

LOCALITY (UK)

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30<sup>th</sup> JUNE 2024

Registered Charity No. 1036460

Company No. 02787912

Locality (UK)  
Trustees' Annual Report  
for the year ended 30<sup>th</sup> June 2024

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**Legal and Administrative Details**

Locality (UK) is a Company limited by guarantee (Company number 02787912) and a registered charity (Charity number 1036460). The Company was incorporated in England and Wales on 8th February 1993. Its governing document is the Memorandum and Articles of Association. The Board's investment powers are subject to such conditions and consents as may for the time be imposed by law.

The Directors of the Company act as Trustees for the Company's charitable activities.

Registered office:        33 Corsham Street  
                                 London  
                                 N1 6DR

Bankers:                    Unity Trust Bank plc  
                                 Four Brindleyplace  
                                 Birmingham  
                                 B1 2JB

Auditors:                  MHA  
                                 6th floor  
                                 2 London Wall Place  
                                 London  
                                 EC2Y 5AU

Solicitors:                Bates Wells and Braithwaite  
                                 10 Queen Street Place  
                                 London  
                                 EC4R 1BE

                                 Anthony Collins Solicitors  
                                 134 Edmund Street  
                                 Birmingham  
                                 B3 2ES

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**Trustees**

The Trustees in office during the year and to date were as follows:

Alison Haskins	(Chair)
Steve Sayers	(Vice Chair)
Andrea Mennell	(Treasurer - resigned 06/12/23)
Adrian Ball	(Vice Chair - appointed 18/04/24)
Anna Bonallack	
Paul Butler	
Colin Crooks	
Maxine Ennis	(resigned 06/12/23)
Alexis Keir	
Amy Kinnear	
Alex Kittow	(Treasurer - appointed 18/04/24)
Tess Lanning	
Sarah Mitson	
Manjula Patel	
Bernadette O'Brien	(appointed on 06/12/2023)
Antonia Onigbode	(appointed on 06/12/2023)

**Senior Management Team**

Tony Armstrong	Chief Executive and Company Secretary
Csaba Prodan	Director of Finance
Carole Reilly	Director of Services
Graham Finegold	Strategic HR and Equalities Lead - (resigned 21/09/23)
Ed Wallis	Director of Policy & Engagement
Chris Wood	Director of Marketing and Partnerships

**Day-to-Day Management**

The Trustees have delegated day-to-day management of the organisation to the Locality Chief Executive, Tony Armstrong.

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**Trustees' Annual Report**

The Trustees present the Trustees' Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2024. The Trustees confirm that the Annual Report and Financial Statements comply with the current statutory requirements, the requirements of the Company's governing documents and the provisions of the Statement of Recommended Practice (SORP) applicable to charities.

**1. Structure, Governance and Management**

**1.1. Structure**

Locality was established on 1<sup>st</sup> April 2011 and is a membership organisation. Our membership consists of community members: local community enterprises, development trusts, settlements, and other community organisations working locally. We also have associate members (network and partner members) who consist of other voluntary organisations, local authorities, academic institutions, private sector bodies and individuals, and supporters. To become members, organisations need to sign up to our charter and work (or support others) to support their local community.

Locality's work is primarily in England, with working relationships with independent organisations in the other UK nations (Development Trusts Association Scotland, Development Trusts Association Wales, and Development Trusts Northern Ireland), and with links to international activities, for example through our membership of the International Federation of Settlements.

**1.2. Governance**

**Corporate governance**

Locality is a registered charity and a Company limited by guarantee. Our Board members are Trustees of the charity and Company Directors. We currently have 14 Trustees, 10 of which are elected Trustees, who can serve up to two consecutive three-year terms (with provision for a third term in special circumstances). Elections to the Board are undertaken at the Annual General Meeting (AGM) and are open to all Locality members. Independent Trustees can be co-opted onto the Board, to enhance the range of skills and experience of the Board. All new Trustees receive an induction and complete a register of interests. They are also provided with opportunities for governance and sector-specific training and development. The training is carried out ad hoc on request and once a year there is a Trustees' away day to exchange knowledge and skills.

The Board has one sub-committee, the Executive Group, consisting of Board officers and key senior staff. The group meets on a quarterly basis in advance of the Board meetings and is responsible for carrying out scrutiny of risk and finance and making relevant recommendations to the Board. It does not have a general authority to make decisions but makes recommendations for decision by the full board unless specifically delegated to take decisions.

