



**Devon Community Foundation**

**(a charitable company limited by guarantee)**

**Registered charity number 1057923**

**Trustees' Report and Financial Statements**

**Year Ended 31 March 2019**

**Company registered number 03236918**



IMPACT AWARD WINNER 2014

Quality accredited by  
UK Community Foundations  
to standards endorsed by  
the Charity Commission



# DEVON COMMUNITY FOUNDATION

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# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Report of the Trustees**

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries, Tiverton Educational Foundation and Devon Social Finance Ltd, for the year ending 31 March 2019 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### **Chair's Report**

Devon Community Foundation (DCF) continues to foster a culture of giving across the county helping to build and maintain thriving communities. It is the work of the organisations we invest in that help people rebuild their lives, support them to overcome challenges they face and achieve their goals. The astounding work that is done by these organisations receiving funding from us is possible only through the donations and actions of local people.

We now hold over 50 different funds and have an endowment of £7.6 million thanks to the generosity of local people. Which in turn, means we have supported 3,649 projects worth a total of £10,705,795 to those groups across Devon helping to transform the lives of thousands of local people for the better.

There are three key things we do:

- Distribute funding... we invest in great ideas and unsung heroes, helping them to do what they do best: make a real difference to the lives of local people
- Encourage philanthropy... we are a catalyst for giving, inspiring local philanthropy that changes lives today, tomorrow and forever
- Nurture communities... we are the champion of local communities and all those who contribute to helping those communities thrive

We also bring our resources and experience to a wide variety of partnerships and strategic bodies in order to encourage a deeper understanding of the vital role of communities and the active volunteers within them. We are supported in our mission by many partners and we are very grateful for their commitment and vision, working alongside us to bring about real change in our local communities.

This year's grant funds distributed a total of £1,428,118 (£876,151 excluding Wellbeing Exeter) to 213 projects whose outstanding work has offered support to thousands of vulnerable people across Devon.

As always, I must thank our trustees and volunteers who support our work by serving on our grant panels, giving their time to visit projects we've funded or helping us plan special events, as well as our dedicated and passionate trustees who continue to raise the Foundation to new heights.

Without their help we would not be where we are today, and of course our excellent and dedicated staff team who keep the show on the road.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Chair's Report (Continued)**

Thanks also go to our local voluntary sector for the incredible amount of work that so often goes unnoticed and unrewarded. Giving more locally is at the core of what this Foundation does and we are proud to join forces with businesses, individuals, families and organisations who have also decided to make their communities more vibrant, more powerful, and more resilient.

Steve Hindley CBE DL, Chair

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (Continued)

#### Objectives and Activities

The purpose of the Charity is:

- To distribute grant funding across Devon, Plymouth and Torbay to local community groups and organisations that tackle deprivation and disadvantage within their communities and support vulnerable people in the county. All the activities of the Charity are wholly aimed at the public benefit of historic Devon's residents.

Local charitable giving is experiencing resurgence as people become more aware of the need in their own communities and interested in using their resources to support their local communities geographically across Devon or with a thematic approach. However, it is not always easy for donors to know where to start. There are thousands of committed individuals and groups in Devon working hard to support those who are vulnerable and engaging local people in making their particular community a thriving and happy place to live. These community groups and small charities are on the front line, tackling really difficult issues and having incredibly positive impacts. But they, in turn, need resources to do this vital work.

We review our aims, objectives and activities each year and plan our activities for the future, including the trustees assessing our activities with regard to the Charity Commission's guidance on public benefit. The yield from the growing endowment fund is distributed to local community groups and organisations (and some individuals) that are working to address disadvantage and deprivation across the County alongside additional flow-through funds. The full list of 213 grants is set out in note 24 to the financial statements.

The strategies employed to achieve the charity's aims and objectives are to:

- Increase the resilience of vulnerable people by them benefiting from the help of the groups we support
- Increase the resilience of local community-based organisations: through the financial support we give, the knowledge we share and the partnerships we build
- Work actively to foster Community Wellbeing, by working in partnership with a range of organisations to identify the key connectivity between and within communities, their residents and their social society organisations.

We have a Theory of Change: **If** we support the voluntary sector, donors and partners in Devon to identify and build upon their strengths to tackle issues together **then** communities will be more resilient and inclusive with increased capacity to thrive.

This is underpinned by a well-developed impact measurement framework which enables us to measure the effectiveness of our grant making and other activities against our Theory of Change. An impact report is produced each year and presented to the Board for consideration to enable the Charity to reflect upon and review its approach on an annual basis based on evidence from the previous years.

Our grant-making policy is to help local groups, organisations and charities that work to address disadvantage and deprivation. Grants will be made to constituted not-for-profit registered charities, voluntary and community organisations, social enterprises and individuals within Devon, Plymouth and Torbay. At the Trustees' discretion, grants may also be made to organisations in the neighbouring counties of Cornwall, Dorset and Somerset.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (Continued)

In addition to our core work, DCF is also involved in three significant projects:



The **Enhance Social Enterprise** programme supports social enterprises and social entrepreneurs across the Heart of the South West LEP area - Plymouth, Torbay, Devon and Somerset.

Through this programme existing social enterprises, community sector groups that want to transition into trading, and budding social entrepreneurs in need of help to develop their ideas to start trading can receive a minimum of 12 hours of free tailored business support from a range of partners until Dec 2019. Enhance Social Enterprise is funded by the European Regional Development Fund (ERDF), Devon County Council, Devon and Somerset Community Foundations, Real Ideas Organisation, Dartington School for Social Entrepreneurs, Iridescent Ideas and Cosmic in order to increase the number of social enterprise start-ups and to support the growth of existing ones.



**Positive People** offers a lifeline to people who are not in work to help build confidence, skills and give a sense of hope for the future. The projects give people the opportunity to get involved in local communities, meet new people and have fun through a range of activities.

Positive People is funded by The European Social Fund and The National Lottery Community Fund.



**Wellbeing Exeter** is a partnership of public, voluntary and community sector organisations who have come together to explore better ways of supporting the 40% of patients who visit their GP with socially based rather than medical problems.

Our particular approach offers social prescribing *in combination* with asset-based community development to provide firm foundations to enable individuals and communities to improve and promote their own health and wellbeing.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees Report (Continued)**

#### **Achievement and Performance**

The following charts show the breadth of our work throughout 2018-2019, based on the date the grant was allocated. A fuller report on distribution between 2015 and 2018 is available.

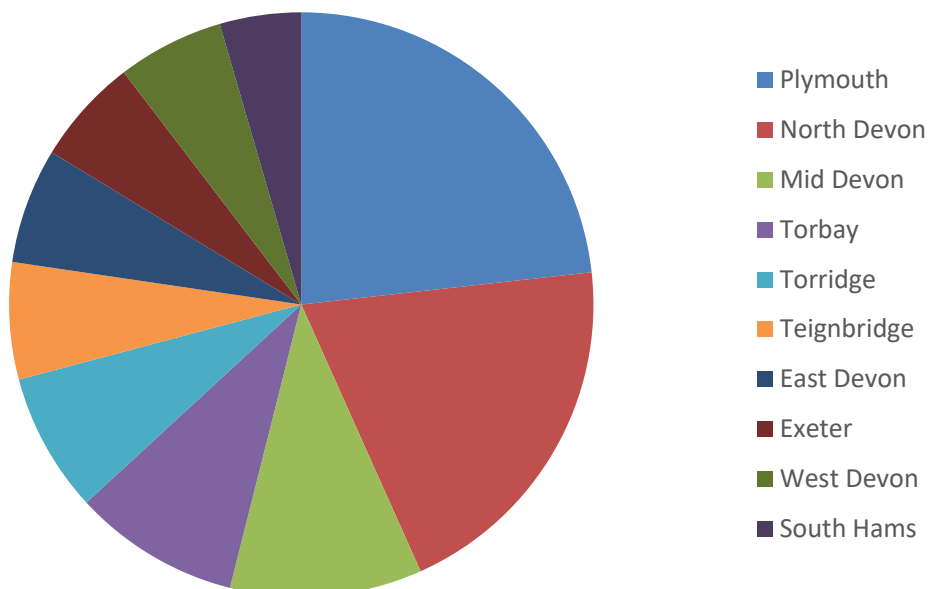
- We distributed from 44 funds in the community in 2018-19. Total grant-making was £1,270,005 (£848,150, excluding Wellbeing Exeter).
- Excluding Wellbeing Exeter, 63% of our grants (51% by value) are made to organisations with an annual income of £50,000 or less – roughly the same as the previous year. One per cent of our grantmaking by value was to individuals.
- 93% of our grants were for £5,000 or less (excluding Wellbeing Exeter).
- In most areas, our grant-making fits the local and national Indices of Multiple Deprivation closely, demonstrating that our support is directed towards the areas most in need.

# DEVON COMMUNITY FOUNDATION

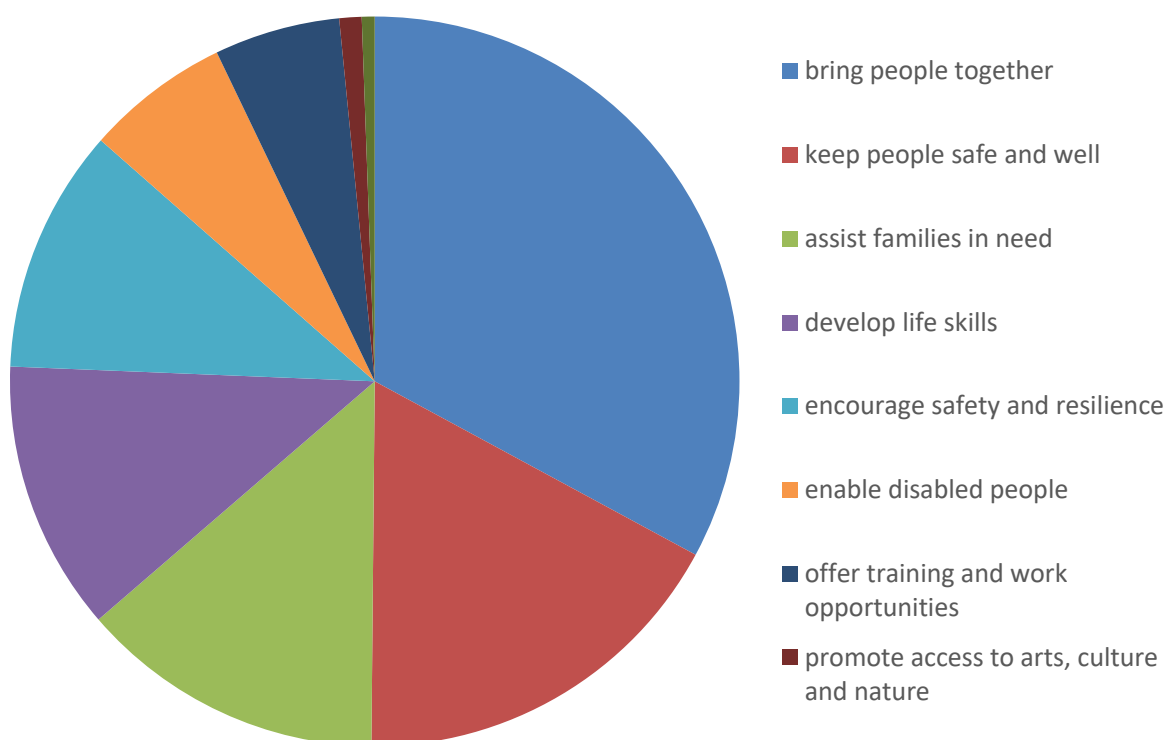
For the year ended 31 March 2019

## Trustees Report (continued)

Value of Grantmaking by Local Authority  
(excluding Wellbeing Exeter)



Value of Grants by Thriving Communities Theme  
(excluding Wellbeing Exeter)



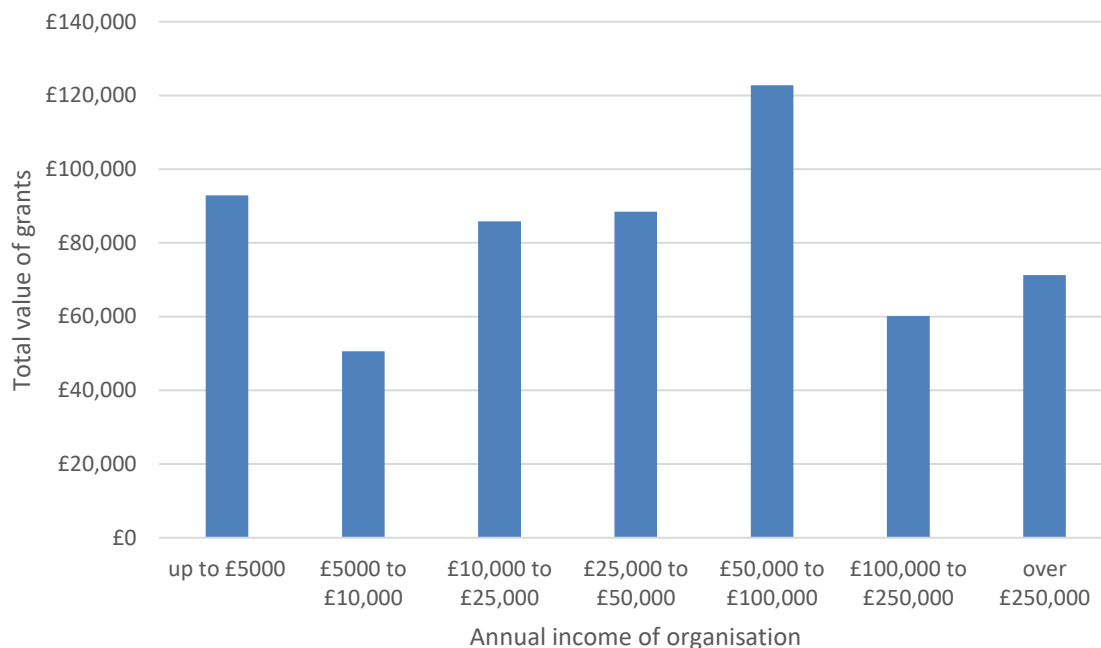


# DEVON COMMUNITY FOUNDATION

For the year ended 31 March 2019

## Trustees Report (continued)

**Value of Grants by Organisation Size  
(excluding Wellbeing Exeter)**



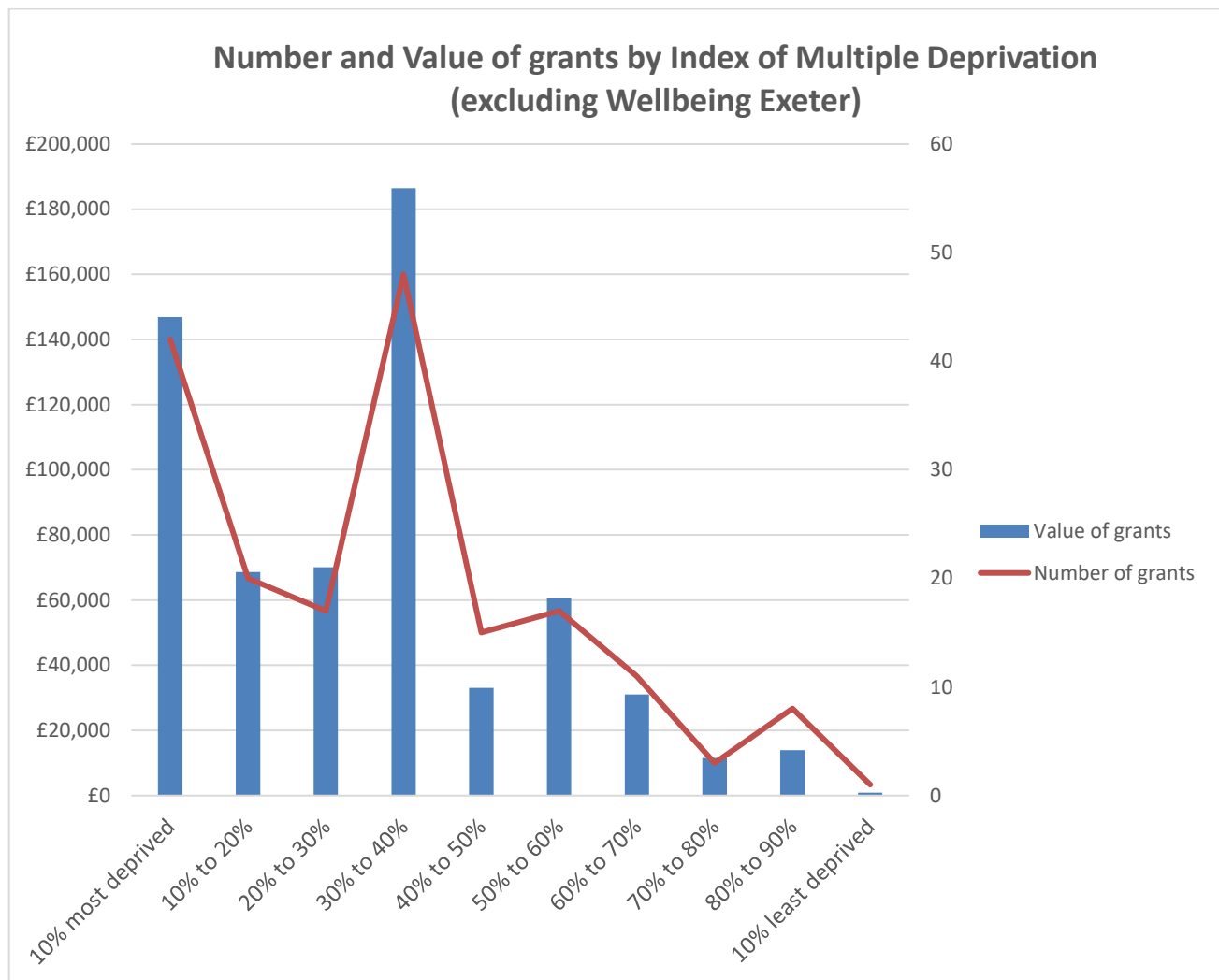
**Number of Grants by Organisation Size  
(excluding Wellbeing Exeter)**



# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

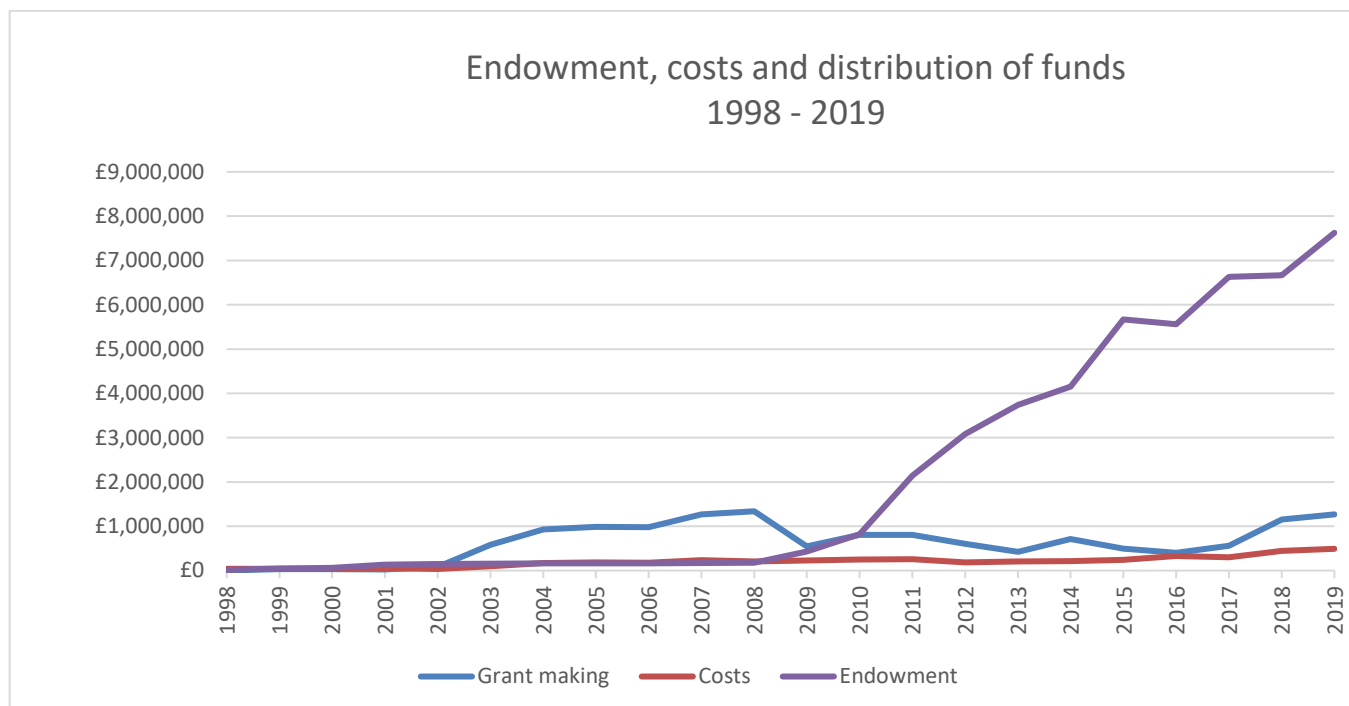


# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

### Financial Review



This year saw a slight increase in operational costs whilst our total endowment and distribution grew. Endowment is a long-term proposition and our endowment has grown by 184% over the last 5 years. We are here to make a difference and get grant support out into the community and steady progress in investment this year meant that we made the decision to access some capital to increase distribution. Therefore we have seen improved distribution figures as we increase the grant funds we have available to give.

This year also saw our continued investment in increased capacity for the team, enabling us to work with more donors and partners better, offering great advice on local needs and access to the groups which are directly addressing that need. The Trustees are convinced that the continued investment in the development of the core team will yield significant benefits in the years to come and are fully satisfied that the Foundation is financially robust.

Net assets at the 31 March 2019 were £8,724,608 (2018: £7,744,454). £7,623,934 relates to endowment funds (2018: £6,665,615). The total unrealised and realised gains on investments amounted to £357,762 (2018: £55,656). There were new donations to the endowment funds during the year of £952,200 (2018: £178,382) and investment income was £195,904 (2018: 185,247).

The foundation's total income for the year was £2,541,854 (2018: £1,874,235). The income from donations was £1,391,749 (2018: £629,516), charitable activities £926,533 (2018: £1,041,398) and investments £223,572 (2018: £203,321).

Total expenditure was £1,919,462 (2018: £1,593,194). The expenditure from raising funds was £114,605 (2018: £145,256), charitable activities £1,804,857 (includes grants payable £1,428,118) (2018: £1,449,938 includes grants payable £1,113,243).

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees Report (continued)**

Consequently, free reserves are now at £248,767 of which £60,000 is designated. This will be reviewed in 19-20 to confirm it represents 6 months of operational costs in line with the charity commission guidance. Reserves are needed to bridge the gap between the spending and the receiving of income and to cover unplanned emergency expenditure. The year end balances on the restricted funds of £851,907 are for future grant making and active projects.

### **Reserves Policy**

The trustees reviewed the Charities reserve level and designated £60,000 which is the minimum level of reserves to allow the community foundation to operate for a period of 6 months and adjustments of costs during the 6 months if income streams were significantly impacted by market conditions. The trustees review the reserve policy each year. At the year end the unrestricted reserves were £248,767 which was at the upper level.

The trustees believe that it is appropriate to maintain unrestricted funds in order to ensure:

- the smooth operation of the Foundation in the event of long-term illness of a member of staff
- the continuation of activities in the short term if sources of flow-through grant-making ceased or diminished
- the financing of obligations, residual liabilities and redundancies should the Foundation cease to operate

### **Going Concern**

The Foundation is in the fortunate position of having a healthy cash-flow projection due to receiving grant funds before distribution. In addition, the core costs element of the endowment is secure for the future which is sufficient to be sure the Foundation can and will continue in perpetuity and is able to support itself with a reliable source of income.

The three-year financial projections are positive, showing a small surplus forecast due to a range of diversified and sustainable sources of income at the current level of resourcing needed. The three-year financial forecast is reviewed at every Board meeting and mitigating action taken when financial pressures require (for example recruiting or losing roles as required) and adjusting the expenditure to meet the expected income.

The Trustees are fully confident that Devon Community Foundation is a going concern in every sense.

### **Investments**

Devon Community Foundation continues to work with Wiltshire Community Foundation and Somerset Community Foundation with a collective agreement for investment.

The joint Investment Committee, with representatives from all three Community Foundations, carries out scrutiny of our investment performance and Investment Managers. The total return on endowment investments was 9.52% in 2018-19.

With consideration of potential future volatility, especially in Europe, the Trustees decided to distribute 3.5% of endowed value at 31 December 2017 for grant making in 2018-19 and those funds were distributed in the year.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

The Foundation has investments with:

**Smith & Williamson Investment Management**

25 Moorgate  
London  
EC2R 6AY

**Quilter Cheviot**

One Kings Way  
London  
WC2B 6AN

**CCLA Investment Management Limited**

Senator House, 85 Queen Victoria Street  
London  
EC4V 4ET

### Principal Risks and Uncertainties

The Board has a remit to look more closely at enterprising ideas as opportunities arise to ensure that they meet our charitable purpose and are deliverable and sustainable within the resources of the Foundation. The Board of Trustees review the risk register quarterly in advance of the Board meetings and this register is circulated with the Board papers. The board considers the major risks as being not reaching the target for income generation and loss of key people or skills within the team or board.

