



Foundation
Derbyshire



Annual

Financial Statements.

Year Ending March 2018.

Registered number: 02893759
Charity number: 1039485

DERBYSHIRE COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Chairman's statement	2 - 3
Trustees' report	4 - 13
Independent auditors' report	14 - 16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 37

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018

Trustees

Oliver Stephenson, Chairman
Philip Bloxham
Paul Broadhead
David Coleman DL (resigned 23 October 2017)
Annie Hall
Nick Hodgson
Matthew Montague
Peter Pimm
Louise Pinder
Nicola Phillips (resigned 22 June 2018)
Eleanor Reynolds (resigned 4 January 2018)
Sheila Taylor
William Kerr, Treasurer
David Palmer (appointed 23 October 2017)
Andrew Cochrane (appointed 12 February 2018)
David Ball (appointed 12 February 2018)
Alison Williams (appointed 12 February 2018)

Patrons

The Duke of Devonshire KCVO, CBE, DL, Patron

President

Brian Ashby
Sir Richard FitzHerbert Bt - President Emeritus

Company registered number

02893759

Charity registered number

1039485

Registered office

Unit 2 Heritage Business Centre, Derby Road, Belper, Derbyshire, DE56 1SW

Chief executive officer

Rachael Grime

Independent auditors

Shorts, 2 Ashgate Road, Chesterfield, Derbyshire, S40 4AA

Bankers

Royal Bank of Scotland plc, 34 King Street, Belper, Derbyshire, DE56 1PS

Solicitors

Geldards, Number One Pride Place, Pride Park, Derby, DE24 8QR

Investment Managers

Cazenove Charities, 12 Moorgate, London, EC2R 6DA

Rathbone Brothers plc, Temple Point, 1 Temple Row, Birmingham, B2 5LG

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

The chairman presents his statement for the period.

Reflecting on Foundation Derbyshire's past year, I am pleased to report that the Foundation is in good and stable health. During the year we were delighted to accept a total of £310,000 worth of new funds, and this means that despite a temporary devaluation in the investment markets in March 2018, our organisation remained at a value in excess of £7.5 million. This was despite distributing grants of £387,000 to 192 charitable county organisations and 41 individuals during the year.

Undoubtedly, a highlight of our year was the splendid Awards Ceremony at Chatsworth in October 2017. Generously hosted by the Duke and Duchess of Devonshire, and sponsored by Rathbones, the presentations to the selected recipients were as impressive as ever. We were blessed to have an audience of 120 guests, which is one of our best ever turnouts, and the drinks reception was an exceedingly happy affair where guests were able to mingle, meet the recipient charities, and learn more of what Foundation Derbyshire does within our county. We took the opportunity of the Awards evening to launch the Derbyshire Matters initiative together with its excellent brochure, which campaigns to address issues which face many in the county: Mental health for the young; caring for the aged and infirm; and overall poverty or disadvantage.

As ever, we have had to say farewell to individual Trustees during the year. David Coleman, a former High Sheriff and a Board member of a full 12 years, left us with all our thanks. And gratitude was also expressed to Eleanor Reynolds, whose commitments have meant she has needed to move on following her fairly short but impactful time with us. Both of these former trustees have contributed a great deal, not least David who completed a full set of three 4-year terms.

I am delighted that David Palmer, Andrew Cochrane, David Ball and Alison Williams have all joined the Board of Trustees. The combined skills of these individuals will be extremely valuable to us and all of the existing members look forward to working with them.

It remains an aim of the Board that Foundation Derbyshire should continue to grow. This growth does indeed continue as generous donors kindly offer to us endowments of assets, of any size, from time to time. We are always enormously grateful for such donations, not least because the needs within the county, especially within the more deprived neighbourhoods and communities, only ever increase.

Remembering that Foundation Derbyshire is a charity in its own right, I hope to see the launch of a Friends of the Foundation scheme during 2018/19. The office at Belper operates on an exceedingly low cost - base, and if we are successful in establishing a list of benevolent Friends, any additional income that we raise may be expended in a way that would accommodate and encourage our growth.

Foundation Derbyshire prides itself on doing a job well. We try our hardest to maintain a regular income, coupled with stable grant giving. The Finance Committee chaired by William Kerr is well placed to oversee the performance of our investments, whilst Rachael Grime, Sarah Stainthorpe and the office team, together with the volunteer grantmaking panels, do an excellent job of reviewing the applicants and administering the donations.

On this note, I would like to thank personally Rachael and her team, as well as all of those who give their time, effort and financial help to us. Without any of these, we would not be able to exist. And, I would like to thank last year's and this year's High Sheriffs (Annie Hall and Lucy Palmer) in their obvious support of the Foundation. I am also grateful to the Community Representatives who give up so much of their time and expertise to our grants and monitoring needs.

We are always looking for support and help from people within our county who might want to get involved. This can range from an individual wanting to put themselves forward to be a Board Trustee, to someone who might like to organise a fund raising event for us. Or, someone might want to run a marathon for us, or go sky-diving! If you are one of these people, do please let us know.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

It should also be remembered that we can be a charitable recipient for the business community – those corporates who wish to undertake a Corporate Social Responsibility function but don't know how to get it off the ground. Foundation Derbyshire is always here to help, so please talk to us.

I would like to thank all of you for your support over the past year, and look forward to a successful 2018/19.



Name Oliver Stephenson/
Chairman

Date 6 August 2018

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The trustees present their annual report together with the audited financial statements of the charitable company for the year ended 31 March 2018. The trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the charitable company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES UNDERTAKEN BY THE FOUNDATION FOR THE PUBLIC BENEFIT

Vision

Derbyshire Community Foundation (operating as Foundation Derbyshire) ("the Foundation") is an independent Derbyshire based registered charity. Our vision is:

- To revitalise local life by means of a fund for Derbyshire, provided for the good of the community by people with the commitment and means to give.
- By meeting visible needs today, and anticipated and unexpected future needs, to make a difference to Derbyshire forever.

