

# **ASSOCIATION OF CHARITABLE FOUNDATIONS**

## **TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2019**

**Charity No. 1105412**

**Company No. 5190466**

## Chair's introduction

2019 can seem a very long time ago, looking back from the current Covid-19 pandemic. The country was going through the last stages of the Brexit process leading to the general election in December. Politicians and policy makers had little time to focus on any of the other important issues facing the UK.

In this context, civil society and the foundations who support it increasingly looked for solutions within their own capabilities. New approaches to funding and finance were being trialled, as funding pressures remained on public services.

Climate change was increasingly recognised as an urgent threat, and the framing around “net zero” saw individual and collective commitments to reduce emissions to zero. Foundations played a key role in the House of Commons’ Climate Assembly, which saw ordinary people learning about climate change and debating the best way for the UK to cut emissions.

And against a backdrop of more polarisation in society and rising inequalities, civil society has been increasingly looking at its own diversity, how it includes different communities in its work and how it contributes to more equitable outcomes.

ACF has been at the heart of how foundations thought and acted on these issues, helping them think through what role they could and should play. We continued to support new thinking around finance through the Social Impact Investors Group. We focused on climate change at our annual conference where the Funder Commitment for Climate Change was launched. And we published our major report on diversity, equity and inclusion, helping foundations to challenge themselves on their own practices.



Our community of members is the core of our work. I am always impressed with the staff team’s focus on delivering for members, reflected by the high retention figure.

ACF also reaches out beyond its membership to support the wider sector. The Stronger Foundations initiative came to full fruition in 2019, establishing its programme of work to widely engage foundations in identifying and pursuing excellent practice.

Looking back to 2019 from my 2020 window, it is clear I think that this work has set ACF up to help foundations meet the big challenge of Covid-19. ACF is trusted by its members and the wider sector. It is leading thinking about the problems that our society and economy face and which civil society can help address. It has worked with foundations to set out good practice. We are in the midst of the biggest crisis since 1945 but I am confident that ACF is well placed to help foundations play their part in helping the country recover.

.....  
Janet Morrison (Chair)

25/08/2020  
.....  
Date

## Chief Executive's introduction

2019 saw further strengthening of ACF's mission to support foundations to be ambitious and effective in the way that they use their resources for social good. The strategy we launched in 2017 has continued to hold us in good stead and I believe we have progressed across all five strategic areas, as set out in the detail of the report.

One of the ways in which we have advanced the strategy is to develop and articulate our organisational values. We've drawn on three areas for our values – through talking to staff about what they value about ACF, reviewing what behaviour change members need from us so that we can support them better, and talking to trustees about the values they bring as individuals to ACF, as well as the values we need to help us grow and increase our impact. From that, we have set out four values that capture what is most important to us in how we work:

- We care
- We are open
- We are evidence based
- We are ambitious

I hope these values shine through all the aspects of the work shared in this review.

Of course, looking back on 2019 will inevitably be through the lens of the situation we now find ourselves in with Covid-19. In retrospect, we can see that our work in 2019 has helped us to be resilient in the face of the current crisis and well positioned to help foundations play their part.

Key to this has been the onward progress of our Stronger Foundations initiative. This has been an ambitious member-led programme looking at good practice across six themes – diversity, equity and inclusion; impact and learning; strategy and governance; transparency and engagement; investment; and funding practices. Our ambition has been matched with delivery, and we have run working groups for all six areas, involving one fifth of our membership, meeting regularly and engaging with thoughtful and challenging speakers. The first report on diversity, equity and inclusion was published in 2019 and has been well received by foundations and beyond our sector by those working on these issues. I am determined now to deliver the support for our members so they can take forward this vitally important work.



For me, Stronger Foundations is very much about trustees and staff being deliberate and intentional in the choices they make, whether at a strategic level or in their day to day work. Challenging ourselves to think through the ways in which we work can be hard but is necessary. And the value of this work has become evident in the response of foundations to Covid-19, where it has been apparent that most have not just carried on with business-as-usual but instead have been flexible and adapted quickly to new ways of working with partners.

I was also really pleased to see so many foundations engage with the issue of climate change at our annual conference this year. Climate change threatens many people's lives directly and the quality of all our lives, within only a few decades. It is not just an environmental issue, but a public health issue, an issue for communities, for young people, for heritage and social justice. And it is expected to have the greatest impact on those who are marginalised in our society.

The Funder Commitment on Climate Change was launched at the conference and generated much interest. We look forward to supporting members' further work in this area.

Over the past year we have also invested in the capacity and capability of ACF itself. We have shifted to agile and flexible working, with an IT system that enables working from any location (something that has proved of immense value since the Covid-19 restrictions). We also said goodbye to our old offices at the end of the year as we moved into new accommodation at Toynbee Hall.

And finally, core to our ability to deliver on our mission is the strength of our connection to our members. We continue to strive to earn their loyalty and to build new relationships to bring more foundations into our community. We were delighted to see net growth of 11 members in 2019, with just under 400 foundations now belonging to the ACF community. And we are proud that more than half of our members have been with us for more than ten years. Quite simply, this support is the foundation for all that we do, and we never take it for granted.

I would like to take this opportunity to thank all those who supported ACF in 2019 – whether our association is old or new! – and look forward to working with you as we enter the new decade.

.....	<u>25/08/2020</u>
Carol Mack (Chief Executive)	Date

## TRUSTEES' ANNUAL REPORT 2019

We are very pleased to present the 2019 annual report and accounts for ACF. We are proud to present the continued achievements of ACF as it pursues its mission to support foundations to be ambitious and effective in the way they use their resources for social good.

2019 has been a year in which we made further progress in delivering on the strategy we agreed in 2017. The report below shows performance under each of our five strategic themes: to support; to advocate; to connect; to inspire; and to thrive. Helping to embed our strategy further in 2019, we developed new values for ACF: we care, we are open, we are evidence based and we are ambitious. These were worked up by the board, in partnership with the staff team, so that they resonate across the whole organisation.

The strategy provides a strong framework for ACF's delivery and there has been good progress across all areas of the strategy. The Stronger Foundations programme is worth pulling out in particular. In 2019 it established itself as the largest foundation engagement initiative globally to date. The work has helped provide a solid base for what ACF says about ambitious and effective practice and the legitimacy for ACF to be saying this.

Importantly, the first report from the programme has been on diversity, equity and inclusion, helping ACF and its members to have confidence to engage in these important debates. The groundwork was also laid in 2019 for further reports in 2020 on impact and learning, strategy and governance, transparency and engagement, investment, and funding practices.

ACF has also led thinking on the issue of how foundations respond to climate change. The theme of our conference in 2019, we also helped promote the new Funder Commitment on Climate Change to help foundations – whether they have worked on environmental issues in the past or not – to start thinking about their role.

We could not achieve what we have in 2019 without the support of our members, and they remain at the heart of our mission to help foundations to be more effective and ambitious in using their resources for social good. Each trustee is connected to a member organisation, rooting our work in the reality of foundations day to day activity. Our members are generous with their time and expertise and contribute to the work of every team. We would also like to thank our staff, official partners (Cazenove Charities, CCLA, Mercer and Ruffer) and our funders. Thank you for everything that you do to help ACF achieve its vision of a world that is supported, sustained and strengthened by the effective use of foundation resources.

### ABOUT ACF

**ACF is the membership body** for UK foundations and grant-making charities. Founded in 1989, ACF was established as a member-led association that should be fully responsive to the concerns and priorities of the foundation community. We do this through the provision of policy and advocacy, research and information, and a wide-ranging programme of events and learning. We have just under 400 members who include family trusts, corporate foundations, livery companies and broadcasting appeals, both small and local grant-makers, and some of the world's largest foundations.

**Our vision** is a world that is supported, sustained and strengthened by the effective use of foundation resources.

**Our mission** is to support foundations to be ambitious and effective in the way that they use their resources for social good.

**Our values** are that

- We care
- We are open
- We are evidence based
- We are ambitious

This annual report provides details of how our strategic objectives, which are as follows, have been achieved in 2019.



## 1. ACF SUPPORTS



ACF's support for foundations falls into two categories: we provide briefings, news, publications, policy updates and answers to specific member queries; and we run a programme of events on specific areas of foundation practice. Core to this is membership – founded in 1989, ACF was established as a member-led association that should be fully responsive to the concerns and priorities of its members. That remains the heart of our work.

We had 383 members at 31 December 2019, with 296 Full members and 87 Associate and Affiliate members. In our annual members' survey, 80% of respondents felt connected, very connected or extremely connected to ACF. In the survey, we asked respondents to say which of our activities were the most important to them. 52% put our community and peer networks in their top three, 47% practical guidance, 40% training and professional development, and 39% our regular newsletters.

We are continuing a shift to digital provision of information. Our website had 72,366 visits in 2019 (up from 64,327 in 2018), keeping foundations up to date on our work and on issues relevant to the sector.

### ***Trust & Foundation News and Funders' News***

Our flagship magazine publication [\*Trust & Foundation News \(TFN\)\*](#) contributes to our mission to help foundations become more effective and ambitious. In 2019 TFN featured articles on funding individuals, approaches to diversity, equity and inclusion, and how foundations consider climate change in their work.



*Funders' News* is our regular bulletin informing members of issues affecting foundations, as well as updating them on the work and practice of their peers and ACF.

The high level of engagement with [\*Funders' News\*](#) and [\*Trusts & Foundation News\*](#) shows the value our membership places on these publications. ACF's social media content is increasingly seen as an authoritative source of information for the sector.

### **Professional Development**

Our Professional Development Programme is a series of half or one day seminars that support foundation staff and trustees to develop their understanding of good grant-making practice, the technical aspects of being a foundation, as well as creating space to consider strategic decisions facing foundations today. It includes seminars on leadership both for new foundation directors, and those aspects of being a foundation trustee that are different to those of leading an operational charity. The programme also contains a specialist seminar for corporate foundation trustees, and an introductory session for those interested in finding out about social impact investing.

Being able to respond to current issues and new areas of learning is a key aspect of the programme. In 2019 there were seminars and workshops on a range of new topics including building the digital capacity of foundations; safeguarding and due diligence; and exploring the power



dynamic in grant making. Following our annual conference, we also ran workshops for foundations on what action they could take in the face of the climate crisis.

95% of participants said they would recommend their seminar to a colleague and 91% rated their seminar as good or excellent. The table below shows the level of engagement with our professional development programme.

ACF Professional Development Programme	2017	2018	2019	Qualitative feedback 2019
Number of seminars	26	31	31	'I now feel more confident when assessing applications.' November 2019
Total number of members attending	252	296	354	
Total number of non-members attending	65	94	63	
<b>Total number of attendees</b>	<b>317</b>	<b>390</b>	<b>384</b>	'The seminar was brilliant, and the candid discussions were really helpful.' April 2019

### Investment Learning Programme

Towards the end of 2019, ACF brought together all of our work that supports members with their endowments, under the banner of the Investment Learning Programme. This enabled ACF to consolidate responsibility for the Social Impact Investors Group of foundations, ACF's investment seminars and other learning activity with our Official Partners, and the Investment strand of the Stronger Foundations programme, and to grow the level of support to our members in this key area of their work. The programme of work will expand further in the latter half of 2020, following publication of the Stronger Foundations Investment report.