We have maintained a highly committed Trustee team. Our chair Alison Haskins is coming to the end of her second term and will retire in December 2024. We have a succession plan in place and Steve Sayers has been appointed by the Board as Chair designate to take over on Alison's retirement.

**Conflicts of Interest and Related Party Transactions**

In line with our Conflicts of Interest policy, Trustees declare all personal and professional connections on a register of interests. At the start of each meeting, declarations are made for any potential conflicts of interest, and the relevant Trustee recuses themselves from any decisions that the charity must make regarding a conflict of interest. Related party transactions in the year have been disclosed within note 16 of the accounts.

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### 1.3. Management & Remuneration Policy

Within the staff team, the Senior Management Team meets weekly and consists of the Chief Executive and Directors. There are regular team and all-staff events, bringing staff together from across England.

Locality has a structured salary framework linked to job roles, responsibilities, and seniority. The pay and remuneration for all key management personnel within Locality are covered by a remuneration policy, to ensure consistency and good governance. Remuneration is determined each year by the Board, via the Executive Group sub-committee, which acts as the remuneration committee, considering the organisation's financial position, any appropriate benchmarking, and the views of the union (Unite).

The key management personnel of the charity are the Trustees and the senior management team. Trustees receive no remuneration. The Trustees are based across the country and are reimbursed for the cost of their travel and subsistence expenses. During the year, Trustees were reimbursed expenses of £2,376 (2023: £2,337). Locality has liability insurance that covers trustees Management liability - Trustees and individual liability up to £500,000.

## 2. Objectives and Activities

### 2.1. Aims

The Charitable objects of Locality (adopted in November 2014) are:

- (a) To advance citizenship and civil society including but not limited to:
  - I. improving the efficiency and effectiveness of community-led or based voluntary and charitable organisations including but not limited to development trusts, settlements, social action centres, community enterprises, and similar organisations;
  - II. providing a network of communication, training services, support and assistance to facilitate the work of such organisations for the public benefit and promote and enable community-led or based approaches to improve neighbourhoods;
  - III. supporting and promoting of public participation in and involving individuals in activities to support such organisations;
  - IV. promoting co-operation and liaison between such organisations, individuals, statutory bodies and local and central government agencies connected with community development, urban and rural regeneration and conservation; and
  - V. acting as a representative of such organisations in relation to government policies and legislation.

For the avoidance of doubt, for the purposes of these objects the term "civil society" shall not include political parties and other bodies whose purpose is primarily political as this term is understood in English charity law.

- (b) To advance education of the public in the work of development trusts, settlements, social action centres, community enterprises, and similar organisations.

Our organisational strategy was set out in 2019 and provides a framework for all our work. We develop an annual business plan which sets out our priorities for the coming year which is based on our financial year which starts on 1<sup>st</sup> July.

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**Our vision:** A fair society where every community thrives.

**Our mission:** To support local community organisations to be strong and successful.

Our strategic framework sets out our priorities and our approach over the next few years. It is designed to be flexible in response to the changing and volatile climate we live in. Locality has five strategic goals:

1. Resources and tools to support people, groups and community organisations.
2. Direct support to community organisations and their partners.
3. Membership network to connect people and support learning and skills.
4. Influence to create a better operating environment for community organisations.
5. Locality is a strong and successful organisation.

These strategic goals are supporting the following charitable activities presented on the SOFA: Member Services, Services and Programmes, Policy and Campaigning.

## **2.2. Public Benefit**

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission, including the guidance 'Public Benefit: Running a Charity (PB2)'. Locality establishes and supports community organisations that operate in communities which make up over a quarter of the UK population, with a particular focus on areas facing disadvantage, and which provide multiple economic, social, and environmental benefits to individuals in those areas.

Part of the support is making grants to community organisations through funded programmes. Locality works with funders and other stakeholders to design grant programmes that help community organisations in their local area and contribute to the aims of Locality.

## **3. Key Achievements**

Reported against the strategic objectives.