Objectives and Activities

The charitable objects of the Foundation, as defined in its Memorandum and Articles of Association are to support or promote exclusively charitable purposes which in the opinion of Trustees are beneficial to the community, with a preference for those in Derbyshire. The objects are achieved by:

- Building an endowment fund for the people of Derbyshire, to provide a growing sum for grants to tackle disadvantage and to enhance the quality of life in our county;
- Making grants creatively on behalf of our donors and other funders, to create the bridge between people who care about the local community and the wide range of groups and individuals that need their help.

The Foundation's strategy for delivering the endowment building objective is to attract investment (usually from local individuals, corporates and charitable trusts) into our independently managed, multipurpose endowment fund by offering donors:

- A range of tailor-made services to help donors channel their charitable giving in a tax efficient way, back into Derbyshire;
- The versatility to assist a wide range of causes, including children, older people, sport, arts and culture, the environment and community development;
- The means to improve quality of life and help to build stronger communities across the county in perpetuity;
- A countywide knowledge that helps us to identify suitable recipients and enables donors to reach grass roots projects that might not otherwise find the funds they need.

By linking local donors with local needs in this way, we are able to deliver public benefit in a sustainable way, by addressing both the problems of today and the issues facing future generations.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

OBJECTIVES AND ACTIVITIES UNDERTAKEN BY THE FOUNDATION FOR THE PUBLIC BENEFIT (continued)

The Foundation has also continued to augment its grantmaking activity and impact by distributing funds on behalf of companies, individuals other charities and government departments, through a variety of grant making programmes.

Our other objective focuses on grant making as our bridge between the people who care about the local community and the wide range of groups and individuals that need their help. Our donors and funders enable us to bring about this change, by entrusting us with the management and/or distribution of their funds and our strategy for maintaining and strengthening this "bridge" is to continually ensure that:

- Our grants are made after careful assessment and with probity;
- Our grants meet priority needs;
- People with detailed local knowledge contribute to decision making; and
- Our grants achieve their aims.

The Trustees have regard for the Charity Commission's guidance on Public Benefit, when reviewing the Foundation's charitable objectives and deciding what activities the Foundation should undertake, and are satisfied that these objects meet the appropriate charitable purposes as defined by the Charities Act 2016. Given that public benefit is an intrinsic part of the Foundation's objectives and activities, additional information on its delivery is provided throughout the body of this report.

ACHIEVEMENTS AND PERFORMANCE

- £387k of grants awarded to 192 organisations and 41 individuals.
- Endowed funds totalling £7.25 million as at 31st March 2018
- New endowed funds of £311k
- 64 endowed funds now under Foundation Derbyshire's management

In order to deliver the Foundation's objectives, a number of initiatives were undertaken throughout the year, primarily around fund development and grant making.

In October 2017, the Foundation's Patron, the Duke of Devonshire, welcomed guests to Chatsworth for the 2017 Foundation Derbyshire Awards Ceremony, to celebrate the work of five local community and voluntary groups. The Duke was joined by Derbyshire's Lord-Lieutenant, High Sheriff, Police and Crime Commissioner and other distinguished guests and Foundation supporters to present The Bus Park Café, Derbyshire LGBT+, Well-Being Works CIC, Derventio Housing Trust and SPODA (five groups recently funded by the Foundation) with their Awards.

In November, 2017, the High Sheriff of Derbyshire and Foundation Derbyshire Trustee, Annie Hall, hosted a luncheon at the magnificent Grade 1 Listed West Mill in Darley Abbey, to showcase the work of Foundation Derbyshire.

During lunch, the High Sheriff spoke about her involvement with Foundation Derbyshire and the grants that it makes to community and voluntary groups across the county that are supporting those in need and helping make our communities healthier, happier and safer.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

ACHIEVEMENTS AND PERFORMANCE (continued)

Grantmaking

The essence of the Foundation's activity is to provide public benefit for the residents of Derbyshire and Derby City, through the provision of grant funding. In 2017/18, £387k of funds were distributed throughout Derbyshire, bringing the total value of grants made by the Foundation, since its establishment in 1996, to over £15 million.

£274k (2016/17: £291k) of grants were distributed from the Foundation's portfolio of named endowment funds and of the 233 grants awarded during the year, 12 grants (totalling £99k) were in excess of £7,000.

Organisations within Derby City received 48% of the Foundation's grantmaking; a reflection of the grants awarded from the Foundation's largest Fund, the Tom Carey Fund, which has been established for the benefit of the Abbey Ward area of the city. The remaining 52% was distributed across all eight Derbyshire districts, with the High Peak and Chesterfield taking the highest proportion at 10% of total grantmaking each.

In terms of grantmaking distribution by "need" rather than "geography", a third of the Foundation's funding went to areas of the county that fall within the 'Most Deprived 20%' areas of England (of which two thirds went to areas that fall with the Most Deprived 10% areas of England).

Our grantmaking is made possible by the generosity of local people, corporates, funders and charitable trusts who recognise the fantastic and invaluable work that is being done at a grassroots level and use our expertise and local knowledge to invest in their local communities and reach those groups that need their help the most.

There are now 64 endowed funds under Foundation Derbyshire's management and a further 13, which we administer on a "flow through" basis (i.e. held and spent within a specific period, rather than invested in our endowment fund) on behalf of organisations such as Comic Relief/Sports Relief, as well as individual donors.

A major new flow through fund secured last year was a £150k fund, for distribution over a two year period, in support of groups working with, and for, older people and the particular issues that they face. This is proving to be an incredibly popular fund, which we anticipate will have fully defrayed within the next 12 months.

There are an estimated 3,700 voluntary and community organisations operating across Derbyshire, including formally registered organisations, such as charities, social enterprises and co-operatives, and a large number of 'below the radar' organisations that are not formally registered or incorporated. Nationally, c. 50% of organisations are micro in size (annual income under £10,000) but receive only c. 1% of national voluntary sector income and it is therefore at this grassroots level where the Foundation's grantmaking can and does make a real difference across Derbyshire.