ACF's four Official Partners – Cazenove Charities, CCLA, Mercer and Ruffer – share significant expertise with our members. During 2019 this included insights and thought leadership through *Funders' News* and *Trust & Foundation News* and delivering sessions at ACF's annual conference. The flagship learning opportunity is ACF's two-day investment seminars delivered in the spring and autumn, providing an introduction and overview for senior foundation staff and trustees regarding foundation investment responsibilities and approaches. ACF's Official Partners delivered content on topics including: intentional investing, governance considerations, deciding what to spend, managing your managers, risk and return, asset allocation, and how to prepare for turbulent times. The learning goes both ways, with senior ACF staff speaking at events hosted by our Official Partners about the UK foundation landscape.

The Social Impact Investors Group (SIIG) exists to support foundations interested in starting or currently undertaking social impact investing. Membership is open to foundations and to organisations with a charitable or social mission with investible assets. Since coming under ACF's umbrella in 2018, membership has increased from 24 to 32 (as of Dec 2019). The SIIG has an active Steering Group of members, with administration provided by the ACF team. During 2019, the SIIG delivered 12 learning sessions on topics including social investment for family foundations, 'tech 4 good' and impact measurement, and organised six Market Information Days where foundations heard from social purpose funds, enterprises and charities. In addition to the 32 foundations in membership, over 30 additional foundations attended SIIG events as guests. During the year the SIIG member toolkit was furnished with further templates, exemplars and practical resources on social investment. Towards the end of 2019, the SIIG sent out its annual survey, receiving 23 foundation responses to provide a comprehensive view of foundation social investment activity and update some of the data from ACF's 2013 report on *Charitable Trusts and Foundations' Engagement in the Social Investment Market*.



On behalf of the SIIG, the ACF team met with government, the Impact Investing Institute, the Charities Responsible Investment Network, Fair 4 All Finance and others to share member views. In monitoring diversity, equality and inclusion (DEI), the SIIG delivered a near 50/50 gender balance across its event presenters, with the balance between BAME and white presenters reflecting the UK's ethnic diversity. Looking forward to 2020, the SIIG is continuing to monitor DEI, and will be taking concrete steps to include the voices of those with lived experience.

## 2. ACF ADVOCATES



ACF's advocacy work can be understood in three main ways. First, we work on a regulatory and legislative level to ensure that foundations are enabled and not inhibited in their practice. This often involves deep engagement with consultations, pre-emptive analysis and shaping of regulatory change, and the provision of policy-focused advice and guidance. Second, we work on issues that impact the environment in which foundations undertake their work, including significant and structural change that will affect civil society. Lastly, we work to make the case for foundations as a force for good, using our research and thought leadership to highlight the role of institutional philanthropy and the many and various contributions our sector makes.

A key priority for ACF is our advocacy work, which aims to proactively influence the operating environment for foundations. In doing so, ACF aims to protect and enhance foundations' ability to fulfil their individual charitable missions and make their irreplaceable collective contribution to a vibrant civil society.



### **Influencing the operating environment for foundations**

In 2019, ACF successfully improved the operating environment for foundations through influencing and enhancing policy and regulatory change. This included substantial input to the Charity Commission for England and Wales' guidance on charities with connections to non-charities, which drew on member expertise, particularly that of corporate foundations. ACF continued its engagement with sector colleagues and members about government plans for replacement funding following the UK's departure from the EU, including plans for the UK Shared Prosperity Fund. We also supported foundation sector efforts to strengthen practice around safeguarding, building on ACF's safeguarding framework.

ACF submitted evidence to the governance of the SORP-making process and recommended that there should be greater representation specifically from funders in the development and governance of the SORP. This was endorsed by the final report of the review. Subsequently, ACF applied to become a full member on the reformed advisory committee from 2020, which was successful and presents foundations with a significant opportunity to influence the next SORP.

ACF remains a member of the Home Office Voluntary Sector Stakeholder Forum and has held regular meetings with key officials in the Charity Commission for England and Wales and the Scottish Charity Regulator. In collaboration with our Scottish members, primarily the Scottish Grantmakers network, ACF submitted a comprehensive response to the Scottish government's consultation on charity law. This was the largest review of charity law in Scotland for many years and provided a rare opportunity to shape the regulatory environment.

## Focused advocacy

ACF met with a range of ministers and government officials this year, including the Minister for Civil Society, Baroness Barran, at a private roundtable in the House of Lords, attended by senior officials from the Charity Commission for England and Wales and the Department for Digital, Culture, Media and Sport. ACF highlighted the distinct contribution of foundations and their expertise.

ACF submitted written evidence to the Liaison Select Committee inquiry on the influence and effectiveness of select committees, making the case for engagement with the foundation sector. This was reflected in the Committee's final report, which urged other committees to take up ACF's offer to act as a conduit to foundation expertise for committee inquiries.

ACF met several times with the team within the Department for Exiting the EU about Brexit preparations for civil society and influenced its communications to charities about preparing for a no-deal Brexit.

## Building an evidence base

ACF's policy, advocacy and thought leadership rely heavily on our commitment to taking an expert and evidence based approach. Our credibility in this area relies on using not only qualitative data about the activity, concern and priorities of the sector, but also on quantitative data about its nature, scale and shape. The 2019 *Foundation Giving Trends* made a significant contribution to the evidence base.



*Foundation Giving Trends* is supported by the Pears Foundation, and authored by Professor Cathy Pharoah, Co-Director of the Centre for Charitable Giving and Philanthropy at Cass Business School, and Dr Catherine Walker, Founder and Consultant-in-Chief at The Researchery. This report tracks key indicators of the health of foundations including giving, income, and value of assets.

Through this and other research products, ACF was able to demonstrate the vital role that foundations play within civil society, as well as making a case that their collective expertise should be considered and consulted on matters of political, legislative and regulatory concern.

## Members' Policy Forum

2019 saw the first year of ACF's Members' Policy Forum and the delivery of a varied programme of events and activities, which responded to the interests of members and government officials. The purpose of the Forum is to engage with members in order to identify and develop policy priorities and positions on technical issues that affect foundations and their operating environment, and to enable ACF to connect foundations with government and other policy actors to inform and influence policymaking.

The Forum is proving its value. Across six events, more than 150 foundation representatives were joined by officials from six government departments and charity regulators. One foundation CEO described the Forum as a 'step change' in the foundation sector's ability to influence policymakers. Events this year included a panel discussion about how foundations might engage with the EU post-Brexit, on serious incident reporting and policy on preventing child sexual exploitation.

## 3. ACF CONNECTS

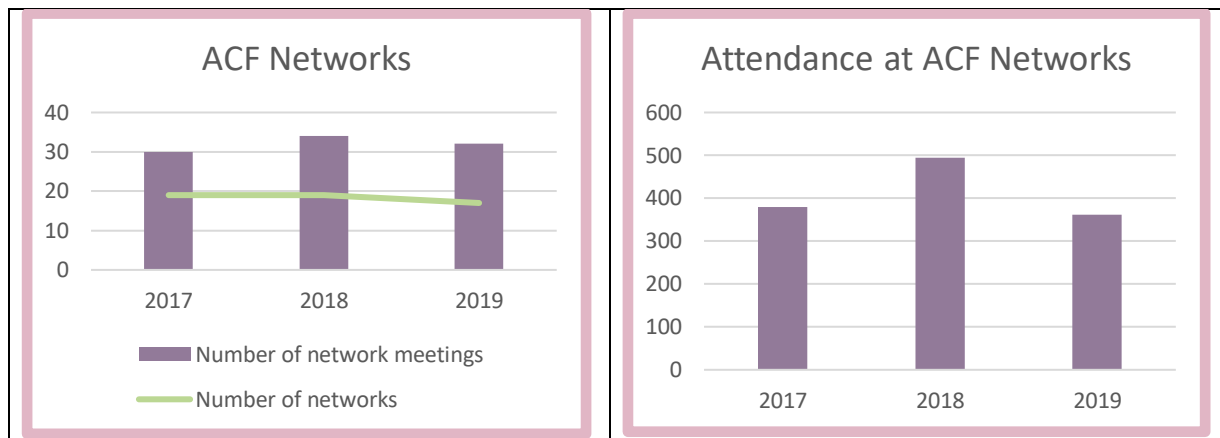


ACF connects members to people, organisations, governments and movements relevant to their work. We do this through our networks, online via social media and our Funder Network website, and outreach to other networks. We are also increasingly connecting with European and international networks to share good

practice and thought leadership. Our community and peer networks were rated in the top three reasons for membership by 52% of respondents to our annual survey.

### ACF networks

In 2019 we supported 17 different member-led networks supported by a team of volunteer conveners from ACF membership. The majority of the networks focus upon funding themes (e.g. children and young people, or criminal justice), while others explore elements of grant-making (e.g. good practice in monitoring and evaluation). Two support specific job roles in foundations (e.g. finance staff, run in partnership with CFG), one is for funding in Northern Ireland, and one is for senior leaders concerned with social justice.



ACF Networks which met in 2019	
<b>Funding theme networks</b>	<b>Geographically based networks</b>
<ul style="list-style-type: none"> <li>Housing and homelessness</li> <li>Asylum, refugee and migration</li> <li>Mental health</li> <li>Violence against women and girls</li> <li>Criminal justice</li> <li>International funders</li> <li>Children and young people</li> <li>Tackling poverty</li> </ul>	<ul style="list-style-type: none"> <li>Northern Ireland</li> </ul>
<ul style="list-style-type: none"> <li>Woburn Place Collaborative which brings together larger foundations working on social justice issues</li> </ul>	<b>Funding practices networks</b>
	<ul style="list-style-type: none"> <li>Monitoring and evaluation</li> <li>Place based learning</li> <li>SIIG - Social Impact Investors Group</li> </ul>
<b>Foundation type networks</b>	<b>Job role networks</b>
<ul style="list-style-type: none"> <li>Smaller funders</li> <li>Corporate foundations</li> </ul>	<ul style="list-style-type: none"> <li>FIRM – Finance, Investment, Resources Management network for Finance &amp; Investment Directors of large foundations</li> <li>Finance in grant making, run with CFG</li> </ul>

### International connections

In 2019 we hosted delegations of foundation and foundation association representatives from several parts of the US. This included a visit from the Minnesota Council for Non-Profits, which initiated the GrantAdvisor platform, Professor Richard A Marker (based in Philadelphia), and Dr Bob Reid (based in New Mexico). We also hosted foundation visitors from: Australia, Belgium, Finland, Germany, the Netherlands, Russia and Turkey.