**Strategic Objective 1:** Resources and tools to support people, groups, and community organisations.

### **My Community website**

This year we further developed the My Community website ([mycommunity.org.uk](https://mycommunity.org.uk)), the one-stop shop for charities and community groups looking to run projects, organisations and activities to support their community. We updated various resources and created a new hub on accessing social investment. The license to run the My Community website came to an end in 2024 and all IP was transferred to Locality from the Department for Levelling Up, Housing, Communities and Local Government. This was a welcome development and was planned on the completion of the 5 year license as the agreement was to take on the website and develop it from within the sector. The website now has over 300 resources available across business planning, finances and funding, taking on buildings and land, HR, governance, DEI, housing, energy efficiency and climate action. We work with our partners to share information and useful events and publications, to promote the website to new users, to improve existing resources and develop new ones.

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## Neighbourhood Planning

We continue to deliver a successful programme, contracted by the Department for Levelling Up, Housing and Communities, offering support and grant to neighbourhood planning groups across the country. Over the course of this year, we have met all KPIs and delivered the programme to ensure all allocated funding was distributed to groups in the form of grant and/or technical support.

The programme was granted another extension to enable us to deliver services until the end of March 24. Subsequently we negotiated a further extension to keep the programme open until March 2025. This will bring the total value of the programme to £54.9M. In 2024/2025 we will be able to award up to £3M of grants with a budget for technical support sign off of £4.1M

Demand remains high and over the period we supported 586 groups with grant and/or technical support packages worth over £7.8 million. We received 1,280 expressions of interest and 971 applications for support. These translated into:

- 318 packages of technical support with a total value of £4,167,763.44 (inc. VAT) and
- 640 grants worth £3,657,827.00

Quality remains high and we performed well against KPIs:

- 100% of grant applications were processed within required timescales
- 100% of advice service queries were answered within required timescales

On a 5-point scale ranging from extremely dissatisfied (1), to extremely satisfied (5), we ask customers to respond to the following statement 'How we dealt with your enquiry overall'. The mean score was 4.58 (closest to extremely satisfied).

## Community-Led Housing (CLH)

Community-Led Housing remains a priority for many of our members, and we have continued to deliver support through our specialist network and consultancy work. In the absence of an externally funded grant programme, support to groups undertaking Community-Led Housing was in the main delivered by direct contracts with groups, or through local authorities.

Over the course of the year, we have continued to work with our partners in the sector Community Land Trust Network (CLTN), the Confederation of Cooperative Housing (CCH), and UK Cohousing Network (UKCN) through our consortium Community-Led Homes (CLH).

### Strategic Objective 2: Direct support to community organisations and their partners

Demand for support across the board continues to be high, and over the year we have worked with hundreds of communities through directly awarded contracts and national and regional programmes. Over the course of the year, we have seen increased interest from local authorities, housing associations and some NHS bodies.

Our national team have been incredibly busy supporting community organisations over the year. The cost-of-living crisis has meant community organisations continue to face existential issues and need support now more than ever.

We were delighted to support over 60 Big Local groups across the country over the course of the year as they move to the next stage of development. Support largely ranged around governance, asset-based development/acquisition and long-term sustainability.

Individual consultancy contract work continues to be extremely varied, delivering, for example:  
Support to the Community Improvement Districts programme funded through Power to Change.  
Support to Selby Trust under the Shared Prosperity Fund.  
Supporting new communities as they establish in Marleigh, South Cambridgeshire.



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Research into initiatives addressing food insecurity in Gainsborough, funded through the Local Access Programme.

Training and development to help social enterprises across the West Midlands Combined authority increase their income.

Our work with Sport England on the Together Fund brought us a new audience of small and start up groups, mainly from racialised communities enabling them to build their sustainability and delivery in their local areas.

We have supported Groundwork in the delivery of the DCMS Energy Efficiency Fund, with staff delivering energy assessments to enable groups to make successful energy saving improvements in their community buildings.

We continue to work with national funding bodies to support the groups they fund, for example Heritage Fund, Local Trust, Lloyds Bank Foundation.

We have also continued to work closely with the Community Shares Unit (CSU), supporting the CSU Development Manager in the pursuit of further market development.

We continue to see community organisations present with significant challenges based on: HR issues, increased costs, loss of contracts, unsuitable buildings, and recruitment problems. They report concerns about the decline in available funding coupled with increased demand and increased costs.

### **Programmes**

Programme work has predominantly focussed on the establishment and delivery of the Community Ownership Fund (COF) support programme. Funded by the Department of Levelling Up, Housing and Communities, the £150m Community Ownership Fund (COF) exists to help communities across the UK to take ownership of assets at risk of closure.