Our named endowed funds support a wide and diverse range of issues and activities, from supporting carers, survivors of domestic abuse and isolated elderly residents to providing the people of Derbyshire with access to music, sport, advice, childcare, transport, counselling and a host of other services.

Smaller donations and gifts from donors that do not want to establish a separate named fund are held within the Embrace Derbyshire Fund. This Fund has no specific priorities and therefore has the flexibility to respond to emerging issues and fund activities that might not meet the criteria of our donor directed funds.

Funding surgeries held across the City and County continue to be a key and effective way of communicating the availability of grants and how to successfully apply for them to potential recipients. In 2017/18, 15 community outreach events were organised or attended, including funding surgeries and workshops and presentations for other infrastructure organisations.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

ACHIEVEMENTS AND PERFORMANCE (continued)

Volunteers

The Foundation aims to maximise the quality of public benefit delivered by involving members of the public in our grant making decisions. The Foundation has recruited a number of grant advisors (volunteers who live in their panel area and are involved in (and have a strong understanding of) the voluntary and community sector) as members of the Foundation's grants committee, to attend meetings and advise on our grant making policy.

This helps us to ensure that funding is directed where it is most needed and that all bids are considered in accordance with both the Foundation's constitutional objectives and the criteria of our funders and donors.

The Foundation also manages a number of fund specific panels. The Board thanks all Panel members for their ongoing commitment and contribution to the Foundation.

UKCF

We continue our membership of the national body for community foundations, UKCF, which continues to lobby at a national government and corporate level in order to promote the capabilities of our national network.

Fund Development Activity

The Foundation is committed to its role as a trusted philanthropic adviser and therefore focus continued throughout the year on strengthening and developing the service that we offer to our existing donors to ensure that their experience of giving through the Foundation is rewarding.

Enabling donors to see, first hand, the impact that their philanthropy is having in their local communities is a very important aspect of this work

In addition to circulating case studies and monitoring feedback to Donor panels, during the year we also arranged six "Seeing is Believing Visits", three presentations from groups that have benefitted from Foundation funding and six donor-specific newsletters, all of which continued to be both popular and inspiring.

New endowed funds of £311k were secured during the year, of which over 84% came from new donors. The £49.8k received from existing donors is, we believe, a reflection of the long term relationships we build with our donors and the importance we place on our role as philanthropy advisers and providers of donor services.

Our Awards ceremony has become a key "plank" of our communications, enabling us to articulate effectively the value of the Foundation's work to potential donors and supporters. The 2017 event was used to launch the Foundation's Derbyshire Matters campaign, which hopes to raise awareness of and much needed funds for three key issues our county is facing – improving the mental health of young people, caring for an ageing population and tackling poverty and disadvantage.

Work also continued throughout the year on a Professional Advisor marketing strategy, as part of an ongoing fund development and awareness raising campaign with this particular sector.

Social Media continues to play an increasingly important role in communicating the work of the Foundation to both recipients and donors. Over 1,000 subscribers now receive our quarterly e-newsletter and we have over 1,850 followers on Twitter and 185 Facebook followers.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL REVIEW

Unrestricted Funds

Management fee income of £15.7k was lower than 2016/17 (at £24.6k). This was due to a reduction in grantmaking on behalf of Sports Relief and a corresponding fall in management fee income.

Notwithstanding this, over £18k of unrestricted donations during the year, combined with ongoing cost control measures and transfers of £149k from endowed funds (relating primarily to the 2% administration fees charged to the endowment fund), resulted in a £3k surplus for the year and a corresponding increase in unrestricted reserve levels to £78.8k as at 31st March 2018.

Restricted Funds

Balances unspent at 31 March 2018 amounted to £542k, £72k higher than balances at 31 March 2017, principally due to £60k of endowed funds (previously held under a Section 106 Agreement) being transferred during the year to restricted funds, pending their transfer to another community foundation.

The remaining restricted fund balance relates to funds which have not fully distributed their grant making capacity and will be available for grant distribution during 2018/19.

Endowment Fund

Despite strong performance during the 9 months to 31st December 2017, a downturn in global financial markets during the final quarter of the financial year resulted in the Foundation's investments returning an unrealised loss for the year of £94k (2016/17: £906k gain). Despite new endowment donations of £311k and investment income (Interest dividends and rental income) of £235k during the year, endowment expenses (investment management costs and expenses relating to our investment property) of £56.3k and £502k of distributions (relating primarily to transfers under the Foundation's Total Return Policy) resulted in a £106k reduction in endowed funds during the year to £7,249k.

Investment powers and policy

Under the Memorandum and Articles of Association, Derbyshire Community Foundation has the power to invest any funds not immediately required for the furtherance of its objects in such investments, securities or property as may be thought fit, without reference to social, environmental or ethical considerations.

The investment objectives remain as:-

- (a) The creation of a sufficient financial return to enable the Foundation to carry out its purposes effectively and without interruption;
- (b) To maintain and, if possible, enhance the value of the Foundation's investment funds whilst they are invested;
- (c) To obtain a reasonable balance between capital growth and income so that the Foundation can meet future as well as current need; and
- (d) To avoid investments that the Board of Trustees considers to be unduly risky.

The Trustees have delegated their investment powers to appointed investment managers (currently Rathbones and Cazenove) on a discretionary basis. In addition, The Office for Civil Society requires that CCLA manage a small portion of the Foundation's endowment (£373k as at 31st March 2018) under the Community First programme.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL REVIEW (continued)

The investment managers are responsible for carrying out all day-to-day investment decisions including acquisition and realisation of investments. The investment managers are required to exercise the power to give effect to the principles as contained in the Foundation's Investment Policy and, in particular, must have regard to the need for diversification and suitability of investments selected.

Whilst the Trustees are not involved in the day-to-day operation of the investment portfolio and do not directly influence attainment of a performance target, they assess performance quarterly. In addition, the appointment of investment managers is reviewed at least every five years by the Trustees, as part of its Investment Management tender process.

Investment policy remains to secure a balance between income and capital growth, with a minimum requirement of a 6% total return to support our agreed spending policy.

