777</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(20,220)</b>	<b>(194,987)</b>	<b>1,786,750</b>	<b>1,571,543</b>	<b>2,701,395</b>
Gross transfers between funds	15	-	194,742	(194,742)	-	-
<b>Net (outgoing)/incoming resources</b>		<b>(20,220)</b>	<b>(245)</b>	<b>1,592,008</b>	<b>1,571,543</b>	<b>2,701,395</b>
<b>Other recognised gains and losses</b>						
Gains on investment assets	12	-	-	840,855	840,855	143,840
<b>Net movement in funds</b>		<b>(20,220)</b>	<b>(245)</b>	<b>2,432,863</b>	<b>2,412,398</b>	<b>2,845,235</b>
Fund balances at 1 April 2014		267,179	375,020	8,858,767	9,500,966	6,655,731
<b>Fund balances at 31 March 2015</b>		<b>246,959</b>	<b>374,775</b>	<b>11,291,630</b>	<b>11,913,364</b>	<b>9,500,966</b>

# SUSSEX COMMUNITY FOUNDATION

## SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

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	2015 £	2014 £
Gross income	1,433,476	1,377,777
Transfer from endowment funds	194,742	241,267
Total income	<u>1,628,218</u>	<u>1,619,044</u>
Total expenditure from income funds	<u>1,648,683</u>	<u>1,763,698</u>
<b>Net expenditure for the year</b>	<u><u>(20,465)</u></u>	<u><u>(144,654)</u></u>

The summary income and expenditure account is derived from the statement of financial activities on page 13 which, together with the notes on pages 16 to 24, provides full information on the movements during the year on all funds of the charity.

### STATEMENT OF RECOGNISED GAINS AND LOSSES

<b>Net expenditure for the year</b>	<b>(20,465)</b>	<b>(144,654)</b>
Net movement on endowment funds	<u>2,432,863</u>	<u>2,989,889</u>
	<u><u>2,412,398</u></u>	<u><u>2,845,235</u></u>

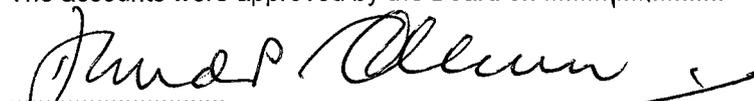
# SUSSEX COMMUNITY FOUNDATION

## BALANCE SHEET

AS AT 31 MARCH 2015

	Notes	2015		2014	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		124		164
Investments	12		11,285,006		8,638,766
			<u>11,285,130</u>		<u>8,638,930</u>
<b>Current assets</b>					
Debtors	13	48,359		282,933	
Cash at bank and in hand		732,136		642,113	
		<u>780,495</u>		<u>925,046</u>	
<b>Creditors: amounts falling due within one year</b>	14	(152,261)		(63,010)	
<b>Net current assets</b>			<u>628,234</u>		<u>862,036</u>
<b>Total assets less current liabilities</b>			<u>11,913,364</u>		<u>9,500,966</u>
<b>Expendable endowment funds</b>					
Endowment funds	15		11,291,630		8,858,767
<b>Income funds</b>					
Restricted funds	16		374,775		375,020
Unrestricted funds			<u>246,959</u>		<u>267,179</u>
			<u>11,913,364</u>		<u>9,500,966</u>

The accounts were approved by the Board on 21/7/2015



D P Allam DL  
Chairman

Company Registration No. 5670692

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", and the Companies Act 2006.

#### 1.2 Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of a quantifiable entitlement to a legacy or the legacy being received.

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

#### 1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

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

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

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% reducing balance
Computer equipment	straight line over three years

Initial purchases of furniture and equipment are grouped together and treated as above. Subsequent purchases costing less than £1,000 are treated as expenditure within the financial year in which the purchases were made.

#### 1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.6 Investments

Fixed asset investments are stated at market value.

#### 1.7 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 1 Accounting policies

(Continued)

#### 1.8 Community First Trust

Under the Community First initiative the Government matches eligible donations to the Foundation's Community First Trust. The Foundation claims funding from the Government to match donations received within one month of the end of each quarter. An accrual is made in the Foundation's accounts at the end of each quarter for match funds due to be received.

#### 1.9 Fund accounting

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

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

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

Investment income and gains are allocated to the appropriate fund.