Under the contract we are leading a UK wide consortium to deliver support to community organisations and parish councils wanting to save desperately needed community assets in their neighbourhoods.

Our consortium is made up of core partners Plunkett Foundation, alongside our sister organisations in the UK – Development Trusts Association Scotland (DTAS), Development Trusts Association Wales and Development Trusts Northern Ireland (DTNI). We are delighted to be also working with wider consortium partners: Shared Assets, Sporting Assets, Community Shares Unit, Architectural Heritage Fund, Cwmpas and Power to Change.

We have supported 1,800 groups with advice, and are working with over 350 community organisations to support them through the process. 96% of groups scored us either 'good' or 'excellent' on feedback.

### **Net Zero**

We have continued to play our role in tackling the climate crisis. While measuring and reducing our own carbon footprint, we have also been supporting our members to improve their energy efficiency and reduce their use of carbon by referring them to relevant funding, delivering workshops with partners, and providing tools and advice on our My Community website ([mycommunity.org.uk](https://mycommunity.org.uk)).

We have also engaged an external consultant to help us develop more specific plans to support members to develop their own net zero activities and create business opportunities. This has included focus groups and interviews with members and partners, and it builds on research we have conducted into the potential impact and viability of climate focused community business models.

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**Strategic Objective 3: Membership network to connect people and support learning and skills**

Locality members play a critical role in their communities. They provide the foundations of thriving neighbourhoods, through their work leading local economic development, providing preventative local services, and creating places and spaces for everyone.

However, the external environment continues to present huge challenges for community organisations to play this role to the full. So, we see the support we provide through our membership network as more important than ever, to help our members remain strong and successful and able to keep driving their neighbourhoods forward.

Our network continues to grow, having hit a record high of over 2000 organisations. We offer a flexible range of membership packages to cater for differing needs, from a free network membership for information and updates, to bespoke assistance from a personal advisor.

We continue to run a huge range of events, which form a core part of our support offer, provide members with opportunities to connect, learn from each other, and access expert advice. We run a monthly 'All you need to know' webinar, which provides monthly updates on funding, government guidance and analysis of key trends. We bring people together around key topics in our specialist groups. We provide opportunities to connect face to face as well as online through regular 'Power of Community'.

Our member engagement levels are consistently high, with around 60% of members in our highest categories of engagement. In our member satisfaction survey, 86% said they were likely to renew their membership. As one member put it: "I really value the peer-to-peer connections, information flows, support & understanding from Locality staff all included in Locality membership"

We were delighted to be awarded a major £1.9m grant from the National Lottery Community Fund in Spring 2024 to maintain and develop our support to members. This is a UK wider project which Locality will lead in partnership with DTA Scotland, DTA Wales and DTNI. The funding will allow us to provide additional services to members such as peer learning grants and additional events and network opportunities, as well as launching a programme to support community organisations across the UK in working to further community connections locally.

**Convention**

In November we hosted our annual Locality Convention 2023, the biggest community sector event of the year, in Bristol. We had 376 delegates, more than last year, and we had very high satisfaction levels. Delegates heard from many community organisations, visited local members, gained expert advice and created new connections. We launched our Locality manifesto with a new sub brand, badges and call to action for members, and celebrated our 6 award winners for 2023. We provided bursaries to groups that would otherwise not be able to attend, including organisations supporting minoritised communities.

**Strategic Objective 4: Influence to create a better operating environment for community organisations**

Locality's policy and public affairs work enables us to use our influence to create a better operating environment for local community organisations.

This has been a particularly important year, with a general election. We produced our manifesto "Building Thriving Neighbourhoods" at our annual Convention. This aimed to set out a positive, hopeful vision for the future based around three "building blocks of thriving neighbourhoods". This vision was rooted in the practical work of Locality members, showcasing how a better future is happening right now but making the case that it needs bold policy support to reach its full potential. The manifesto proposes 5 "big reforms" to do that and kickstart a "community power revolution".

The policy proposals formed the basis of our pre-election political engagement, reaching out to all political parties to encourage them to increase their support for community organisations. We worked closely with our members, helping them to engage with their local politicians and candidates and make the case for community power in their constituencies.

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Central to our election year public affairs work has been the We're Right Here campaign, of which we are a founder member and current host organisation. We have worked to build the case for a Community Power Act and engage all political parties in the campaign's key asks.