As at 31 July 2018, the value of the Foundation's investment portfolio was £7,319k (as at the balance sheet date of 31 March 2018: £6,905k).

FUTURE PLANS

Work continued throughout the year to deliver the Foundation's current three year strategic plan, in which we have identified our key objectives as being:

- (i) To award a minimum of £350,000 in grants each year, with the aim to increase the value of grants awarded, year on year.
- (ii) To develop ongoing needs analysis and impact measurement in order to evidence the impact of our grantmaking and ensure that the Foundation continues to be both responsive and pre-emptive when meeting the needs of the communities that we serve.
- (iii) Initiate a programme of one or more "themed" grant programmes that support specific areas of social need within Derbyshire.
- (iv) Deliver year on year growth in new endowed funds over the next three years.
- (v) Increase the Foundation's profile as a trusted philanthropic advisor, intelligent grantmaker and professional manager of charitable funds with fund development and grantmaking audiences.

As outlined in this report, the Board is delighted that progress has been made on all five of these key areas.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Appointment of Trustees

As of the 2010 AGM, at which amendments to the Articles of Association were approved, Trustees serve for a four year term. Trustees must retire at the AGM following their completion of four years' service, but may stand for re-election, subject to a maximum of three consecutive four-year terms.

To ensure that board transparency and effectiveness are not compromised, re-election is subject to satisfactory performance and the achievement of minimum performance standards.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Board has the power at any time to appoint any person to be a Trustee, either to fill a casual vacancy or as an addition to the existing Trustees, subject to the total number of Trustees at any time not exceeding sixteen. Any Trustee appointed holds office only until the next following AGM, and then becomes eligible for re election.

New Trustees are found from the contacts and networks of existing Trustees. The Board regularly undertakes skills audits in order to identify skills gaps amongst existing Trustees and to enable it to seek new Trustees with the skills and experience to fill these gaps.

Trustee induction and training

New Trustees attend an induction meeting, at which they are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committees and decision making processes, the business plan, staffing structure and recent financial performance of the charity.

Organisation

The Board of Trustees administers the charity. The Board meets quarterly and there are sub-committees covering Finance and Grant Making.

The Chief Executive is appointed by the Trustees and manages the day to day operations of the charity, working within terms of delegation, approved by the Trustees, for operational matters including finance, employment, fund development and grant making related activities.

Risk management

The Foundation has developed a Risk Management Register that details the risks to which the charity is exposed in the key areas of governance, finance, personnel, grant making, donor services, management, environment and premises.

Along with the potential impact of those risks, the probability of them occurring and the mitigating action required is also outlined, to assist with:

- a) Regulatory compliance;
- b) Achieving the charity's aims more effectively;
- c) Ensuring that significant risks are known and monitored, thereby enabling trustees to make a more effective contribution; and
- d) Improved forward planning.

Major risks to which the Foundation is currently exposed and systems or procedures established to manage those risks are:

1. Loss of revenue / discontinuation of major donation(s)

The Foundation's strategic planning process is on a three year rolling basis and donor care and development is a key element of this process. In addition, the Finance Committee monitors investment performance and reviews appropriateness of Total Return Policy distribution levels on an ongoing basis. Budgets are established at the beginning of each financial year and reviewed quarterly by the Finance Committee, along with cash flow and P&L performance.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

2. Stock Market volatility and/or poor performance

The Foundation utilises the services of three investment managers (including CCLA who manage the Community First endowment) in order to mitigate poor investment management performance and monitors their performance closely. In addition, the appropriateness of distribution levels is reviewed alongside investment performance information.

3. Inadequate planning/forecasting

An annual Board/Senior Management Strategy Day ensures that both staff and Trustees are involved in setting targets and that these are not only relevant but that an appropriate balance between realistic and challenging is maintained.

Governance

The Board of Trustees plays an important part in fulfilling the Foundation's purpose and vision. Our goal continues to be that we maximise public benefit by ensuring that we:

- Embrace and reflect the whole community that we serve;
- Function effectively within the terms of a modern and relevant code of governance;
- Promote the commitment and satisfaction of those who serve on it; and
- Help the Foundation achieve its objectives.

A Board skills audit is conducted on a regular basis and is used to inform the Trustee recruitment process. Work continued during the year to recruit new Trustees that have the skills and expertise required for the future growth and development of the Foundation and that are reflective of the communities that we serve.

Management

The Foundation now employs a core staff of five part time employees (3.0 FTE) and continues to manage a significant grants budget and increasing number of named endowment funds. To enable us to maintain our efficiency and probity, ongoing work on our infrastructure, including policies, operational standards and management practice, therefore continued as an ongoing priority.

Remuneration of key management personnel is reviewed on an annual basis by the Foundation's Finance Committee and their recommendations are then submitted to the Board for approval.

Investment powers and policy

Under the Memorandum and Articles of Association, Derbyshire Community Foundation has the power to invest any funds not immediately required for the furtherance of its objects in such investments, securities or property as may be thought fit, without reference to social, environmental or ethical considerations. Investment policy remains to secure a balance between income and capital growth, with a minimum requirement of a 6% total return to support our agreed spending policy.

Reserves policy

The reserves policy was revised in 2007 to reflect a target level of a minimum of four months running costs. This revision reflected the increased timescales and potential costs of winding down what had become a much larger organisation. The Trustees are pleased to report that unrestricted reserves of £79.3k equate to ongoing running costs of twenty two weeks (2016/17: reserves of £76.5k equated to twenty four weeks' running costs).

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Employees

The Trustees would like to formally express their appreciation to all employees, together with the members of the various grant making panels for their contribution to another successful year.

Trustees

The Trustees who have held office during the year are listed on page 1. The Board thanks all members for their contribution to another successful year for Derbyshire Community Foundation.

Statement of Trustees' responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that year. In preparing those financial statements, the Trustees are required to:

- * Select suitable accounting policies and then apply them consistently;
- * Make judgements and estimates that are reasonable and prudent;
- * Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Status

The charitable company is limited by guarantee without having a share capital and the liability of the members is limited to £1 each. The charitable company is governed by its Memorandum and Articles of Association and is a registered charity.

GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

CONSTITUTION

The charitable company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 2 January 1994 .

The charitable company is constituted under a Memorandum of Association dated 2 January 1994 and is a registered charity number 1039485.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

TRUSTEES' INDEMNITIES

The trustees, as directors of the company, have been granted a qualifying third party indemnity provision under section 234 of the Companies Act 2006. This does not provide cover in the event of a director being proved to have acted fraudulently or dishonestly.

TRUSTEES' RESPONSIBILITIES STATEMENT

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

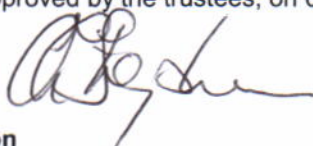
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the trustees, on 6 August 2018 and signed on their behalf by:



Oliver Stephenson
Chairman

6 August 2018

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBYSHIRE COMMUNITY FOUNDATION

OPINION

We have audited the financial statements of Derbyshire Community Foundation (the 'charitable company') for the year ended 31 March 2018 set out on pages 17 to 37. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

USE OF OUR REPORT

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

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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBYSHIRE COMMUNITY FOUNDATION

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 Auditors' 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.

OPINION 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 for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DERBYSHIRE COMMUNITY FOUNDATION

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' 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 Auditors' 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. This description forms part of our Auditors' report.



Howard Freeman (Senior statutory auditor)

for and on behalf of

Shorts

Chartered Accountants
Statutory Auditor

2 Ashgate Road
Chesterfield
Derbyshire
S40 4AA
6 August 2018

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	2	18,068	60,564	310,742	389,374	287,454
Charitable activities	3	15,671	46,626	-	62,297	281,292
Other fundraising activities	4	-	16,299	-	16,299	5,405
Investments	5	-	-	235,456	235,456	258,133
TOTAL INCOME AND ENDOWMENTS		33,739	123,489	546,198	703,426	832,284
EXPENDITURE ON:						
Raising funds		9,846	7,747	31,563	49,156	55,617
Charitable activities		170,017	397,651	24,784	592,452	552,758
TOTAL EXPENDITURE	6	179,863	405,398	56,347	641,608	608,375
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)						
		(146,124)	(281,909)	489,851	61,818	223,909
Net gains/(losses) on investments	14	-	-	(94,052)	(94,052)	905,596
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(146,124)	(281,909)	395,799	(32,234)	1,129,505
Transfers between Funds	18	148,744	353,157	(501,901)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		2,620	71,248	(106,102)	(32,234)	1,129,505
NET MOVEMENT IN FUNDS		2,620	71,248	(106,102)	(32,234)	1,129,505
RECONCILIATION OF FUNDS:						
Total funds brought forward		76,228	470,298	7,355,215	7,901,741	6,772,236
TOTAL FUNDS CARRIED FORWARD		78,848	541,546	7,249,113	7,869,507	7,901,741

The Statement of Financial Activities (incorporating the Income and Expenditure Account) includes all gains and losses recognised in the year.

The notes on pages 20 to 37 form part of these financial statements.

DERBYSHIRE COMMUNITY FOUNDATION

(A company limited by guarantee)

REGISTERED NUMBER: 02893759

**BALANCE SHEET
AS AT 31 MARCH 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	11	169,009		169,009	
Investment property	12	210,000		210,000	
Total tangible assets			379,009		379,009
Heritage assets	13		62,316		62,030
Investments	14		6,904,559		6,839,556
			7,345,884		7,280,595
CURRENT ASSETS					
Debtors	15	45,361		59,177	
Cash at bank and in hand		666,638		811,479	
			711,999		870,656
CREDITORS: amounts falling due within one year	16	(95,289)		(151,618)	
NET CURRENT ASSETS			616,710		719,038
TOTAL ASSETS LESS CURRENT LIABILITIES			7,962,594		7,999,633
CREDITORS: amounts falling due after more than one year	17		(93,087)		(97,892)
NET ASSETS			7,869,507		7,901,741
CHARITY FUNDS					
Endowment funds	18		7,249,113		7,355,215
Restricted funds	18		541,546		470,298
Unrestricted funds	18		78,848		76,228
TOTAL FUNDS			7,869,507		7,901,741

The charitable company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the trustees on 6 August 2018 and signed on their behalf, by:

William Kerr
Treasurer



6 August 2018

The notes on pages 20 to 37 form part of these financial statements.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(375,681)</u>	<u>135,543</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		<u>235,456</u>	<u>258,133</u>
Net cash provided by investing activities		<u>235,456</u>	<u>258,133</u>
Cash flows from financing activities:			
Repayments of borrowings		<u>(4,616)</u>	<u>(4,461)</u>
Net cash used in financing activities		<u>(4,616)</u>	<u>(4,461)</u>
Change in cash and cash equivalents in the year		<u>(144,841)</u>	<u>389,215</u>
Cash and cash equivalents brought forward		<u>811,479</u>	<u>422,264</u>
Cash and cash equivalents carried forward	21	<u><u>666,638</u></u>	<u><u>811,479</u></u>

The notes on pages 20 to 37 form part of these financial statements.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

Derbyshire Community Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The charitable company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which the estate is finalised or when a distribution is received from the estate.

All grants and voluntary income are accounted for gross when receivable and represent the amounts derived from core funding, grants and donations which fall within the charitable company's activities.

Interest and dividends are included in the financial statements on an accruals basis. Tax recoverable on the above is accounted for on a receivable basis.

Investment income is allocated to restricted or unrestricted funds by reference to the nature of the underlying funds generating the income.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is included on the accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of the estimated proportion of time spent by staff on those activities.

Irrecoverable VAT is included within the items of expense to which it relates.

Grants payable are recognised as expenditure when the commitment is made.

Fundraising costs are those incurred in seeking the voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company. Management and administration costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

1.6 Heritage assets

Artwork is capitalised at its value on donation or insurance valuation. No depreciation is provided as the residual value is considered to be at least equal to the valuation. Any excess of market value (i.e. insurance value) over the value on donation is credited to the Statement of Financial Activities. An impairment review is undertaken annually.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Freehold property

The freehold property (charity premises) is carried at cost less provision for depreciation.