ACF has continued to be an active member of DAFNE (Donors and Foundations Network in Europe) and made several contributions to policy development as a member of its Legal Affairs Committee and Public Affairs

Summit. We also took a delegation of members to the DAFNE and European Venture Philanthropy Association (EVPA) summit in Munich for corporate foundations. Our CEO and other members of the team spoke at several other international conferences about the philanthropic and policy context in the UK, including the 30<sup>th</sup> birthday celebrations of the European Foundation Centre and the 9th International Research Conference of the European Research Network on Philanthropy in Switzerland.

We shared experiences of working on the Funder Commitment on Climate Change with European colleagues, helping to inspire similar work in France and Spain.

### **ACF Regional Reach**

We have worked hard to ensure that, as an organisation headquartered in London, we maintain strong links with foundations who are located in other regions. Our member survey suggests that this is paying off with 85% of respondents located in Scotland, Northern Ireland and the North of England saying they felt connected or very connected to ACF, compared to 80% for members as a whole.

We ran a pilot seminar in York to test what the best model of regional delivery would be, and whether there was appetite amongst members and potential members. We are using the learning to develop our regional delivery in 2020.

ACF continues to ensure its relevance in Northern Ireland through a dedicated part-time Northern Ireland Development Officer. James Magowan provides support for Great Britain-based members with an interest in funding in Northern Ireland, enhancing their effectiveness. He also provides local representation and helps Northern Ireland-based members and trusts and foundations based there to access and benefit from ACF's support. We hold an annual Northern Ireland Conference, which in 2019 for the first time was organised in partnership with the Northern Ireland Trust Group. It was attended by 28 people from 20 foundations.



### **Funder Network**

ACF's online platform, Funder Network, enables members and other funders to share expertise and solve problems. In 2019 we relaunched a simplified, modernised website that better meets the needs and expectations of its users. Since its relaunch, its user base has grown from 700 to over 800, and the rate of questions asked and answered has increased noticeably.

## **4. ACF INSPIRES**



ACF's work is always undertaken in an enabling and facilitative spirit. We are also committed to providing challenge to foundations, about both the specifics of their practice and in terms of wider social, political and cultural criticism. In doing so, we draw upon the knowledge and expertise within the organisation, while also bringing in national and international thought-leadership, ensuring that the latest thinking is available to our membership. Over the past few years, mandated by our membership, ACF has become more deliberate in this aspect of our work, through our flagship annual conference, speaking and writing publicly on a wider range of issues and also instituting a major work stream specifically aimed at identifying what 'excellent' practice looks like for foundations.

## Stronger Foundations initiative

Over the last two years, ACF has led the largest foundation engagement initiative globally to date, examining what it means to be a stronger foundation in 2020 and beyond. The Stronger Foundations initiative has involved more than 100 foundation representatives drawn from across the UK, and 50 external experts and critics, offering perspectives that are both grassroots and global. Through six member-led working groups, ACF has facilitated inquiry on issues including diversity, transparency, governance, funding, impact, and investing. Several cross-cutting themes have also emerged, including issues of power, legitimacy and accountability.

The product of this first phase is a series of reports showcasing ‘pillars of stronger foundation practice’ in each of the six areas explored. While examples of all of the pillars can be found somewhere in the UK foundation sector, every foundation also has room for improvement. By pursuing the pillars of practice, all foundations can become more effective and achieve greater impact – no matter their size, remit, history, source of income, geography or resources.

**“Being a stronger foundation is an aspiration not an event, a journey not a destination.”** Max Rutherford, Head of Policy, ACF

The pillars themselves will continue to evolve, and the bar for excellence will continue to rise. By embedding this approach in everything that a foundation does, it will ensure it is not only fit for purpose, but confident of its mission, and realising its potential.

The first of the reports to be published was on Diversity, Equity and Inclusion (DEI), in November 2019. It set out nine characteristics of excellent practice in a foundation, which include collecting data on diversity, implementing DEI practices in funding activities, and making itself accountable to those it serves and supports. The report was accompanied by four reaction pieces by leading experts in aspects of DEI and was well received by members and other sector bodies, as well as the charity regulator for England and Wales.

**“Very much welcome this from @ACFoundations - recognising the foundation sector has so much to do to build DEI, and offering both principles and practical advice for foundations to make change. Leadership is hard & challenging ourselves even harder”**

Charity Commission for England & Wales (Director of Strategy)

To supplement the evidence gathered by the working groups, and to begin to disseminate the emerging findings, we held engagement events in each of the UK jurisdictions, including with 40 foundation representatives in Belfast and a presentation in Edinburgh to Scottish Grantmakers.

## Climate change

There is now widespread understanding that government, business, civil society and individuals need to act swiftly if we are to avoid a catastrophic, global climate crisis in the coming decades. The next 10 years – before global warming irreversibly exceeds 1.5°C over pre-industrial levels – is the critical timeframe in which we have the opportunity to act.

The Funder Commitment on Climate Change was developed by a group of funders during 2019, largely drawn from ACF’s Woburn Place Collaborative, and launched at ACF’s 2019 conference. It outlines six steps that funders can take in response to the climate crisis. Following on from the conference, December saw the first in a series of ACF events promoting the commitment to UK foundations. By the end of 2019, 30 foundations had signed up to the commitment, ACF was committed to more workshops in 2020, and foundation infrastructure bodies across Europe were beginning to promote commitment to their own members.

## ACF's annual conference – Funding on a Finite Planet

Focusing on climate change, ACF's annual conference set out to members our view that no matter what cause or interest area a foundation has - the sciences, the arts, poverty, international development or heritage – the climate crisis will directly impact on that cause, and each has a role to play in helping to build a more sustainable and equitable future.

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We brought together foundations and thought leaders from across and beyond the UK to consider our individual and collective role in limiting the environmental, economic and social effects of climate change and our power to support local, national and global solutions. The conference challenged all foundations to think deeply about how we engage with the causes and consequences of climate change, as well as related issues such as time horizon, risk-appetite and intergenerational justice. 151 foundations were represented at the conference, with total attendance at over 300 people, including the speakers, many of whom were from our membership and participated fully in the day.

### About the ACF Annual Conference

**“The plenary session was extraordinary - a powerful call to action.”**

**“The session on justice and investment was very timely and also challenging helping me to see things in a different way”**

**“It was my first ACF conference and I found the whole day to be more personally and professionally inspiring than I ever expected.”**

### Thought leadership, press and public engagement

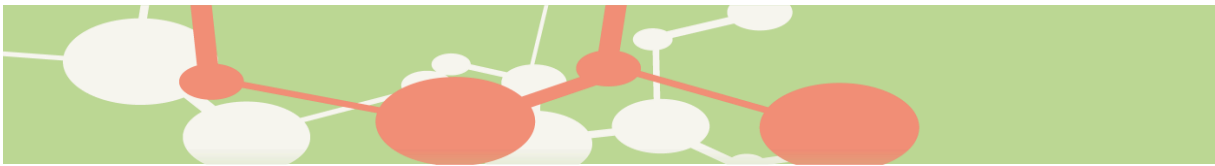
In 2019, ACF was featured in all of the major trade press (including *Third Sector*, *Alliance*, *Civil Society*, *UK Fundraising*) and on several occasions in the mainstream media (including *The Daily Telegraph*). In particular, the *Foundation Giving Trends* research and report and our annual conference were widely covered, along with the funder commitment on climate change. The CEO was a guest on a major podcast with host Alberto Lidji (*‘Do one better!’* <https://www.lidji.org/>)

In addition, together with the Chief Executive, senior members of the team have significantly increased the amount of external speaking engagements they have undertaken, including national and international conferences and events. This included a presentation on Stronger Foundations to Scottish Grantmakers; a plenary panel for the EFC Raymond Georis Debate in Brussels; participating in a British Academy roundtable on philanthropy with the CEO of the Ford Foundation; and delivering a plenary presentation on intentional investing to more than 100 charity finance directors at Cazenove Charities' conference for charity investors. ACF was pleased to represent foundations on several key cross-sector communities and advisory boards, including the Charity Tax Commission, the steering group of the Beacon Collaborative, Big Society Capital



advisory board, an advisory panel for Getting on Board, Funders for Racial Equality Alliance, and chairing the Match Trading Taskforce.

## 5. ACF THRIVES



In order for ACF to effectively support and connect foundations, to inspire the sector and to raise its influence and profile, it is essential that as an organisation we have effective systems and processes and are financially stable. The trustees have given careful consideration to any need to change the financial statements as a result of the Covid-19 pandemic and have decided that no changes are necessary. Below we provide details of the impact of Covid-19 on ACF and how we have responded.

### Ensuring ACF is financially robust

ACF's financial position was transformed in 2018 by the launch of the Official Partner Programme (OPP) which has brought £200,000 of funding into ACF annually to strengthen our work with members. The OPP continues until the end of 2021 when we hope to renew the programme. Recent years have seen a steady growth in membership, supported by the greater profile of our advocacy for the foundation sector, and new opportunities to contribute to our Social Impact Investors Group, Members' Policy Forum, and the Stronger Foundations Initiative. This has also improved our financial position.

In 2019 we updated our IT systems and moved to a new office. These important investments resulted in an unrestricted operating deficit of £18,747 in the year. This deficit reduced our total general fund to £570,370. Of this, £112,753 represents fixed assets, leaving free reserves of £457,617. The trustees have considered the unrestricted reserves that ACF requires to sustain its operations with reference to the Charity Commission for England and Wales' guidance on charity reserves as set out in CC19, and have agreed a long-term aim of balancing income and expenditure to deliver a level of reserves that is between four and six months' operating expenditure. We were slightly below this target at the end of 2019 when the level of reserves is compared to the original budget for 2020. Nevertheless, this level of reserves still enables ACF to effectively reorientate our operations in response to Covid-19 in 2020, by moving our events programmes online (increasing attendance from a wider range of foundations), and to invest in a new Customer Relationship Management (CRM) in late 2020 and early 2021.

Our income and expenditure budgets for the next three years are being kept under close review in light of the impact of Covid-19 and the investment in the new CRM. Due to Covid-19 we expect an initial reduction in income from membership, the annual conference and our professional development programme, but also some reduction in our expenditure; we then expect income to recover slightly in 2021 and more robustly in 2022. We expect our reserves to fall further below our reserves target at the end of 2020, and again in 2021, but the board is confident that the current level of reserves is sufficient to mitigate the operating deficits in these years before we begin to rebuild reserves again in 2022.

The board considers that the use of reserves and their movement below the target range is acceptable in order to manage the impact of the coronavirus pandemic and the cost of implementing the new CRM system while continuing to deliver ACF's strategic plans. We have a robust system of financial management to ensure that expenditure remains tightly controlled.

## **Status**

ACF is a registered charity, with registration number 1105412, and a company limited by guarantee, incorporated 27 July 2004, and registered in England and Wales (registration number 5190466). Its governing document is a Memorandum and Articles of Association. ACF's principal and registered office is: Fourth Floor, 28 Commercial Street, London E1 6LS.