We have also continued to pursue a range of policy influencing projects. Locality has continued to be part of the Voluntary, Community or Social Enterprise (VCSE) Health and Wellbeing Alliance. This is an initiative of the Department of Health and Social Care (DHSC), the UK Health Security Agency and NHS England.

The HW Alliance exists to connect the VCSE sector with the health and care system to provide a voice and improve health and wellbeing for all communities. Our work this year has focused on exploring how our "Keep it Local" principles – designed to encourage long-term partnership working between local authorities and community organisations – can also be applicable to local health systems. We published a report – "Keep it Local for Better Health" – which explored this and were delighted that West Yorkshire Integrated Care System became the first in the country to adopt our Keep it Local principles.

**Strategic Objective 5:** Locality is a strong and successful organisation

### **Human Resources**

Our staff team consistently receive high praise from our members and partners; they truly are our most valuable resource. We continue to support our team with remote and agile working, blended with face-to-face working. We have committed to ensuring the well-being of staff through a new well-being strategy which formalises and prioritises much of what we were already doing. These measures have been very successful in keeping staff motivated and supported.

We have consolidated our new HR system across the organisation which has streamlined many of our processes. We have renewed our commitment to Investors in People and trialled the new wellbeing modules; we were very pleased to have met both standards.

Our member HR consultancy support continues to provide valuable advice to members with a range of focused webinars, workshops, email and bespoke advice and support.

### **Diversity, Equity, and Inclusion (DEI)**

We have maintained our focus on DEI with clearly identified and accountable actions embedded in our business plan and a DEI strategy- refreshed regularly- which sets out our priorities. Our strategic focus in the year has been race equity and continuing our work to be an anti-racist organisation. Our approach is focused on three areas: internal and organisational activity such as recruitment, policies and wellbeing; work with members to support them in their approach to DEI work; and eternally focused and partnership work.

We have made progress in our action plan, and we were pleased to be awarded funding by the Esmée Fairbairn Foundation to support our work with members around race equity, with a project due to start in summer 2024.

### **Financial Procedures**

We produce monthly management accounts with regular reporting to the SMT, the Executive Group and the Board. The procedures are firmly embedded in our management and governance cycle. This was in response to working in an increasingly difficult and complex environment with the need to have up to date and accurate information in place to aid effective governance and decision making.

### **Health and Safety and Corporate Risk**

Trustees received regular reports on health and safety and corporate risk. These were examined in detail at each Executive Group meeting and then presented to Trustees. All statutory obligations have been met and there were no major or reportable health and safety issues over the year.

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#### **4. Financial Review**

##### **4.1. Finances**

These accounts cover the year ended 30<sup>th</sup> June 2024 and present our financial performance for the past 12 months. The cost-of-living crisis continued to affect business performance throughout the year, but we managed to pick up pace in the second part of the year as demand led programmes and the pipeline of smaller contract work performed well.

During the year, the charity recognised total income of £10,305k (2023: £8,010k) (£422k restricted), an increase of £2,295k. The contributing factor to a higher turnover is mainly related to the Community Ownership Fund programme (grants distribution), increased activity from the Neighbourhood Planning contract, as well as a successful range of consultancy delivery.

Expenditure amounted to £10,559k (2023: £8,257k), an increase of £2,302k. Costs have increased in line with the higher volume of activity generated by our main programmes. Staff costs remained at a relatively similar level in term of headcount to the previous financial year, although we saw an increase as a result of inflationary pressures.

Locality ended the financial year with an unrestricted deficit of (£122k) (2023: deficit of (£356k) and a restricted deficit of (£132k) (2023: surplus of £108k).

The current financial year's unrestricted deficit is mainly due to an increased cost base due to inflation. Trustees have agreed a financial plan to use reserves accumulated in the previous years to subsidise expenditure in the current year and coming year, including using some designated funds.

The restricted deficit was mainly due to the Guardian Appeal – Cost of Living Grant programme: we have distributed grants that have been recognised as income in the previous financial year and were expensed in the current financial year.

The total funds of the charity amount to £4,021k (2023: £4,275k), of which £198k are restricted (2023: £315k). Unrestricted funds of the charity decreased to £3,823k (2023: £3,960k).