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2015 £	Total 2014 £
Donations and gifts	330,271	888,869	1,190,295	2,409,435	3,392,596
Grassroots Grant East Sussex	-	-	-	-	188
Grassroots Grant Brighton & Hove	-	-	17	17	-
Community First West Sussex	-	-	372,841	372,841	642,175
Community First East Sussex	-	-	53,017	53,017	262,980
Community First Brighton & Hove	-	-	125,497	125,497	23,888
	<u>330,271</u>	<u>888,869</u>	<u>1,741,667</u>	<u>2,960,807</u>	<u>4,321,827</u>

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

### 3 Investment income

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2015 £	Total 2014 £
Income from listed investments	-	210,196	131,699	341,895	210,837
Interest receivable	2,975	-	-	2,975	4,256
	<u>2,975</u>	<u>210,196</u>	<u>131,699</u>	<u>344,870</u>	<u>215,093</u>

### 4 Other direct charitable expenditure

	2015 £	2014 £
Staff costs	155,134	152,407
Depreciation	41	55
Other costs (Note 6)	279,515	198,710
Support costs (included within Note 8)	79,466	74,185
	<u>514,156</u>	<u>425,357</u>

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2015 £	Total 2014 £
<b>Costs of generating funds</b>						
Costs of generating donations and legacies	57,526	-	24,170	-	81,696	63,328
<b>Charitable activities</b>						
Activities undertaken directly	139,966	41	279,515	-	419,522	336,083
Grants for charitable purposes	-	-	-	1,108,230	1,108,230	1,316,480
Support costs	15,168	-	79,466	-	94,634	89,273
<b>Total</b>	<b>155,134</b>	<b>41</b>	<b>358,981</b>	<b>1,108,230</b>	<b>1,622,386</b>	<b>1,741,836</b>
<b>Governance costs</b>	<b>12,586</b>	<b>-</b>	<b>18,631</b>	<b>-</b>	<b>31,217</b>	<b>32,613</b>
	<u>225,246</u>	<u>41</u>	<u>401,782</u>	<u>1,108,230</u>	<u>1,735,299</u>	<u>1,837,777</u>

Governance costs includes payments to the auditors of £4,500 (2014 - £4,320) for audit fees and £nil (2014 - £nil) for other services.

### 6 Activities undertaken directly

	2015 £	2014 £
Other costs relating to Grants awarded comprise:		
Contribution to charitable activities - restricted fund	139,313	95,066
Repayment of unspent grant	46,509	-
Contribution to charitable activities - endowment fund	83,100	74,079
Other costs	10,593	29,565
	<u>279,515</u>	<u>198,710</u>

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

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#### 7 Grants payable

424 grants (2014 - 426) worth £1,060,092 (2014 - £1,197,855) were awarded to 290 (2014 - 357) charities and 45 individuals. The average grant awarded was £2,471 (2014 - £2,811). 194 grants were for £1,000 or less (2014 -141).

In addition to the above, a total of £48,138 (2014 - £118,625) was donated to local charities and community groups in Sussex via [www.localgiving.com](http://www.localgiving.com), giving a total benefit to the community of £1,108,230 (2014 - £1,316,484)

Grants of £10,000 and over awarded within the year were:

Recipient	Total awarded
	£
On the Box Mission	60,000
Adventure Unlimited	25,000
Extratime	25,000
Parents and Carers Support Organisation (PACSO)	25,000
Mankind	25,000
Shinewater Shaftesbury Centre Trust	20,000
Petworth Community Garden	15,000
Kent Community Foundation	28,229
Brighton & Hove Community Works	25,500
Individual	12,000
Blatchington Mill School	11,000
Central and South Sussex Citizens Advice Bureau	10,000
XTRAX (Young People's Centre)	10,000
	<hr/>
	<b>291,729</b>
	<hr/> <hr/>

#### 8 Support costs

	2015	2014
	£	£
Finance costs	100	4,726
Office costs	37,838	19,558
Staff costs	15,168	15,089
Other costs	41,528	49,900
	<hr/>	<hr/>
	<b>94,634</b>	<b>89,273</b>
	<hr/> <hr/>	<hr/> <hr/>

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

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### 9 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2015 Number	2014 Number
Charitable employees	6	6

#### Employment costs

	2015 £	2014 £
Wages and salaries	195,848	192,284
Social security costs	20,439	20,141
Other pension costs	8,959	8,747
	<u>225,246</u>	<u>221,172</u>

There were no employees whose annual remuneration was £60,000 or more.