ACF has a wholly owned trading subsidiary, ACF Conferences and Seminars Limited. This is a company incorporated on 5 January 2000, registration number 3902450, and limited by a single share held by the Charity. The directors of the company are listed at the end of this report. ACF manages its commercial relationships which generate trading income via this company. This includes the Official Partner Programme and commercial activities linked to the annual conference. ACF Conferences and Seminars Limited has agreed a deed of covenant that enables it to pass all its profits to the charity at the end of each financial year. The accounts that accompany this report show the consolidated financial information for the charity and ACF Conferences and Seminars Limited. This narrative in this report covers the operations of the charity and the subsidiary company.

## **Going concern**

In view of the foregoing it is the view of the ACF board, at the time this annual report and the annual accounts are signed, that ACF is a going concern as is ACF Conferences and Seminars Limited. In view of Covid-19 the trustees have given additional consideration to the going concern status of the charity and ACF Conferences and Seminars Limited and do not consider there to be any additional concerns to report.

## **Income to support our services to members**

ACF's principal sources of funding are membership subscriptions, grants and fees for its charitable activities, and the Official Partner Programme. Members pay an annual subscription on a sliding scale, which is based on their grant expenditure in the previous year. In 2019 ACF had only one restricted grant which was to pay for the *Foundation Giving Trends* research and report. In 2020 and in the two years after that we have included a fundraising target of £45,000 each year. ACF does not set a target to raise income from its cash reserves, nor does it have an investment policy.

## **ACF's approach to fundraising from the public**

ACF does not seek funds directly from the public. We do not use commercial or professional fundraisers. As a result we are not signed up to a voluntary fundraising regulation scheme or standard. ACF has a complaints procedure and a whistleblowing procedure and these can be found on our website. We have received no fundraising related complaints.

## **Remuneration policy**

All trustees give of their time freely and no trustee remuneration was paid in the year.

ACF provides a competitive employment offer, which is designed to attract and retain staff with the appropriate skills. Budgetary constraints, the external environment, the wider job market, the values of the organisation and the morale of staff will all be factors in deciding the employment offer, which may include more than just salary. ACF is a London Living Wage employer. The current differential between the highest and lowest paid staff member is 3.1.

The highest paid member of staff was the Chief Executive, receiving a salary in the year of £85,863 (an increase of 3.3% on 2018: £83,120) and a non-consolidated performance-related payment of £5,000 (2018: £5,000). The Chief Executive's total financial benefit (including employer pension) was £99,449 (an increase of 3.1% on 2018: £96,432).



	Number of employees <i>as at 5 April 2020</i>	Mean	Median
Female	10	£45,331	£43,128
Male	4	£53,851	£54,664

	Number of employees <i>as at 5 April 2019</i>	Mean	Median
Female	12	£41,198	£41,024
Male	4	£54,484	£53,975

The differences between male and female salary averages are primarily because two of the four male employees are Director-level posts. With 4 Directors in total, ACF's Executive Leadership Team has an equal balance of male and female staff. During 2019 ACF has developed a pay policy that enables us to ensure that we continue to attract, retain and motivate our talented staff team, while providing more clarity and transparency about pay differentials between staff.

### Balance sheet liabilities

ACF is carrying a Pensions Trust Growth Plan liability on its balance sheet, which is ACF's share of the deficit on the fund. This year has again seen a reduction in ACF's liability leaving the balance at £61,050 (2018: £75,377). The Pensions Trust Growth Plan has put in place arrangements to assist Plan members who have difficulty meeting payments as a result of the pandemic. ACF does not expect to need this assistance. The Plan invests for the long term and monitors its investment strategy and funding position. No update to the value of ACF's liability due to the pandemic has been received at the date this report is signed.

ACF holds no funds as a trustee on behalf of others.

### Risk management

ACF actively manages the risks it faces. Key risks are identified and reviewed at the quarterly Finance and Risk Committee and annually by the Board. Measures to manage all risks are in place. Key risks being actively managed are as follows:

Risk Description and analysis	Approach to managing risk
<b>Covid-19 threatens ACF's financial sustainability.</b> ACF's membership fees are based on each member's level of giving. A fall in investment income or asset values may lead to fall in giving by members and so a fall in ACF's income.	ACF's financial budgets for 2020, 2021 and 2022 have been reviewed to identify risks linked to the virus. Reserves are sufficient to meet the worst-case risks across these three years. It will be necessary to plan to rebuild reserves from 2022 onwards. These risks will change quickly over the next few months and will require detailed monitoring.
<b>ACF under resourced to deliver strategic plan.</b> Services to members may be damaged by: <ul style="list-style-type: none"> <li>A reduction in giving by members reduces ACF's membership income.</li> <li>Members choose not to renew, or fewer new members join ACF because of pressure on their investments and income from the pandemic.</li> <li>Loss of an Official Partner because of pressure on partner budgets, or the Programme no longer meets partner's needs.</li> <li>Shortfall in planned commercial income. ACF has plans in place to diversify and increase our</li> </ul>	The Board has sufficient confidence in the level of reserves to enable ACF to maintain current staffing levels and continue to deliver ACF's strategic plan into 2022. We have reviewed our income expectations and believe that our spending plans for 2020, 2021 and 2022 are achievable.  It will be necessary to rebuild reserves from 2022. The current Official Partner Programme agreements end on 31 December 2021. ACF holds regular discussions with partners to review whether expectations are being met and monitors the impact at every contact between partners and members.

commercial income. These plans are under stress because of the difficulty in holding a face to face conference in 2020.	Budget plans for commercial income are being recast for 2020. Conference and commercial income are currently expected to return to pre-pandemic levels in 2021.
<p><b>ACF seen as irrelevant by its members in their response to the Covid-19 crisis.</b></p> <p><b>The sector is not seen to have responded effectively to the Covid-19 crisis by government and the wider voluntary sector.</b></p> <p>Criticism may damage the legitimacy of the sector and lead to legislative changes to its operating environment. It is particularly important that the sector responds effectively in supporting BAME-led organisations to address high levels of need.</p> <p><b>Key member(s) leave because of change in their priorities, and/or failure of ACF to meet their needs.</b></p> <p>This will lead to loss of income and reputation for ACF. This risk may lead to members voicing concerns damaging ACF's reputation and relationships with other members and perhaps seeking alternative sources of leadership for the sector.</p>	<p>Feedback from members thus far is that ACF has responded effectively to Covid-19.</p> <p>ACF has moved its events online. This has increased attendance and increased the range of foundations and individuals engaging with ACF.</p> <p>We have published a number of documents with advice for foundations in responding to the pandemic.</p> <p>ACF has positioned foundations as part of the solution to Covid-19, while recognising that foundations are not a substitute for state intervention, and we continue to support sector efforts to get increased funding from government through membership of two key informal infrastructure networks, initially convened by NCVO. There is a risk that this campaigning work may not be effective or will take up significant ACF capacity, and we continue to judge the right level of our involvement.</p> <p>We have played a leading role in the development of the Funders' Collaborative Hub that will help foundations plan their contribution to the recovery of communities and individuals from the impact of the virus.</p> <p>ACF will continue to provide dynamic leadership to foundations as the recovery from the virus throws up new challenges.</p>
<p><b>Covid-19 impacts on ACF's staff team</b></p> <p>Staff catch the virus. Working at home damages staff health. Home working not practical for some staff. Staff experience mental health problems from working at home, or worry about virus and isolation.</p> <p><b>Pandemic impact on supply chain</b></p> <p>Face to face events have not been possible.</p>	<p>We have provided team members who need it with additional equipment to facilitate home working. We introduced an Employee Assistance Programme giving staff access to a range of mental health support services. A temporary reduction in hours has been agreed for staff with caring responsibilities. We will continue to monitor the health of our staff while the exceptional circumstances continue.</p> <p>The impact from the pandemic on ACF's supply chain and delivery of services has been negligible as our events programme has moved online.</p>
<p><b>Covid-19 disrupts ACF annual conference</b></p> <p>ACF's annual conference is a flagship event for us and our members. It is a significant commitment in staff time and ACF's budget. There is a strong risk that a face-to-face conference cannot take place, numbers attending are restricted, or attendance is low.</p> <p><b>Covid-19 disrupts networks and learning programmes</b></p> <p>Events programme and networks no longer able to take place face-to-face, which may lead to less engagement of members, falling attendance and reduced income.</p>	<p>We have decided to move our 2020 Conference online and plans are now being developed to deliver this. While this removes some of the risks, it creates new risks associated with a completely new method of engaging our members and a positive opportunity to engage with members who would not normally travel to the conference.</p> <p>Moving our events programme online has increased both attendance and the range of foundations and individuals engaging with ACF.</p>
<b>Perception that ACF has not acted effectively to influence government or regulators</b>	ACF maintains an active policy team who provide regular briefings to members. Members are kept

This may lead to adverse changes in the operating environment for foundations.	informed about our policy activity and their satisfaction is measured.
<b>Implementation of a new CRM</b> The current CRM is nearing the end of its operational life and new products offer operational efficiencies. Implementation of the new CRM may take a long time and consume staff resources that are above the budget, or it may fail completely.	The majority of the implementation has been moved to 2021 due to the impact of Covid-19. An implementation plan with budget has been identified.
<b>Major incident disrupts normal operations</b> ACF temporarily unable to provide services to members, loses historical and operational record and staff are unable to work.	We have a disaster recovery plan which is tested regularly. Full operations can be delivered quickly from any location with internet access. Our major incident plan is reviewed annually.
<b>The Pensions Trust Growth Plan: deficit and buy out cost crystallises, or deficit on PTGP grows.</b> Exit debt triggered if ACF decides not to retain a member of staff in the Growth Fund. Deficit on the Plan increases with poor investment performance, or identification of unknown liabilities. Market stresses due to Covid-19 may increase the deficit.	We will add a new member of staff to PTGP if required to avoid the debt crystallising. There is a 12-month period to do this if new person needs to be added to the scheme. ACF's share of the plan is reducing through the payment of planned annual contributions and a separate buy out reserve is increased by annual contributions of £10,000. The Plan is monitoring the impact of the pandemic on its funding levels but have currently given no indication of changes.
<b>Stronger Foundations project does not meet members' expectations.</b> ACF would suffer reputational risk from being unable to deliver this high-profile project and not meeting members' expectations.	The executive Stronger Foundations Steering Group meets regularly and monitors member engagement and satisfaction with the project. All six reports will be issued by end of 2020 and the programme will pivot to a new focus on members' engagement with the pillars of stronger practice. This will create a new set of risks to be managed.
<b>Non-compliance with GDPR</b> Misuse of personal data. Fines and reputational risk.	A review of compliance will take place in 2020.