Investment property

The investment property is carried at market value and the valuation is reviewed at the end of each reporting period by the Trustees using rental yield calculations and comparing these against commercial rates. Where there is deemed to be a material change to the valuation, a professional valuer is appointed. The excess of market value over cost is credited to the Statement of Financial Activities. Where market value is less than original cost the resultant deficit is taken to the endowment fund.

Donated fixed assets

Donated fixed assets are recognised at market value as a donation at the time of the donation being made.

1.8 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Financial instruments

The charitable company 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.

1.11 Taxation

The charitable company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

1.13 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of heritage assets

Heritage assets have been reviewed for evidence of impairment and a provision of £19,314 has been made in the current year. In the view of the Trustees, this is reasonable when considering the condition of the artwork and its potential for resale and/or generating income.

Non-depreciation of freehold property

No depreciation has been charged as in the view of the Trustees, based on the estimated residual value and a useful economic life of 25 years, the annual depreciation charge would be immaterial.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	18,068	60,564	310,742	389,374	287,454
<i>Total 2017</i>	<i>5,000</i>	<i>3,118</i>	<i>279,336</i>	<i>287,454</i>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Sports Relief / Comic Relief	3,321	31,626	-	34,947	67,205
Healthcalm	-	-	-	-	5,000
Fern Fund	-	-	-	-	5,000
New Beginnings	-	-	-	-	18,114
Older People's Fund	7,500	-	-	7,500	142,500
Royal London	600	10,000	-	10,600	4,300
YSA	500	5,000	-	5,500	33,000
People's Health Trust	3,750	-	-	3,750	-
Other grants	-	-	-	-	6,173
Total 2018	15,671	46,626	-	62,297	281,292

The total income from 2017 of £281,292 related to restricted funds.

4. FUNDRAISING INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Events	-	8,052	-	8,052	5,405
Vickers artwork sales	-	8,247	-	8,247	-
	-	16,299	-	16,299	5,405
<i>Total 2017</i>	<i>-</i>	<i>5,405</i>	<i>-</i>	<i>5,405</i>	

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	-	-	9,000	9,000	9,127
Bank interest and dividends received	-	-	226,456	226,456	249,006
	-	-	235,456	235,456	258,133
<i>Total 2017</i>	1	103	258,029	258,133	

6. EXPENDITURE

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £	Total funds 2017 £
Expenditure on raising funds					
Fundraising	9,846	7,747	-	17,593	17,118
Management and administration	-	-	31,563	31,563	38,499
	9,846	7,747	31,563	49,156	55,617
Expenditure on charitable activities					
Grants payable / restricted fund expenditure	-	397,651	-	397,651	383,831
Support costs	137,866	-	24,784	162,650	145,228
Governance expenses	28,088	-	-	28,088	23,448
Management and administration	4,064	-	-	4,064	251
	170,018	397,651	24,784	592,453	552,758
	179,864	405,398	56,347	641,609	608,375

Of the expenditure on raising funds incurred during 2017, £16,577 related to unrestricted funds, £541 to restricted funds and £38,499 to endowment funds.

Of the expenditure on charitable activities incurred during 2017, £144,829 related to unrestricted funds, £407,929 to restricted funds and £nil to endowment funds.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. GOVERNANCE COSTS

	2018 £	2017 £
Auditors' remuneration	7,500	6,600
Other costs	1,897	2,528
Salaries and national insurance	18,691	14,320
	<u>28,088</u>	<u>23,448</u>

In addition, other fees paid to the auditors for additional services were £nil (2017: £5,880).

8. EXPENDITURE

	Support costs 2018 £	Managem't and admin 2018 £	Fundraising 2018 £	Total funds 2018 £	Total funds 2017 £
Wages and salaries	85,134	58	8,035	93,227	89,540
Other staff costs	1,937	206	88	2,231	4,099
Fundraising costs	-	-	7,842	7,842	9,026
Utilities and insurances	3,641	392	168	4,201	4,466
Office and meeting costs	5,305	517	222	6,044	9,630
Computer costs	16,133	1,246	534	17,913	26,352
Finance costs	2,867	309	132	3,308	3,272
Publicity and communications	9,778	561	240	10,579	67
Legal and professional	13,071	775	332	14,178	14,229
Revaluation of assets	19,314	-	-	19,314	-
Investment property costs	5,470	-	-	5,470	19,108
Total	<u>162,650</u>	<u>4,064</u>	<u>17,593</u>	<u>184,307</u>	<u>179,789</u>

SUMMARY OF TOTAL EXPENDITURE

	2018 £	2017 £
Expenditure analysed in table above	184,307	179,789
Governance expenses	28,088	23,448
Grants payable / restricted fund expenditure	397,651	383,831
Stockbroker fees (net of rebates)	31,563	21,307
Total	<u>641,609</u>	<u>608,375</u>

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

9. GRANTS PAYABLE / RESTRICTED FUND EXPENDITURE

	Number	2018 £	Number	2017 £
Grants to Community Groups & Voluntary Organisations	192	363,900	214	370,615
Grants to individuals	41	22,767	32	23,528
Withdrawn / underspent grants	-	(8,027)	-	(12,229)
Other restricted fund expenditure	-	19,011	-	1,917
Total	233	397,651	246	383,831

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	101,329	96,284
Social security costs	5,296	3,523
Pension and health scheme costs	5,293	4,053
	<u>111,918</u>	<u>103,860</u>

Of the above staff costs an amount of £93,227 (2017: £89,540) is shown within expenditure and £18,691 (2017: £14,320) as governance costs.

The charitable company operates a defined contributions pension scheme.

Included within pension and health scheme costs are pension contributions payable by the charitable company of £4,670 (2017: £3,534).

The average number of persons employed by the charitable company during the year was as follows:

	2018 No.	2017 No.
Employees	4	4
Management and administration	1	1
	<u>5</u>	<u>5</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Allocated to charitable activities	2.60	2.94
Allocated to management, administration and fundraising	0.40	0.46
	<u>3.00</u>	<u>3.40</u>

No employee received remuneration amounting to more than £60,000 in either year.