### The Future

Our ambition is to increase our endowment by a minimum of £1.5m each year and we are investing our own reserves to support the continued employment of the Foundation's Development Director (now Philanthropy Director). This year was very positive in terms of new endowed funds flowing into the Foundation. Alongside, last year we distributed more flow-through funds and worked on a range of collaborative partnerships and projects. This approach will continue as we build on these foundations to find others who share our values and want to work alongside us to tackle some of the many challenges that our communities face.

Throughout 2018-2019, the staff team and Trustees have been developing our new strategic aims for a period of 2019-2024. The overarching goal is to be a leading exemplar of building Community Wellbeing under which our three themes of distribution, philanthropy and leadership sit.

In addition, the Board recognises that the development of our own digital competency and utilisation is an important cross cutting theme of all our work. Our database will need updating and the advent of new tools and approaches gives us, our partners and applicants, an opportunity to be more effective and efficient, with deeper insight into the need for and results of our work.

In order to underpin our evolved strategic aims we have throughout the last year restructured our staff team to have the necessary capacity and skills to deliver our ambitions. We continue to develop new partnerships and alliances with all sectors which are leading to exploring ideas around what the Foundation can do for the Community that may not involve grants to groups and organisations.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

For example, we are currently working on projects that implement the new ideas emerging around Asset Based Community Development, social prescribing and community building on a city basis in Exeter, a deep dive into two neighbourhoods of Tiverton, helping people furthest from the workplace to progress, and supporting social enterprises with business advice and blended loan and grant funding.

Recent years have seen the Foundation work increasingly hard on evaluating and communicating our impact against our Theory of Change, and demonstrating the value of the work of small, grassroots community activity in tackling some of the most entrenched social issues that our communities face.

Our new Business Plan (2019-2024) has clearly articulated objectives which are then linked to overall action plans and objectives for each team member identified at their annual appraisal each year. The key elements of our strategy are:

### Overarching aim: Devon Community Foundation as an exemplar of mobilising Community Wellbeing

Community wellbeing is the combination of social, economic, environmental, cultural, and political conditions identified by individuals and their communities as essential for them to flourish and fulfil their potential. We want to mobilise community wellbeing for the great good that that will do in supporting communities to identify and find their own solutions. Demonstrating the impact we can achieve will encourage others to give alongside us.

#### We have three mechanisms

##### Philanthropic Services

Anyone can be a donor to the Foundation, on any scale, and make a real difference to local lives. We work with donors to develop and realise their philanthropic goals, matching their interests to community aspirations. Funds are distributed to a wide spectrum of projects across Devon to tackle local disadvantage and nurture our local communities.

##### Funding Local Communities

We offer financial and other support, from a number of sources, to local groups and organisations tackling local disadvantage and deprivation by assisting local people to improve their lives. Every gift distributed generates valuable learning about what works best and has the most impact. We share this widely with our donors and partners and use it to inform our collective strategy.

##### Community Collaboration

Partnerships and collaborations are vital to our success. We believe DCF is the largest independent grant-maker in the county and as such we have a responsibility to take a leadership role as champions of the groups, beneficiaries and donors we support. Increasingly we are involved in partnerships to help close the gap between the private, public and voluntary sectors and we welcome working closely with others to demonstrate the critical importance of local groups and donors in creating and maintaining Community Wellbeing.

### Cross Cutting tool: Digital Transformation – Devon Community Foundation fully embraces digital development in its own operations and in mobilising Community Wellbeing

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

#### Goals 2019

1. In order to embrace the new strategy, it is important that the team, our processes, systems, policies are all fully functioning to maximise efficiency and have our principles and aims embedded within them.
2. All our activity is measured according to achieving Community Wellbeing and follows a development process which takes new ideas through to mainstream activity not just for ourselves but for our partners.

Developmental stage	What
Trial and Error	Identifying projects and communities where we can implement Community Wellbeing
Embed	Ensure our distribution is reflecting the aim of Community Wellbeing and collect evidence to support this
Widen and Deepen	Analysing existing Community Wellbeing work and exploring opportunities to amplify their impact
Strengthen and Connect	Bringing partner organisations, communities and donors alongside us to design and invest in Community Wellbeing

### Structure, Governance and Management

#### Governing Document

Devon Community Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 21 November 2006 and a registered charity with the Charity Commission. As Directors of the company, Trustees must ensure it is run in accordance with the Articles of Association and the law in general.

The Board is responsible and accountable for the strategic direction of the Devon Community Foundation and collectively sets and monitors the vision, mission, values and strategies for the Charity. As guardians of the Charity, all trustees are equally responsible in law for the Board's actions and decisions. They must ensure that the organisation is performing well and is delivering the outcomes for which it is set up, in accordance with its Memorandum and Articles of Association.

Trustees are bound by an overriding duty, individually and as a Board, to act reasonably at all times in the interests of the organisation and of its present and future beneficiaries and members. Each and every trustee must act personally and not as a representative of any group or organisation.

The maximum number of Trustees is determined by the Company in general meeting and the minimum number of members of the Board of trustees is three.

None of our trustees receive remuneration or other benefit from their work with the Charity although they may claim reasonable expenses if incurred when representing the Charity. These expenses are claimed through the Foundation's financial process for expense claims.

The pay of all staff is reviewed at Board, annually, and the Board of Trustees agree any pay increases or alterations in light of the current and projected financial performance and stability of the organisation.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees Report (continued)**

#### **Appointment of Trustees**

The Board is responsible for the appointment of Trustees. The initial term of office for Trustees is five years, and a Trustee is then eligible for re-election for a further five years as decided by the Board. There is provision for the second term to be extended at the discretion of the Board should they perceive there to be a risk of either a) losing vital knowledge and skills from the Board and thereby endangering the progress of the Foundation and its Board or b) having insufficient number on the Board for it to function effectively.

In anticipation of retiring Trustees, the Board decides what skills and attributes are needed in new Trustees and a recruitment process commences. There are job descriptions for Trustees containing specific additional responsibilities for Lead Trustees for an area of responsibility. For example there are lead Trustees for Grant Making, Finance, Investment, and Communications.

Notwithstanding their shared and joint responsibility, these lead Trustees take an additional interest in the practical functions under their oversight within the operational team.

The work of the Foundation is often complex and intricate and it operates in a fast moving environment. As a consequence the Board took the decision that it was important to have detailed knowledge and access to operational activities where necessary to maintain overall Board understanding of all activities. The lead Trustees adopt this role according to their experience.

#### **Recruitment of New Trustees**

Roles are advertised in appropriate media with a recruitment pack containing the role description, the annual review of the organisation and an application form is completed. This is reviewed by the Board and suitable candidates invited to an initial meeting with either or both the Chair and Vice Chair. This meeting is to establish their interest in the work of the Foundation, the experience and skills they offer and for prospective Trustees to gain further insight into the Foundation's work.

Following that meeting, prospective Trustees are invited to meet with the Chief Executive for a further conversation where she can answer more specific operations questions and explain the operational activities of the team. If at this stage everyone wishes to proceed, both Board and applicant, then they are nominated and elected at the next available Board meeting.

#### **Trustee Induction and Training**

Once appointed to the Board a new Trustee spends time in the office with the Chief Executive and the team at an induction day in order to gain further understanding of the mechanics of the Foundation. Lead Trustees spend additional time with the relevant team member and have regular meetings with that team member ongoing. In addition, all Trustees are invited to attend at least one Team Meeting a year. Further training needs are identified as needed and training opportunities (such as conferences and training courses) are publicised to Trustees and they are encouraged to take advantage of these opportunities to both facilitate their role and deepen their understanding of the context for the Foundation.

#### **Organisation**

The Chief Executive has delegated overall responsibility for the effective running of the Foundation, with support and guidance from the Chair and Board of Trustees. The CE will be responsible to the Trustees for financial management and the development of income streams, for staff management, for managing an effective funding distribution system and for developing relationships with a wide range of stakeholders. The Board meets quarterly with papers provided one week prior to each meeting. In addition, the Chief Executive meets with the



# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees Report (continued)**

Chair and Vice-Chair every six weeks to discuss the strategic direction of the organisation. As previously described lead Trustees have variable levels of direct contact with the team in their areas of interest.

### **Related Parties**

The Ripple Effect Foundation (Ripple) is a charity which supports a range of charitable causes over a number of years within Devon and the South West. Ripple has donated funds to the endowment to enable long term grant making for future years and make use of the effective and flexible donor-advised grant making service DCF delivers. Caroline Marks is also a Trustee of Ripple.

The Wace Family Fund was created from a donation from Sally Wace who is a DCF Trustee.

The Plymouth Drake Foundation works closely with Devon Community Foundation on a number of DCF Plymouth Based funds.

Devon Community Foundation became the Trustee of the Tiverton Education Foundation (TEF) in October 2014. The grant-making element of TEF has passed to Devon Community Foundation to take advantage of the improved efficiencies this brings through the creation of a named fund within DCF.

Devon Social Finance Ltd is a wholly owned subsidiary of Devon Community Foundation incorporated in the UK on 9 June 2017.

## **Reference and Administrative details**

### **Directors and Trustees**

#### **President**

David Fursdon, HM Lord Lieutenant of Devon.

#### **Patrons**

Countess of Arran

Sir Ian Amory

Sir Eric Dancer, KCVO, CBE, JP

#### **Trustees and Directors**

Steve Hindley DL CBE (Chair)

Nigel Arnold (Vice Chair) (resigned 9 October 2018)

James Cross

Caroline Marks (resigned 12 September 2018)

Christine Allison (resigned 31 January 2019)

Caroline Harlow (Interim Vice Chair)

Rt. Revd Robert Atwell Bishop of Exeter

Edward Burnand

Peter Holden

Sally Wace

Stuart Wallis

Jeremy Colson (resigned 17 January 2019)

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

#### Management

Martha Wilkinson	Chief Executive
Sarah Yelland	Deputy Chief Executive
Scott Walker	Philanthropy Director

Devon Community Foundation was founded in 1996 and is a registered Charity, number 1057923 and a company limited by guarantee, registered number 03236918.

#### Registered Office:

c/o Womble Bond Dickinson (UK) LLP  
Ballard House  
West Hoe Road  
Plymouth  
PL1 3AE

#### Correspondence Office:

The Factory  
Leat Street  
Tiverton  
Devon  
EX16 5LL

### Professional Advisers

**Bankers:** Charities Aid Foundation  
Kings Hill  
West Malling  
Kent, ME19 4TA

**Statutory Auditor:** PKF Francis Clark  
Centenary House  
Peninsular Park  
Rydon Lane  
Exeter, EX2 7XE

**Solicitors:** Womble Bond Dickinson (UK) LLP  
Ballard House  
West Hoe Road,  
Plymouth, PL1 3AE

It is confirmed that the financial statements comply with current statutory requirements, with the Statement of Recommended Practice for charity accounting, the Charities Act 2011 and with the requirements of the Memorandum and Articles of Association.

#### Auditors

PKF Francis Clark has indicated its willingness to continue in office and a resolution to re-appoint them was proposed and agreed at the Foundation's AGM.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees' responsibilities in relation to the financial statements**

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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;
- 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; and
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees approve the Trustees' Annual Report, including approval in their capacity as company directors of the Strategic Report contained within it, on 24 September 2019.

S Hindley  
Chairman of the Board

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Independent Auditor's Report to the Members of Devon Community Foundation**

#### **Opinion**

We have audited the financial statements of Devon Community Foundation (the "Charity") for the year ended 31 March 2019, which comprise Group Statement of Financial Activities, Group and Parent Company Balance Sheets, Statement of Consolidated 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

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

#### **Basis for opinion**

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

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

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 Charity'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.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Independent Auditor's Report to the Members of Devon Community Foundation (continued)**

#### **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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Independent Auditor's Report to the Members of Devon Community Foundation (continued)**

#### **Responsibilities of the trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who are also the directors of the charity 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

#### **Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sean Grinsted (Senior Statutory Auditor)  
For and on behalf of  
PKF FRANCIS CLARK  
Chartered Accountants & Statutory Auditor  
Centenary House  
Peninsula Park  
Rydon Lane  
Exeter  
EX2 7XE

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Consolidated Statement of Financial Activities (including consolidated income and expenditure account) For the year ended 31 March 2019

	Note	Unrestricted funds (note 20) £	Restricted funds (note 20) £	Endowment funds (note 21) £	2019 £	2018 £
<b>Income and endowments from:</b>						
<i>Donations &amp; Legacies</i>	3	42,282	397,267	952,200	<b>1,391,749</b>	<b>629,516</b>
<i>Charitable activities</i>	4	79,968	846,565	-	<b>926,533</b>	<b>1,041,398</b>
<i>Investments</i>	5	21,138	6,530	195,904	<b>223,572</b>	<b>203,321</b>
<b>Total income and endowments</b>		<b>143,388</b>	<b>1,250,362</b>	<b>1,148,104</b>	<b>2,541,854</b>	<b>1,874,235</b>
<b>Expenditure on:</b>						
<i>Raising funds</i>	6					
Costs of generating voluntary income		101,203	-	-	<b>101,203</b>	<b>128,470</b>
Investment management costs		565	-	12,837	<b>13,402</b>	<b>16,786</b>
<i>Charitable activities</i>	7					
Grants Payable	24/7	-	1,428,118	-	<b>1,428,118</b>	<b>1,152,189</b>
Administration of grant making	7	57,660	-	-	<b>57,660</b>	<b>39,698</b>
Other support Costs	8/7	98,386	220,693	-	<b>319,079</b>	<b>258,051</b>
<b>Total expenditure</b>		<b>257,814</b>	<b>1,648,811</b>	<b>12,837</b>	<b>1,919,462</b>	<b>1,595,194</b>
<b>Net gains/(losses) on investments</b>		7,543	-	350,219	<b>357,762</b>	55,656
<b>Net incoming / (expenditure)</b>	9	(106,883)	(398,449)	1,485,486	<b>980,154</b>	<b>334,697</b>
<b>Transfers between funds</b>		122,067	405,100	(527,167)	-	-
<b>Net movement in funds</b>		<b>15,184</b>	<b>6,651</b>	<b>958,319</b>	<b>980,154</b>	<b>334,697</b>
<b>Reconciliation in funds:</b>						
Fund balances brought forward		233,583	845,256	6,665,615	<b>7,744,454</b>	<b>7,409,757</b>
<b>Fund balances carried forward</b>	22	<b>248,767</b>	<b>851,907</b>	<b>7,623,934</b>	<b>8,724,608</b>	<b>7,744,454</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Balance Sheets

		2019		2018	
	Note	Consolidated £	Company £	Consolidated £	Company £
<b>Fixed Assets:</b>					
Tangible fixed assets	11	319,079	53,079	322,726	56,726
Investments – listed	12	7,519,521	7,519,521	6,208,182	6,208,082
Investments – in group		-	100	-	100
<b>Total fixed assets</b>		<b>7,838,600</b>	<b>7,572,700</b>	6,530,908	6,264,908
<b>Current Assets:</b>					
Debtors amounts falling due within one year	13	140,913	96,608	52,594	47,774
Debtors amounts greater than one year	13a	115,045	57,114	24,510	11,813
Cash in bank	14	1,306,823	1,292,970	1,443,824	1,429,913
<b>Total current assets</b>		<b>1,562,781</b>	<b>1,446,692</b>	1,520,928	1,489,500
<b>Liabilities:</b>					
Creditors amounts falling due within one year	15	(478,882)	(481,672)	(283,693)	(282,025)
<b>Net current assets</b>		<b>1,083,899</b>	<b>965,020</b>	1,237,235	1,207,475
Creditors amounts greater than one year	15	(197,891)	(84,433)	(23,689)	-
<b>Total net assets</b>	18	<b>8,724,608</b>	<b>8,453,287</b>	7,744,454	7,472,383
<b>The funds of the charity:</b>					
Endowment funds	21	7,623,934	7,357,934	6,665,615	6,399,615
Restricted funds	20	851,907	847,920	845,256	844,725
Unrestricted funds	19	248,767	247,435	233,583	228,043
<b>Total charity funds</b>	22	<b>8,724,608</b>	<b>8,453,287</b>	7,744,454	7,472,383

The trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual financial statements required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 25 to 52 form part of these financial statements

STEVE HINDLEY, Chair of trustees on behalf of the trustees

Approved by the trustees on 24<sup>th</sup> September 2019

Company registration number: 03236918



# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Consolidated Cash Flow Statement

#### For the year ended 31 March 2019

	Group 2019 £	Group 2018 £
<b>Cash flows from operating activities:</b>		
<b>Cash provided/(used in) by operating activities</b>	<b>(359,196)</b>	<b>85,543</b>
<b>Cash flows from investing activities:</b>		
Investment income	223,572	185,247
Purchase / Sale of investments	(953,577)	(39,896)
Purchase of property & equipment	-	(1,549)
<b>Cash provided by/(used in ) investing activities</b>	<b>(730,005)</b>	<b>143,802</b>
<b>Cash flows from financing activities:</b>		
Receipt of endowment	952,200	178,382
<b>Cash provided by (used in ) financing activities</b>	<b>952,200</b>	<b>178,382</b>
<b>Increase/decrease in cash and equivalents in the reporting period</b>	<b>(137,001)</b>	<b>407,727</b>
<b>Cash and cash equivalents in the beginning of the reporting period</b>	<b>1,443,824</b>	<b>1,036,097</b>
<b>Cash and cash equivalents in the end of the reporting period</b>	<b>1,306,823</b>	<b>1,443,824</b>
	Group 2019 £	Group 2018 £
<b>Reconciliation of net income/expenditure to net cash flow operating activities</b>		
<b>Net income/(expenditure) for the reporting period</b>	<b>980,154</b>	<b>334,697</b>
<b>Adjustments for:</b>		
Receipt of endowment	(952,200)	(178,382)
Depreciation charges	3,647	3,577
(Gains) /losses on investments	(357,762)	(55,656)
Investment income	(223,572)	(185,247)
Increase/ (decrease) in creditors	369,391	240,196
(Increase) / decrease in debtors	(178,854)	(73,642)
<b>Net cash provided by (used in) operating activities</b>	<b>(359,196)</b>	<b>85,543</b>

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Notes to the financial statements**

#### **1. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:-

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

The trustees have assessed the charity's activities with regard to the Charity Commission's guidance on public benefit. The Foundation meets the definition of a public benefit entity under FRS 102.

Devon Community Foundation was incorporated in England UK. The registered office is details in the Trustees' report.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the companies Act 2006

The functional currency of Devon Community Foundation is considered to be pounds sterling because it is the primary economic environment in which the Charity operates.

##### **Preparation of financial statements on a going concern basis**

The Foundation is in the fortunate position of having a healthy cash-flow projection due to receiving grant funds before distribution. In addition the core costs element of the endowment is secure for the future which is sufficient to be sure the Foundation can and will continue in perpetuity, able to support itself with a reliable source of income at some level.

The three year financial projections are positive showing a small surplus forecast due to a range of diversified and sustainable sources of income at the current level of resourcing needed. The three year financial forecast is reviewed at every Board meeting and mitigating action taken when financial pressures require (for example recruiting or losing roles as required) and adjusting the expenditure to meet the expected income.

The Trustees are fully confident that Devon Community Foundation is a going concern in every sense.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Notes to the financial statements (continued)**

#### **1. Accounting Policies (continued)**

##### **Consolidated financial statements**

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries Tiverton Educational Foundation (TEF) and Devon Social Finance LTD (DSF) on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The Charity became the sole corporate trustee of Tiverton Educational Foundation on 6 October 2014.

##### **Income**

Income from grants is recognised when the charity has entitlement to the funds, any conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

##### **Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

Donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity: this is normally upon notification of interest paid or payable by the bank.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Notes to the financial statements (continued)**

#### **1. Accounting Policies (continued)**

##### **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted of the Charity which trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Foundation's work or for specific projects being undertaken by the Foundation. Endowment funds are invested and the income from these funds is applied to the relevant restricted or unrestricted income funds.

Investment income is allocated to the endowment funds. Withdrawals from the endowment fund have been made at a rate of 6% (2018: 6%) which the trustees review annually and consider to be a reasonable withdrawal rate. A total of £527,617 (2018: £328,782) was transferred from the endowment funds to restricted (£405,100) and unrestricted (£122,067) funds in the year.

##### **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fund development or marketing/advertising.
- Expenditure on charitable activities includes the costs of grant making, property expenses and project activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Expenditure is allocated between the above headings in the Statement of Financial Activities on a direct basis apart from staff costs, which are allocated based upon the amount of time staff work on each area.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

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

Support costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include costs linked to the strategic management of the Charity. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Foundations activities.

##### **Taxation**

Devon Community Foundation has charitable status and uses its funds for charitable purposes. Therefore, no taxation is included in these financial statements and is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992. The charity is not registered for Value Added Tax, and expenditure therefore includes VAT where appropriate.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Notes to the financial statements (continued)**

#### **1. Accounting Policies (continued)**

##### **Operating leases**

The Foundation classifies the lease of the property known as 47a Barrington Street as an operating lease. The lease on the property known as 47a Barrington Street is for the term of 15 years dated 28 July 2015 at an initial rental rate of £12,245 per annum, with an option to end the lease on the 28 July 2020 or 28 July 2025 and therefore rent to be received has been calculated up to the first break date only. See note 17.

##### **Investments**

Investments are stated at their quoted market value at the end of the year.

The SOFA includes the net gains and losses on revaluations and disposals throughout the year. Realised gains and losses for the year are calculated based on market value brought forward plus any additions in the year.

##### **Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised, and are included at cost. Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives. Computer and office equipment are written off using straight line over 3 years.

The remaining lease on the property at 59 Wonford Road, Exeter is depreciated on a straight line basis over 44 years at £1,500 per year since the asset was transferred in 1 April 2009.

Investment property at fair value.

47A Barrington Street property is treated as an investment property under charities SORP (FRS 102). A valuation was carried out by an independent expert in 2006. The trustees have considered revaluation and decided the property is measured at fair value (using a rental yield 8.6% of value of property) therefore the value remains at £141,000 and will be revalued at each reporting date. The Property is rented to Schools Company Trust and then Wave MAT for the provision of a Pupil Referral Unit.

The Foundation is constrained by the Trust Deed as to the use of the land asset. A part of this land must be used as the site of Castle School and is subject to reverter rights. On this basis the Trustees have revalued the asset and reclassified the land as investment property.

##### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### **Cash at bank**

Cash at bank includes short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 1. Accounting Policies (continued)

##### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### Financial instruments

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

##### Pensions

Pension provision is in place currently for the Chief Executive and was extended to all other staff in April 2017 in line with current pension regulations.

#### 2. Legal status of the Foundation

The Foundation is a company limited by guarantee and has no share capital.

#### 3. Income from donations and legacies

Donations	2019	2018
	£	£
Donations & Gifts	1,361,988	629,516
Income tax refunded	29,761	-
	<b>1,391,749</b>	<b>629,516</b>

The income from donations and legacies was £1,391,749 (2018: £629,516) of which £42,282 was unrestricted (2018: £160,586), £397,267 was restricted (2018: £290,548) and £952,200 was endowment (2018: £178,382). Includes gift aid income.

#### 4. Income from charitable activities

	2019	2018
	£	£
Grant Income	926,533	1,041,398
	<b>926,533</b>	<b>1,041,398</b>

The grant income was £926,533 (2018:£ 1,041,398) of which £79,968 was unrestricted (2018:£ 40,860) and restricted was £846,565 (2018:£ 1,000,538).

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 5. Income from investments

	2019	2018
	£	£
Interest receivable	2,514	2,129
Investment income	214,530	200,563
Loan Interest received	6,528	629
	<b>223,572</b>	<b>203,321</b>

The income from investments was £223,572 (2018: £203,321) of which £21,138 was unrestricted (2018: £17,443), £6,530 was restricted (2018: £631) and £195,904 was endowment (2018: £185,247).

Interest receivable arises from money held in bank accounts, the investment income arises from endowment funds held with investment managers, rentals and loan interest received is interest on social investment loans supporting Voluntary Community Social Enterprises.