## GOVERNANCE

### The Trustee Board

The Board is responsible for the general management and supervision of the work of ACF. The trustees of ACF meet quarterly to set the strategic direction of the charity and monitor its effectiveness.

ACF's trustees are elected by our membership for a term of three years, may be re-elected, but cannot serve for more than six successive years. At least four trustees retire at each AGM. All elected trustees must at the time of their appointment be connected to a member of ACF, for example as a trustee or as a member of staff. In addition, the board may co-opt a further five members to the board. ACF's members are non-governmental organisations in the UK, whose functions or activities include grant-making for charitable purposes, and endowed foundations.

### Trustee Induction

New trustees are invited to a half day induction where they meet key ACF staff and discuss ACF's objectives, activities and budgets. They normally receive an information pack as part of their induction which includes the relevant guidance for trustees from the Charity Commission for England and Wales, together with papers from recent Board meetings. Trustees individually also attend ACF's member events and thereby widen their awareness of current issues and concerns amongst ACF's membership.

## Company Secretary

Kevin Nunn, Director of Finance and Resources (until 21 July 2020)

## Directors of ACF Conferences and Seminars Limited

- Kevin Nunn, Company Secretary (Until 21 July 2020)
- Dr Joanne Knight
- Carol Mack
- Keiran Goddard (Until 14 August 2019)
- David Renton (Appointed 14 August 2019)
- Gemma Instrall (Appointed 14 August 2019)

## Board of Trustees of the Charity

Name	Position	Committee membership during the year	Appointed or resigned date	Member link
Janet Morrison	Chair	Officers, Premises Working Group		The Baring Foundation
Kenneth Ferguson	Vice Chair	Officer, Premises Working Group		The Robertson Trust
David Renton	Treasurer	Officers, Finance & Risk, Premises Working Group, ACF Conferences & Seminars Ltd		Guy's and St Thomas' Charity
Nick Acland	Trustee			The Henry Smith Charity
Fozia Irfan	Trustee	Nominations		Bedfordshire and Luton Community Foundation
Joanne Knight	Trustee	Finance & Risk, ACF Conference & Seminars Ltd		British and Foreign School Society
Sheila Jane Malley	Trustee	Nominations		The Co-op Foundation
Michelle Molyneux	Trustee			The Worshipful Company of Grocers
Anthony Tomei	Trustee	Finance & Risk		The Bell Foundation
James Wragg	Trustee	Nominations, Premises Working Group		Esmée Fairbairn Foundation
Andrew Barnett	Trustee	Premises Working Group		Calouste Gulbenkian Foundation (UK branch)
Gary Beharrell	Trustee	Nominations	Resigned 17.12.19	Lloyds Bank Foundation for England and Wales
Navprit Rai	Trustee		Resigned 09.09.19	Trust for London
Edward Walden	Trustee		Appointed 17.12.19	Power to Change
Jessica Brown	Trustee		Appointed 17.12.19	Trust House Charitable Foundation
Klara Skrivankova	Trustee	Finance & Risk	Appointed 17.12.19	Trust for London

## ACF's objects and public benefit

ACF's objects are to "further the work of charitable grant-making trusts and institutions for the public benefit by:

- advancing the education of the public in such trusts and institutions and carrying out research and publishing the results of such research;
- promoting the collective and individual effectiveness of such trusts and institutions and better methods of administration and management of their resources"

Under the Companies Acts 1985 and 1989 the Association is limited by guarantee and does not have share capital. Its memorandum of association and articles were fully reviewed and revised in 2004 and amended in 2018.

The trustees have had regard to the Charity Commission for England and Wales' guidance on public benefit in considering what work the charity should undertake and in the performance of their duties.

The Chief Executive, the Directors and Heads of departments are the key managers in charge of directing and controlling the charity on a day-to-day basis.



The trustees (who are also directors of the Association of Charitable 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- 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 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and,
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**1. ACF SUPPORTS foundations in achieving their charitable objectives by:**

- Providing information, advice and training
- Gathering, distilling and disseminating learning
- Building and developing resources on foundation practice
- Signposting sources of specialist expertise
- Environment-scanning for trends and debates
- Informing members of issues affecting their practice

**2. ACF ADVOCATES on behalf of foundations for an enabling policy, legislative and operating environment by:**

- Developing and enhancing an evidence base
- Making the case for philanthropy in civil society
- Closing the 'knowledge-gap' around foundations
- Protecting and advancing foundations' interests
- Building relationships and networks with other policy actors
- Intervening strategically

**3. ACF CONNECTS foundations to people, organisations, governments and movements relevant to their work, by:**

- Convening members and other actors around issues
- Brokering relationships relevant to members' work
- Playing a facilitative role in potential collaboration
- Providing a protected space for conversation and exchange
- Optimising our learning and events programme
- Analysing, developing and targeting our member offer

**4. ACF INSPIRES foundations to be ambitious and effective in the way that they use their resources, by:**

- Developing a set of principles for good foundation practice
- Providing access to national and international thought leadership
- Reflecting societal challenges and external feedback
- Nurturing an environment conducive to self-reflection
- Promoting positive case studies from the UK and beyond
- Showcasing relevant thinkers, debates and provocations

*In order to achieve this, we must ensure that ...*

**5. ACF THRIVES and is sustainable, supporting members over the longer term, by:**

- Ensuring we are financially robust
- Responding to member need
- Valuing our people
- Implementing effective systems
- Adapting to technological change
- Nurturing a values-driven culture and prizing environmental sustainability

## ADVISERS AND BANKERS

<b>Bankers</b>	
Cater Allen Private Bank 2 Triton Square, Regent's Place London, NW1 3AN	CCLA Investment Management Ltd. COIF Charity Funds 85 Queen Victoria Street, London, EC4V 4ET
Unity Trust Bank Four Brindley Place Birmingham, B1 2HB	Close Brothers Limited 10 Crown Place London, EC2A 4FT
Cater Allen Private Bank 2 Triton Square London, NW1 3DU	
<b>Solicitors</b>	
Stone King Boundary House 91 Charterhouse Street London, EC1M 6HR	Russell-Cooke 2 Putney Hill London, SW15 6AB
<b>Auditors</b>	
Saffery Champness LLP 71 Queen Victoria Street London, EC4V 4BE	

In preparing this report the trustees have taken advantage of the small companies exemption provided by section 415A of the Companies Act.

Approved by the Board and signed on its behalf by:

.....

Janet Morrison OBE (Chair)

.....

David Renton (Treasurer)

Date 25/08/2020  
.....

Date 25/08/2020  
.....

## OUR THANKS

ACF's work would not be possible without support and encouragement from many members and other supporters. We would like to express our particular thanks for these as follows:

ACF's Official Partners:

- Cazenove Charities
- CCLA
- Mercer
- Ruffer

Garfield Weston Foundation for financial support of ACF's core activities.

The Pears Foundation for supporting research by Professor Cathy Pharoah (co-Director of the Centre for Charitable Giving and Philanthropy at Cass Business School) and Dr Catherine Walker (Founder and Consultant-in-Chief at The Researchery) which resulted in the publication by ACF of *Foundation Giving Trends 2019*.

For serving on the FIRM steering group:

- Anne-Laure Bedouet, Education Endowment Foundation
- Arati Patel, Barts Charity
- Amahl Smith, Royal Commission for the Exhibition of 1851
- Fiona Young, Tudor Trust

For participating in the Steering Group of the SIIG (Social Impact Investors Group of foundations):

- Douglas Gunn, Trust for London (Co-Chair)
- Jo Heywood, Big Society Capital (Co-Chair)
- Jessica Tyrrell, Bank Workers Charity
- Mark O'Kelly, Barrow Cadbury Trust
- Hamesh Patel, The Clothworkers' Foundation
- Tim Wilson, City Bridge Trust
- Jennifer Gordon / Amir Rizwan, Comic Relief
- Trupti Patel / Ben Smith, Esmée Fairbairn Foundation
- Barnaby Wiener / Jessamy Gould, Treebeard Trust
- Jan Doole, Tuixen Foundation

We would also like to thank all those many members who have generously hosted meetings on behalf of ACF or given their time to convene our networks or to speak at our events.



## **Independent auditor's report to the members**

**Year ended 31 December 2019**

### **Opinion**

We have audited the financial statements of the Association of Charitable Foundations for the year ended 31 December 2019 which comprise the consolidated statement of financial activities, balance sheets, consolidated statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

### **Other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

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

## **Use of our report**

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

.....  
Cara Turlington (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors

71 Queen Victoria Street  
London  
EC4V 4BE

Date: 10/09/2020

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**ASSOCIATION OF CHARITABLE FOUNDATIONS**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating an income and expenditure account)  
**For the year ended 31 December 2019**

		Unrestricted	Restricted	2019 Total	2018 Total
	Note	£	£	£	£
<b>Income from:</b>					
Charitable activities:					
Members' subscriptions		783,645	-	<b>783,645</b>	720,828
Network subscriptions		54,455	-	<b>54,455</b>	51,379
Conferences and meetings		114,613	-	<b>114,613</b>	125,257
Fees and grants	6	-	48,200	<b>48,200</b>	80,450
Earned income		698	-	<b>698</b>	1,155
Other trading activities	2	200,000	-	<b>200,000</b>	170,000
Investment income		2,588	-	<b>2,588</b>	1,884
Other income including rental income		20,143	-	<b>20,143</b>	19,359
<b>Total income</b>		<b>1,176,142</b>	<b>48,200</b>	<b>1,224,342</b>	<b>1,170,312</b>
<b>Expenditure on:</b>					
Charitable activities:					
Members' services	5	1,055,794	-	<b>1,055,794</b>	762,091
Conferences and meetings	5	139,095	-	<b>139,095</b>	101,589
Project expenditure	5, 6	-	82,361	<b>82,361</b>	141,435
<b>Total expenditure</b>		<b>1,194,889</b>	<b>82,361</b>	<b>1,277,250</b>	<b>1,005,115</b>
<b>Net income/(expenditure)</b>	3	<b>(18,747)</b>	<b>(34,161)</b>	<b>(52,908)</b>	165,197
<b>Actuarial gains/(losses) on defined benefit pension schemes</b>	13	<b>4,271</b>	<b>-</b>	<b>4,271</b>	910
<b>Net movement in funds</b>	14	<b>(14,476)</b>	<b>(34,161)</b>	<b>(48,637)</b>	166,107
<b>Reconciliation of funds:</b>					
Total funds brought forward	14	573,796	34,161	<b>607,957</b>	441,850
<b>Total funds carried forward</b>	14	<b>559,320</b>	<b>-</b>	<b>559,320</b>	<b>607,957</b>