During either year, no trustee received any remuneration, benefits in kind or reimbursed expenses.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. TANGIBLE FIXED ASSETS

	Charity premises £
Cost	
At 1 April 2017 and 31 March 2018	169,009
Depreciation	
At 1 April 2017 and 31 March 2018	-
Net book value	
At 31 March 2018	169,009
At 31 March 2017	169,009

12. INVESTMENT PROPERTY

	Investment property - Sutton-in- Ashfield £
Valuation	
At 1 April 2017 and 31 March 2018	210,000

The charitable company's investment property was revalued in 2011/12 in accordance with the Foundation's policy. Innes England, Commercial Property Consultants, undertook the valuation of the Sutton-in-Ashfield retail property. The trustees are not aware of any material changes since this valuation.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. CHARITY HERITAGE ASSETS

	Artwork £	Total £
Market value		
At 1 April 2017	62,030	62,030
Additions	19,600	19,600
	<hr/>	<hr/>
At 31 March 2018	81,630	81,630
	<hr/>	<hr/>
Impairment		
Charge for the year	19,314	19,314
	<hr/>	<hr/>
At 31 March 2018	19,314	19,314
	<hr/>	<hr/>
Net book value		
At 31 March 2018	62,316	62,316
	<hr/>	<hr/>
At 31 March 2017	62,030	62,030
	<hr/>	<hr/>

Artwork relates to the holding by two funds of pieces of art donated by or purchased from artists. A valuation of artwork held in August 2015 by Hansons confirmed that its current market retail replacement valuation at that date was £47,860. A further £14,170 of artwork was donated in September 2015 and a further £19,600 in September 2017. The Board reviewed holdings during the year and determined that an adjustment of £19,314 to the valuation of certain works would be appropriate having regard to the artist's current practice.

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. FIXED ASSET INVESTMENTS

	Other investments £
Market value	
At 1 April 2017	6,839,556
Net additions/(disposals) in the year	191,188
Unrealised gains/(losses) on investments	(94,052)
Management fees deducted at source by investment managers	(32,133)
	<u>6,904,559</u>
At 31 March 2018	<u>6,904,559</u>

Investments at market value comprise:

	2018 Value £	2017 Value £
Cazenove Charity Multi Asset Fund	3,205,626	3,298,620
CCLA Investment Management Ltd	372,798	386,802
Rathbones Investment Management	3,326,135	3,154,134
	<u>6,904,559</u>	<u>6,839,556</u>
Total	<u>6,904,559</u>	<u>6,839,556</u>

The investments consist of monies held in externally managed portfolios in a mixture of UK and foreign investments, and are shown at market value as at 31 March 2018.

As at 31 July 2018, the value of the Foundation's investments was £7,319,026.

15. DEBTORS

	2018 £	2017 £
Other debtors	45,088	58,652
Prepayments and accrued income	273	525
	<u>45,361</u>	<u>59,177</u>

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Mortgage repayments due within one year	4,618	4,429
Grants payable (i.e. awaiting contract return)	68,879	123,394
Other taxation and social security	4,492	3,458
Other creditors	1,626	-
Accruals and deferred income	15,674	20,337
	<u>95,289</u>	<u>151,618</u>

17. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Mortgage repayments due after one year	<u>93,087</u>	<u>97,892</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018	2017
	£	£
Repayable by instalments	<u>73,160</u>	<u>78,577</u>

The mortgage is secured by a legal charge over the charitable company's freehold property (Unit 2, Heritage Business Centre, Belper, Derbyshire, DE56 1SW).

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

18. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure /investment manage- ment fees £	Transfers in/out £	Gains / (losses) £	Balance at 31 March 2018 £
Unrestricted funds						
General fund	76,228	33,739	(179,863)	148,744	-	78,848
Endowment funds						
Discretionary Funds	319,134	23,383	(1,541)	(19,432)	(4,974)	316,570
J Vickers Fund	269,105	26,055	(20,286)	(12,386)	(3,072)	259,416
Donor Directed Funds	6,379,269	496,760	(34,520)	(449,118)	(92,966)	6,299,425
Community First Funds	387,707	-	-	(20,965)	6,960	373,702
	<u>7,355,215</u>	<u>546,198</u>	<u>(56,347)</u>	<u>(501,901)</u>	<u>(94,052)</u>	<u>7,249,113</u>
Restricted funds						
John Weston Charitable Fund	5,192	12,500	(13,874)	9,986	-	13,804
Rolls-Royce plc Fund	26,039	-	-	15,759	-	41,798
Tom Carey Fund	67,310	-	(114,676)	83,735	-	36,369
Older People's Fund	135,000	-	(46,544)	1,473	-	89,929
YSA Fund	30,000	14,395	(20,000)	-	-	24,395
Assist Grassroots Grant Revenue	18,937	-	-	4,297	-	23,234
Derbyshire Building Society	16,792	-	-	2,826	-	19,618
Freemasons GR	(10,705)	-	(9,362)	38,842	-	18,775
S.D.C.C.T.E.	15,259	-	-	-	-	15,259
Sports Relief	3,334	31,626	(11,861)	-	-	23,099
HJ Banks	(1,916)	-	-	60,615	-	58,699
Other Named Funds	165,056	64,968	(189,081)	135,624	-	176,567
	<u>470,298</u>	<u>123,489</u>	<u>(405,398)</u>	<u>353,157</u>	<u>-</u>	<u>541,546</u>
Total of funds	<u>7,901,741</u>	<u>703,426</u>	<u>(641,608)</u>	<u>-</u>	<u>(94,052)</u>	<u>7,869,507</u>