#### Income from other activities

The wholly owned subsidiary Tiverton Educational Foundation is incorporated in the UK (charity number 306701) and pays all of its profit to the charity under the gift aid scheme. The registered office of the subsidiary is Ballard House, West Hoe Road, Plymouth, PL1 3AE. A summary of the trading results are shown below:

	2019	2018
	£	£
<b>The summary financial performance of the subsidiary alone is:</b>		
Income	13,756	13,774
Expenditure	(14,287)	(15,985)
<b>Net incoming/ (expenditure)</b>	<b>(531)</b>	<b>(2,211)</b>
Amount gift aided to the charity	-	-
<b>Retained in the subsidiary</b>	<b>(531)</b>	<b>(2,211)</b>
 <b>The assets and liabilities of the subsidiary were:</b>		
Fixed assets	266,000	266,000
Current assets	6,472	7,903
Current liabilities	(1,260)	(2,160)
Total net assets	5,212	5,743
 Total Funds	<b>271,212</b>	<b>271,743</b>

The income from other trading activities was £13,756 (2018: £13,774) of which all was unrestricted. Rental income arises from the rental of the investment property.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 5. Income from investments (continued)

The wholly owned subsidiary Devon Social Finance Ltd was incorporated in the UK on 9 June 2017 (company number 10811977). The registered office of the subsidiary is Ballard House, West Hoe Road, Plymouth, PL1 3AE. A summary of the trading results are shown below:

	2019 £	2018 £
<b>The summary financial performance of the subsidiary alone is:</b>		
Income	<b>57,478</b>	39,360
Expenditure	<b>(57,368)</b>	(39,032)
<b>Net incoming/ (expenditure)</b>	<b>110</b>	328
<b>Retained in the subsidiary</b>	<b>110</b>	328
<b>The assets and liabilities of the subsidiary were:</b>		
Current assets	<b>179,220</b>	49,842
Current liabilities	<b>(179,010)</b>	(49,414)
Total net assets	<b>210</b>	428
Total Funds	<b>210</b>	428

#### 6. Cost of raising funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 £	2018 £
Support staff costs	66,378	-	-	<b>66,378</b>	97,076
Fund development costs	6,656	-	-	<b>6,656</b>	8,682
Direct associated costs	28,169	-	-	<b>28,169</b>	22,712
Investment management costs	565	-	12,837	<b>13,402</b>	16,786
	<b>101,768</b>	-	12,837	<b>114,605</b>	145,256

Expenditure on raising funds was £114,605 (2018: £145,256) of which £101,768 was unrestricted (2018: £129,153), £nil was restricted (2018: £nil) and £12,837 was endowment (2018: £16,103).



# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 7. Charitable activities costs

	Unrestricted Funds	Restricted Funds	Endowment Funds	2019	2018
	£	£	£	£	£
Grants Payable	-	1,428,118	-	<b>1,428,118</b>	1,152,189
Administration of grant making	57,660	-	-	<b>57,66</b>	39,698
Support costs	98,386	220,693	-	<b>319,079</b>	258,051
	<b>156,046</b>	<b>1,648,811</b>	-	<b>1,804,857</b>	1,449,938

Expenditure on charitable activities was £1,804,857 (2018: £1,449,938) of which £156,046 was unrestricted (2018: £115,630), £1,648,811 was restricted (2018: £1,295,362) and £nil was endowment (2018: £ 38,946).

The increase in support costs is attributable to the three projects the organisation is engaged in in a variety of capacities other than grant making. These projects are **Wellbeing Exeter, Enhance Social Enterprise and Devon Social Investment Fund** and **Positive People**.

Grants were awarded in the year to other charities, voluntary organisations and individuals as follows:

	2019 £	2019 Number	2018 £	2018 Number
Other charities & voluntary organisations	<b>1,416,889</b>	<b>201</b>	1,133,010	206
Individuals	<b>11,229</b>	<b>12</b>	19,179	10
<b>Total grant expenditure</b>	<b>1,428,118</b>	<b>213</b>	1,152,189	216

#### 8. Support costs

	General Support	Programme Management & Evaluation	Governance support	2019 £	2018 £	Basis of apportionment
	£	£	£	£	£	
Staff costs	62,976	181,722	-	<b>244,698</b>	201,465	Allocated on time
General office	509	48,408	-	<b>48,917</b>	22,873	Allocated by staff
Marketing & Promotion	-	269	-	<b>269</b>	3,119	Programme
Audit fees	-	408	8,982	<b>9,390</b>	8,600	Governance
Accountancy	-	-	1,380	<b>1,380</b>	1,380	Governance
Consultancy	-	4,097	2,190	<b>6,287</b>	-	Allocated by Cost
Legal & Professional fees	-	1,496	773	<b>2,269</b>	18,552	Governance
Building Repair & Maintenance	2,361	-	-	<b>2,361</b>	-	Allocated by Cost
Depreciation	-	328	1,204	<b>1,532</b>	1,859	Programme
Trustee meetings/training	-	263	120	<b>383</b>	203	Governance
Loan Interest	-	1,593	-	<b>1,593</b>	-	Allocated by Cost
	<b>65,846</b>	<b>238,584</b>	<b>14,649</b>	<b>319,079</b>	258,051	

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 9. Net income/(expenditure) for the year

	2019	2018
	£	£
This is stated after charging :		
Depreciation	3,647	3,577
Audit fees	9,390	8,600
Accountancy	1,380	1,380

#### 10. Staff numbers and costs

The group, on average, employed 16 (2018: 16) part-time staff during the reporting period, which is the equivalent to 11.6 (FTE) employees (2018: 10.9). The emoluments these employees were:

	2019	2018
	£	£
Salaries	322,921	301,776
Social security costs	26,548	24,681
Pension Costs	5,136	3,140
	<b>354,605</b>	<b>329,597</b>

#### Staff numbers

	2019	2018
	Number	Number
Management & Governance	1.6	1.6
Fund development	0.8	0.8
Finance	0.8	0.8
Programmes & grants	6.2	4.1
Communications & Administration	2.2	3.6
<b>Total number full time equivalent</b>	<b>11.6</b>	<b>10.9</b>

There were no employees with emoluments above £60,000 (2018: £nil). Pension costs are allocated to activities in proportion to related staff costs incurred.

The only additional benefit to staff members over and above their salary is a pension provision.

The key management personnel of the group comprise of the trustees, the Chief Executive, Deputy Chief Executive and Philanthropy Director. The total employee benefits of the key management personnel of the group were £132,329 (2018: £85,813).

Trustees received no remuneration (2018: £nil). During the year ended 31 March 2019, the company paid trustees' indemnity insurance of £1,008 (2018: £1,315), and trustees' meeting cost expenses amounting to £494 (2018: £203). No trustee during the year was reimbursed for expenses.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 11. Tangible fixed assets - company

	Property	Computer	Other	Total
Cost	£	£	£	£
At 1 April 2018	66,000	15,592	5,521	87,113
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>66,000</b>	<b>15,592</b>	<b>5,521</b>	<b>87,113</b>
<b>Depreciation</b>				
At 1 April 2018	13,500	11,366	5,521	30,387
Charge for the year	1,500	2,147	-	3,647
<b>At 31 March 2019</b>	<b>15,000</b>	<b>13,513</b>	<b>5,521</b>	<b>34,034</b>
<b>Net book values</b>				
<b>At 31 March 2019</b>	<b>51,000</b>	<b>2,079</b>	<b>-</b>	<b>53,079</b>
At 31 March 2018	52,500	4,226	-	56,726
<b>Tangible fixed assets – group</b>	<b>Property &amp; Investment Property</b>	<b>Computer</b>	<b>Other</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2018	332,000	15,592	5,521	353,113
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>332,000</b>	<b>15,592</b>	<b>5,521</b>	<b>353,113</b>
<b>Depreciation</b>				
At 1 April 2018	13,500	11,366	5,521	30,387
Charge for the year	1,500	2,147	-	3,647
<b>At 31 March 2019</b>	<b>15,000</b>	<b>13,513</b>	<b>5,521</b>	<b>34,034</b>
<b>Net book values</b>				
<b>At 31 March 2019</b>	<b>317,000</b>	<b>2,079</b>	<b>-</b>	<b>319,079</b>
At 31 March 2018	318,500	4,226	-	322,726

Investment property comprises of land at the Castle School and a property at 47a Barrington Street.

The Foundation has had the land re-valued by Vickery Holman in June 2017 based on a rental yield calculation as there is a protected tenant in place.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

The Foundation has reviewed 47A Barrington Street and consider the valuation under FRS 102 to be a fair value. In July 2015 a new lease has been taken up by The Schools Company Trust, (and now taken on by Wave MAT) at initial rental rate of £12,245 per annum for 15 years.

### 12. Investments – group and company

Market value	Investment to support core costs	Endowment Investments	2019	2018
	£	£	£	£
At 1 April 2018	2,647	6,205,535	<b>6,208,182</b>	6,112,631
Additions	-	2,120,612	<b>2,120,612</b>	1,475,919
Disposals	-	(1,466,837)	<b>(1,466,837)</b>	(1,418,723)
Unrealised & Realised gains / (losses)	209	370,954	<b>371,163</b>	55,656
Movement on investment and dividend accounts	-	299,803	<b>299,803</b>	(515)
Management Charges	-	(13,402)	<b>(13,402)</b>	(16,786)
<b>At 31 March 2019</b>	<b>2,856</b>	<b>7,516,665</b>	<b>7,519,521</b>	<b>6,208,182</b>

Listed investment are detailed as follows:

	2019	2018
	Market Value	Market Value
UK Fixed Interest	<b>589,883</b>	389,763
Overseas Fixed Interest	<b>111,578</b>	191,597
UK Index Linked	<b>175,603</b>	350,044
Overseas Index Linked	-	17,699
UK Equities	<b>1,949,769</b>	1,642,411
Overseas Equities	<b>2,993,666</b>	2,314,360
Other	<b>1,699,022</b>	1,302,308
	<b>7,519,521</b>	<b>6,208,182</b>

Investments are stated at their quoted market value at the end of the year.

The SOFA includes the net gains and losses on revaluations and disposals throughout the year. Realised gains and losses for the year are calculated based on market value brought forward plus any additions in the year.

### 13. Debtors: amounts due within one year – group and company

	Group 2019	Company 2019	Group 2018	Company 2018
	£	£	£	£
Rental Income	-	-	3,090	-
Loan to subsidiary DSF	-	<b>1,417</b>	-	9,591
Loan	<b>45,722</b>	-	11,321	-
Grant income	<b>94,899</b>	<b>94,899</b>	37,671	37,671
Staff Training	<b>292</b>	<b>292</b>	195	195
Subscriptions	-	-	267	267
Governance	-	-	33	33
Other Debtors	-	-	17	17
	<b>140,913</b>	<b>96,608</b>	<b>52,594</b>	<b>47,774</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 13a. Debtors: amounts due over one year – group and company

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Loan to subsidiary DSF	-	57,114	-	11,813
Loans	115,045	-	24,510	-
	<b>115,045</b>	<b>57,114</b>	<b>24,510</b>	<b>11,813</b>

#### 14. Cash at bank – group and company

Revenue accounts:	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
CAF Current Account	571,645	571,645	819,284	819,284
Arbuthnot Latham Account	69,444	69,444	69,469	69,469
CAF Current Gold Account	53,623	53,623	52,137	52,137
Arbuthnot Latham 2 Account	22,411	22,411	22,094	22,094
CAF Gold Account	417,404	417,404	310,436	310,436
Secure Trust 120 Account	158,443	158,443	156,493	156,493
CAF DSF Cash Account	13,593	-	970	-
CAF DSF 2 Cash Account	260	-	12,941	-
	<b>1,306,823</b>	<b>1,292,970</b>	<b>1,443,824</b>	<b>1,429,913</b>

#### 15. Creditors: amounts falling due within one year

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Other creditors - HMRC	6,903	6,903	7,351	7,351
Other creditors - Grants	279,009	279,009	248,394	248,394
Other creditors - TEF	-	6,472	-	4,813
Accruals and deferred income	192,970	189,288	27,948	21,467
	<b>478,882</b>	<b>481,672</b>	<b>283,693</b>	<b>282,025</b>

#### 15a. Creditors: amounts falling due over one year

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Other creditors – Loans	113,458	-	23,689	-
Other creditors – Grants	84,433	84,433	-	-
	<b>197,891</b>	<b>84,433</b>	<b>23,689</b>	<b>-</b>

#### Loans

Future minimum loan receipts:

Not later than one year

Later than one year and not later than five years

2019 Consolidated £	2019 Company £
-	-
<b>113,458</b>	<b>23,689</b>
<b>113,458</b>	<b>23,689</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 16. Deferred Income – group and company

	2018	2018
	£	£
Brought forward	-	-
Deferred in the year	163,666	-
	<u>163,666</u>	<u>-</u>

#### 17. Operating Leases - group

Future minimum lease receipts:	2019	2018
	£	£
Not later than one year	12,245	12,245
Later than one year and not later than five years	4,026	16,271
	<u>16,271</u>	<u>28,516</u>

#### 18. Funds of the Charity

	Income and expenditure account £
At 1 April 2018	7,472,383
Surplus for the year	980,904
<b>At 31 March 2019</b>	<b><u>8,453,287</u></b>

#### Funds of the Charity – 2018 comparative:

	Income and expenditure account £
At 1 April 2017	7,135,802
Surplus for the year	336,581
Gift aid distribution to parent charity	-
<b>At 31 March 2018</b>	<b><u>7,472,383</u></b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 19. Unrestricted funds - group

	General Fund	Designated Reserve Fund	Total
	£	£	£
Fund balances brought forward	173,583	60,000	233,583
Incoming resources	143,388	-	143,388
Outgoing resources	(257,814)	-	(257,814)
Net gains/(losses) on investments	7,543	-	7,543
Transfer between funds	122,067	-	122,067
<b>Fund balances carried forward</b>	<b>188,767</b>	<b>60,000</b>	<b>248,767</b>

#### Unrestricted funds – group 2018 comparative

	General Fund	Designated Reserve Fund	Total
	£	£	£
Fund balances brought forward	113,759	60,000	173,759
Incoming resources	218,889	-	218,889
Outgoing resources	(244,783)	-	(244,783)
Net gains/(losses) on investments	409	-	409
Transfer between funds	85,309	-	85,309
<b>Fund balances carried forward</b>	<b>173,583</b>	<b>60,000</b>	<b>233,583</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 20. Restricted funds - group

Fund	Brought Forward £	Incoming resources £	Transfers £	Project Expenditure £	Grants Awarded £	31 March 2019 £
Devon Community Access	1,555	48,744	23,771	-	(69,942)	4,128
Activistock	-	5,700	-	(4,492)	-	1,208
Arnold Family	3,575	-	6,455	-	(6,920)	3,110
Babeleigh CE Turbine	56	-	1,211	-	-	1,267
Batsworthy Cross	20,836	7,969	-	-	(12,299)	16,506
Blackdown Hills	76,903	89,968	-	-	(66,447)	100,424
Blundell's	3,808	276	1,575	-	(2,000)	3,659
Building A Stronger Britian	1,780	-	1,517	-	-	3,297
Building Better Opportunities	-	46,004	-	-	(46,004)	-
Chiggy Pig	2,012	87,016	-	(70,081)	-	18,947
Comic & Sport Relief	5,314	18,750	-	-	(10,250)	13,814
Devon 100 Club	22,896	-	-	-	(22,847)	49
Devon Flood	1,283	-	400	-	-	1,683
Devon C Resilience Fund	16,264	-	-	-	-	16,264
Devon On Earth	14,503	-	-	-	-	14,503
Devon Ripple	2,522	1,250	9,298	-	(5,000)	8,070
Devonian	73,584	6,500	200,471	-	(221,400)	59,155
Devonian Leased Property	28,222	233	25,172	-	(21,349)	32,278
Dipford	52,500	-	(1,500)	-	-	51,000
DSIF Operational	3,234	-	2,963	-	(6,197)	-
Devon Social Investment	7,889	-	-	-	-	7,889
Earth to Earth	-	33,049	-	(1,590)	(28,000)	3,990
ERDF	4,426	-	(4,426)	-	-	-
Foot Anstey	-	43,841	19,025	(62,866)	-	-
Hazel & Gerald Frankpitt	4,791	19,960	1,011	-	(12,800)	12,962
Hely-Hutchinson	50,000	-	-	-	(13,748)	36,252
High Sheriff	2,906	1,274	2,819	-	-	6,999
Historical Exeter Fire Appeal	1,237	4	(348)	-	-	893
Inspiras	6,816	-	-	-	-	6,816
Kitsons	188,285	1,476	(43,824)	-	-	145,937
Laurie Connor	4,763	-	2,283	-	-	7,046
Mildmay White Family	476	-	1,221	-	-	1,697
Mumme Ackford	1,215	-	1,243	-	(2,000)	458
Neuro Development	1,448	-	1,416	-	(1,910)	954
Through Movement	42,276	8,496	-	-	(4,230)	46,542
North Devon Relief	5,618	2	5,724	-	(2,500)	8,844
Philip J Milton & Co Plc	3,192	-	1,296	-	(2,100)	2,388
Plymouth Drake Foundation	-	-	-	-	-	-
Fund	54,231	-	56,743	-	(69,570)	41,404
Police Property/Crimebeat	341	20,944	(1,831)	-	(7,561)	11,893
Aquarious - Pye	22,500	-	-	-	(4,904)	17,596
Ray Miles	3,040	-	1,811	-	-	4,851
Rew	-	-	2,280	-	(1,124)	1,156



# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 20. Restricted funds - group (continued)

Royal London Programme	-	10,000	-	-	(10,000)	-
Rural	3,551	-	5,903	-	(5,714)	3,740
Surviving Winter Appeal	5,417	9,676	-	-	(14,458)	635
Tampon Tax	-	55,795	-	-	(55,795)	-
TCCF	-	2,651	5,555	-	(5,900)	2,306
TEF Revenue	36,750	-	48,071	-	(46,247)	38,574
Thorne Farm	1,200	16,200	-	-	(11,600)	5,800
Tiverton Community Partnership	-	8,000	-	-	-	8,000
Tiverton Learning	-	-	11,980	-	(5,693)	6,287
Tony Hawks	-	5,625	-	-	-	5,625
Transforming Ageing Programme	-	25,716	-	-	(24,873)	843
Two Four	1,528	-	(1,353)	-	-	175
VBCT	-	112,500	-	-	-	112,500
Wace	15,943	-	12,640	-	(25,240)	3,343
Wellbeing Exeter	34,039	57,107	-	(64,264)	-	26,882
Wellbeing Exeter Grant	-	433,893	-	-	(551,968)	(118,075)
Wellbeing Exeter SE	-	13,746	-	(13,716)	-	30
Wellbeing Exeter TCA	-	43,000	-	(3,684)	-	39,316
Youth Social Action	10,000	15,000	4,528	-	(29,528)	-
<b>Company</b>	<b>844,725</b>	<b>1,216,956</b>	<b>405,100</b>	<b>(219,103)</b>	<b>(1,400,118)</b>	<b>847,920</b>
Devon Social Investment	531	33,409	-	(1,590)	(28,000)	3,990
<b>Group</b>	<b>845,256</b>	<b>1,250,362</b>	<b>405,100</b>	<b>(220,693)</b>	<b>(1,428,118)</b>	<b>851,907</b>

#### Explanation of major restricted funds

All restricted funds above are grant making funds apart from the Project Funds & Devonian Leased Property listed below. Devonian Leased Property – Property lease – shows the devaluation on the lease.

Batwsorthy Cross and Babeleigh Barton are both community benefit funds generated by the installation of alternative energy wind turbines and are directed to benefit localised geographic communities affected by these wind farms.

Building a Stronger Britain Together is a UKCF fund in association with the Home Office and Saachi & Saachi designed to reduce hate crime and foster cross cultural understanding and social cohesion.

Comic & Sport Relief – Grants given in line with the objectives set out by Comic & Sports Relief on each programme awarded.

Devon Ripple – To support local community groups and organisations which offer preventive work with disadvantaged young people up to 19 years old.

Hazel & Gerald Frankpitt is a new fund directing funds to community organisations close to Tiverton.

Neuro Development Through Movement Is a new fund established by a donor to support innovative therapeutic work with children with acute neurological disabilities across Devon.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 20. Restricted funds - group (continued)

##### Explanation of major restricted funds (continued)

Police Property/Crimebeat – Helps communities come together with the Police to find solutions to specific and local crime ‘hotspots’ or issues.

Exeter Wellbeing is a programme of social prescribing and community building being delivered by a range of partners with DCF holding the funds and granting out to local VCSE organisations. The fund is in a deficit position at the year-end due to the delay in the grant receipts.

Youth Social Action is a UKCF programme of activity to stimulate young people taking an active role in their communities. DCF will also be attracting a similar amount in match funding.

Restricted Funds are funds held by the Foundation for specific activities. They include the yield from the Endowment Fund which is restricted for grant making and grant programmes. Core costs contributions are made by restricted funds as agreed with donors.

Transfers of £405,100, as shown in the Statement of Financial Activities on page 22, which represents the percentage of expendable endowment investments available for the purpose of grant making.

#### Restricted funds – group 2018 comparative:

	Brought Forward	Incoming resources & transfers	Expenditure	31 March 2018
	£	£	£	£
Devon Community	25,989	9,626	34,060	1,555
Access	-	10,679	10,679	-
Activistock	4,349	4,581	5,355	3,575
Angela Gilbert	4,078	114	4,192	-
Arnold Family	944	1,112	2,000	56
Babeleigh CE Turbine	13,600	15,236	8,000	20,836
Batsworthy Cross	53,239	86,961	63,297	76,903
BEEP	1,200	-	1,200	-
Big Lottery	359	-	359	-
Blackdown Hills	2,371	1,437	-	3,808
Blundell's	4,893	1,387	4,500	1,780
Building Better Opportunities	2,523	48,292	48,803	2,012
Building A Stronger Britian	-	45,571	45,571	-
Chiggy Pig	14,807	4,500	13,993	5,314
Comic & Sport Relief	50	65,478	42,632	22,896
Devon 100 Club	915	368	-	1,283
Devon Flood	16,264	-	-	16,264
Devon Community Resilience Fund	16,178	-	1,675	14,503
Devon On Earth	-	4,500	1,978	2,522
Devonian	26,660	23,120	21,558	28,222
Devonian Leased Property	54,000	-	1,500	52,500
Dipford	2,545	2,684	1,995	3,234
DSIF Operational	-	39,903	32,014	7,889
Devon Social Investment	-	531	-	531
Earth to Earth	820	3,606	-	4,426
ERDF	-	37,671	37,671	-

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### Restricted funds – group 2018 comparative (continued)

Wellbeing Exeter	128,220	519,211	613,392	34,039
Foot Anstey	378	15,491	11,078	4,791
Hazel & Gerald Frankpitt Fund	-	50,000	-	50,000
Hely-Hutchinson	2,518	2,388	2,000	2,906
High Sheriff	1,237	-	-	1,237
Historical Exeter Fire Appeal	4,355	2,461	-	6,816
Inspiras	-	200,000	11,715	188,285
Kitsons	2,662	2,101	-	4,763
Laurie Connor	1,854	1,122	2,500	476
Mildmay White Family	73	1,142	-	1,215
Mumme Ackford	1,148	1,300	1,000	1,448
Network for social Change	-	20,000	20,000	-
Neuro Development Through Movement	14,824	30,587	3,135	42,276
North Devon Relief	1,859	5,259	1,500	5,618
Philip J Milton & Co Plc	2,002	1,190	-	3,192
Plymouth Drake Foundation Fund	51,460	54,411	51,640	54,231
Police Property/Crimebeat	2,475	23,866	26,000	341
Pye	-	22,500	-	22,500
Ray Miles	1,391	1,649	-	3,040
Ripple	29,340	49,581	5,337	73,584
Rural	4,644	5,421	6,514	3,551
Surviving Winter Appeal	5,020	8,432	8,035	5,417
TEF Revenue	28,913	43,834	35,997	36,750
Thorne Farm	7,850	14,850	21,500	1,200
Transforming Ageing Programme	-	23,167	23,167	-
Two Four	1,320	208	-	1,528
Wace	36,101	9,378	29,536	15,943
Youth Social Action	30,000	30,000	49,999	10,001
	<b>605,428</b>	<b>1,546,906</b>	<b>1,307,078</b>	<b>845,256</b>

#### 21. Expendable Endowment Funds - company

	1 April 2018 £	Incoming Resources £	Realised & unrealised Investment profits/ (losses) £	Transfer & Outgoing Resources £	Transfers £	31 March 2019 £
Endowment Funds include:						
Devon Community Funds	5,286,690	1,117,275	297,603	(8,809)	(603,734)	6,089,025
Plymouth Funds **	1,112,925	30,829	52,616	(4,028)	76,567	1,268,909
	<b>6,399,615</b>	<b>1,148,104</b>	<b>350,219</b>	<b>(12,837)</b>	<b>(527,167)</b>	<b>7,357,934</b>

Devon Community & Plymouth Funds are for the purpose of financing future grant making to local groups and organisations tackling disadvantage and deprivation in Devon, Plymouth and Torbay.