Most of Locality's income streams are from contracts and programme/project grants, and our business model is based on investing any surpluses from programme and contract activity into support for members (including our influencing work). In setting the 2024-25 budget the Trustees paid attention to risks arising from the cost-of-living crisis and volatile economic climate, as well as some of the programmes potentially coming to end in the new year.

Considering all these, the Board has signed off a smaller deficit budget for the coming year as part of a two-year financial plan to reduce deficits. The designated funds provide us with the opportunity to ensure future support to specific business activities as well as efficiently stewarding our reserves.

The main fixed asset held by Locality is represented by the office building from where the charity heads up its operation. The ground floor is being used for charitable activities, whereas the 1<sup>st</sup> and 2<sup>nd</sup> floor are let to other organisations, generating rental income that is being used for charitable purposes. The Trustees reviewed the fair value of the investment property element, in line with SORP requirements. The year-end valuation review carried out by the Trustees concluded that the investment value has decreased and an impairment of £(150k) has been recognised in the accounts.

Locality makes contributions to a defined contribution pension scheme, the assets of which are held separately from the assets of the organisation. Funds are invested in the default scheme and individual staff can vary this for their own investment portfolio.

While cost-of-living pressures continue to be felt, the Board has signed off an improved budget for the new financial year which provides staff with above inflation pay increases and recognises the need to continue to invest in business development activities as well as business as usual and the key focus on supporting members.

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The Trustees and SMT have considered a clear chain of command throughout the organisation to mitigate for potential crisis and ensure continuity in business operation; we reviewed our business continuity protocols accordingly. Locality does not rely on volunteers in delivering its business.

The next year's budget 2024-25 has been signed off by the Board and this includes a high level of confirmed programmes and contracts that are expected to continue. Over the past years Locality has shown a strong track record of securing new business. Locality is well placed within the sector with a great reputation and a strong skillset.

The closing free reserves at end of June 2024 were £1,180k, a reasonable level that is slightly lower than our current free reserves target of £1,321k. The free reserves represent the unrestricted funds of £1,281k (less tangible and intangible fixed assets and investments). The Trustees agreed that future business losses can be offset from these reserves in the short-term future.

Based on a high proportion of secured contractual income and unrestricted free reserves of £1,180k, the Trustees are confident that Locality can continue as a going concern. Furthermore, Locality owns the freehold building located at Corsham Street where the organisation's offices are based.

#### **4.2 Reserves Policy**

The Board are fully aware of their legal duty to maintain and regularly review the reserves policy ensuring that the reserves target is resilient and set at a level which shows due consideration of medium-term funding requirements.

The charity holds £4,021k in total funds at 30<sup>th</sup> June 2024, which includes £198k in restricted funds, £1,281k in general unrestricted funds, £2,024k in designated funds and £518k in a revaluation reserve.

The Board's policy on free reserves is to have six months' essential core running costs plus sufficient funds to cover any restructure and a loss of unconfirmed income. Considering the volatile environment that we operate in; it is very prudent to have this level of reserves.

The free reserves target calculated last year was £1,321k. As at 30<sup>th</sup> June 2024, free reserves stood at £1,180k, a deficit on the set target by (£141k). Trustees have determined that the variance is acceptable, no further action is required.

#### **Designated Funds**

With a total of £2,024k that includes:

£703k - Fixed asset fund and £1,088k - Investment fixed asset fund which have been ringfenced by Trustees to identify the value of funds that can only be realised by disposing of tangible and intangible assets. Following the refurbishment of its building in 2017/18, Locality has been using the ground floor for charitable activities, whereas the 1<sup>st</sup> and 2<sup>nd</sup> floors are rented out at commercial rates to generate rental income.

£70k - Development fund: Existing designated fund to be used for income generating development activity such as business development priorities and digital work. We expect to draw down these funds in the coming two years.

£0k - expenditure activity fund: The balance brought forward was used for planned expenditure in the 2024 financial year.

£83k - Restructuring fund: Being prudent and prepared for long term restructuring costs as some of our larger contracts come to an end. This fund will likely be utilised over the next 2 years.

£80k - Member support fund: Funds set aside to invest in resources to support and grow our members' network. This fund will be utilised over the next 2 years.

The Revaluation reserve stands at £518k as at 30<sup>th</sup> June 2024.

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## **5. Future Plans**

### **5.1 Services and Programmes**

Coming to the end of the current contracts for both the Neighbourhood Planning Programme and the Community Ownership Fund will no doubt present challenges for communities working in these two important areas.