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

**ASSOCIATION OF CHARITABLE FOUNDATIONS**  
**CONSOLIDATED BALANCE SHEET**  
For the year ended 31 December 2019

	Note	2019 Group £	2019 Charity £	2018 Group £	2018 Charity £
<b>Fixed assets:</b>					
Tangible assets	8	112,753	112,753	1,192	1,192
Investments	9	-	2	-	2
		<u>112,753</u>	<u>112,755</u>	<u>1,192</u>	<u>1,194</u>
<b>Current assets:</b>					
Debtors	10	125,935	293,581	92,163	217,802
Cash at bank and in hand		328,805	96,954	568,401	335,714
Short term deposits		<u>322,196</u>	<u>322,196</u>	<u>322,899</u>	<u>322,899</u>
		<u>776,936</u>	<u>712,731</u>	<u>983,463</u>	<u>876,415</u>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11	<u>(213,318)</u>	<u>(149,115)</u>	<u>(253,320)</u>	<u>(146,274)</u>
<b>Net current assets</b>		<u>563,618</u>	<u>563,616</u>	<u>730,143</u>	<u>730,141</u>
<b>Total assets less current liabilities</b>		<u>676,371</u>	<u>676,371</u>	<u>731,335</u>	<u>731,335</u>
Creditors: amounts falling due after one year	11a	<u>(56,001)</u>	<u>(56,001)</u>	<u>(48,001)</u>	<u>(48,001)</u>
<b>Net assets excluding pension liability</b>		<u>620,370</u>	<u>620,370</u>	<u>683,334</u>	<u>683,334</u>
Defined benefit pension scheme liability	13	<u>(61,050)</u>	<u>(61,050)</u>	<u>(75,377)</u>	<u>(75,377)</u>
<b>Total net assets</b>		<u>559,320</u>	<u>559,320</u>	<u>607,957</u>	<u>607,957</u>
<b>Funds</b>					
Restricted funds	14	-	-	34,161	34,161
Unrestricted funds:					
Designated funds					
Pension Trust deficit reduction fund	14	50,000	50,000	40,000	40,000
Pension liability reserve	14	(61,050)	(61,050)	(75,377)	(75,377)
Office move	14	-	-	60,000	60,000
Member services fund	14	-	-	50,000	50,000
Web developments fund	14	-	-	7,669	7,669
General fund	14	<u>570,370</u>	<u>570,370</u>	<u>491,504</u>	<u>491,504</u>
Total unrestricted funds		<u>559,320</u>	<u>559,320</u>	<u>573,796</u>	<u>573,796</u>
<b>Total funds</b>		<u>559,320</u>	<u>559,320</u>	<u>607,957</u>	<u>607,957</u>

As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities for the charity alone has been presented. The net deficit of the standalone charity for the year was £52,908 (2018: net income £165,197) before transfers between funds.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the trustees and authorised for use on 25 August 2020  
and signed on their behalf by:

\_\_\_\_\_  
Janet Morrison  
Chair

\_\_\_\_\_  
David Renton  
Treasurer

Company registration no. 5190466

The attached notes form part of the financial statements.

**ASSOCIATION OF CHARITABLE FOUNDATIONS**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2019**

	Note	2019 £	2019 £	2018 £	2018 £
<b>Net cash provided by operating activities</b>	15		<b>(112,943)</b>		236,316
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		<b>(129,944)</b>		(680)	
Purchase of investments		-		-	
Interest income		<b>2,588</b>		<b>1,884</b>	
<b>Cash provided by investing activities</b>			<b>(127,356)</b>		1,204
		<b>(240,299)</b>		237,520	
<b>Cash flows from financing activities</b>			-		-
Change in cash and cash equivalents in the year			<b>(240,299)</b>		237,520
Cash and cash equivalents at the beginning of the year			<b>891,300</b>		653,780
<b>Cash and cash equivalents at the end of the year</b>	16		<b>651,001</b>		<b>891,300</b>

## ASSOCIATION OF CHARITABLE FOUNDATIONS

### Notes to the financial statements

#### For the year ended 31 December 2019

##### 1a Accounting Policies

The following principal accounting policies have been consistently applied in preparing the financial statements.

##### Group accounts

The financial statements present the consolidated statement of financial activities (SOFA), consolidated statement of cash flows and the consolidated and charity balance sheets comprising of the consolidation of the charity with its wholly owned subsidiary ACF Conferences & Seminars Limited (company registration number 03902450).

##### Basis of preparation

These financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 March 2018), Charities SORP (FRS102) and the Companies Act 2006. The functional currency of the charity is £.

##### Public benefit entity

The Association of Charitable Foundations meets the definition of a public benefit entity under FRS102.

##### Critical estimates and areas of judgement

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the charity makes assumptions concerning the future. The Trustees do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year. Key estimates include the useful economic life of fixed assets, the recoverability of debtors and the assumptions made by the actuary in valuing the pension liability.

##### Fund accounting

Unrestricted funds comprise both the General Fund and any Designated Funds. The General Fund comprises donations and other incoming resources received or generated for the objects of the Association without further specified purpose.

Going into 2019, trustees had designated five funds: the Pensions Deficit Reduction Fund, the Pension Liability Reserve Fund, the Office Move Fund, the Member Services Fund, and the Web Developments Fund. All represent funds that the trustees had put aside from general funds to fund particular expenditure and are restricted in an administrative rather than a legal sense. At the year end, three designated funds were closed and their balances transferred to the general fund. For further details of all designated funds, see note 14.

Restricted funds are to be used for specified purposes as laid down by the donor. Restricted grants are recognised in full in the Statement of Financial Activities in the period in which they are received or receivable whichever is the earlier, unless they are for a specified period in which case they are deferred. These funds and movements in them are described in note 6.

##### Tangible fixed assets

Expenditure on office equipment of less than £500 is charged to the Statement of Financial Activities when incurred. Expenditure greater than £500 is capitalised and depreciated. Depreciation is provided on capitalised fixed assets at rates calculated to write off the cost of each asset over their expected useful lives as follows (less estimated residual value where this is readily available):

Office Furniture, IT and telecommunications equipment	3 years
Leasehold improvements - Acorn House	5 years
Leasehold improvements - Toynbee Hall	3 years

## ASSOCIATION OF CHARITABLE FOUNDATIONS

### Notes to the financial statements

#### For the year ended 31 December 2019

For office equipment and Acorn House leasehold improvements, a full year's depreciation is charged in the year an asset is purchased. For Toynbee Hall leasehold improvements, depreciation is charged on a monthly basis from November 2019 (beginning of occupation).

#### **Incoming resources**

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to receipt, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably. Deferred income is income received or recorded before it is earned, and shown in the income statement only when it can be matched with the period in which it is earned.

#### **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. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned using a suitable basis.

#### **Allocation of support costs**

Indirect costs are those costs incurred in support of the charitable objectives and governance of the Association. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

#### **Financial assets/liabilities**

The charity has financial assets/liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value, unless otherwise stated in the relevant account policy note(s), and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The investment in the subsidiary is stated at cost.

#### **Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. In view of Covid-19 the trustees have given additional consideration to the going concern status of the charity and ACF Conferences and Seminars Limited and do not consider there to be any additional concerns to report.

#### **Pension Arrangements**

ACF is a member of Now:Pensions and enrolls all qualifying staff into the scheme in accordance with the Pensions Regulator's requirements. This is a defined contribution scheme.

ACF also participates in the Pensions Trust Growth Plan 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 the company 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.

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.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company 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.



**ASSOCIATION OF CHARITABLE FOUNDATIONS**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**1b. Consolidated statement of financial activities 2018 included for comparative purposes**

	Note	Unrestricted £	Restricted £	2018 Total £
<b>Income from:</b>				
Charitable activities:				
Members' subscriptions		720,828	-	720,828
Network subscriptions		51,379	-	51,379
Conferences and meetings		125,257	-	125,257
Fees and grants	6	-	80,450	80,450
Earned income		1,155	-	1,155
Other trading activities	2	170,000	-	170,000
Investment income		1,884	-	1,884
Other income including rental income		19,359	-	19,359
<b>Total income</b>		<b>1,089,862</b>	<b>80,450</b>	<b>1,170,312</b>
<b>Expenditure on:</b>				
Charitable activities:				
Members' services	5	762,091	-	762,091
Conferences and meetings	5	101,589	-	101,589
Project expenditure	6	-	141,435	141,435
<b>Total expenditure</b>		<b>863,680</b>	<b>141,435</b>	<b>1,005,115</b>
<b>Net (expenditure)/income for the year</b>		<b>226,182</b>	<b>(60,985)</b>	<b>165,197</b>
<b>Actuarial gains/(losses) on defined benefit pension schemes</b>	13	<b>910</b>	<b>-</b>	<b>910</b>
<b>Net movement in funds</b>		<b>227,092</b>	<b>(60,985)</b>	<b>166,107</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward	14b	346,704	95,146	441,850
<b>Total funds carried forward</b>	14b	<b>573,796</b>	<b>34,161</b>	<b>607,957</b>

**ASSOCIATION OF CHARITABLE FOUNDATIONS**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**2. Analysis of Other trading income**

	2019	2018
	£	£
Official Partnership Programme fees	200,000	170,000
	<u>200,000</u>	<u>170,000</u>

**3. Net income/expenditure for the year**

This is stated after charging:

	2019	2018
	£	£
Depreciation	18,383	13,392
Auditors' remuneration:		
Audit fees	13,345	11,627
Operating lease rentals: property	<u>55,953</u>	<u>44,654</u>

**4. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

	2019	2018
	£	£
Salaries and wages	576,583	439,334
Social security costs	60,974	43,994
Pension contributions	61,152	43,834
Pension Trust finance cost	1,128	1,112
Recruitment & training	32,734	31,188
Temporary staff, consultancy & all other staff costs	69,064	74,164
	<u>801,635</u>	<u>633,626</u>

Staff costs were incurred in the following way:

	2019	2018
	£	£
Unrestricted funds		
Members' services	<u>768,605</u>	<u>540,317</u>
Restricted funds		
Effective Foundations Initiative	27,330	17,600
Inspiring Impact	-	8,750
Northern Ireland Development Officer	-	11,393
Network Development - Funding Consortium	-	30,366
Comms	-	12,500
SIIG	-	3,000
Safeguarding	-	4,000
Foundation Giving Trends	5,700	5,700
	<u>33,030</u>	<u>93,309</u>
<b>Total</b>	<u><b>801,635</b></u>	<u><b>633,626</b></u>

The above comparative salary costs for 2018 include redundancy payments of £1,524.

	2019	2018
The following number of employees received benefits (excluding employer pension) during the year between:		
£90,000 and £99,999	1	-
£80,000 and £89,999	-	1

The highest paid member of staff was the Chief Executive, receiving a salary in the year of £85,863 (2018: £83,120) and a non-consolidated performance-related payment of £5,000 (2018: £5,000). The total financial benefit (including employer pension) awarded to the Chief Executive was £99,449 (2018: £96,432). The total employee benefits including pension contributions of key management personnel were £266,780 (2018: £198,632).