\*\* In partnership with Plymouth Drake Foundation – these funds are restricted for use only in the Plymouth City and travel to work area.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### Expendable Endowment Funds – company 2018 comparative

	1 April 2017 £	Incoming Resources £	Realised & unrealised Investment profits/ (losses) £	Transfer & Outgoing Resources £	Transfers £	31 March 2018 £
Endowment Funds include:						
Devon Community Funds	5,060,299	178,382	-	(38,946)	86,955	5,286,690
Plymouth Funds **	1,301,670	-	-	-	(188,745)	1,112,925
Investment Portfolio	-	185,247	55,247	(16,103)	(224,391)	-
Investment shares to support administration	2,601	-	-	-	(2,601)	-
	<b>6,364,570</b>	<b>363,629</b>	<b>55,247</b>	<b>(55,049)</b>	<b>(328,782)</b>	<b>6,399,615</b>

#### Endowment Funds - group

	1 April 2018 £	Incoming Resources £	Realised & unrealised Investment profits/ (losses) £	Transfers & Outgoing Resources £	Transfers £	31 March 2019 £
Endowment Funds include:						
Devon Community Funds	5,286,690	1,117,275	297,603	(8,809)	(603,734)	6,089,025
Plymouth Funds **	1,112,925	30,829	52,616	(4,028)	76,567	1,268,909
Tiverton Educational Foundation	266,000	-	-	-	-	266,000
	<b>6,665,615</b>	<b>1,148,104</b>	<b>350,219</b>	<b>(12,837)</b>	<b>(527,167)</b>	<b>7,623,934</b>

#### Endowment Funds – group 2018 comparative

	1 April 2017 £	Incoming Resources £	Realised & unrealised Investment profits/ (losses) £	Transfers & Outgoing Resources £	Transfers £	31 March 2018 £
Endowment Funds include:						
Devon Community Funds	5,060,299	178,382	-	(38,946)	86,955	5,286,690
Plymouth Funds **	1,301,670	-	-	-	(188,745)	1,112,925
Tiverton Educational Foundation	266,000	-	-	-	-	266,000
Investment Portfolio	-	185,247	55,247	(16,103)	(224,391)	-
Investment shares to support administration	2,601	-	-	-	(2,601)	-
	<b>6,630,570</b>	<b>363,629</b>	<b>55,247</b>	<b>(55,049)</b>	<b>(328,782)</b>	<b>6,665,615</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 22. Analysis of net assets between funds - group

	Tangible Assets £	Investments £	Net Current Assets £	Total £
Endowment funds	266,000	7,393,452	(35,518)	7,623,934
Restricted funds	51,000	-	800,907	851,907
Unrestricted funds	2,079	126,069	120,619	248,767
	<b>319,079</b>	<b>7,519,521</b>	<b>886,008</b>	<b>8,724,608</b>

#### Analysis of net assets between funds – group 2018 comparative:

	Tangible Assets £	Investments £	Net Current Assets £	Total £
Endowment funds	266,000	6,039,095	360,520	6,665,615
Restricted funds	52,500	-	792,756	845,256
Unrestricted funds	4,226	169,087	60,270	233,583
	<b>322,726</b>	<b>6,208,182</b>	<b>1,213,546</b>	<b>7,744,454</b>

#### 23. Capital commitments

There were no capital commitments at the year end.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19

	£	£
<b>Foot Anstey</b>		
Cornwall Community Foundation	2,200	
Hampshire and IOW Community Foundation	2,200	
Somerset Community Foundation	2,200	
Battling On CIC	2,000	
Cornwall Community Foundation	2,200	
Children and Families in Grief Ltd	2,000	
		<b>12,800</b>
<b>TEF Revenue</b>		
Tiverton Cooperative Learning Partnership	10,000	
Tiverton Vineyard Church	7,497	
The Rotary Club of Tiverton	13,750	
Tiverton Co-Operative Learning Partnership	5,000	
Tiverton Co-Operative Learning Partnership 19/20	5,000	
Tiverton Co-Operative Learning Partnership 20/21	5,000	
		<b>46,247</b>
<b>Bampton St</b>		
Tiverton Museum of Mid Devon Life	2,533	
Tiverton Co-Operative Learning Partnership	3,160	
		<b>5,693</b>
<b>Diptford</b>		
Parish Council of Diptford	419	
Diptford Playing Field Group	1,200	
Friends of Diptford School	1,450	
Diptford Parish Hall	3,128	
		<b>6,197</b>
<b>Chiggy Pig</b>		
Torrington & District Mens Shed	1,250	
The Plough Arts Centre	2,100	
Appledore Hall Trust	1,000	
Youth Genesis Trust Ltd	2,000	
The Plough Arts Centre	1,300	
The Plough Arts Centre 19/20	1,300	
The Plough Arts Centre 20/21	1,300	
		<b>10,250</b>
<b>Thorne Farm</b>		
Bude Canal Trust Ltd	3,300	
The Friends of Holsworthy Primary School	3,300	
PCC Pyworthy	5,000	
		<b>11,600</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

Wace	£	£
Cassplus	7,200	
Battling On CIC	5,000	
Imagine (Torbay Multicultural Group)	3,000	
The Pioneers Project CIC	5,040	
Turntable Furniture	5,000	
		<b>25,240</b>
<b>Batsworthy Cross</b>		
Knowstone Parish Hall Committee	17,346	
St Peters Parochial Church Council	6,000	
Rose Ash Revel	6,925	
Rose Ash Village Hall Management Committee	13,806	
Rose Ash Parish Council	8,994	
Oakford Village Hall	1,380	
Bishops Nympton Parish Hall Trust	2,454	
Rackenford and Creacombe Parish Council	5,822	
East Worlington Parish Hall	3,720	
		<b>66,447</b>
<b>Bableigh CE Turbine</b>		
Friends of Parkham School	7,299	
Parkham Parish Church	5,000	
		<b>12,299</b>
<b>Wellbeing Exeter - Delivery Grants</b>		
Westbank Community Health and care	37,157	
Westbank Community Health and care	6,000	
Age UK Exeter	18,991	
Estuary League of Friends	4,335	
Exeter Community Initiatives	64,917	
Exeter Council for Voluntary Services	9,250	
Exeter Council for Voluntary Services	5,000	
Westbank Practice	3,715	
Age UK Exeter	12,855	
Estuary League of Friends	8,670	
Exeter Community Initiatives	36,982	
Co lab Exeter	9,250	
Westbank Community Health and Care	37,157	
Westbank Community Health and Care	6,000	
Westbank Practice	1,239	
Exeter Community Initiatives	60,941	
Co-Lab Exeter	9,250	
Age UK Exeter	18,991	

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

##### Wellbeing Exeter - Delivery Grants (continued)

	£	£
The Estuary League of Friends	4,335	
Westbank Community Health and Care	12,000	
Westbank Community Health and Care	45,731	
Exeter Community Initiatives	63,843	
Exeter Council for Voluntary Services	19,210	
Age UK	18,991	
Westbank Community Health and Care	37,157	
		<b>551,967</b>
<b>Neuro Development Through Movement</b>		
RH Neuro	900	
NR Neuro	900	
LN Neuro	900	
SA Neuro	765	
SA Neuro	765	
		<b>4,230</b>
<b>Youth Social Action Fund</b>		
Improving Lives Plymouth	5,000	
Sound Communities CIC	5,000	
South Hams Community and Voluntary Services	4,901	
Youth Genesis Trust	4,850	
TTVS	4,777	
The Norham Care Trust	5,000	
		<b>29,528</b>
<b>Transforming Aging Programme</b>		
RP SfAS	4,926	
KM SfAS	5,000	
FM SfAS	4,947	
LJ SfAS	5,000	
Sage Green Gardening	5,000	
		<b>24,873</b>
<b>BSBT</b>		
Devon Development Education	5,704	
Journey to Justice	1,305	
Devon Development Education	4,079	
Journey to Justice	445	
Devon Development Education	6,006	
Journey to Justice	1,465	
Amber Initiatives	6,300	
Amber Initiatives 19/20	20,700	
		<b>46,004</b>



# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

<b>Aquarious</b>	£	£
Inspire South West	2,000	
Family Compass	1,824	
Read Easy Barnstaple	1,080	
		<b>4,904</b>
<b>Hazel &amp; Gerald Frankpitt</b>		
The Rotary Club of Tiverton	2,000	
Tiverton Street Pastors	1,998	
Sunningmead Community Association	1,750	
The Friends of Wyndham House Surgery	1,500	
Young At Heart Club (Grant Payment)	2,500	
Churches Housing Action Team (CHAT) Mid-Devon Ltd	4,000	
		<b>13,748</b>
<b>Royal London Programme</b>		
Plymouth and Devon Racial Equality Council	5,000	
Sailability Exe Sailing Club	5,000	
		<b>10,000</b>
<b>Tampon Tax</b>		
North Devon Against Domestic Abuse	10,000	
Youth Genesis Trust Ltd	6,894	
Co - Lab Exeter	5,202	
Torbay Ladies Lounge	7,398	
The Creativity Centre Educational Trust	6,330	
Trevi House Ltd	10,000	
Touchwood South West	9,971	
		<b>55,795</b>
<b>Rew</b>		
Barstaple FC Ability Team	1,124	
		<b>1,124</b>
<b>TCCF - Executive Committee</b>		
Torbay Ladies Lounge	1,500	
Wembury Marine Centre (Devon wildlife trust)	750	
Scillyc-siders	500	
Kreslu Police Charity	1,750	
Westbank	900	
Running Free	500	
		<b>5,900</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

<b>Community Grants</b>	<b>£</b>	<b>£</b>
Simply Counselling	30,000	
Devon Memory Cafe	2,000	
The Creativity Centre Educational Trust	1,100	
Read Easy Exeter	1,800	
Kingsbridge & District Shedders	1,995	
Light up axminster	1,000	
Tiverton Area Community Transition	850	
Cullompton Family Centre	2,000	
The ALaN Club	1,750	
South East Youth Forum	500	
Son-Rise Specials Trust	1,250	
Merry Go Round Toy & Leisure	2,000	
SOCOPS	2,000	
Homestart Teignbridge	1,917	
Hele Village Community associaion	2,000	
Totnes Trust	2,000	
Axminster churches together	2,000	
Ladysmith Community Action Team	2,000	
Exeter Respect CIC	2,000	
Chudleigh Baptist Church	2,000	
Health and Local Food for Families	2,000	
		<b>64,162</b>
<b>Comic &amp; Sport Relief</b>		
Dance in Devon	4,860	
Children and Families in Grief Ltd	4,800	
Dawlish Childrens Special Needs Group	4,834	
Devon and Cornwall Food Action	5,000	
Unite-Carers Mid Devon	3,354	
		<b>22,848</b>
<b>Surviving Winter</b>		
South Dartmoor Community Energy	3,000	
Exeter Community Energy	832	
Dartmouth Community Chest	1,958	
Exeter Community Energy	1,168	
Plymouth Energy Community Ltd	2,000	
361 Energy Action	2,000	
LiveWest Homes Limited	3,500	
		<b>14,458</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

	£	£
<b>Crimebeat</b>		
Landworks	2,400	
WM Crimebeat Individual	500	
66 Route Youth Trust	2,000	
Devon and Cornwall Constabulary	2,000	
Cullompton Street Pastors	661	
		<b>7,561</b>
<b>Devon Ripple</b>		
Sirona Therapeutic Horsemanship CIO	14,490	
Sirona Therapeutic Horsemanship CIO 19/20	14,490	
Sirona Therapeutic Horsemanship CIO 20/21	14,490	
Wings South West	20,000	
Wings South West 19/20	20,000	
Wings South West 20/21	20,000	
Julian House	19,649	
Julian House 19/20	19,648	
Julian House 20/21	19,648	
Encompass South West	18,995	
Encompass South West 19/20	18,995	
Encompass South West 20/21	18,995	
Chagford Recreational Trust	2,000	
		<b>221,400</b>
<b>North Devon Relief</b>		
South Molton Mens Shed	500	
Tarka Child Contact Centre	2,000	
		<b>2,500</b>
<b>Rural Devon</b>		
Dementia Friendly Parishes around the Yealm	2,500	
Wembworthy Village Hall Committee	1,214	
Living Options Devon	2,000	
		<b>5,714</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

<b>Devonian</b>	<b>£</b>	<b>£</b>
HD Devonian	1,000	
Living Options Devon	5,000	
Disabled Sailing Association	4,520	
LL Devonian	1,000	
GM Devonian	1,680	
SS Devonian	174	
LG Devonian	750	
SH Devonian	1,000	
MW Devonian	1,000	
JJ Devonian	395	
Plymouth Communities Befriending Consortium CIC	4,830	
		<b>21,349</b>
<b>Clare Milne</b>		
Plymouth Deaf Association	1,500	
Barnstaple Abilities FC	1,280	
Special Olympics Plymouth and District	1,500	
The Turning Tides Project Community Interest Company	1,500	
		<b>5,780</b>
<b>Mildmay - White</b>		
St Andrews Church	2,000	
		<b>2,000</b>
<b>Philip J Milton &amp; Co</b>		
Flying Fish Artists	2,100	
		<b>2,100</b>
<b>Mumme Ackford</b>		
Riviera Life Link	1,910	
		<b>1,910</b>
<b>Activistock</b>		
Sieze the Moment	5,000	
West Devon Art Workshops	1,920	
		<b>6,920</b>

**DEVON COMMUNITY FOUNDATION**  
**For the year ended 31 March 2019**  
**Notes to the financial statements (continued)**

**24. Restricted Fund Grants made by the Foundation 2018-19**  
**(continued)**

	£	£
<b>Plymouth Drake</b>		
Seadream Education CIC	2,000	
Samaritans of Plymouth, East Cornwall & South Devon	1,000	
Devon & Cornwall Refugee Support	2,000	
The Bereavement Counselling Service South West	2,000	
Plymouth Vineyard	1,000	
Plymouth Street Pastors	2,000	
Mutley Baptist Church Youth and Childrens Work	1,480	
Plymouth Dance	5,000	
Exim Dance Company CIC	3,000	
Far Flung Dance Theatre C.I.C	3,090	
Food is Fun CIC	2,000	
Green Hook Fishing	20,000	
Green Hook Fishing 19/20	20,000	
Green Hook Fishing 20/21	5,000	
		<b>69,570</b>
<b>Devon on Earth</b>		
Hakeford Woods Forest School CIC	5,000	
		<b>5,000</b>
<b>Blackdown Hills</b>		
Friends of Buckland St Mary Primary School	2,000	
		<b>2,000</b>
<b>Devon Social Finance</b>		
Age UK (Mid Devon)	14,000	
What's your Problem?	4,000	
Freedom social Enterprises	10,000	
		<b>28,000</b>
<b>Total Grants</b>	<b>213</b>	<b>1,428,118</b>



**Devon Community Foundation**

**(a charitable company limited by guarantee)**

**Registered charity number 1057923**

**Trustees' Report and Financial Statements**

**Year Ended 31 March 2019**

**Company registered number 03236918**



**IMPACT AWARD WINNER 2014**

Quality accredited by  
UK Community Foundations  
to standards endorsed by  
the Charity Commission



# DEVON COMMUNITY FOUNDATION

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# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Report of the Trustees

The trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiaries, Tiverton Educational Foundation and Devon Social Finance Ltd, for the year ending 31 March 2019 which are also prepared to meet the requirements for a directors' report and financial statements for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### Chair's Report

Devon Community Foundation (DCF) continues to foster a culture of giving across the county helping to build and maintain thriving communities. It is the work of the organisations we invest in that help people rebuild their lives, support them to overcome challenges they face and achieve their goals. The astounding work that is done by these organisations receiving funding from us is possible only through the donations and actions of local people.

We now hold over 50 different funds and have an endowment of £7.6 million thanks to the generosity of local people. Which in turn, means we have supported 3,649 projects worth a total of £10,705,795 to those groups across Devon helping to transform the lives of thousands of local people for the better.

There are three key things we do:

- Distribute funding... we invest in great ideas and unsung heroes, helping them to do what they do best: make a real difference to the lives of local people
- Encourage philanthropy... we are a catalyst for giving, inspiring local philanthropy that changes lives today, tomorrow and forever
- Nurture communities... we are the champion of local communities and all those who contribute to helping those communities thrive

We also bring our resources and experience to a wide variety of partnerships and strategic bodies in order to encourage a deeper understanding of the vital role of communities and the active volunteers within them. We are supported in our mission by many partners and we are very grateful for their commitment and vision, working alongside us to bring about real change in our local communities.

This year's grant funds distributed a total of £1,428,118 (£876,151 excluding Wellbeing Exeter) to 213 projects whose outstanding work has offered support to thousands of vulnerable people across Devon.

As always, I must thank our trustees and volunteers who support our work by serving on our grant panels, giving their time to visit projects we've funded or helping us plan special events, as well as our dedicated and passionate trustees who continue to raise the Foundation to new heights.

Without their help we would not be where we are today, and of course our excellent and dedicated staff team who keep the show on the road.



# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Chair's Report (Continued)**

Thanks also go to our local voluntary sector for the incredible amount of work that so often goes unnoticed and unrewarded. Giving more locally is at the core of what this Foundation does and we are proud to join forces with businesses, individuals, families and organisations who have also decided to make their communities more vibrant, more powerful, and more resilient.

Steve Hindley CBE DL, Chair

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (Continued)

#### Objectives and Activities

The purpose of the Charity is:

- To distribute grant funding across Devon, Plymouth and Torbay to local community groups and organisations that tackle deprivation and disadvantage within their communities and support vulnerable people in the county. All the activities of the Charity are wholly aimed at the public benefit of historic Devon's residents.

Local charitable giving is experiencing resurgence as people become more aware of the need in their own communities and interested in using their resources to support their local communities geographically across Devon or with a thematic approach. However, it is not always easy for donors to know where to start. There are thousands of committed individuals and groups in Devon working hard to support those who are vulnerable and engaging local people in making their particular community a thriving and happy place to live. These community groups and small charities are on the front line, tackling really difficult issues and having incredibly positive impacts. But they, in turn, need resources to do this vital work.

We review our aims, objectives and activities each year and plan our activities for the future, including the trustees assessing our activities with regard to the Charity Commission's guidance on public benefit. The yield from the growing endowment fund is distributed to local community groups and organisations (and some individuals) that are working to address disadvantage and deprivation across the County alongside additional flow-through funds. The full list of 213 grants is set out in note 24 to the financial statements.

The strategies employed to achieve the charity's aims and objectives are to:

- Increase the resilience of vulnerable people by them benefiting from the help of the groups we support
- Increase the resilience of local community-based organisations: through the financial support we give, the knowledge we share and the partnerships we build
- Work actively to foster Community Wellbeing, by working in partnership with a range of organisations to identify the key connectivity between and within communities, their residents and their social society organisations.

We have a Theory of Change: **If** we support the voluntary sector, donors and partners in Devon to identify and build upon their strengths to tackle issues together **then** communities will be more resilient and inclusive with increased capacity to thrive.

This is underpinned by a well-developed impact measurement framework which enables us to measure the effectiveness of our grant making and other activities against our Theory of Change. An impact report is produced each year and presented to the Board for consideration to enable the Charity to reflect upon and review its approach on an annual basis based on evidence from the previous years.

Our grant-making policy is to help local groups, organisations and charities that work to address disadvantage and deprivation. Grants will be made to constituted not-for-profit registered charities, voluntary and community organisations, social enterprises and individuals within Devon, Plymouth and Torbay. At the Trustees' discretion, grants may also be made to organisations in the neighbouring counties of Cornwall, Dorset and Somerset.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (Continued)

In addition to our core work, DCF is also involved in three significant projects:



The **Enhance Social Enterprise** programme supports social enterprises and social entrepreneurs across the Heart of the South West LEP area - Plymouth, Torbay, Devon and Somerset.

Through this programme existing social enterprises, community sector groups that want to transition into trading, and budding social entrepreneurs in need of help to develop their ideas to start trading can receive a minimum of 12 hours of free tailored business support from a range of partners until Dec 2019. Enhance Social Enterprise is funded by the European Regional Development Fund (ERDF), Devon County Council, Devon and Somerset Community Foundations, Real Ideas Organisation, Dartington School for Social Entrepreneurs, Iridescent Ideas and Cosmic in order to increase the number of social enterprise start-ups and to support the growth of existing ones.



**Positive People** offers a lifeline to people who are not in work to help build confidence, skills and give a sense of hope for the future. The projects give people the opportunity to get involved in local communities, meet new people and have fun through a range of activities.

Positive People is funded by The European Social Fund and The National Lottery Community Fund.



**Wellbeing Exeter** is a partnership of public, voluntary and community sector organisations who have come together to explore better ways of supporting the 40% of patients who visit their GP with socially based rather than medical problems.

Our particular approach offers social prescribing *in combination* with asset-based community development to provide firm foundations to enable individuals and communities to improve and promote their own health and wellbeing.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees Report (Continued)**

#### **Achievement and Performance**

The following charts show the breadth of our work throughout 2018-2019, based on the date the grant was allocated. A fuller report on distribution between 2015 and 2018 is available.

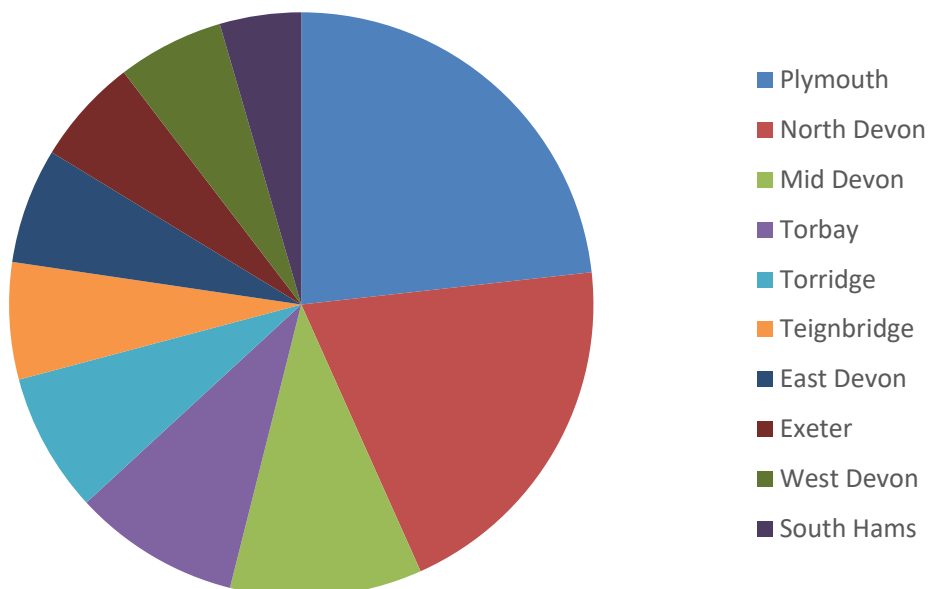
- We distributed from 44 funds in the community in 2018-19. Total grant-making was £1,270,005 (£848,150, excluding Wellbeing Exeter).
- Excluding Wellbeing Exeter, 63% of our grants (51% by value) are made to organisations with an annual income of £50,000 or less – roughly the same as the previous year. One per cent of our grantmaking by value was to individuals.
- 93% of our grants were for £5,000 or less (excluding Wellbeing Exeter).
- In most areas, our grant-making fits the local and national Indices of Multiple Deprivation closely, demonstrating that our support is directed towards the areas most in need.