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure /investment manage- ment fees £	Transfers in/out £	Gains / (losses) £	Balance at 31 March 2017 £
Unrestricted funds						
General fund	81,573	5,001	(161,406)	151,060	-	76,228
Endowment funds						
Discretionary Funds	281,854	14,289	(1,048)	(17,727)	41,766	319,134
J Vickers Fund	246,600	7,512	(685)	(11,593)	27,271	269,105
Donor Directed Funds	5,470,932	520,750	(36,679)	(361,346)	785,612	6,379,269
Community First Funds	336,847	-	(87)	-	50,947	387,707
Transfer of HS Fundraising to Endowment	-	(5,186)	-	5,186	-	-
	<u>6,336,233</u>	<u>537,365</u>	<u>(38,499)</u>	<u>(385,480)</u>	<u>905,596</u>	<u>7,355,215</u>
Restricted funds						
J Vickers Fund	10,050	200	(19,790)	7,728	-	(1,812)
High Sheriff Fundraising	11,135	65	-	(10,372)	-	828
Ashby Fund	16,330	500	(35,596)	35,316	-	16,550
Egg Fund	18,715	-	-	(18,715)	-	-
John Weston Charitable Fund	25,174	15	(19,997)	-	-	5,192
Rolls-Royce plc Fund	26,767	-	(15,000)	14,272	-	26,039
Tom Carey Fund	81,576	-	(92,635)	78,369	-	67,310
Older People's Fund	-	142,500	(7,500)	-	-	135,000
Community First Grant Fund	25,922	-	-	14,351	-	40,273
YSA Fund	-	33,000	(3,000)	-	-	30,000
Other Named Funds	138,761	113,638	(214,952)	113,471	-	150,918
	<u>354,430</u>	<u>289,918</u>	<u>(408,470)</u>	<u>234,420</u>	<u>-</u>	<u>470,298</u>
Total of funds	<u>6,772,236</u>	<u>832,284</u>	<u>(608,375)</u>	<u>-</u>	<u>905,596</u>	<u>7,901,741</u>

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

RESTRICTED FUNDS

Transfers In to Restricted Funds

Transfers in to Restricted Funds, totalling £292,542 (2017: £259,708), relate primarily to distributable income for grant making that was transferred in accordance with the Foundation's Total Return Policy. These transfers were made from the Foundation's Endowment Fund into the grant revenue pots of the circa 60 discretionary and donor directed named Endowment funds, which have been established with the Foundation.

A total of £60,615 (2017: £nil) was transferred in to Restricted Funds during the year, £60,562 from Endowment Funds and £53 from Unrestricted Funds. This relates to the HJ Banks fund which will be taken over by another foundation next year.

Transfers Out of Restricted Funds

A total of £nil (2017: £25,288) was transferred out of Restricted Funds during the year, in accordance with donors' wishes, to either Endowment or Unrestricted Funds.

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure /investment manage- ment fees £	Transfers in/out £	Gains / (losses) £	Balance at 31 March 2018 £
Unrestricted funds	76,228	33,739	(179,863)	148,744	-	78,848
Endowment funds	7,355,215	546,198	(56,347)	(501,901)	(94,052)	7,249,113
Restricted funds	470,298	123,489	(405,398)	353,157	-	541,546
	<u>7,901,741</u>	<u>703,426</u>	<u>(641,608)</u>	<u>-</u>	<u>(94,052)</u>	<u>7,869,507</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure /investment manage- ment fees £	Transfers in/out £	Gains / (losses) £	Balance at 31 March 2017 £
Unrestricted funds	81,573	5,001	(161,406)	151,060	-	76,228
Endowment funds	6,336,233	537,365	(38,499)	(385,480)	905,596	7,355,215
Restricted funds	354,430	289,918	(408,470)	234,420	-	470,298
	<u>6,772,236</u>	<u>832,284</u>	<u>(608,375)</u>	<u>-</u>	<u>905,596</u>	<u>7,901,741</u>

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Endowment funds 2018 £	Total funds 2018 £
Tangible fixed assets	169,009	-	-	169,009
Fixed asset investments	-	-	6,904,559	6,904,559
Investment property	-	-	210,000	210,000
Heritage assets	-	-	62,316	62,316
Current assets	26,573	613,188	72,238	711,999
Creditors due within one year	(23,647)	(71,642)	-	(95,289)
Creditors due in more than one year	(93,087)	-	-	(93,087)
	<u>78,848</u>	<u>541,546</u>	<u>7,249,113</u>	<u>7,869,507</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Tangible fixed assets	169,009	-	-	169,009
Fixed asset investments	-	-	6,839,556	6,839,556
Investment property	-	-	210,000	210,000
Heritage assets	-	-	62,030	62,030
Current assets	107,484	519,542	243,629	870,655
Creditors due within one year	(102,373)	(49,244)	-	(151,617)
Creditors due in more than one year	(97,892)	-	-	(97,892)
	<u>76,228</u>	<u>470,298</u>	<u>7,355,215</u>	<u>7,901,741</u>

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(32,234)	1,129,505
Adjustment for:		
Impairment charges	19,314	-
Increase in investments	(65,003)	(782,973)
Dividends, interest and rents from investments	(235,456)	(258,133)
Decrease/(increase) in debtors	13,816	(2,652)
(Decrease)/increase in creditors	(56,518)	49,796
Donation of heritage asset	(19,600)	-
Net cash (used in)/provided by operating activities	(375,681)	135,543

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	666,638	811,479
Total	666,638	811,479

22. PENSION COMMITMENTS

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £3,534 (2017: £3,678). Contributions totalling £1,242 (2017: £915) were payable to the fund at the balance sheet date and are included in creditors.

23. OPERATING LEASE COMMITMENTS

At 31 March 2018 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	7,421	7,421
Between 1 and 5 years	3,522	10,943
Total	10,943	18,364

DERBYSHIRE COMMUNITY FOUNDATION
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

24. RELATED PARTY TRANSACTIONS

During the year donations made by trustees to the charitable company totalled £10,503 (2017: £1,420) excluding gift aid. There were no other related party transactions requiring disclosure.



Foundation
Derbyshire

Unit 2, Heritage Business Centre,
Derby Road, Belper DE56 1SW

01773 525860

www.foundationderbyshire.org

hello@foundationderbyshire.org