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2019	2018
Charitable Activities	15	10
Governance	1	1
	<u>16</u>	<u>11</u>

The average number of employees (FTE) during the year was as follows:

	2019	2018
Charitable Activities	12	9
Governance	1	1
	<u>13</u>	<u>10</u>

## 5. Resources Expended

### Analysis of Total Resources Expended

#### 5.1 Current year

	Staff Costs	Indirect Costs	Governance Costs	2019
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' Services	768,605	271,094	16,095	<b>1,055,794</b>
Conferences and Meetings	-	136,690	2,405	<b>139,095</b>
<b>Total Unrestricted RE</b>	<b>768,605</b>	<b>407,784</b>	<b>18,500</b>	<b>1,194,889</b>
<u>Restricted Funds</u>				
Project Expenditure	33,030	49,331	-	<b>82,361</b>
<b>Total Restricted RE</b>	<b>33,030</b>	<b>49,331</b>	<b>-</b>	<b>82,361</b>
<b>Total Resources Expended</b>	<b>801,635</b>	<b>457,115</b>	<b>18,500</b>	<b>1,277,250</b>
	(Note 4 and 5b)	(Note 5a)	(Note 5c)	

#### 5.2 Prior year

	Staff Costs	Indirect Costs	Governance Costs	2018
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' Services	540,317	206,114	15,660	<b>762,091</b>
Conferences and Meetings	-	98,825	2,764	<b>101,589</b>
<b>Total Unrestricted RE</b>	<b>540,317</b>	<b>304,939</b>	<b>18,424</b>	<b>863,680</b>
<u>Restricted Funds</u>				
Project Expenditure	93,309	48,126	-	<b>141,435</b>
<b>Total Restricted RE</b>	<b>93,309</b>	<b>48,126</b>	<b>-</b>	<b>141,435</b>
<b>Total Resources Expended</b>	<b>633,626</b>	<b>353,065</b>	<b>18,424</b>	<b>1,005,115</b>
	(Note 4 and 5b)	(Note 5a)	(Note 5c)	

## 5a. Analysis of Indirect Costs

### 5a.1 Current year

	Members' Services	Conf & Meetings	Project Expenditure	2019
	£	£	£	£
ICT & Communications	38,738	5,789	-	<b>44,527</b>
Printed Matter etc	35,057	270	32,782	<b>68,109</b>
Meetings & Events	-	113,010	-	<b>113,010</b>
Other & staff expenses	79,372	-	-	<b>79,372</b>
Property Related Expenditure	117,927	17,621	16,549	<b>152,097</b>
	<b>271,094</b>	<b>136,690</b>	<b>49,331</b>	<b>457,115</b>

Indirect costs, where relevant, have been allocated based on actual expenditure. IT & property costs have been apportioned between Members' Services and Conferences & Meetings based on income percentages.

	Members' Services	Conf & Meetings	Project Expenditure	2018
	£	£	£	£
ICT & Communications	37,385	6,597	237	44,219
Printed Matter etc	35,042	2,399	32,545	69,986
Meetings & Events	-	75,058	584	75,642
Other & staff expenses	49,986	-	405	50,391
Property Related Expenditure	83,701	14,771	14,355	112,827
	<b>206,114</b>	<b>98,825</b>	<b>48,126</b>	<b>353,065</b>

## 5b. Analysis of Staff Costs

### 5b.1 Current year

	Members' Services	Project Expenditure	2019
	£	£	£
Salaries and wages	543,553	33,030	<b>576,583</b>
Social security costs	60,974	-	<b>60,974</b>
Pension contributions	61,152	-	<b>61,152</b>
Pension Trust deficit contributions	1,128	-	<b>1,128</b>
Recruitment and training	32,734	-	<b>32,734</b>
Temporary staff, consultancy & all other staff costs	69,064	-	<b>69,064</b>
	<b>768,605</b>	<b>33,030</b>	<b>801,635</b>

**ASSOCIATION OF CHARITABLE FOUNDATIONS**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

<b>5b.2 Prior year</b>	Members' Services £	Project Expenditure £	<b>2018 £</b>
Salaries and wages	370,188	69,146	<b>439,334</b>
Social security costs	43,481	513	<b>43,994</b>
Pension contributions	42,559	1,275	<b>43,834</b>
Pension Trust deficit contributions	1,112	-	<b>1,112</b>
Recruitment and training	31,188	-	<b>31,188</b>
Temporary staff, consultancy & all other staff costs	51,789	22,375	<b>74,164</b>
	<b>540,317</b>	<b>93,309</b>	<b>633,626</b>

**5c. Analysis of Governance Costs**

	<b>2019 £</b>	<b>2018 £</b>
Audit Fee - current year	<b>13,345</b>	11,627
Internal & External Meetings	<b>2,934</b>	4,786
Trustee expenses	<b>1,241</b>	1,055
Sundries	<b>980</b>	956
	<b>18,500</b>	18,424

Governance cost apportioned based on income percentages.

**ASSOCIATION OF CHARITABLE FOUNDATIONS**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

**6. Restricted Funds**  
**Group and charity**

**6.1 Current year**

Project	Effective Foundations	Foundation Giving Trends	Total 2019
	£	£	£
<b>Grant income</b>	-	<b>48,200</b>	<b>48,200</b>
<b>Expenditure</b>			
Staff & consultancy	27,330	5,700	<b>33,030</b>
Direct project costs	-	32,782	<b>32,782</b>
Overheads	6,831	9,718	<b>16,549</b>
<b>Total Expenditure</b>	<b>34,161</b>	<b>48,200</b>	<b>82,361</b>
<b>Net Income</b>	<b>(34,161)</b>	-	<b>(34,161)</b>
<b>As at 1.1.19</b>	<b>34,161</b>	-	<b>34,161</b>
<b>As at 31.12.19</b>	-	-	-

**6.2 Prior year**

Project	Effective Foundations	Inspiring Impact	Northern Ireland Devmt Officer	Network Development (2017-18)	Communications	Foundation Giving Trends	Social Impact Investors' Group (SIIG)	Safeguarding	Total 2018
	£	£	£	£	£	£	£	£	£
Grant income	-	7,500	-	10,250	7,500	48,200	3,000	4,000	80,450
<b>Expenditure</b>									
Staff & consultancy	17,600	8,750	11,393	30,366	12,500	5,700	3,000	4,000	93,309
Direct project costs	-	-	642	584	-	32,545	-	-	33,771
Overheads	4,400	-	-	-	-	9,955	-	-	14,355
<b>Total Expenditure</b>	<b>22,000</b>	<b>8,750</b>	<b>12,035</b>	<b>30,950</b>	<b>12,500</b>	<b>48,200</b>	<b>3,000</b>	<b>4,000</b>	<b>141,435</b>
<b>Net Income</b>	<b>(22,000)</b>	<b>(1,250)</b>	<b>(12,035)</b>	<b>(20,700)</b>	<b>(5,000)</b>	-	-	-	<b>(60,985)</b>
<b>As at 1.1.18</b>	<b>56,162</b>	<b>1,250</b>	<b>12,034</b>	<b>20,700</b>	<b>5,000</b>	-	-	-	<b>95,146</b>
<b>As at 31.12.18</b>	<b>34,162</b>	-	<b>(1)</b>	-	-	-	-	-	<b>34,161</b>

## 6. Restricted Funds

### Effective Foundations Initiative

The Effective Foundations Initiative is legacy funding from The Diana, Princess of Wales Memorial Fund and the Tubney Charitable Trust.

### Foundation Giving Trends

Funding from the Pears Foundation to support research by Professor Cathy Pharoah resulting in the annual publication by ACF of Foundation Giving Trends.

### Inspiring Impact

*Prior year only.* Funded by a consortium of funders and administered by the New Philanthropy Capital, Inspiring Impact aims to enable trusts and foundations to map the impact of their grant-giving.

### Northern Ireland Development Officer

*Prior year only.* Funded by The National Lottery Community Fund (formerly Big Lottery Fund) to support the work of ACF's members in Northern Ireland.

### Network Development (2017-18)

*Prior year only.* Funding from Comic Relief, Joseph Rowntree Foundation, Nationwide Foundation, Rayne Foundation, and two anonymous funders, for the continuation of a project on knowledge sharing and learning for funders impacting on housing and homelessness, and asylum, refugee and migration issues.

### Communications

*Prior year only.* Funding from Barrow Cadbury Trust to support the development of ACF's external affairs and communications work.

### Social Impact Investors' Group (SIIG)

*Prior year only.* Funding towards the costs of a part-time administrator for the Social impact Investors' Group, from The City of London Corporation's charity, City Bridge Trust.

### Safeguarding 10/09/2020

*Prior year only.* Anonymous funding for the consultancy costs of the development of a safeguarding framework for members.

10/09/2020

## 7. Trustee Board Expenses

The Trustee Board members received no remuneration.

The amount of travel and other expenses reimbursed to, or paid on behalf of seven Trustee Board members was £1,241 (2018: six members at £1,055).

All elected trustees must have a current association (e.g. trustee, staff member, advisor etc.) with a UK foundation that is a member of ACF. Membership fees to these members have been raised on an arms-length basis.

There were no related party transactions requiring disclosure in the year.

## 8. Tangible Fixed Assets

Group and charity	Leasehold Improvements	Office Furniture, IT and telecoms equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2019	60,386	113,660	<b>174,046</b>
Additions in the year	94,059	35,885	<b>129,944</b>
Disposals in the year	(60,386)	(73,485)	<b>(133,871)</b>
At 31 December 2019	<u>94,059</u>	<u>76,060</u>	<u><b>170,119</b></u>
<b>Depreciation</b>			
At 1 January 2019	(60,017)	(112,837)	<b>(172,854)</b>
Disposals in the year	60,386	73,485	<b>133,871</b>
Charge for the year	(5,595)	(12,788)	<b>(18,383)</b>
At 31 December 2019	<u>(5,226)</u>	<u>(52,140)</u>	<u><b>(57,366)</b></u>
<b>Net Book Value</b>			
At 31 December 2019	<u><b>88,833</b></u>	<u><b>23,920</b></u>	<u><b>112,753</b></u>
At 31 December 2018	<u>369</u>	<u>823</u>	<u>1,192</u>

All tangible fixed assets are used for direct charitable purposes.



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<b>9. Investment in subsidiary undertaking</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
	<b>2</b>	<b>2</b>

The charity holds 100% of the issued ordinary share capital of the following company:

Subsidiary	ACF Conferences and Seminars Ltd
Country of registration	England and Wales
Class	Ordinary
Shares held	100%

The aggregate amount of capital and reserves and result of this undertaking for the last relevant financial year were as follows:

Subsidiary	ACF Conferences and Seminars Ltd
Principal activity	Conferences
Capital and reserves	£2
Profit for the year	£nil

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Turnover for the period	213,060	180,118
Cost of sales	(81,659)	(55,457)
Gross profit	131,401	124,660
Profit on ordinary activities before taxation	131,401	124,660
Tax on profit on ordinary activities	-	-
Profit for the year, transferred to the charity at year end	131,401	124,660

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**10. Debtors**

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts due from subsidiary undertaking	-	194,388	-	159,639
Prepayments and accruals	82,532	75,925	13,240	13,240
Other debtors	43,403	23,268	78,923	44,923
	<u>125,935</u>	<u>293,581</u>	<u>92,163</u>	<u>217,802</u>

£5,000 of the total owed by ACF Conference and Seminars Ltd is a loan and is repayable at the option of the charity and is non interest-bearing.