# DEVON COMMUNITY FOUNDATION

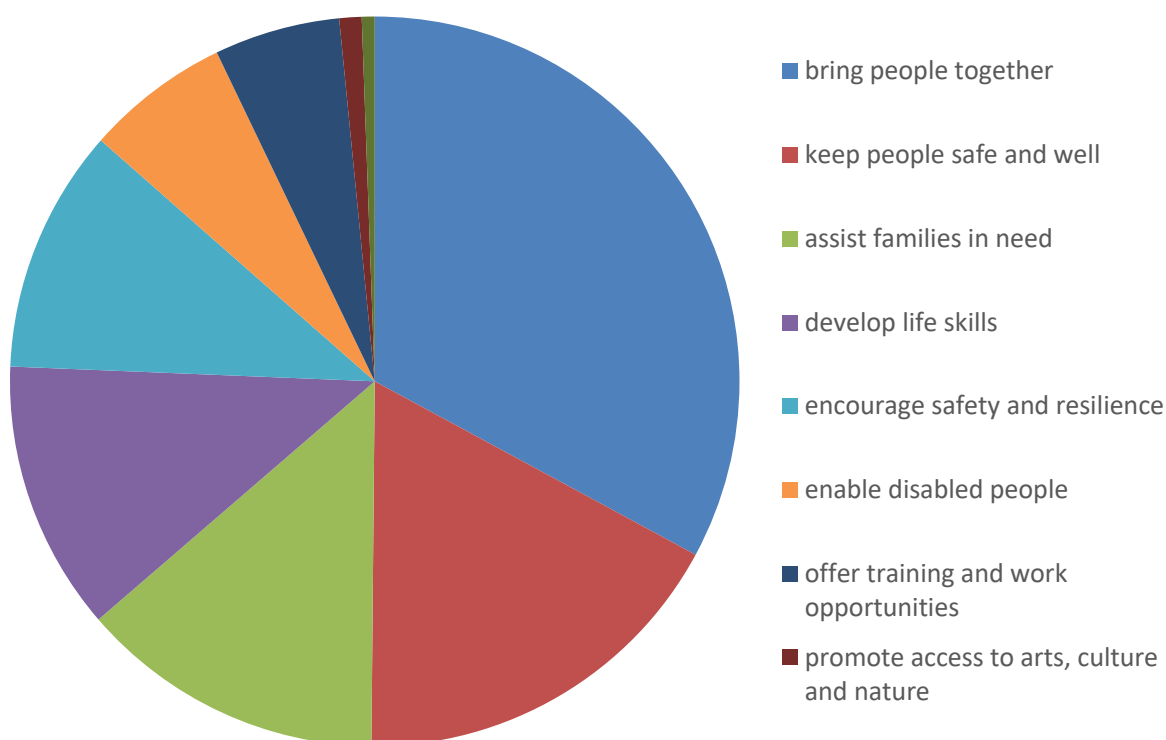
For the year ended 31 March 2019

## Trustees Report (continued)

Value of Grantmaking by Local Authority  
(excluding Wellbeing Exeter)



Value of Grants by Thriving Communities Theme  
(excluding Wellbeing Exeter)

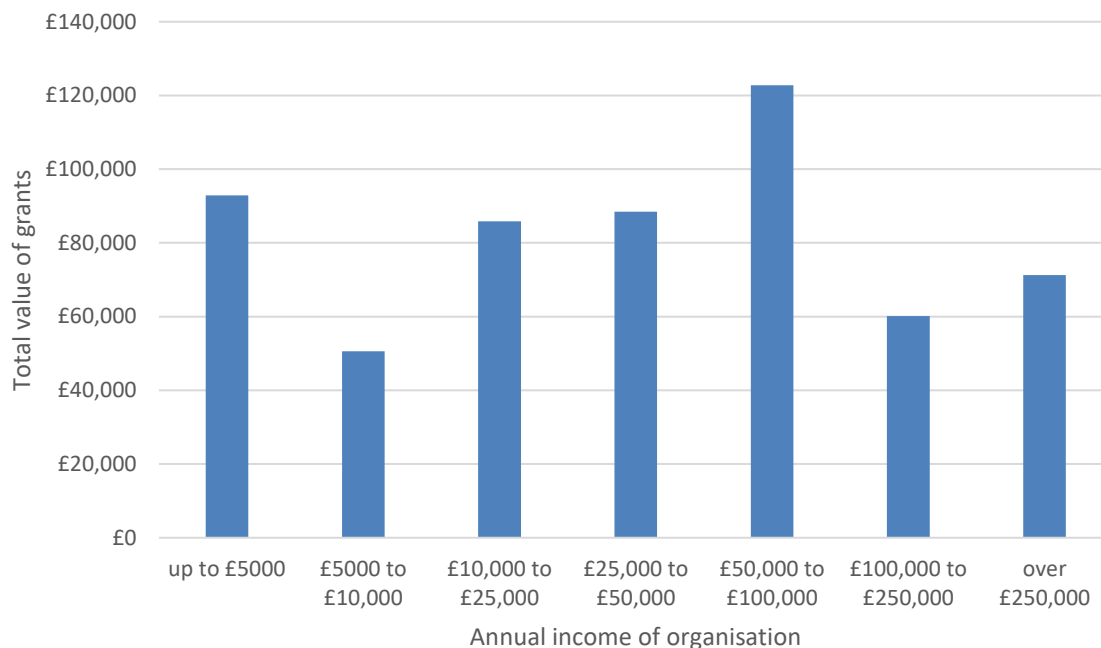


# DEVON COMMUNITY FOUNDATION

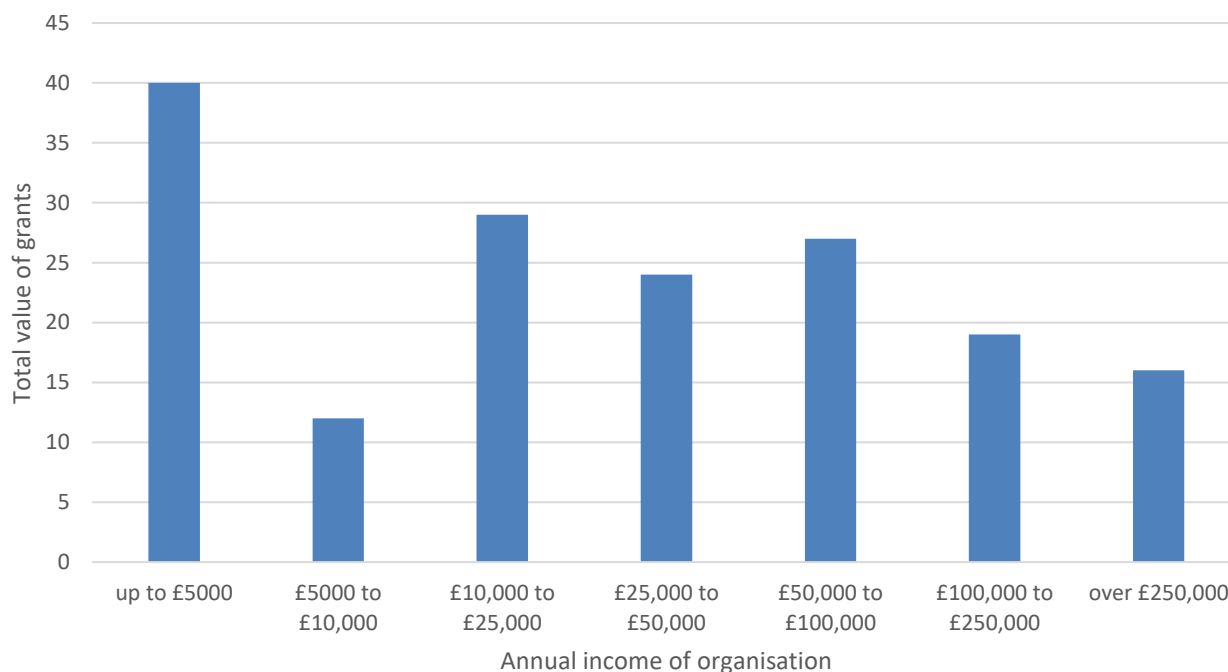
For the year ended 31 March 2019

## Trustees Report (continued)

**Value of Grants by Organisation Size  
(excluding Wellbeing Exeter)**



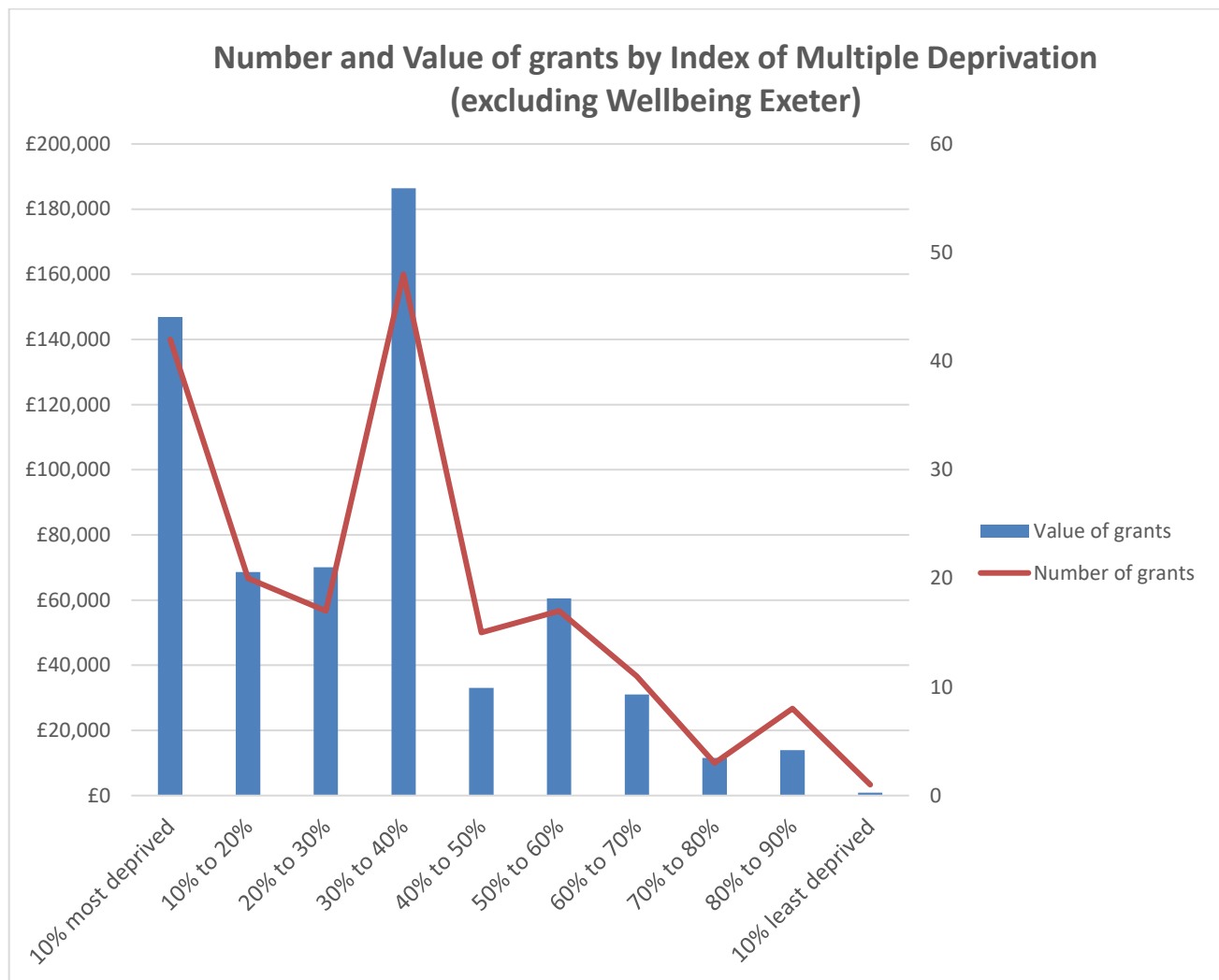
**Number of Grants by Organisation Size  
(excluding Wellbeing Exeter)**



# DEVON COMMUNITY FOUNDATION

For the year ended 31 March 2019

## Trustees Report (continued)

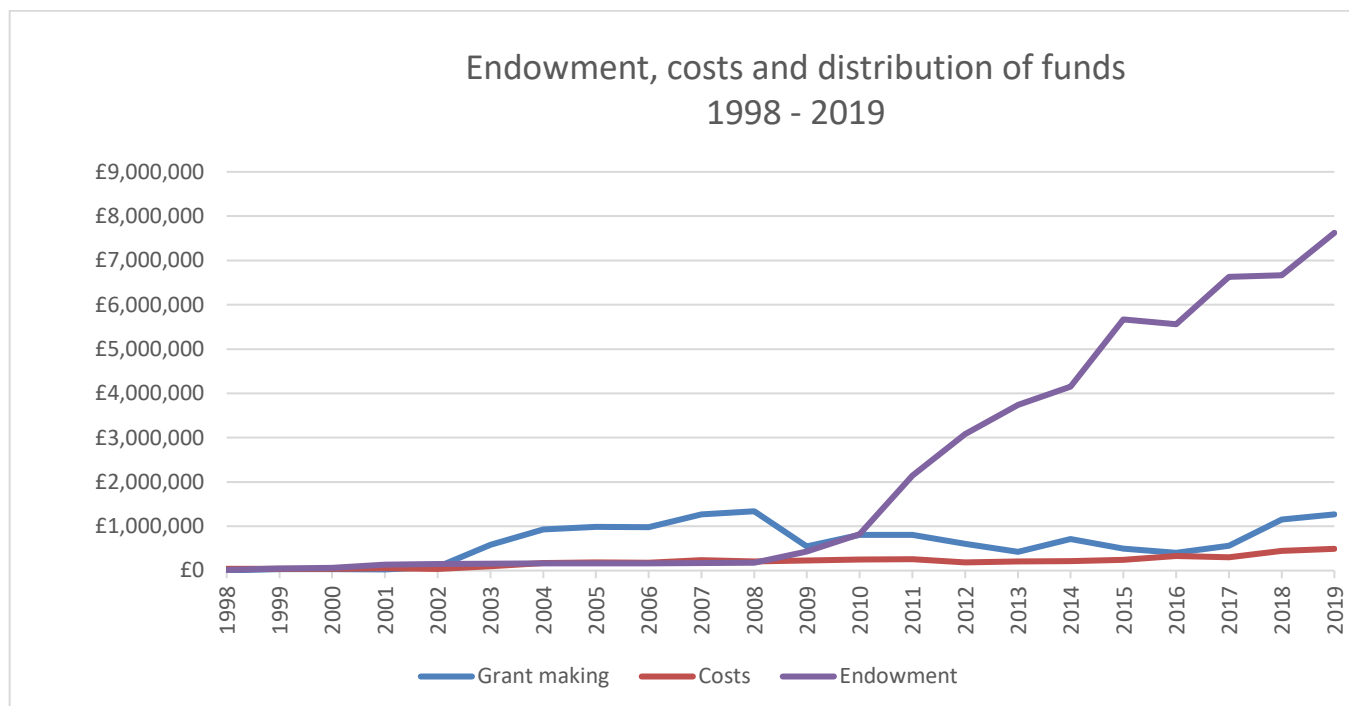


# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

### Financial Review



This year saw a slight increase in operational costs whilst our total endowment and distribution grew. Endowment is a long-term proposition and our endowment has grown by 184% over the last 5 years. We are here to make a difference and get grant support out into the community and steady progress in investment this year meant that we made the decision to access some capital to increase distribution. Therefore we have seen improved distribution figures as we increase the grant funds we have available to give.

This year also saw our continued investment in increased capacity for the team, enabling us to work with more donors and partners better, offering great advice on local needs and access to the groups which are directly addressing that need. The Trustees are convinced that the continued investment in the development of the core team will yield significant benefits in the years to come and are fully satisfied that the Foundation is financially robust.

Net assets at the 31 March 2019 were £8,724,608 (2018: £7,744,454). £7,623,934 relates to endowment funds (2018: £6,665,615). The total unrealised and realised gains on investments amounted to £357,762 (2018: £55,656). There were new donations to the endowment funds during the year of £952,200 (2018: £178,382) and investment income was £195,904 (2018: 185,247).

The foundation's total income for the year was £2,541,854 (2018: £1,874,235). The income from donations was £1,391,749 (2018: £629,516), charitable activities £926,533 (2018: £1,041,398) and investments £223,572 (2018: £203,321).

Total expenditure was £1,919,462 (2018: £1,593,194). The expenditure from raising funds was £114,605 (2018: £145,256), charitable activities £1,804,857 (includes grants payable £1,428,118) (2018: £1,449,938 includes grants payable £1,113,243).



# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees Report (continued)**

Consequently, free reserves are now at £248,767 of which £60,000 is designated. This will be reviewed in 19-20 to confirm it represents 6 months of operational costs in line with the charity commission guidance. Reserves are needed to bridge the gap between the spending and the receiving of income and to cover unplanned emergency expenditure. The year end balances on the restricted funds of £851,907 are for future grant making and active projects.

### **Reserves Policy**

The trustees reviewed the Charities reserve level and designated £60,000 which is the minimum level of reserves to allow the community foundation to operate for a period of 6 months and adjustments of costs during the 6 months if income streams were significantly impacted by market conditions. The trustees review the reserve policy each year. At the year end the unrestricted reserves were £248,767 which was at the upper level.

The trustees believe that it is appropriate to maintain unrestricted funds in order to ensure:

- the smooth operation of the Foundation in the event of long-term illness of a member of staff
- the continuation of activities in the short term if sources of flow-through grant-making ceased or diminished
- the financing of obligations, residual liabilities and redundancies should the Foundation cease to operate

### **Going Concern**

The Foundation is in the fortunate position of having a healthy cash-flow projection due to receiving grant funds before distribution. In addition, the core costs element of the endowment is secure for the future which is sufficient to be sure the Foundation can and will continue in perpetuity and is able to support itself with a reliable source of income.

The three-year financial projections are positive, showing a small surplus forecast due to a range of diversified and sustainable sources of income at the current level of resourcing needed. The three-year financial forecast is reviewed at every Board meeting and mitigating action taken when financial pressures require (for example recruiting or losing roles as required) and adjusting the expenditure to meet the expected income.

The Trustees are fully confident that Devon Community Foundation is a going concern in every sense.

### **Investments**

Devon Community Foundation continues to work with Wiltshire Community Foundation and Somerset Community Foundation with a collective agreement for investment.

The joint Investment Committee, with representatives from all three Community Foundations, carries out scrutiny of our investment performance and Investment Managers. The total return on endowment investments was 9.52% in 2018-19.

With consideration of potential future volatility, especially in Europe, the Trustees decided to distribute 3.5% of endowed value at 31 December 2017 for grant making in 2018-19 and those funds were distributed in the year.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

The Foundation has investments with:

**Smith & Williamson Investment Management**

25 Moorgate  
London  
EC2R 6AY

**Quilter Cheviot**

One Kings Way  
London  
WC2B 6AN

**CCLA Investment Management Limited**

Senator House, 85 Queen Victoria Street  
London  
EC4V 4ET

### Principal Risks and Uncertainties

The Board has a remit to look more closely at enterprising ideas as opportunities arise to ensure that they meet our charitable purpose and are deliverable and sustainable within the resources of the Foundation. The Board of Trustees review the risk register quarterly in advance of the Board meetings and this register is circulated with the Board papers. The board considers the major risks as being not reaching the target for income generation and loss of key people or skills within the team or board.

### The Future

Our ambition is to increase our endowment by a minimum of £1.5m each year and we are investing our own reserves to support the continued employment of the Foundation's Development Director (now Philanthropy Director). This year was very positive in terms of new endowed funds flowing into the Foundation. Alongside, last year we distributed more flow-through funds and worked on a range of collaborative partnerships and projects. This approach will continue as we build on these foundations to find others who share our values and want to work alongside us to tackle some of the many challenges that our communities face.

Throughout 2018-2019, the staff team and Trustees have been developing our new strategic aims for a period of 2019-2024. The overarching goal is to be a leading exemplar of building Community Wellbeing under which our three themes of distribution, philanthropy and leadership sit.

In addition, the Board recognises that the development of our own digital competency and utilisation is an important cross cutting theme of all our work. Our database will need updating and the advent of new tools and approaches gives us, our partners and applicants, an opportunity to be more effective and efficient, with deeper insight into the need for and results of our work.

In order to underpin our evolved strategic aims we have throughout the last year restructured our staff team to have the necessary capacity and skills to deliver our ambitions. We continue to develop new partnerships and alliances with all sectors which are leading to exploring ideas around what the Foundation can do for the Community that may not involve grants to groups and organisations.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

For example, we are currently working on projects that implement the new ideas emerging around Asset Based Community Development, social prescribing and community building on a city basis in Exeter, a deep dive into two neighbourhoods of Tiverton, helping people furthest from the workplace to progress, and supporting social enterprises with business advice and blended loan and grant funding.

Recent years have seen the Foundation work increasingly hard on evaluating and communicating our impact against our Theory of Change, and demonstrating the value of the work of small, grassroots community activity in tackling some of the most entrenched social issues that our communities face.

Our new Business Plan (2019-2024) has clearly articulated objectives which are then linked to overall action plans and objectives for each team member identified at their annual appraisal each year. The key elements of our strategy are:

### Overarching aim: Devon Community Foundation as an exemplar of mobilising Community Wellbeing

Community wellbeing is the combination of social, economic, environmental, cultural, and political conditions identified by individuals and their communities as essential for them to flourish and fulfil their potential. We want to mobilise community wellbeing for the great good that that will do in supporting communities to identify and find their own solutions. Demonstrating the impact we can achieve will encourage others to give alongside us.

#### We have three mechanisms

##### Philanthropic Services

Anyone can be a donor to the Foundation, on any scale, and make a real difference to local lives. We work with donors to develop and realise their philanthropic goals, matching their interests to community aspirations. Funds are distributed to a wide spectrum of projects across Devon to tackle local disadvantage and nurture our local communities.

##### Funding Local Communities

We offer financial and other support, from a number of sources, to local groups and organisations tackling local disadvantage and deprivation by assisting local people to improve their lives. Every gift distributed generates valuable learning about what works best and has the most impact. We share this widely with our donors and partners and use it to inform our collective strategy.

##### Community Collaboration

Partnerships and collaborations are vital to our success. We believe DCF is the largest independent grant-maker in the county and as such we have a responsibility to take a leadership role as champions of the groups, beneficiaries and donors we support. Increasingly we are involved in partnerships to help close the gap between the private, public and voluntary sectors and we welcome working closely with others to demonstrate the critical importance of local groups and donors in creating and maintaining Community Wellbeing.

### Cross Cutting tool: Digital Transformation – Devon Community Foundation fully embraces digital development in its own operations and in mobilising Community Wellbeing

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

#### Goals 2019

1. In order to embrace the new strategy, it is important that the team, our processes, systems, policies are all fully functioning to maximise efficiency and have our principles and aims embedded within them.
2. All our activity is measured according to achieving Community Wellbeing and follows a development process which takes new ideas through to mainstream activity not just for ourselves but for our partners.

Developmental stage	What
Trial and Error	Identifying projects and communities where we can implement Community Wellbeing
Embed	Ensure our distribution is reflecting the aim of Community Wellbeing and collect evidence to support this
Widen and Deepen	Analysing existing Community Wellbeing work and exploring opportunities to amplify their impact
Strengthen and Connect	Bringing partner organisations, communities and donors alongside us to design and invest in Community Wellbeing

### Structure, Governance and Management

#### Governing Document

Devon Community Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association dated 21 November 2006 and a registered charity with the Charity Commission. As Directors of the company, Trustees must ensure it is run in accordance with the Articles of Association and the law in general.

The Board is responsible and accountable for the strategic direction of the Devon Community Foundation and collectively sets and monitors the vision, mission, values and strategies for the Charity. As guardians of the Charity, all trustees are equally responsible in law for the Board's actions and decisions. They must ensure that the organisation is performing well and is delivering the outcomes for which it is set up, in accordance with its Memorandum and Articles of Association.

Trustees are bound by an overriding duty, individually and as a Board, to act reasonably at all times in the interests of the organisation and of its present and future beneficiaries and members. Each and every trustee must act personally and not as a representative of any group or organisation.

The maximum number of Trustees is determined by the Company in general meeting and the minimum number of members of the Board of trustees is three.

None of our trustees receive remuneration or other benefit from their work with the Charity although they may claim reasonable expenses if incurred when representing the Charity. These expenses are claimed through the Foundation's financial process for expense claims.

The pay of all staff is reviewed at Board, annually, and the Board of Trustees agree any pay increases or alterations in light of the current and projected financial performance and stability of the organisation.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees Report (continued)**

#### **Appointment of Trustees**

The Board is responsible for the appointment of Trustees. The initial term of office for Trustees is five years, and a Trustee is then eligible for re-election for a further five years as decided by the Board. There is provision for the second term to be extended at the discretion of the Board should they perceive there to be a risk of either a) losing vital knowledge and skills from the Board and thereby endangering the progress of the Foundation and its Board or b) having insufficient number on the Board for it to function effectively.

In anticipation of retiring Trustees, the Board decides what skills and attributes are needed in new Trustees and a recruitment process commences. There are job descriptions for Trustees containing specific additional responsibilities for Lead Trustees for an area of responsibility. For example there are lead Trustees for Grant Making, Finance, Investment, and Communications.

Notwithstanding their shared and joint responsibility, these lead Trustees take an additional interest in the practical functions under their oversight within the operational team.

The work of the Foundation is often complex and intricate and it operates in a fast moving environment. As a consequence the Board took the decision that it was important to have detailed knowledge and access to operational activities where necessary to maintain overall Board understanding of all activities. The lead Trustees adopt this role according to their experience.

#### **Recruitment of New Trustees**

Roles are advertised in appropriate media with a recruitment pack containing the role description, the annual review of the organisation and an application form is completed. This is reviewed by the Board and suitable candidates invited to an initial meeting with either or both the Chair and Vice Chair. This meeting is to establish their interest in the work of the Foundation, the experience and skills they offer and for prospective Trustees to gain further insight into the Foundation's work.

Following that meeting, prospective Trustees are invited to meet with the Chief Executive for a further conversation where she can answer more specific operations questions and explain the operational activities of the team. If at this stage everyone wishes to proceed, both Board and applicant, then they are nominated and elected at the next available Board meeting.

#### **Trustee Induction and Training**

Once appointed to the Board a new Trustee spends time in the office with the Chief Executive and the team at an induction day in order to gain further understanding of the mechanics of the Foundation. Lead Trustees spend additional time with the relevant team member and have regular meetings with that team member ongoing. In addition, all Trustees are invited to attend at least one Team Meeting a year. Further training needs are identified as needed and training opportunities (such as conferences and training courses) are publicised to Trustees and they are encouraged to take advantage of these opportunities to both facilitate their role and deepen their understanding of the context for the Foundation.

#### **Organisation**

The Chief Executive has delegated overall responsibility for the effective running of the Foundation, with support and guidance from the Chair and Board of Trustees. The CE will be responsible to the Trustees for financial management and the development of income streams, for staff management, for managing an effective funding distribution system and for developing relationships with a wide range of stakeholders. The Board meets quarterly with papers provided one week prior to each meeting. In addition, the Chief Executive meets with the

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees Report (continued)**

Chair and Vice-Chair every six weeks to discuss the strategic direction of the organisation. As previously described lead Trustees have variable levels of direct contact with the team in their areas of interest.

### **Related Parties**

The Ripple Effect Foundation (Ripple) is a charity which supports a range of charitable causes over a number of years within Devon and the South West. Ripple has donated funds to the endowment to enable long term grant making for future years and make use of the effective and flexible donor-advised grant making service DCF delivers. Caroline Marks is also a Trustee of Ripple.

The Wace Family Fund was created from a donation from Sally Wace who is a DCF Trustee.

The Plymouth Drake Foundation works closely with Devon Community Foundation on a number of DCF Plymouth Based funds.

Devon Community Foundation became the Trustee of the Tiverton Education Foundation (TEF) in October 2014. The grant-making element of TEF has passed to Devon Community Foundation to take advantage of the improved efficiencies this brings through the creation of a named fund within DCF.

Devon Social Finance Ltd is a wholly owned subsidiary of Devon Community Foundation incorporated in the UK on 9 June 2017.

## **Reference and Administrative details**

### **Directors and Trustees**

#### **President**

David Fursdon, HM Lord Lieutenant of Devon.