#### Pension contributions

The charity operates a defined contribution pension scheme. At the year end, there were £nil of outstanding pension contributions owing to the scheme (2014 - £46).

### 10 Trustees

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

Thomas Eggar LLP, a firm of which Neil Hart is a partner, was paid a total of £12,335 (2014 - £nil) for legal advice during the financial year. No amount was outstanding at the year end (2014 - £nil).

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 April 2014	-	10,338	10,338
Additions	152,000	-	152,000
Disposals	(152,000)	-	(152,000)
<b>At 31 March 2015</b>	<b>-</b>	<b>10,338</b>	<b>10,338</b>
<b>Depreciation</b>			
At 1 April 2014	-	10,173	10,173
Charge for the year	-	41	41
<b>At 31 March 2015</b>	<b>-</b>	<b>10,214</b>	<b>10,214</b>
<b>Net book value</b>			
<b>At 31 March 2015</b>	<b>-</b>	<b>124</b>	<b>124</b>
At 31 March 2014	-	164	164

During the year, the Charity was gifted a property. This property was subsequently sold and the proceeds used to set up a restricted fund in the name of the Donor. The net proceeds from the sale of £148,484 are shown within restricted donation income.

### 12 Fixed asset investments

	Community First Endowment Fund	Other Endowment Funds	Total Listed investments
	£	£	£
Market value at 1 April 2014	4,777,394	3,861,372	8,638,766
Net acquisitions at cost	1,702,860	102,525	1,805,385
Change in value in the year	490,285	350,570	840,855
<b>Market value at 31 March 2015</b>	<b>6,970,539</b>	<b>4,314,467</b>	<b>11,285,006</b>
Historical cost:			
<b>At 31 March 2015</b>	<b>6,399,067</b>	<b>3,280,071</b>	<b>9,483,658</b>
At 31 March 2014	4,696,207	2,982,066	7,678,273

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

13 Debtors	2015 £	2014 £
Trade debtors/Grants receivable	-	11,500
Income tax recoverable (Gift Aid)	39,059	267,887
Rent deposit	5,894	3,546
Prepayments and accrued income	3,406	-
	<u>48,359</u>	<u>282,933</u>

14 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	3,729	429
Taxes and social security costs	5,626	-
Other creditors	46,509	46
Accruals	96,397	62,535
	<u>152,261</u>	<u>63,010</u>

15 Endowment funds	Movement in funds					Balance at 31 March 2015 £
	Balance at 1 April 2014 £	Incoming resources £	Resources expended £	Transfers £	Investments gains/losses £	
<b>Expendable endowments</b>						
SCF Endowment	900,176	22,259	(10,603)	(34,548)	77,494	954,778
Grassroots Endowment	3,166,955	131,716	(46,859)	(158,045)	273,076	3,366,843
Community First Trust	4,791,636	1,719,391	(29,154)	(2,149)	490,285	6,970,009
	<u>8,858,767</u>	<u>1,873,366</u>	<u>(86,616)</u>	<u>(194,742)</u>	<u>840,855</u>	<u>11,291,630</u>

Transfers of £194,742 represent drawdown from endowment for grant making.

# SUSSEX COMMUNITY FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2015

#### 16 Restricted funds

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

	Movement in funds				Balance at 31 March 2015 £
	Balance at 1 April 2014 £	Incoming resources £	Resources expended £	Transfers £	
Funds held for grant making	375,020	1,099,065	(1,294,052)	194,742	374,775
	<u>375,020</u>	<u>1,099,065</u>	<u>(1,294,052)</u>	<u>194,742</u>	<u>374,775</u>

The funds in deficit will be cleared in the year to 31 March 2016 as further funding is expected. The transfers from the Endowment Fund amounting to £194,742 were used for grant making in the year to 31 March 2015.

#### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2015 are represented by:				
Tangible fixed assets	124	-	-	124
Investments	-	-	11,285,006	11,285,006
Current assets	263,181	510,690	6,624	780,495
Creditors: amounts falling due within one year	(16,346)	(135,915)	-	(152,261)
	<u>246,959</u>	<u>374,775</u>	<u>11,291,630</u>	<u>11,913,364</u>

#### 18 Commitments under operating leases

At 31 March 2015 the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Between two and five years	-	-	672	212
In over five years	23,000	-	-	672
	<u>23,000</u>	<u>-</u>	<u>672</u>	<u>884</u>