**11. Creditors: amounts falling due within one year**

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accruals	29,834	40,471	15,433	33,005
Meeting fees received in advance	4,815	4,815	10,299	10,299
Subscriptions received in advance	52,366	52,366	71,283	71,283
Trading income received in advance	50,000	-	100,000	-
Staff leave carried forward	11,376	11,376	10,007	10,007
Staff wages	2,900	2,900	1,574	1,574
Other taxation and social security	27,632	2,790	25,355	735
Staff pensions	6,056	6,056	4,866	4,866
Other creditors	28,339	28,341	14,503	14,505
	<u>213,318</u>	<u>149,115</u>	<u>253,320</u>	<u>146,274</u>

For both 2018 and 2019, meeting fees, subscriptions and trading income received in advance entirely relate to the next financial year.

**11a. Creditors: amounts falling due after one year**

	<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Dilapidations provision	56,001	56,001	48,001	48,001
	<u>56,001</u>	<u>56,001</u>	<u>48,001</u>	<u>48,001</u>

In 2013 trustees created an annual dilapidations provision to cover the costs of future expenses that may arise if at the end of a lease period, the premises that the charity operates from are to be returned to the landlord in their original condition. The charge for 2019 is £8,000 (2018: £8,000), £5,500 of which relates to Acorn House, and £2,500 of which is the initial contribution to the provision for the Toynbee Hall office (agreed as £6,000 per year across the length of the lease).

**12. Taxation**

The Association is exempt from tax as all its income is charitable and is applied for charitable purposes.

### 13. Pension liability

The Association participates in the Pensions Trust Growth Plan 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 the company 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.

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.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company 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.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £132m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

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.

#### Reconciliation of opening and closing liabilities

Group and charity	2019	2018
	£	£
Provision at 1 January	75,377	85,722
Unwinding of the discount factor	1,128	1,112
Deficit contribution paid in year to the Pensions Trust	(11,184)	(10,547)
Impact of changes in the Pensions Trust's fund valuation assumptions	1,086	(910)
Amendments to the contribution schedule	(5,357)	-
<b>Provision at 31 December</b>	<b>61,050</b>	<b>75,377</b>

Where the scheme is in deficit and where the company 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 unwinding of the discount rate is recognised as a finance cost.

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**14a. Unrestricted funds**

**Group and Charity**

<b>Current year</b>	<b>General Fund</b>	<b>Pension Trust Deficit Fund</b>	<b>Pension Liability Reserve Fund</b>	<b>Office Move Fund</b>	<b>Member Services Fund</b>	<b>Web Developments Fund</b>	<b>2019</b>
	£	£	£	£	£	£	£
Balances at 1 January 2019	491,504	40,000	(75,377)	60,000	50,000	7,669	<b>573,796</b>
Net income before transfers	15,700	-	-	(27,343)	(5,088)	(2,016)	<b>(18,747)</b>
Actuarial gains/(losses) on defined benefit pension schemes	-	-	4,271	-	-	-	<b>4,271</b>
Transfer from/(to) General Fund	63,166	10,000	10,056	(32,657)	(44,912)	(5,653)	-
Balance at 31 December 2019	<u>570,370</u>	<u>50,000</u>	<u>(61,050)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<b><u>559,320</u></b>

<b>Prior year</b>	<b>General Fund</b>	<b>Pension Trust Deficit Fund</b>	<b>Pension Liability Reserve Fund</b>	<b>Office Move Fund</b>	<b>Member Services Fund</b>	<b>Web Developments Fund</b>	<b>2018</b>
	£	£	£	£	£	£	£
Balances at 1 January 2018	272,426	30,000	(85,722)	60,000	50,000	20,000	346,704
Net income before transfers	226,182	-	-	-	-	-	226,182
Actuarial gains/(losses) on defined benefit pension schemes	910	-	-	-	-	-	910
Transfer from/(to) General Fund	(8,014)	10,000	10,345	-	-	(12,331)	-
Balance at 31 December 2018	<u>491,504</u>	<u>40,000</u>	<u>(75,377)</u>	<u>60,000</u>	<u>50,000</u>	<u>7,669</u>	<b><u>573,796</u></b>

**General Fund**

The general fund is the value of unrestricted funds after future pension liabilities have been accounted for and comprises fixed assets, current assets and liabilities.

**Pension Trust Deficit Reduction Fund**

In 2015 trustees decided to create a designated fund to build a reserve fund to cover ACF's Pension Trust liability. It is the trustees' current intention to designate £10,000 into this fund per year. The first transfer was made in 2015 and £10,000pa has been transferred every year from 2015-2019. This policy will continue until the fund is sufficient to cover ACF's share of the liability. The amount transferred will be reviewed every few years.

**Pension Liability Reserve Fund**

To reflect the very low probability that the liability is crystallised in one go a corresponding negative designated reserve fund has been created to show the true level of general funds.

**Office Move Fund**

In 2017 the trustees designated £60,000 for the costs of an office move, initially expected to take place in 2018 but which then took place in 2019. The balance remaining at the end of 2019 has been transferred to the general fund.

**Member Services Fund**

In 2018, the trustees designated £50,000 to cover the costs of one-off activities in 2019 to strengthen member services. Work on selecting and implementing a new CRM system using this fund began in 2019 and was expected to be completed in 2020 but is now planned to take place in 2021. The balance remaining at the end of 2019 has been transferred to the general fund and the costs in 2021 will be paid from revenue.

**Web Developments Fund**

In 2017 the trustees designated £20,000 to cover the costs of a rebuild of the Funder Network website and developments to the ACF website. Most of this work took place in 2018, with the remainder completed in 2019 and the balance transferred to the general fund at the end of 2019.

**ASSOCIATION OF CHARITABLE FOUNDATIONS**  
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**14b. Analysis of net assets between funds**

**Group and Charity**

<b>Current year</b>	<b>Fixed Assets &amp;</b>	<b>Current Assets</b>	<b>Creditors</b>	<b>Pension Deficit</b>	<b>Net Assets</b>
	£	£	£	£	£
<b>Restricted Funds</b>					
Project Funds	-	-	-	-	-
<b>Unrestricted Funds</b>					
Designated Funds					
Pension Trust deficit reduction fund	-	50,000	-	-	<b>50,000</b>
Pension Liability reserve	-	-	-	(61,050)	<b>(61,050)</b>
Office move	-	-	-	-	-
Member services fund	-	-	-	-	-
Web developments fund	-	-	-	-	-
General Fund*	<u>112,753</u>	<u>726,936</u>	<u>(269,319)</u>	<u>-</u>	<b><u>570,370</u></b>
Total unrestricted funds	<u>112,753</u>	<u>776,936</u>	<u>(269,319)</u>	<u>(61,050)</u>	<b><u>559,320</u></b>
Total funds	<u><u>112,753</u></u>	<u><u>776,936</u></u>	<u><u>(269,319)</u></u>	<u><u>(61,050)</u></u>	<b><u><u>559,320</u></u></b>

\*After fixed assets have been accounted for, ACF's general fund is £457,617 which forms ACF's free reserves. This is calculated as follows:

Total general fund	570,370	
Less fixed assets & investments	<u>112,753</u>	
	457,617	(£490,312 in 2018)

<b>Prior year</b>	<b>Fixed Assets &amp;</b>	<b>Current Assets</b>	<b>Creditors</b>	<b>Pension Deficit</b>	<b>Net Assets</b>
	£	£	£	£	£
<b>Restricted Funds</b>					
Project Funds	-	34,161	-	-	34,161
<b>Unrestricted Funds</b>					
Designated Funds					
Pension Trust deficit reduction fund	-	40,000	-	-	40,000
Pension Liability reserve	-	-	-	(75,377)	(75,377)
Office move	-	60,000	-	-	60,000
Member services fund	-	50,000	-	-	50,000
Web developments fund	-	7,669	-	-	7,669
General Fund	<u>1,192</u>	<u>791,633</u>	<u>(301,321)</u>	<u>-</u>	<u>491,504</u>
Total unrestricted funds	<u>1,192</u>	<u>949,302</u>	<u>(301,321)</u>	<u>(75,377)</u>	<u>573,796</u>
Total funds	<u><u>1,192</u></u>	<u><u>983,463</u></u>	<u><u>(301,321)</u></u>	<u><u>(75,377)</u></u>	<u><u>607,957</u></u>

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**15. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2019</b>	2018
	<b>£</b>	£
Net income for the reporting period as per the statement of financial activities	(52,908)	165,197
Depreciation charges	18,383	13,392
Interest income	(2,588)	(1,884)
(Increase)/decrease in debtors	(33,772)	(32,043)
Increase/(decrease) in creditors	(32,002)	101,089
Non-cash movement on defined benefit pension liability	(10,056)	(9,435)
<b>Net cash provided by operating activities</b>	<b><u>(112,943)</u></b>	<b><u>236,316</u></b>

**16. Analysis of changes in net debt**

	At 1 January	Cash flows	At 31 December
	2019		2019
	£	£	£
Cash in hand	568,401	(239,596)	<b>328,805</b>
Notice deposits (less than three months)	322,899	(703)	<b>322,196</b>
Total cash and cash equivalents	<u>891,300</u>	<u>(240,299)</u>	<b><u>651,001</u></b>

**17. Operating Lease Commitments**  
**Group and Charity**

At 31 December the charity had the following commitments payable relating to non-cancellable leases:

	<b>2019</b>	<b>2019</b>	2018	2018
	<b>£</b>	<b>£</b>	£	£
		Office		Office
	L&B	Equipment	L&B	Equipment
Within one year	115,200	3,016	19,670	1,439
Between 2 and 5 years	76,800	3,016	-	-
5 years +	-	-	-	-
	<u>192,000</u>	<u>6,032</u>	<u>19,670</u>	<u>1,439</u>

**18. Related party transactions**

The charity has a wholly owned subsidiary, ACF Conferences and Seminars Limited. For the year ended 31 December 2019 the subsidiary declared a gift aid distribution of £131,401 to the charity (2018: £124,660). Bidirectional recharges have also been made between the charity and the trading subsidiary relating to trading activities (the trading subsidiary was charged £57,988 [2018: £29,979] by the charity and the charity was charged £14,984 [2018: £23,246] by the trading subsidiary), meaning at the year end the subsidiary owed the charity a total of £194,388 (2018: £159,639) inclusive of gift aid, and the charity owed the trading subsidiary £14,984 (2018: £23,246).