#### **Patrons**

Countess of Arran

Sir Ian Amory

Sir Eric Dancer, KCVO, CBE, JP

#### **Trustees and Directors**

Steve Hindley DL CBE (Chair)

Nigel Arnold (Vice Chair) (resigned 9 October 2018)

James Cross

Caroline Marks (resigned 12 September 2018)

Christine Allison (resigned 31 January 2019)

Caroline Harlow (Interim Vice Chair)

Rt. Revd Robert Atwell Bishop of Exeter

Edward Burnand

Peter Holden

Sally Wace

Stuart Wallis

Jeremy Colson (resigned 17 January 2019)

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Trustees Report (continued)

#### Management

Martha Wilkinson	Chief Executive
Sarah Yelland	Deputy Chief Executive
Scott Walker	Philanthropy Director

Devon Community Foundation was founded in 1996 and is a registered Charity, number 1057923 and a company limited by guarantee, registered number 03236918.

#### Registered Office:

c/o Womble Bond Dickinson (UK) LLP  
Ballard House  
West Hoe Road  
Plymouth  
PL1 3AE

#### Correspondence Office:

The Factory  
Leat Street  
Tiverton  
Devon  
EX16 5LL

### Professional Advisers

**Bankers:** Charities Aid Foundation  
Kings Hill  
West Malling  
Kent, ME19 4TA

**Statutory Auditor:** PKF Francis Clark  
Centenary House  
Peninsular Park  
Rydon Lane  
Exeter, EX2 7XE

**Solicitors:** Womble Bond Dickinson (UK) LLP  
Ballard House  
West Hoe Road,  
Plymouth, PL1 3AE

It is confirmed that the financial statements comply with current statutory requirements, with the Statement of Recommended Practice for charity accounting, the Charities Act 2011 and with the requirements of the Memorandum and Articles of Association.

#### Auditors

PKF Francis Clark has indicated its willingness to continue in office and a resolution to re-appoint them was proposed and agreed at the Foundation's AGM.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Trustees' responsibilities in relation to the financial statements**

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

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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;
- 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; and
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the charitable company will continue in operation

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

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

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the charity's auditor is unaware; and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees approve the Trustees' Annual Report, including approval in their capacity as company directors of the Strategic Report contained within it, on 24 September 2019.

S Hindley  
Chairman of the Board



# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Independent Auditor's Report to the Members of Devon Community Foundation**

#### **Opinion**

We have audited the financial statements of Devon Community Foundation (the "Charity") for the year ended 31 March 2019, which comprise Group Statement of Financial Activities, Group and Parent Company Balance Sheets, Statement of Consolidated 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

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

#### **Basis for opinion**

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

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

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 Charity'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.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Independent Auditor's Report to the Members of Devon Community Foundation (continued)**

#### **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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Independent Auditor's Report to the Members of Devon Community Foundation (continued)**

#### **Responsibilities of the trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who are also the directors of the charity 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

#### **Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](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 Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sean Grinsted (Senior Statutory Auditor)  
For and on behalf of  
PKF FRANCIS CLARK  
Chartered Accountants & Statutory Auditor  
Centenary House  
Peninsula Park  
Rydon Lane  
Exeter  
EX2 7XE

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Consolidated Statement of Financial Activities (including consolidated income and expenditure account) For the year ended 31 March 2019

	Note	Unrestricted funds (note 20) £	Restricted funds (note 20) £	Endowment funds (note 21) £	2019 £	2018 £
<b>Income and endowments from:</b>						
<i>Donations &amp; Legacies</i>	3	42,282	397,267	952,200	<b>1,391,749</b>	<b>629,516</b>
<i>Charitable activities</i>	4	79,968	846,565	-	<b>926,533</b>	<b>1,041,398</b>
<i>Investments</i>	5	21,138	6,530	195,904	<b>223,572</b>	<b>203,321</b>
<b>Total income and endowments</b>		<b>143,388</b>	<b>1,250,362</b>	<b>1,148,104</b>	<b>2,541,854</b>	<b>1,874,235</b>
<b>Expenditure on:</b>						
<i>Raising funds</i>	6					
Costs of generating voluntary income		101,203	-	-	<b>101,203</b>	<b>128,470</b>
Investment management costs		565	-	12,837	<b>13,402</b>	<b>16,786</b>
<i>Charitable activities</i>	7					
Grants Payable	24/7	-	1,428,118	-	<b>1,428,118</b>	<b>1,152,189</b>
Administration of grant making	7	57,660	-	-	<b>57,660</b>	<b>39,698</b>
Other support Costs	8/7	98,386	220,693	-	<b>319,079</b>	<b>258,051</b>
<b>Total expenditure</b>		<b>257,814</b>	<b>1,648,811</b>	<b>12,837</b>	<b>1,919,462</b>	<b>1,595,194</b>
<b>Net gains/(losses) on investments</b>		7,543	-	350,219	<b>357,762</b>	55,656
<b>Net incoming / (expenditure)</b>	9	(106,883)	(398,449)	1,485,486	<b>980,154</b>	<b>334,697</b>
<b>Transfers between funds</b>		122,067	405,100	(527,167)	-	-
<b>Net movement in funds</b>		<b>15,184</b>	<b>6,651</b>	<b>958,319</b>	<b>980,154</b>	<b>334,697</b>
<b>Reconciliation in funds:</b>						
Fund balances brought forward		233,583	845,256	6,665,615	<b>7,744,454</b>	<b>7,409,757</b>
<b>Fund balances carried forward</b>	22	<b>248,767</b>	<b>851,907</b>	<b>7,623,934</b>	<b>8,724,608</b>	<b>7,744,454</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Balance Sheets

		2019		2018	
	Note	Consolidated £	Company £	Consolidated £	Company £
<b>Fixed Assets:</b>					
Tangible fixed assets	11	319,079	53,079	322,726	56,726
Investments – listed	12	7,519,521	7,519,521	6,208,182	6,208,082
Investments – in group		-	100	-	100
<b>Total fixed assets</b>		<b>7,838,600</b>	<b>7,572,700</b>	6,530,908	6,264,908
<b>Current Assets:</b>					
Debtors amounts falling due within one year	13	140,913	96,608	52,594	47,774
Debtors amounts greater than one year	13a	115,045	57,114	24,510	11,813
Cash in bank	14	1,306,823	1,292,970	1,443,824	1,429,913
<b>Total current assets</b>		<b>1,562,781</b>	<b>1,446,692</b>	1,520,928	1,489,500
<b>Liabilities:</b>					
Creditors amounts falling due within one year	15	(478,882)	(481,672)	(283,693)	(282,025)
<b>Net current assets</b>		<b>1,083,899</b>	<b>965,020</b>	1,237,235	1,207,475
Creditors amounts greater than one year	15	(197,891)	(84,433)	(23,689)	-
<b>Total net assets</b>	18	<b>8,724,608</b>	<b>8,453,287</b>	7,744,454	7,472,383
<b>The funds of the charity:</b>					
Endowment funds	21	7,623,934	7,357,934	6,665,615	6,399,615
Restricted funds	20	851,907	847,920	845,256	844,725
Unrestricted funds	19	248,767	247,435	233,583	228,043
<b>Total charity funds</b>	22	<b>8,724,608</b>	<b>8,453,287</b>	7,744,454	7,472,383

The trustees have prepared group financial statements in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual financial statements required by the Companies Act 2006 and are for circulation to members of the company.

The notes at pages 25 to 52 form part of these financial statements

STEVE HINDLEY, Chair of trustees on behalf of the trustees

Approved by the trustees on 24<sup>th</sup> September 2019

Company registration number: 03236918

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Consolidated Cash Flow Statement

#### For the year ended 31 March 2019

	Group 2019 £	Group 2018 £
<b>Cash flows from operating activities:</b>		
<b>Cash provided/(used in) by operating activities</b>	<b>(359,196)</b>	<b>85,543</b>
<b>Cash flows from investing activities:</b>		
Investment income	223,572	185,247
Purchase / Sale of investments	(953,577)	(39,896)
Purchase of property & equipment	-	(1,549)
<b>Cash provided by/(used in ) investing activities</b>	<b>(730,005)</b>	<b>143,802</b>
<b>Cash flows from financing activities:</b>		
Receipt of endowment	952,200	178,382
<b>Cash provided by (used in ) financing activities</b>	<b>952,200</b>	<b>178,382</b>
<b>Increase/decrease in cash and equivalents in the reporting period</b>	<b>(137,001)</b>	<b>407,727</b>
<b>Cash and cash equivalents in the beginning of the reporting period</b>	<b>1,443,824</b>	<b>1,036,097</b>
<b>Cash and cash equivalents in the end of the reporting period</b>	<b>1,306,823</b>	<b>1,443,824</b>
	<b>Group 2019 £</b>	<b>Group 2018 £</b>
<b>Reconciliation of net income/expenditure to net cash flow operating activities</b>		
<b>Net income/(expenditure) for the reporting period</b>	<b>980,154</b>	<b>334,697</b>
<b>Adjustments for:</b>		
Receipt of endowment	(952,200)	(178,382)
Depreciation charges	3,647	3,577
(Gains) /losses on investments	(357,762)	(55,656)
Investment income	(223,572)	(185,247)
Increase/ (decrease) in creditors	369,391	240,196
(Increase) / decrease in debtors	(178,854)	(73,642)
<b>Net cash provided by (used in) operating activities</b>	<b>(359,196)</b>	<b>85,543</b>

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Notes to the financial statements**

#### **1. Accounting Policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:-

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

The trustees have assessed the charity's activities with regard to the Charity Commission's guidance on public benefit. The Foundation meets the definition of a public benefit entity under FRS 102.

Devon Community Foundation was incorporated in England UK. The registered office is details in the Trustees' report.

No separate SOFA has been presented for the charity alone as permitted by section 408 of the companies Act 2006

The functional currency of Devon Community Foundation is considered to be pounds sterling because it is the primary economic environment in which the Charity operates.

##### **Preparation of financial statements on a going concern basis**

The Foundation is in the fortunate position of having a healthy cash-flow projection due to receiving grant funds before distribution. In addition the core costs element of the endowment is secure for the future which is sufficient to be sure the Foundation can and will continue in perpetuity, able to support itself with a reliable source of income at some level.

The three year financial projections are positive showing a small surplus forecast due to a range of diversified and sustainable sources of income at the current level of resourcing needed. The three year financial forecast is reviewed at every Board meeting and mitigating action taken when financial pressures require (for example recruiting or losing roles as required) and adjusting the expenditure to meet the expected income.

The Trustees are fully confident that Devon Community Foundation is a going concern in every sense.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Notes to the financial statements (continued)**

#### **1. Accounting Policies (continued)**

##### **Consolidated financial statements**

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries Tiverton Educational Foundation (TEF) and Devon Social Finance LTD (DSF) on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The Charity became the sole corporate trustee of Tiverton Educational Foundation on 6 October 2014.

##### **Income**

Income from grants is recognised when the charity has entitlement to the funds, any conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

##### **Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably.

Donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### **Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity: this is normally upon notification of interest paid or payable by the bank.



# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Notes to the financial statements (continued)**

#### **1. Accounting Policies (continued)**

##### **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted of the Charity which trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Foundation's work or for specific projects being undertaken by the Foundation. Endowment funds are invested and the income from these funds is applied to the relevant restricted or unrestricted income funds.

Investment income is allocated to the endowment funds. Withdrawals from the endowment fund have been made at a rate of 6% (2018: 6%) which the trustees review annually and consider to be a reasonable withdrawal rate. A total of £527,617 (2018: £328,782) was transferred from the endowment funds to restricted (£405,100) and unrestricted (£122,067) funds in the year.

##### **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fund development or marketing/advertising.
- Expenditure on charitable activities includes the costs of grant making, property expenses and project activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Expenditure is allocated between the above headings in the Statement of Financial Activities on a direct basis apart from staff costs, which are allocated based upon the amount of time staff work on each area.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

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

Support costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include costs linked to the strategic management of the Charity. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Foundations activities.

##### **Taxation**

Devon Community Foundation has charitable status and uses its funds for charitable purposes. Therefore, no taxation is included in these financial statements and is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992. The charity is not registered for Value Added Tax, and expenditure therefore includes VAT where appropriate.

# **DEVON COMMUNITY FOUNDATION**

## **For the year ended 31 March 2019**

### **Notes to the financial statements (continued)**

#### **1. Accounting Policies (continued)**

##### **Operating leases**

The Foundation classifies the lease of the property known as 47a Barrington Street as an operating lease. The lease on the property known as 47a Barrington Street is for the term of 15 years dated 28 July 2015 at an initial rental rate of £12,245 per annum, with an option to end the lease on the 28 July 2020 or 28 July 2025 and therefore rent to be received has been calculated up to the first break date only. See note 17.

##### **Investments**

Investments are stated at their quoted market value at the end of the year.

The SOFA includes the net gains and losses on revaluations and disposals throughout the year. Realised gains and losses for the year are calculated based on market value brought forward plus any additions in the year.

##### **Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised, and are included at cost. Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives. Computer and office equipment are written off using straight line over 3 years.

The remaining lease on the property at 59 Wonford Road, Exeter is depreciated on a straight line basis over 44 years at £1,500 per year since the asset was transferred in 1 April 2009.

Investment property at fair value.

47A Barrington Street property is treated as an investment property under charities SORP (FRS 102). A valuation was carried out by an independent expert in 2006. The trustees have considered revaluation and decided the property is measured at fair value (using a rental yield 8.6% of value of property) therefore the value remains at £141,000 and will be revalued at each reporting date. The Property is rented to Schools Company Trust and then Wave MAT for the provision of a Pupil Referral Unit.

The Foundation is constrained by the Trust Deed as to the use of the land asset. A part of this land must be used as the site of Castle School and is subject to reverter rights. On this basis the Trustees have revalued the asset and reclassified the land as investment property.

##### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### **Cash at bank**

Cash at bank includes short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 1. Accounting Policies (continued)

##### Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

##### Financial instruments

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

##### Pensions

Pension provision is in place currently for the Chief Executive and was extended to all other staff in April 2017 in line with current pension regulations.

#### 2. Legal status of the Foundation

The Foundation is a company limited by guarantee and has no share capital.

#### 3. Income from donations and legacies

Donations	2019	2018
	£	£
Donations & Gifts	1,361,988	629,516
Income tax refunded	29,761	-
	<b>1,391,749</b>	<b>629,516</b>

The income from donations and legacies was £1,391,749 (2018: £629,516) of which £42,282 was unrestricted (2018: £160,586), £397,267 was restricted (2018: £290,548) and £952,200 was endowment (2018: £178,382). Includes gift aid income.

#### 4. Income from charitable activities

	2019	2018
	£	£
Grant Income	926,533	1,041,398
	<b>926,533</b>	<b>1,041,398</b>

The grant income was £926,533 (2018:£ 1,041,398) of which £79,968 was unrestricted (2018:£ 40,860) and restricted was £846,565 (2018:£ 1,000,538).

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 5. Income from investments

	2019	2018
	£	£
Interest receivable	2,514	2,129
Investment income	214,530	200,563
Loan Interest received	6,528	629
	<b>223,572</b>	<b>203,321</b>

The income from investments was £223,572 (2018: £203,321) of which £21,138 was unrestricted (2018: £17,443), £6,530 was restricted (2018: £631) and £195,904 was endowment (2018: £185,247).

Interest receivable arises from money held in bank accounts, the investment income arises from endowment funds held with investment managers, rentals and loan interest received is interest on social investment loans supporting Voluntary Community Social Enterprises.

#### Income from other activities

The wholly owned subsidiary Tiverton Educational Foundation is incorporated in the UK (charity number 306701) and pays all of its profit to the charity under the gift aid scheme. The registered office of the subsidiary is Ballard House, West Hoe Road, Plymouth, PL1 3AE. A summary of the trading results are shown below:

	2019	2018
	£	£
<b>The summary financial performance of the subsidiary alone is:</b>		
Income	13,756	13,774
Expenditure	(14,287)	(15,985)
<b>Net incoming/ (expenditure)</b>	<b>(531)</b>	<b>(2,211)</b>
Amount gift aided to the charity	-	-
<b>Retained in the subsidiary</b>	<b>(531)</b>	<b>(2,211)</b>
<b>The assets and liabilities of the subsidiary were:</b>		
Fixed assets	266,000	266,000
Current assets	6,472	7,903
Current liabilities	(1,260)	(2,160)
Total net assets	5,212	5,743
Total Funds	<b>271,212</b>	<b>271,743</b>

The income from other trading activities was £13,756 (2018: £13,774) of which all was unrestricted. Rental income arises from the rental of the investment property.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 5. Income from investments (continued)

The wholly owned subsidiary Devon Social Finance Ltd was incorporated in the UK on 9 June 2017 (company number 10811977). The registered office of the subsidiary is Ballard House, West Hoe Road, Plymouth, PL1 3AE. A summary of the trading results are shown below:

	2019 £	2018 £
<b>The summary financial performance of the subsidiary alone is:</b>		
Income	<b>57,478</b>	39,360
Expenditure	<b>(57,368)</b>	(39,032)
<b>Net incoming/ (expenditure)</b>	<b>110</b>	328
<b>Retained in the subsidiary</b>	<b>110</b>	328
<b>The assets and liabilities of the subsidiary were:</b>		
Current assets	<b>179,220</b>	49,842
Current liabilities	<b>(179,010)</b>	(49,414)
Total net assets	<b>210</b>	428
Total Funds	<b>210</b>	428

#### 6. Cost of raising funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 £	2018 £
Support staff costs	66,378	-	-	<b>66,378</b>	97,076
Fund development costs	6,656	-	-	<b>6,656</b>	8,682
Direct associated costs	28,169	-	-	<b>28,169</b>	22,712
Investment management costs	565	-	12,837	<b>13,402</b>	16,786
	<b>101,768</b>	-	12,837	<b>114,605</b>	145,256

Expenditure on raising funds was £114,605 (2018: £145,256) of which £101,768 was unrestricted (2018: £129,153), £nil was restricted (2018: £nil) and £12,837 was endowment (2018: £16,103).

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 7. Charitable activities costs

	Unrestricted Funds	Restricted Funds	Endowment Funds	2019	2018
	£	£	£	£	£
Grants Payable	-	1,428,118	-	<b>1,428,118</b>	1,152,189
Administration of grant making	57,660	-	-	<b>57,66</b>	39,698
Support costs	98,386	220,693	-	<b>319,079</b>	258,051
	<b>156,046</b>	<b>1,648,811</b>	-	<b>1,804,857</b>	1,449,938

Expenditure on charitable activities was £1,804,857 (2018: £1,449,938) of which £156,046 was unrestricted (2018: £115,630), £1,648,811 was restricted (2018: £1,295,362) and £nil was endowment (2018: £38,946).

The increase in support costs is attributable to the three projects the organisation is engaged in in a variety of capacities other than grant making. These projects are **Wellbeing Exeter, Enhance Social Enterprise and Devon Social Investment Fund** and **Positive People**.

Grants were awarded in the year to other charities, voluntary organisations and individuals as follows:

	2019 £	2019 Number	2018 £	2018 Number
Other charities & voluntary organisations	<b>1,416,889</b>	<b>201</b>	1,133,010	206
Individuals	<b>11,229</b>	<b>12</b>	19,179	10
<b>Total grant expenditure</b>	<b>1,428,118</b>	<b>213</b>	1,152,189	216

#### 8. Support costs

	General Support	Programme Management & Evaluation	Governance support	2019	2018	Basis of apportionment
	£	£	£	£	£	
Staff costs	62,976	181,722	-	<b>244,698</b>	201,465	Allocated on time
General office	509	48,408	-	<b>48,917</b>	22,873	Allocated by staff
Marketing & Promotion	-	269	-	<b>269</b>	3,119	Programme
Audit fees	-	408	8,982	<b>9,390</b>	8,600	Governance
Accountancy	-	-	1,380	<b>1,380</b>	1,380	Governance
Consultancy	-	4,097	2,190	<b>6,287</b>	-	Allocated by Cost
Legal & Professional fees	-	1,496	773	<b>2,269</b>	18,552	Governance
Building Repair & Maintenance	2,361	-	-	<b>2,361</b>	-	Allocated by Cost
Depreciation	-	328	1,204	<b>1,532</b>	1,859	Programme
Trustee meetings/training	-	263	120	<b>383</b>	203	Governance
Loan Interest	-	1,593	-	<b>1,593</b>	-	Allocated by Cost
	<b>65,846</b>	<b>238,584</b>	<b>14,649</b>	<b>319,079</b>	258,051	

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 9. Net income/(expenditure) for the year

	2019	2018
	£	£
This is stated after charging :		
Depreciation	3,647	3,577
Audit fees	9,390	8,600
Accountancy	1,380	1,380

#### 10. Staff numbers and costs

The group, on average, employed 16 (2018: 16) part-time staff during the reporting period, which is the equivalent to 11.6 (FTE) employees (2018: 10.9). The emoluments these employees were:

	2019	2018
	£	£
Salaries	322,921	301,776
Social security costs	26,548	24,681
Pension Costs	5,136	3,140
	<b>354,605</b>	<b>329,597</b>

#### Staff numbers

	2019	2018
	Number	Number
Management & Governance	1.6	1.6
Fund development	0.8	0.8
Finance	0.8	0.8
Programmes & grants	6.2	4.1
Communications & Administration	2.2	3.6
<b>Total number full time equivalent</b>	<b>11.6</b>	<b>10.9</b>

There were no employees with emoluments above £60,000 (2018: £nil). Pension costs are allocated to activities in proportion to related staff costs incurred.

The only additional benefit to staff members over and above their salary is a pension provision.

The key management personnel of the group comprise of the trustees, the Chief Executive, Deputy Chief Executive and Philanthropy Director. The total employee benefits of the key management personnel of the group were £132,329 (2018: £85,813).

Trustees received no remuneration (2018: £nil). During the year ended 31 March 2019, the company paid trustees' indemnity insurance of £1,008 (2018: £1,315), and trustees' meeting cost expenses amounting to £494 (2018: £203). No trustee during the year was reimbursed for expenses.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 11. Tangible fixed assets - company

	Property	Computer	Other	Total
Cost	£	£	£	£
At 1 April 2018	66,000	15,592	5,521	87,113
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>66,000</b>	<b>15,592</b>	<b>5,521</b>	<b>87,113</b>
<b>Depreciation</b>				
At 1 April 2018	13,500	11,366	5,521	30,387
Charge for the year	1,500	2,147	-	3,647
<b>At 31 March 2019</b>	<b>15,000</b>	<b>13,513</b>	<b>5,521</b>	<b>34,034</b>
<b>Net book values</b>				
<b>At 31 March 2019</b>	<b>51,000</b>	<b>2,079</b>	<b>-</b>	<b>53,079</b>
At 31 March 2018	52,500	4,226	-	56,726
<b>Tangible fixed assets – group</b>	<b>Property &amp; Investment</b>			
<b>Cost</b>	<b>Property</b>	<b>Computer</b>	<b>Other</b>	<b>Total</b>
	£	£	£	£
At 1 April 2018	332,000	15,592	5,521	353,113
Additions	-	-	-	-
Disposals	-	-	-	-
<b>At 31 March 2019</b>	<b>332,000</b>	<b>15,592</b>	<b>5,521</b>	<b>353,113</b>
<b>Depreciation</b>				
At 1 April 2018	13,500	11,366	5,521	30,387
Charge for the year	1,500	2,147	-	3,647
<b>At 31 March 2019</b>	<b>15,000</b>	<b>13,513</b>	<b>5,521</b>	<b>34,034</b>
<b>Net book values</b>				
<b>At 31 March 2019</b>	<b>317,000</b>	<b>2,079</b>	<b>-</b>	<b>319,079</b>
At 31 March 2018	318,500	4,226	-	322,726

Investment property comprises of land at the Castle School and a property at 47a Barrington Street.

The Foundation has had the land re-valued by Vickery Holman in June 2017 based on a rental yield calculation as there is a protected tenant in place.



# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

The Foundation has reviewed 47A Barrington Street and consider the valuation under FRS 102 to be a fair value. In July 2015 a new lease has been taken up by The Schools Company Trust, (and now taken on by Wave MAT) at initial rental rate of £12,245 per annum for 15 years.

### 12. Investments – group and company

Market value	Investment to support core costs	Endowment Investments	2019	2018
	£	£	£	£
At 1 April 2018	2,647	6,205,535	<b>6,208,182</b>	6,112,631
Additions	-	2,120,612	<b>2,120,612</b>	1,475,919
Disposals	-	(1,466,837)	<b>(1,466,837)</b>	(1,418,723)
Unrealised & Realised gains / (losses)	209	370,954	<b>371,163</b>	55,656
Movement on investment and dividend accounts	-	299,803	<b>299,803</b>	(515)
Management Charges	-	(13,402)	<b>(13,402)</b>	(16,786)
<b>At 31 March 2019</b>	<b>2,856</b>	<b>7,516,665</b>	<b>7,519,521</b>	<b>6,208,182</b>

Listed investment are detailed as follows:

	2019	2018
	Market Value	Market Value
UK Fixed Interest	<b>589,883</b>	389,763
Overseas Fixed Interest	<b>111,578</b>	191,597
UK Index Linked	<b>175,603</b>	350,044
Overseas Index Linked	-	17,699
UK Equities	<b>1,949,769</b>	1,642,411
Overseas Equities	<b>2,993,666</b>	2,314,360
Other	<b>1,699,022</b>	1,302,308
	<b>7,519,521</b>	<b>6,208,182</b>

Investments are stated at their quoted market value at the end of the year.

The SOFA includes the net gains and losses on revaluations and disposals throughout the year. Realised gains and losses for the year are calculated based on market value brought forward plus any additions in the year.

### 13. Debtors: amounts due within one year – group and company

	Group	Company	Group	Company
	2019	2019	2018	2018
	£	£	£	£
Rental Income	-	-	3,090	-
Loan to subsidiary DSF	-	<b>1,417</b>	-	9,591
Loan	<b>45,722</b>	-	11,321	-
Grant income	<b>94,899</b>	<b>94,899</b>	37,671	37,671
Staff Training	<b>292</b>	<b>292</b>	195	195
Subscriptions	-	-	267	267
Governance	-	-	33	33
Other Debtors	-	-	17	17
	<b>140,913</b>	<b>96,608</b>	<b>52,594</b>	<b>47,774</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 13a. Debtors: amounts due over one year – group and company

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Loan to subsidiary DSF	-	57,114	-	11,813
Loans	115,045	-	24,510	-
	<b>115,045</b>	<b>57,114</b>	<b>24,510</b>	<b>11,813</b>

#### 14. Cash at bank – group and company

Revenue accounts:	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
CAF Current Account	571,645	571,645	819,284	819,284
Arbuthnot Latham Account	69,444	69,444	69,469	69,469
CAF Current Gold Account	53,623	53,623	52,137	52,137
Arbuthnot Latham 2 Account	22,411	22,411	22,094	22,094
CAF Gold Account	417,404	417,404	310,436	310,436
Secure Trust 120 Account	158,443	158,443	156,493	156,493
CAF DSF Cash Account	13,593	-	970	-
CAF DSF 2 Cash Account	260	-	12,941	-
	<b>1,306,823</b>	<b>1,292,970</b>	<b>1,443,824</b>	<b>1,429,913</b>

#### 15. Creditors: amounts falling due within one year

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Other creditors - HMRC	6,903	6,903	7,351	7,351
Other creditors - Grants	279,009	279,009	248,394	248,394
Other creditors - TEF	-	6,472	-	4,813
Accruals and deferred income	192,970	189,288	27,948	21,467
	<b>478,882</b>	<b>481,672</b>	<b>283,693</b>	<b>282,025</b>

#### 15a. Creditors: amounts falling due over one year

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Other creditors – Loans	113,458	-	23,689	-
Other creditors – Grants	84,433	84,433	-	-
	<b>197,891</b>	<b>84,433</b>	<b>23,689</b>	<b>-</b>

#### Loans

Future minimum loan receipts:

Not later than one year

Later than one year and not later than five years

2019 Consolidated £	2019 Company £
-	-
<b>113,458</b>	<b>23,689</b>
<b>113,458</b>	<b>23,689</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 16. Deferred Income – group and company

	2018	2018
	£	£
Brought forward	-	-
Deferred in the year	163,666	-
	<u>163,666</u>	<u>-</u>

#### 17. Operating Leases - group

Future minimum lease receipts:	2019	2018
	£	£
Not later than one year	12,245	12,245
Later than one year and not later than five years	4,026	16,271
	<u>16,271</u>	<u>28,516</u>

#### 18. Funds of the Charity

	Income and expenditure account £
At 1 April 2018	7,472,383
Surplus for the year	980,904
<b>At 31 March 2019</b>	<b><u>8,453,287</u></b>

#### Funds of the Charity – 2018 comparative:

	Income and expenditure account £
At 1 April 2017	7,135,802
Surplus for the year	336,581
Gift aid distribution to parent charity	-
<b>At 31 March 2018</b>	<b><u>7,472,383</u></b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 19. Unrestricted funds - group

	General Fund	Designated Reserve Fund	Total
	£	£	£
Fund balances brought forward	173,583	60,000	233,583
Incoming resources	143,388	-	143,388
Outgoing resources	(257,814)	-	(257,814)
Net gains/(losses) on investments	7,543	-	7,543
Transfer between funds	122,067	-	122,067
<b>Fund balances carried forward</b>	<b>188,767</b>	<b>60,000</b>	<b>248,767</b>

#### Unrestricted funds – group 2018 comparative

	General Fund	Designated Reserve Fund	Total
	£	£	£
Fund balances brought forward	113,759	60,000	173,759
Incoming resources	218,889	-	218,889
Outgoing resources	(244,783)	-	(244,783)
Net gains/(losses) on investments	409	-	409
Transfer between funds	85,309	-	85,309
<b>Fund balances carried forward</b>	<b>173,583</b>	<b>60,000</b>	<b>233,583</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 20. Restricted funds - group

Fund	Brought Forward £	Incoming resources £	Transfers £	Project Expenditure £	Grants Awarded £	31 March 2019 £
Devon Community	1,555	48,744	23,771	-	(69,942)	4,128
Access	-	5,700	-	(4,492)	-	1,208
Activistock	3,575	-	6,455	-	(6,920)	3,110
Arnold Family	56	-	1,211	-	-	1,267
Babeleigh CE Turbine	20,836	7,969	-	-	(12,299)	16,506
Batsworthy Cross	76,903	89,968	-	-	(66,447)	100,424
Blackdown Hills	3,808	276	1,575	-	(2,000)	3,659
Blundell's	1,780	-	1,517	-	-	3,297
Building A Stronger Britian	-	46,004	-	-	(46,004)	-
Building Better	-	-	-	-	-	-
Opportunities	2,012	87,016	-	(70,081)	-	18,947
Chiggy Pig	5,314	18,750	-	-	(10,250)	13,814
Comic & Sport Relief	22,896	-	-	-	(22,847)	49
Devon 100 Club	1,283	-	400	-	-	1,683
Devon Flood	16,264	-	-	-	-	16,264
Devon C Resilience Fund	14,503	-	-	-	-	14,503
Devon On Earth	2,522	1,250	9,298	-	(5,000)	8,070
Devon Ripple	73,584	6,500	200,471	-	(221,400)	59,155
Devonian	28,222	233	25,172	-	(21,349)	32,278
Devonian Leased Property	52,500	-	(1,500)	-	-	51,000
Dipford	3,234	-	2,963	-	(6,197)	-
DSIF Operational	7,889	-	-	-	-	7,889
Devon Social Investment	-	33,049	-	(1,590)	(28,000)	3,990
Earth to Earth	4,426	-	(4,426)	-	-	-
ERDF	-	43,841	19,025	(62,866)	-	-
Foot Anstey	4,791	19,960	1,011	-	(12,800)	12,962
Hazel & Gerald Frankpitt	50,000	-	-	-	(13,748)	36,252
Hely-Hutchinson	2,906	1,274	2,819	-	-	6,999
High Sheriff	1,237	4	(348)	-	-	893
Historical Exeter Fire Appeal	6,816	-	-	-	-	6,816
Inspiras	188,285	1,476	(43,824)	-	-	145,937
Kitsons	4,763	-	2,283	-	-	7,046
Laurie Connor	476	-	1,221	-	-	1,697
Mildmay White Family	1,215	-	1,243	-	(2,000)	458
Mumme Ackford	1,448	-	1,416	-	(1,910)	954
Neuro Development	-	-	-	-	-	-
Through Movement	42,276	8,496	-	-	(4,230)	46,542
North Devon Relief	5,618	2	5,724	-	(2,500)	8,844
Philip J Milton & Co Plc	3,192	-	1,296	-	(2,100)	2,388
Plymouth Drake Foundation	-	-	-	-	-	-
Fund	54,231	-	56,743	-	(69,570)	41,404
Police Property/Crimebeat	341	20,944	(1,831)	-	(7,561)	11,893
Aquarious - Pye	22,500	-	-	-	(4,904)	17,596
Ray Miles	3,040	-	1,811	-	-	4,851
Rew	-	-	2,280	-	(1,124)	1,156

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 20. Restricted funds - group (continued)

Royal London Programme	-	10,000	-	-	(10,000)	-
Rural	3,551	-	5,903	-	(5,714)	3,740
Surviving Winter Appeal	5,417	9,676	-	-	(14,458)	635
Tampon Tax	-	55,795	-	-	(55,795)	-
TCCF	-	2,651	5,555	-	(5,900)	2,306
TEF Revenue	36,750	-	48,071	-	(46,247)	38,574
Thorne Farm	1,200	16,200	-	-	(11,600)	5,800
Tiverton Community Partnership	-	8,000	-	-	-	8,000
Tiverton Learning	-	-	11,980	-	(5,693)	6,287
Tony Hawks	-	5,625	-	-	-	5,625
Transforming Ageing Programme	-	25,716	-	-	(24,873)	843
Two Four	1,528	-	(1,353)	-	-	175
VBCT	-	112,500	-	-	-	112,500
Wace	15,943	-	12,640	-	(25,240)	3,343
Wellbeing Exeter	34,039	57,107	-	(64,264)	-	26,882
Wellbeing Exeter Grant	-	433,893	-	-	(551,968)	(118,075)
Wellbeing Exeter SE	-	13,746	-	(13,716)	-	30
Wellbeing Exeter TCA	-	43,000	-	(3,684)	-	39,316
Youth Social Action	10,000	15,000	4,528	-	(29,528)	-
<b>Company</b>	<b>844,725</b>	<b>1,216,956</b>	<b>405,100</b>	<b>(219,103)</b>	<b>(1,400,118)</b>	<b>847,920</b>
Devon Social Investment	531	33,409	-	(1,590)	(28,000)	3,990
<b>Group</b>	<b>845,256</b>	<b>1,250,362</b>	<b>405,100</b>	<b>(220,693)</b>	<b>(1,428,118)</b>	<b>851,907</b>

#### Explanation of major restricted funds

All restricted funds above are grant making funds apart from the Project Funds & Devonian Leased Property listed below. Devonian Leased Property – Property lease – shows the devaluation on the lease.

Batwsorthy Cross and Babeleigh Barton are both community benefit funds generated by the installation of alternative energy wind turbines and are directed to benefit localised geographic communities affected by these wind farms.

Building a Stronger Britain Together is a UKCF fund in association with the Home Office and Saachi & Saachi designed to reduce hate crime and foster cross cultural understanding and social cohesion.

Comic & Sport Relief – Grants given in line with the objectives set out by Comic & Sports Relief on each programme awarded.

Devon Ripple – To support local community groups and organisations which offer preventive work with disadvantaged young people up to 19 years old.

Hazel & Gerald Frankpitt is a new fund directing funds to community organisations close to Tiverton.

Neuro Development Through Movement Is a new fund established by a donor to support innovative therapeutic work with children with acute neurological disabilities across Devon.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 20. Restricted funds - group (continued)

##### Explanation of major restricted funds (continued)

Police Property/Crimebeat – Helps communities come together with the Police to find solutions to specific and local crime ‘hotspots’ or issues.

Exeter Wellbeing is a programme of social prescribing and community building being delivered by a range of partners with DCF holding the funds and granting out to local VCSE organisations. The fund is in a deficit position at the year-end due to the delay in the grant receipts.

Youth Social Action is a UKCF programme of activity to stimulate young people taking an active role in their communities. DCF will also be attracting a similar amount in match funding.

Restricted Funds are funds held by the Foundation for specific activities. They include the yield from the Endowment Fund which is restricted for grant making and grant programmes. Core costs contributions are made by restricted funds as agreed with donors.

Transfers of £405,100, as shown in the Statement of Financial Activities on page 22, which represents the percentage of expendable endowment investments available for the purpose of grant making.

#### Restricted funds – group 2018 comparative:

	Brought Forward	Incoming resources & transfers	Expenditure	31 March 2018
	£	£	£	£
Devon Community	25,989	9,626	34,060	1,555
Access	-	10,679	10,679	-
Activistock	4,349	4,581	5,355	3,575
Angela Gilbert	4,078	114	4,192	-
Arnold Family	944	1,112	2,000	56
Babeleigh CE Turbine	13,600	15,236	8,000	20,836
Batsworthy Cross	53,239	86,961	63,297	76,903
BEEP	1,200	-	1,200	-
Big Lottery	359	-	359	-
Blackdown Hills	2,371	1,437	-	3,808
Blundell's	4,893	1,387	4,500	1,780
Building Better Opportunities	2,523	48,292	48,803	2,012
Building A Stronger Britian	-	45,571	45,571	-
Chiggy Pig	14,807	4,500	13,993	5,314
Comic & Sport Relief	50	65,478	42,632	22,896
Devon 100 Club	915	368	-	1,283
Devon Flood	16,264	-	-	16,264
Devon Community Resilience Fund	16,178	-	1,675	14,503
Devon On Earth	-	4,500	1,978	2,522
Devonian	26,660	23,120	21,558	28,222
Devonian Leased Property	54,000	-	1,500	52,500
Dipford	2,545	2,684	1,995	3,234
DSIF Operational	-	39,903	32,014	7,889
Devon Social Investment	-	531	-	531
Earth to Earth	820	3,606	-	4,426
ERDF	-	37,671	37,671	-

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### Restricted funds – group 2018 comparative (continued)

Wellbeing Exeter	128,220	519,211	613,392	34,039
Foot Anstey	378	15,491	11,078	4,791
Hazel & Gerald Frankpitt Fund	-	50,000	-	50,000
Hely-Hutchinson	2,518	2,388	2,000	2,906
High Sheriff	1,237	-	-	1,237
Historical Exeter Fire Appeal	4,355	2,461	-	6,816
Inspiras	-	200,000	11,715	188,285
Kitsons	2,662	2,101	-	4,763
Laurie Connor	1,854	1,122	2,500	476
Mildmay White Family	73	1,142	-	1,215
Mumme Ackford	1,148	1,300	1,000	1,448
Network for social Change	-	20,000	20,000	-
Neuro Development Through Movement	14,824	30,587	3,135	42,276
North Devon Relief	1,859	5,259	1,500	5,618
Philip J Milton & Co Plc	2,002	1,190	-	3,192
Plymouth Drake Foundation Fund	51,460	54,411	51,640	54,231
Police Property/Crimebeat	2,475	23,866	26,000	341
Pye	-	22,500	-	22,500
Ray Miles	1,391	1,649	-	3,040
Ripple	29,340	49,581	5,337	73,584
Rural	4,644	5,421	6,514	3,551
Surviving Winter Appeal	5,020	8,432	8,035	5,417
TEF Revenue	28,913	43,834	35,997	36,750
Thorne Farm	7,850	14,850	21,500	1,200
Transforming Ageing Programme	-	23,167	23,167	-
Two Four	1,320	208	-	1,528
Wace	36,101	9,378	29,536	15,943
Youth Social Action	30,000	30,000	49,999	10,001
	<b>605,428</b>	<b>1,546,906</b>	<b>1,307,078</b>	<b>845,256</b>

#### 21. Expendable Endowment Funds - company

	1 April 2018 £	Incoming Resources £	Realised & unrealised Investment profits/ (losses) £	Transfer & Outgoing Resources £	Transfers £	31 March 2019 £
Endowment Funds include:						
Devon Community Funds	5,286,690	1,117,275	297,603	(8,809)	(603,734)	6,089,025
Plymouth Funds **	1,112,925	30,829	52,616	(4,028)	76,567	1,268,909
	<b>6,399,615</b>	<b>1,148,104</b>	<b>350,219</b>	<b>(12,837)</b>	<b>(527,167)</b>	<b>7,357,934</b>

Devon Community & Plymouth Funds are for the purpose of financing future grant making to local groups and organisations tackling disadvantage and deprivation in Devon, Plymouth and Torbay.

\*\* In partnership with Plymouth Drake Foundation – these funds are restricted for use only in the Plymouth City and travel to work area.



# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### Expendable Endowment Funds – company 2018 comparative

	1 April 2017 £	Incoming Resources £	Realised & unrealised Investment profits/ (losses) £	Transfer & Outgoing Resources £	Transfers £	31 March 2018 £
Endowment Funds include:						
Devon Community Funds	5,060,299	178,382	-	(38,946)	86,955	5,286,690
Plymouth Funds **	1,301,670	-	-	-	(188,745)	1,112,925
Investment Portfolio	-	185,247	55,247	(16,103)	(224,391)	-
Investment shares to support administration	2,601	-	-	-	(2,601)	-
	<b>6,364,570</b>	<b>363,629</b>	<b>55,247</b>	<b>(55,049)</b>	<b>(328,782)</b>	<b>6,399,615</b>

#### Endowment Funds - group

	1 April 2018 £	Incoming Resources £	Realised & unrealised Investment profits/ (losses) £	Transfers & Outgoing Resources £	Transfers £	31 March 2019 £
Endowment Funds include:						
Devon Community Funds	5,286,690	1,117,275	297,603	(8,809)	(603,734)	6,089,025
Plymouth Funds **	1,112,925	30,829	52,616	(4,028)	76,567	1,268,909
Tiverton Educational Foundation	266,000	-	-	-	-	266,000
	<b>6,665,615</b>	<b>1,148,104</b>	<b>350,219</b>	<b>(12,837)</b>	<b>(527,167)</b>	<b>7,623,934</b>

#### Endowment Funds – group 2018 comparative

	1 April 2017 £	Incoming Resources £	Realised & unrealised Investment profits/ (losses) £	Transfers & Outgoing Resources £	Transfers £	31 March 2018 £
Endowment Funds include:						
Devon Community Funds	5,060,299	178,382	-	(38,946)	86,955	5,286,690
Plymouth Funds **	1,301,670	-	-	-	(188,745)	1,112,925
Tiverton Educational Foundation	266,000	-	-	-	-	266,000
Investment Portfolio	-	185,247	55,247	(16,103)	(224,391)	-
Investment shares to support administration	2,601	-	-	-	(2,601)	-
	<b>6,630,570</b>	<b>363,629</b>	<b>55,247</b>	<b>(55,049)</b>	<b>(328,782)</b>	<b>6,665,615</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 22. Analysis of net assets between funds - group

	Tangible Assets £	Investments £	Net Current Assets £	Total £
Endowment funds	266,000	7,393,452	(35,518)	7,623,934
Restricted funds	51,000	-	800,907	851,907
Unrestricted funds	2,079	126,069	120,619	248,767
	<b>319,079</b>	<b>7,519,521</b>	<b>886,008</b>	<b>8,724,608</b>

#### Analysis of net assets between funds – group 2018 comparative:

	Tangible Assets £	Investments £	Net Current Assets £	Total £
Endowment funds	266,000	6,039,095	360,520	6,665,615
Restricted funds	52,500	-	792,756	845,256
Unrestricted funds	4,226	169,087	60,270	233,583
	<b>322,726</b>	<b>6,208,182</b>	<b>1,213,546</b>	<b>7,744,454</b>

#### 23. Capital commitments

There were no capital commitments at the year end.

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19

	£	£
<b>Foot Anstey</b>		
Cornwall Community Foundation	2,200	
Hampshire and IOW Community Foundation	2,200	
Somerset Community Foundation	2,200	
Battling On CIC	2,000	
Cornwall Community Foundation	2,200	
Children and Families in Grief Ltd	2,000	
		<b>12,800</b>
<b>TEF Revenue</b>		
Tiverton Cooperative Learning Partnership	10,000	
Tiverton Vineyard Church	7,497	
The Rotary Club of Tiverton	13,750	
Tiverton Co-Operative Learning Partnership	5,000	
Tiverton Co-Operative Learning Partnership 19/20	5,000	
Tiverton Co-Operative Learning Partnership 20/21	5,000	
		<b>46,247</b>
<b>Bampton St</b>		
Tiverton Museum of Mid Devon Life	2,533	
Tiverton Co-Operative Learning Partnership	3,160	
		<b>5,693</b>
<b>Diptford</b>		
Parish Council of Diptford	419	
Diptford Playing Field Group	1,200	
Friends of Diptford School	1,450	
Diptford Parish Hall	3,128	
		<b>6,197</b>
<b>Chiggy Pig</b>		
Torrington & District Mens Shed	1,250	
The Plough Arts Centre	2,100	
Appledore Hall Trust	1,000	
Youth Genesis Trust Ltd	2,000	
The Plough Arts Centre	1,300	
The Plough Arts Centre 19/20	1,300	
The Plough Arts Centre 20/21	1,300	
		<b>10,250</b>
<b>Thorne Farm</b>		
Bude Canal Trust Ltd	3,300	
The Friends of Holsworthy Primary School	3,300	
PCC Pyworthy	5,000	
		<b>11,600</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

Wace	£	£
Cassplus	7,200	
Battling On CIC	5,000	
Imagine (Torbay Multicultural Group)	3,000	
The Pioneers Project CIC	5,040	
Turntable Furniture	5,000	
		<b>25,240</b>
<b>Batsworthy Cross</b>		
Knowstone Parish Hall Committee	17,346	
St Peters Parochial Church Council	6,000	
Rose Ash Revel	6,925	
Rose Ash Village Hall Management Committee	13,806	
Rose Ash Parish Council	8,994	
Oakford Village Hall	1,380	
Bishops Nympton Parish Hall Trust	2,454	
Rackenford and Creacombe Parish Council	5,822	
East Worlington Parish Hall	3,720	
		<b>66,447</b>
<b>Bableigh CE Turbine</b>		
Friends of Parkham School	7,299	
Parkham Parish Church	5,000	
		<b>12,299</b>
<b>Wellbeing Exeter - Delivery Grants</b>		
Westbank Community Health and care	37,157	
Westbank Community Health and care	6,000	
Age UK Exeter	18,991	
Estuary League of Friends	4,335	
Exeter Community Initiatives	64,917	
Exeter Council for Voluntary Services	9,250	
Exeter Council for Voluntary Services	5,000	
Westbank Practice	3,715	
Age UK Exeter	12,855	
Estuary League of Friends	8,670	
Exeter Community Initiatives	36,982	
Co lab Exeter	9,250	
Westbank Community Health and Care	37,157	
Westbank Community Health and Care	6,000	
Westbank Practice	1,239	
Exeter Community Initiatives	60,941	
Co-Lab Exeter	9,250	
Age UK Exeter	18,991	

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued) Wellbeing Exeter - Delivery Grants (continued)

	£	£
The Estuary League of Friends	4,335	
Westbank Community Health and Care	12,000	
Westbank Community Health and Care	45,731	
Exeter Community Initiatives	63,843	
Exeter Council for Voluntary Services	19,210	
Age UK	18,991	
Westbank Community Health and Care	37,157	
		<b>551,967</b>
<b>Neuro Development Through Movement</b>		
RH Neuro	900	
NR Neuro	900	
LN Neuro	900	
SA Neuro	765	
SA Neuro	765	
		<b>4,230</b>
<b>Youth Social Action Fund</b>		
Improving Lives Plymouth	5,000	
Sound Communities CIC	5,000	
South Hams Community and Voluntary Services	4,901	
Youth Genesis Trust	4,850	
TTVS	4,777	
The Norham Care Trust	5,000	
		<b>29,528</b>
<b>Transforming Aging Programme</b>		
RP SfAS	4,926	
KM SfAS	5,000	
FM SfAS	4,947	
LJ SfAS	5,000	
Sage Green Gardening	5,000	
		<b>24,873</b>
<b>BSBT</b>		
Devon Development Education	5,704	
Journey to Justice	1,305	
Devon Development Education	4,079	
Journey to Justice	445	
Devon Development Education	6,006	
Journey to Justice	1,465	
Amber Initiatives	6,300	
Amber Initiatives 19/20	20,700	
		<b>46,004</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

<b>Aquarious</b>	£	£
Inspire South West	2,000	
Family Compass	1,824	
Read Easy Barnstaple	1,080	
		<b>4,904</b>
<b>Hazel &amp; Gerald Frankpitt</b>		
The Rotary Club of Tiverton	2,000	
Tiverton Street Pastors	1,998	
Sunningmead Community Association	1,750	
The Friends of Wyndham House Surgery	1,500	
Young At Heart Club (Grant Payment)	2,500	
Churches Housing Action Team (CHAT) Mid-Devon Ltd	4,000	
		<b>13,748</b>
<b>Royal London Programme</b>		
Plymouth and Devon Racial Equality Council	5,000	
Sailability Exe Sailing Club	5,000	
		<b>10,000</b>
<b>Tampon Tax</b>		
North Devon Against Domestic Abuse	10,000	
Youth Genesis Trust Ltd	6,894	
Co - Lab Exeter	5,202	
Torbay Ladies Lounge	7,398	
The Creativity Centre Educational Trust	6,330	
Trevi House Ltd	10,000	
Touchwood South West	9,971	
		<b>55,795</b>
<b>Rew</b>		
Barstaple FC Ability Team	1,124	
		<b>1,124</b>
<b>TCCF - Executive Committee</b>		
Torbay Ladies Lounge	1,500	
Wembury Marine Centre (Devon wildlife trust)	750	
Scillyc-siders	500	
Kreslu Police Charity	1,750	
Westbank	900	
Running Free	500	
		<b>5,900</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

<b>Community Grants</b>	<b>£</b>	<b>£</b>
Simply Counselling	30,000	
Devon Memory Cafe	2,000	
The Creativity Centre Educational Trust	1,100	
Read Easy Exeter	1,800	
Kingsbridge & District Shedders	1,995	
Light up axminster	1,000	
Tiverton Area Community Transition	850	
Cullompton Family Centre	2,000	
The ALaN Club	1,750	
South East Youth Forum	500	
Son-Rise Specials Trust	1,250	
Merry Go Round Toy & Leisure	2,000	
SOCOPS	2,000	
Homestart Teignbridge	1,917	
Hele Village Community associaion	2,000	
Totnes Trust	2,000	
Axminster churches together	2,000	
Ladysmith Community Action Team	2,000	
Exeter Respect CIC	2,000	
Chudleigh Baptist Church	2,000	
Health and Local Food for Families	2,000	
		<b>64,162</b>
<b>Comic &amp; Sport Relief</b>		
Dance in Devon	4,860	
Children and Families in Grief Ltd	4,800	
Dawlish Childrens Special Needs Group	4,834	
Devon and Cornwall Food Action	5,000	
Unite-Carers Mid Devon	3,354	
		<b>22,848</b>
<b>Surviving Winter</b>		
South Dartmoor Community Energy	3,000	
Exeter Community Energy	832	
Dartmouth Community Chest	1,958	
Exeter Community Energy	1,168	
Plymouth Energy Community Ltd	2,000	
361 Energy Action	2,000	
LiveWest Homes Limited	3,500	
		<b>14,458</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

	£	£
<b>Crimebeat</b>		
Landworks	2,400	
WM Crimebeat Individual	500	
66 Route Youth Trust	2,000	
Devon and Cornwall Constabulary	2,000	
Cullompton Street Pastors	661	
		<b>7,561</b>
<b>Devon Ripple</b>		
Sirona Therapeutic Horsemanship CIO	14,490	
Sirona Therapeutic Horsemanship CIO 19/20	14,490	
Sirona Therapeutic Horsemanship CIO 20/21	14,490	
Wings South West	20,000	
Wings South West 19/20	20,000	
Wings South West 20/21	20,000	
Julian House	19,649	
Julian House 19/20	19,648	
Julian House 20/21	19,648	
Encompass South West	18,995	
Encompass South West 19/20	18,995	
Encompass South West 20/21	18,995	
Chagford Recreational Trust	2,000	
		<b>221,400</b>
<b>North Devon Relief</b>		
South Molton Mens Shed	500	
Tarka Child Contact Centre	2,000	
		<b>2,500</b>
<b>Rural Devon</b>		
Dementia Friendly Parishes around the Yealm	2,500	
Wembworthy Village Hall Committee	1,214	
Living Options Devon	2,000	
		<b>5,714</b>



# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

<b>Devonian</b>	<b>£</b>	<b>£</b>
HD Devonian	1,000	
Living Options Devon	5,000	
Disabled Sailing Association	4,520	
LL Devonian	1,000	
GM Devonian	1,680	
SS Devonian	174	
LG Devonian	750	
SH Devonian	1,000	
MW Devonian	1,000	
JJ Devonian	395	
Plymouth Communities Befriending Consortium CIC	4,830	
		<b>21,349</b>
<b>Clare Milne</b>		
Plymouth Deaf Association	1,500	
Barnstaple Abilities FC	1,280	
Special Olympics Plymouth and District	1,500	
The Turning Tides Project Community Interest Company	1,500	
		<b>5,780</b>
<b>Mildmay - White</b>		
St Andrews Church	2,000	
		<b>2,000</b>
<b>Philip J Milton &amp; Co</b>		
Flying Fish Artists	2,100	
		<b>2,100</b>
<b>Mumme Ackford</b>		
Riviera Life Link	1,910	
		<b>1,910</b>
<b>Activistock</b>		
Sieze the Moment	5,000	
West Devon Art Workshops	1,920	
		<b>6,920</b>

# DEVON COMMUNITY FOUNDATION

## For the year ended 31 March 2019

### Notes to the financial statements (continued)

#### 24. Restricted Fund Grants made by the Foundation 2018-19 (continued)

	£	£
<b>Plymouth Drake</b>		
Seadream Education CIC	2,000	
Samaritans of Plymouth, East Cornwall & South Devon	1,000	
Devon & Cornwall Refugee Support	2,000	
The Bereavement Counselling Service South West	2,000	
Plymouth Vineyard	1,000	
Plymouth Street Pastors	2,000	
Mutley Baptist Church Youth and Childrens Work	1,480	
Plymouth Dance	5,000	
Exim Dance Company CIC	3,000	
Far Flung Dance Theatre C.I.C	3,090	
Food is Fun CIC	2,000	
Green Hook Fishing	20,000	
Green Hook Fishing 19/20	20,000	
Green Hook Fishing 20/21	5,000	
		<b>69,570</b>
<b>Devon on Earth</b>		
Hakeford Woods Forest School CIC	5,000	
		<b>5,000</b>
<b>Blackdown Hills</b>		
Friends of Buckland St Mary Primary School	2,000	
		<b>2,000</b>
<b>Devon Social Finance</b>		
Age UK (Mid Devon)	14,000	
What's your Problem?	4,000	
Freedom social Enterprises	10,000	
		<b>28,000</b>
<b>Total Grants</b>	<b>213</b>	<b>1,428,118</b>

# Audit Completion Report

YEAR ENDED

31 MARCH 2019



# Audit completion report

## PRIVATE AND CONFIDENTIAL

The Trustees  
Devon Community Foundation  
The Factory  
Leat Street  
Tiverton  
EX16 5LL

Dear Sirs,

### Audit Completion Report

We are pleased to attach our audit completion report for the year ended 31 March 2019. This report summarises the key matters that arose during the audit and the conclusions reached.

The report is intended solely for the information and use of the Board of Trustees. It is not intended to be and should not be used by anyone other than these specified parties.

The audit completion report meets the requirements of ISA 260 – Communication with those charged in governance and ISA 265 – Communicating deficiencies in internal control, since we are required to communicate matters arising during the audit of the Charity to you.

We would like to take this opportunity of expressing our thanks to your staff for their assistance during the course of the audit.

Yours faithfully

**SEAN GRINSTED**

**Partner**

**Signed for and on behalf of Francis Clark LLP**

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PASSION TEAMWORK CLARITY QUALITY INTEGRITY



The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter.

This report is made solely to the Board of and management Devon Community Foundation accordance with our engagement letter. Our work has been undertaken so that we might state to the Board and management of Devon Community Foundation those matters we are required to state to them in this 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 Board of and management of Devon Community Foundation for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.

## Section 1

### Status report

# 1 Status report

## Scope of the audit

The scope of our work, as set out in our engagement letter, is to provide an audit opinion in accordance with the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' SORP 2015 (FRS 102) on the following entities:

- Devon Community Foundation in accordance with the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' SORP 2015 (FRS 102).
- Its charitable subsidiary Tiverton Educational Foundation in accordance with the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' SORP 2015 (FRS 102).
- Its trading subsidiary Devon Social Finance Limited in accordance with the Companies Act 2006 and FRS 102, including Section 1A.

## Status of audit fieldwork and expected auditors' report

Our audit fieldwork is substantially complete, and subject to the outstanding matters detailed below we expect to issue an unqualified audit opinion:

### POST BALANCE SHEET REVIEW

We are required to review events up to the date of signing our audit opinion. We will require confirmation that no significant events have occurred which would require restatement of, or disclosure within the financial statements. As part of this we would also seek to review the most up-to-date management accounts for the company, and discuss with you trading post year end, including whether there have been any bad debts arising after the year end.

### LETTER OF REPRESENTATION

A letter of representation signed on behalf of the board of trustees and dated as the date of approval of the financial statements is required. Appendix C gives details of the specific representations we have requested.

# 1

## Status report

### Significant audit and accounting matters

We draw your attention to the following significant audit and accounting issues which are explained more fully in section 2 of our report:

- Income recognition
- Going concern
- Investment valuations
- Other matters identified at the planning stage
  - Management override of controls
  - Propriety of expenditure
  - Consolidation
  - Fund accounting
- Devon Social Finance Limited
  - Gift aid payments

### Adjustments to the financial statements

There were certain adjustments made to the financial statements of the companies during the course of the audit, and these are documented within section 3 of this report.

### Unadjusted audit differences

During the course of our audit procedures we have identified certain audit differences, which at this stage remain unadjusted.

A summary of these adjustments is provided in section 4 to this report. The impact of these adjustments, if all such adjustments were to be made to the financial statements would be a decrease to surplus of £15,500 in Devon Community Foundation, no affect on Tiverton Educational Foundation and no affect on Devon Social Finance Limited.

### Internal control findings

Section 5 of our report summarises our findings in respect of internal financial controls.

We did not identify any deficiencies in internal control which we would consider to be material weaknesses, however other observations are discussed.



## Section 2

Significant audit and accounting issues

# 2 Significant audit and accounting issues

(SIGNIFICANT  
AUDIT RISK)

## Grant Income Recognition

### DESCRIPTION OF ISSUE

Auditing standards presume a risk of fraud in revenue recognition which our work must address. Under accounting standards, there is an overriding requirement that revenue is only recognised to the extent that the entity obtains right to consideration for its performance, and that this can be measured with reasonable accuracy. The impact of these requirements is set out below.

Both the Charity SORP and FRS 102 provide more detailed guidance on the application of this overriding principle in particular circumstances.

The key SORP requirements are that income must only be recognised in the financial statements of a charity when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the charity.
- Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity.
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The Charity's main sources of income are donations and grants. The most difficult area to assess in respect to Devon Community Foundation is grant income, where often entitlement occurs upon the initial agreement which may be ahead of the cash flows and expenditure.

Conditions may be attached to grants that prevent their recognition, for example:

- Performance related conditions – where entitlement does not occur until the conditions are satisfied; and
- Donor imposed restrictions – such as the time period over which the expenditure can take place.

### AUDIT CONCLUSIONS

We performed transactions testing on a sample of all material income streams to confirm completeness, cut-off testing to ensure income has been recognised in the correct period, and analytical review to determine if income is in line with our expectations.

We recommend that the recognition of grants is assessed at the point of offer to ensure that these are recognised correctly in the charity's records.

# 2 Significant audit and accounting issues

(SIGNIFICANT  
AUDIT RISK)

## Going Concern

### DESCRIPTION OF ISSUE

In preparing the financial statements on a going concern basis the Trustees need to consider a period of at least 12 months from the date of approval of the financial statements. In reviewing the adequacy of the going concern assumption, the Trustees consider, amongst other matters, the projected cash position and available reserves.

We have been provided with the budget for 2019/20 showing a forecast surplus of £5k. Devon Community Foundation has a net current asset position as at 31 March 2019 of £1.1m, with positive cash balance of around £1.3m.

### AUDIT CONCLUSIONS

We concur that the financial statements of the Group and the Charity should be prepared on a going concern basis and that no specific accounting disclosures are required in respect of going concern.

(SIGNIFICANT  
AUDIT RISK)

## Investment Valuations

### DESCRIPTION OF ISSUE

Investment balances held by Devon Community Foundation are significant, therefore risk of misstatement being material to the organisation is high.

Investment balances have been agreed to third party confirmations with no discrepancies identified. Further audit work around investments identified no significant issues.

### AUDIT CONCLUSIONS

Investment valuation within the financial statements is materially correct.

# 2 Significant audit and accounting issues

## Other matters identified at the planning stage

(SIGNIFICANT  
AUDIT RISK)

### MANAGEMENT OVERRIDE OF CONTROLS

#### DESCRIPTION OF RISK

ISA 240 requires the auditor to consider the risk of fraud due to management override of controls. This includes the risk that management may override controls in order to manipulate the financial statements.

#### HOW WE ADDRESSED THE RISK

Our audit work in this area has included:

- Testing the appropriateness of journal entries made during the year, and in adjusting the management accounts to produce the final accounts.
- Reviewing material provisions at the balance sheet date (if any) to ensure that they are included on a consistent basis with FRS102.
- Reviewing accounting estimates for potential biases.

We used data analytics to review journals for evidence of management override of controls. This included a review of all material journal entries in the year for duplicates, missing journals, non-balancing journals, journals lines with rounded amounts and journals containing key words.

#### CONCLUSION

Our audit procedures did not identify any evidence of fraud and management override of controls.



# 2 Significant audit and accounting issues

## Other matters identified at the planning stage

(SIGNIFICANT  
AUDIT RISK)

### PROPRIETY OF EXPENDITURE

#### DESCRIPTION OF RISK

There is a risk that expenditure is not made for charitable purposes and expenditure may not be authorised.

#### HOW WE ADDRESSED THE RISK

Our audit work in this area has included:

- Performing transactions testing on a sample of expenditure to ensure it is for a valid charitable purpose and appropriately authorised.

#### CONCLUSION

No evidence of inappropriate or unauthorised expenditure has been identified through our procedures.

(SIGNIFICANT  
AUDIT RISK)

### CONSOLIDATION

#### DESCRIPTION OF RISK

There is a subsidiary and therefore consolidated financial statements are required. There is a risk that not all intercompany transactions will be identified and adjusted out, and therefore that the consolidation may not be accounted for correctly.

#### HOW WE ADDRESSED THE RISK

Our audit work in this area has included:

- Review of intercompany transactions
- Review of consolidation adjustments

#### CONCLUSION

No evidence of non-identification of intercompany transactions. The consolidation adjustments are correct.

# 2 Significant audit and accounting issues

## Other matters identified at the planning stage

(SIGNIFICANT  
AUDIT RISK)

### FUND ACCOUNTING

#### DESCRIPTION OF ISSUE

Income and expenditure must be distinguished between general (i.e. unrestricted funds) and restricted funds, and all restricted fund transactions must be allocated to the correct individual fund.

This year's fund allocations were reviewed as part of our routine transaction testing. Restricted income and expenditure has been correctly allocated. We did not identify any issues in the current year with fund accounting.

#### AUDIT CONCLUSIONS

We can confirm that income and expenditure has been materially allocated to the correct individual fund and that the carrying value of the funds are materially correct.

# 2 Significant audit and accounting issues

## Devon Social Finance Limited

### GIFT AID PAYMENT

Where taxable profits are made in a trading subsidiary, the tax liability can be mitigated by making a gift aid payment to the parent charity.

Within a trading subsidiary's financial statement any gift aid payment should be presented in equity as it is effectively a distribution.

The trading subsidiary should only recognise the transaction in the financial statements for the year ended 31 March 2019 if either payment was made pre-year end or a deed of covenant was in place to create an obligation to make the payment.

There is therefore no requirement to recognise a tax charge in respect of the trading subsidiary profits at the year end provided there is an intention to make the gift aid payment within 9 months of the year end.

### AUDIT CONCLUSIONS

The in year gift aid payment has been correctly recognised in the financial statements.

## Section 3

Adjustments to the financial statements



# 3 Adjustments posted to the financial statements

Below is a summary of the adjustments posted during the audit of Devon Community Foundation that impact surplus and have been reflected in the draft financial statements. These were discussed and agreed with the Finance Manager.

	Effect on profit after tax
	£
Devon Community surplus per trial balance as at 31 March 2019	1,153,265
Reversal of incorrect grants payable posting	149,414
Q1 grant payment for 2019/20	(163,666)
Grants owed at the year end	(158,110)
<b>Devon Community Foundation surplus for the year</b>	<b>980,903</b>
Tiverton Educational Foundation deficit for the year	(531)
Devon Social Finance Limited profit for the year	110
<b>Group surplus after tax</b>	<b>980,482</b>

## Section 4

### Unadjusted audit differences

# 4 Unadjusted audit differences

In the normal course of any audit, we identify differences between amounts we believe should be recorded in the financial statements and amounts actually recorded. These may be specific errors (a single error on a financial statement balance), extrapolated (a statistical projection of known errors in a sample), or judgemental differences relating to accounting estimates (e.g. provisions) and facts or circumstances that are uncertain or open to interpretation.

Our audit identified the following differences which have not been adjusted on the basis that the directors do not consider them to be material to the financial statements, whether considered individually or in aggregate.

We have included all known amounts greater than our triviality threshold in our summary of audit differences.

	Effect on profit after tax
	£
<b>Devon Community Foundation surplus after audit adjustments as at 31 March 2019</b>	<b>980,903</b>
Rental income for 2019/20	(15,500)
<b>Devon Community Foundation surplus for the year</b>	<b>965,403</b>
Tiverton Educational Foundation deficit for the year	(531)
Devon Social Finance Limited profit for the year	110
<b>Group surplus after tax</b>	<b>964,982</b>

## Section 5

### Internal control findings



# 5 Internal control findings

## Scope of work

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed.

We are required to communicate to you in writing significant deficiencies in the design or operation of accounting and internal control systems which were identified during the course of our audit and which we consider are of sufficient importance to merit reporting to you.

## Significant deficiencies in internal control

We did not become aware of any significant deficiencies in internal control during the audit which we would consider to be material weaknesses.

## Other control findings

In performing our audit procedures we identified other observations which we hope you find useful. These matters are summarised in the following pages. This includes a review of the points communicated in previous years and considered to still be relevant.

## Other control considerations

UK Government has now designated cyber crime as a Tier 1 risk. Management and Board should continue to develop and review policies and procedures in place to prevent cyber crime. We continue to see examples on a regular basis with client's of fraud being perpetrated by cyber criminals, and often it is the 'human element' that is, at least in part, a contributing factor. Staff awareness/training remains a key part of prevention, as well as IT penetration testing.

As a firm we are providing additional assurance under the government Cyber Essentials scheme and the IASME scheme (effectively ISO27001 for SME's) and would be happy to discuss this further with you. Increasing the requirement for Cyber Essentials or other cyber certification is being mandated in procurement in the public sector and in some larger private sector contracts.

<b>HIGH</b>	Matters that are so fundamental to the system of internal control that management should take immediate action to minimise the risk of a material misstatement within the financial statements.
<b>MEDIUM</b>	Matters that have an important impact on the system of internal control, and, if left unaddressed, they could lead to a material misstatement within the financial statements.
<b>LOW</b>	Matters that if addressed would improve the system of internal control and represent good practice, but are unlikely to have a material impact on the financial statements.

# 5 Internal control findings

## Other internal control findings

LOW

Upon review of the charities filings with the Charity Commission, we identified that the 2018 submission had not marked the financial statements as consolidated. In addition the 2017 submission indicated that the accounts were qualified which they were not. We recommend that submissions are made accurately and that the charity contacts the Charity Commission to get the incorrect entries updated.

## Appendices

## Appendix A: Independence report

We are required to comply with both ISA (UK) 260 “Communication of audit matters to those charged with governance”, as well as the revised Ethical Standard 2016 (June 2016) as issued by the FRC. In addition we communicate any matters or relationships which we believe may have an bearing on our independence or the objectivity of our audit team.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

- On an annual basis all partners and staff are required to complete an annual independence declaration;
- Our trainee staff undertake an ethics training programme as part of their ACA qualification
- Non audit services provided to audit clients are subject to approval before being undertaken. Such requests are made through an online portal which is sent directly to the engagement partner.

The following table lists what are considered to be the principal threats to the firm’s objectivity and independence in carrying out the audit, along with the safeguards that have been implemented to mitigate any such threats. We have also included reasons as to why these safeguards are considered to be effective.

Service Provided	Role of informed management	Safeguards
<ul style="list-style-type: none"> <li>• Preparation of statutory accounts from proformas</li> <li>• We provide tax compliance services to the trading subsidiary.</li> </ul>	<ul style="list-style-type: none"> <li>• The Trustees and CEO are deemed to be informed management in their role of assessing non-audit services provided.</li> </ul>	<ul style="list-style-type: none"> <li>• Tax compliance work is provided by a separate team to that of the audit.</li> </ul>

We are not aware of any relationships between PKF Francis Clark and the company that, in our professional judgment, may reasonably be thought to bear on our independence or the objectivity of the audit engagement team.

We confirm that we have complied with the FRC Ethical Standard, and in our professional judgment, the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised.



## Appendix B: Required communications

The table below outlines the key matters that we are required to communicate to audit clients, and how we will formally document this:

Required Communication	Reference
<b>Terms of engagement:</b> Confirmation of acceptance of terms of engagement	Engagement Letter
<b>Planning and audit approach:</b> Communication of the nature and scope of the audit including any limitations	Planning meeting
<b>Audit findings:</b> Our view about the qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures. Final draft of letter of representation that will be signed by management and the board of directors. This will incorporate any written representations that we are seeking. A summary of unadjusted audit differences, including a request that any unadjusted audit differences be corrected. A summary of the adjustments posted to the financial statements during the audit process. Expected modifications to the audit report. Material weakness in internal controls identified during the audit.	Audit completion report
<b>Fraud:</b> Any fraud that we have identified or information we obtained that indicates that a fraud may exist. Communication of material weaknesses in the design or implementation of internal control to prevent or detect fraud. A discussion of any other matters related to fraud.	Audit completion report
<b>Consideration of laws and regulations:</b> Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. Enquiry by PKF Francis Clark into possible instances of non-compliance with laws and regulations that the board of directors may be aware of.	Audit completion report

## Appendix B: Required communications

The table below outlines the key matters that we are required to communicate to audit clients, and how we will formally document this:

Required Communication	Reference
<p><b>Related parties:</b> Significant matters arising during the audit in connection with the entity's related parties including, where applicable:</p> <ul style="list-style-type: none"> <li>• Non disclosure by management</li> <li>• Inappropriate authorisation or approval of transactions</li> </ul>	Audit completion report
<p><b>Terms of engagement:</b> Confirmation of acceptance of terms of engagement</p>	Engagement Letter
<p><b>Independence:</b> Communication of all significant facts and matters that bear on PKF Francis Clark's objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> <li>• The principal threats</li> <li>• Safeguards adopted and their effectiveness</li> <li>• Information about the general policies and process within the firm to maintain objectivity and independence.</li> </ul>	Audit completion report

## Appendix C: Specific representations

There are no specific representations included

## Appendix D: Corporation Tax and Charities

Many charities trade, either as an integral part of their charitable activities or to raise funds. Compared to ordinary commercial companies, charities enjoy considerable advantages in the tax treatment they receive on trading profits. That being said, this does not automatically mean that a charity's trading profit will be exempt from corporation tax.

Firstly, it is useful to identify income streams that HMRC do not class as "trading", and will **not** be subject to corporation tax. These include the following:

- Donations to the charity (including legacies)
- The sale or letting of goods **donated** to a charity for the purpose of sale or letting
- The sale of investments
- The sale of assets which the charity uses, or has used, for its charitable purposes
- The letting of land and buildings where no services are provided to the user

Where a charity is trading, the profits are, in principle, subject to CT, unless they are **specifically exempt**.

Charity trading profits are exempt from corporation tax where the trading is:

- Primary purpose trading - This is trading that relates directly to the charity's mission as set out in its governing document.
- Ancillary trading activities - activities that support or run closely alongside primary purpose trading.
- A lottery
- Within the terms of the 'small scale exemption'

Total Incoming Resources of the Charity	Maximum Permitted Turnover
Under £20 000	£5 000
£20 001 - £200 000	25% of charity's total incoming resources
Over £200 000	£50 000

- Connected with certain fund-raising events - if an event qualifies for the VAT exemption in relation to the charity and all profits are used for charitable purposes then any income arising from this particular event will be exempt from corporation tax

In all of these cases (trading and non-trading) the exemption is subject to the condition that the profits are applied solely to the purposes of the charity's mission as outlined in their governing documents.

## Appendix E: Changes in UK GAAP

In March 2013 the Financial Reporting Council (FRC) released the first version of FRS102, applying for accounting periods commencing on or after 1 January 2015. It was the intention at that time that the standard would be reviewed on a regular basis, in order to pull in changes arising in accounting such as that reflected in IFRS, as well as to make general iterative improvements.

In December 2017 the FRC published its final suite of amendments to FRS102, having previously consulted on this in exposure drafts FRED67 and FRED 68. Consequential amendments have also been made to the other UK and Ireland accounting standards, such as FRS 100 “Application of financial reporting requirements” and FRS 101 “Reduced disclosure framework”.

### **Among the more notable changes arising are the following;**

- The removal of exemptions relating to “undue cost and effort”. Where relevant, accounting policy options have been introduced to provide more flexibility. However, there is no longer an overriding exemption from FRS 102 on the grounds of undue cost and effort.
- For investment property rented to another group entity to be measured by reference to cost (less depreciation and impairment), rather than fair value as an accounting policy choice. The removal of the undue cost and effort exemption noted above however means that investment property generally will need to be carried at fair value.
- The introduction of a net debt reconciliation to the cash flow, which mirrors the previous requirements under FRS1 of “old” GAAP.
- The removal of the requirement to disclose the amount of stock recognised as an expense in the notes to the accounts.

## Charities SORP (FRS 102) – Update Bulletin 2

Due to the amendments and clarifications set out in FRS 102 – Triennial Review 2017, the Charity Commission issued Update Bulletin 2 in October 2018. The bulletin separates out items which are clarifications of the existing standard which should be implemented immediately and those which are new and will be relevant for periods beginning on or after 1 January 2019.



### ***Clarifications – to be implemented immediately***

- Comparative information – to be provided for all notes – this clarification has resulted in comparatives being included for the funds note and the net assets by fund note in your financial statements.
- Removal of the undue cost or effort exemption for depreciating components of an asset separately – no impact on your Financial Statements.
- Events after the end of the reporting period – impacting the recognition of the gift aid payment from a trading subsidiary – covered in detail in section 2 of the report.

### ***Significant amendments – to be implemented for accounting periods commencing on or after 1 January 2019:***

- Mixed use property – removal of the undue cost or effort exemption for measuring the investment property component of a mixed use property at fair value.
- Charity mergers – amended to include the transfer of activities to a subsidiary undertaking as an example of a charity reconstruction that may be accounted for as a merger



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