We will work closely with officials to provide continued support on the Neighbourhood Planning programme and will work to continue this important work if funding allows up to and beyond March 2025. Equally, we will make the case to funders for future funding for Community Led Housing to ensure that projects are not brought to a standstill due to the lack of development funding. In May 24 we embarked on a review of where next for our community led housing work, to ensure that we are able to continue to support members pursuing this important work.

Our work in delivering the support programme for the Community Ownership Fund has meant that many more marginalised groups have been successful with funding. We will continue to build the consortium and make the case for the need for ongoing support for community ownership from funders.

Over the course of the coming year, we will target resources at ensuring that new business development ideas are sourced and resourced to help develop exciting new areas of work such as supporting members to deliver net zero through community enterprise. We will continue to build on our well established and successful consultancy support and aim to continue to deliver a high-quality service. In 2023-24 we achieved an impressive score of 77 through our Net Promoter Score feedback (an increase on the previous year), and we will continue to focus on maintaining this high standard.

During the coming year we will focus on continuing to support community organisations through the delivery of direct demand led work and national contracts and programmes. We will continue to build links with local authorities to ensure that they are supported to help community organisations have the best possible operating environment to support their communities.

### **5.2 Marketing and Partnerships**

Over the coming year we will be promoting what organisations can achieve when they take on and run buildings and spaces for the benefit of the community, as well as how we can help organisations seeking to take on assets.

We will continue to deliver effective newsletters and events for Locality members, and we will promote what Locality members are doing through our social media and website, including through our popular member takeovers. As part of this we will particularly showcase examples of Locality members tackling inequity and discrimination.

We will be running our popular annual Convention in Manchester in November 2024, the biggest community sector event of the year. We will seek to increase the number of delegates and provide even more bursaries so that more organisations supporting racialised and minoritised groups can attend. Building on our effective programme of marketing training, on top of our programme of free member events we will be developing more paid-for training in our areas of expertise.

We will seek to find more partners to support our members with expert advice this year, including to help develop our My Community website ([www.mycommunity.org.uk](http://www.mycommunity.org.uk)) with even more resources and tools in areas we know organisations need support.

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### **5.3 Membership**

Our members continue to experience a highly challenging operating environment. Over recent years they have been negotiating ongoing crises, from COVID-19 to the cost of living to the challenges of council finances. We will therefore continue to provide our members with a full range of support, based around the “ABC” of Locality membership: advice, belonging and connection.

The central focus will be our Connectors-UK programme. Locality has received almost £1.9 million over three years from The National Lottery Community Fund, the largest community funder in the UK. The funding will support the Connectors UK programme, delivered in partnership with DTA Scotland, DTA Wales and DT Northern Ireland. Through the programme we will bring local community organisations together, to build resilience, share innovative practice and shape their community's future.

In particular, the programme will enable us to offer a range of peer-learning opportunities, alongside direct advice and support. We will also be supporting several pilot projects to develop practical learning on how to build community connection, to share with our wider network.

### **5.4 Policy and Public Affairs**

We have a full programme of Policy and Public Affairs work for 2024-25. We will be developing a revised influencing strategy considering the recent UK general election and change of government. We will build on our pre-election manifesto – Building Thriving Neighbourhoods – to develop our policy proposals in a new political context and seek to build wide support for community power.

A key part of this will be our continuing support for the We're Right Here Campaign, developing opportunities to embed its proposals for a Community Power Act.

We will also continue to develop our work as part of the VCSE Health and Wellbeing Alliance, as well as conducting policy research project which support our influencing strategy.

As with other years we also anticipate being able to respond to emerging issues as they arise.

### **5.5 Organisational Development**

We will continue to invest in business development activities to further our impact and build new partnerships. We will improve the use of technologies across the organisation through our digital strategy, including attracting more members and improving how we support existing members.

We will continue to prioritise our diversity, equity and inclusion workstream and have built in actions into our annual business plan with regular review by Trustees.

We regularly review our priorities and our financial plans throughout the year to ensure that we remain in a strong organisational position.

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**6. Principal Risks and Uncertainties**

The Board reviews risk on a quarterly basis, analysing levels of impact and probability, and the risk management approach. Each risk identified is assessed for impact and likelihood, with impact weighted to give an overall level of risk a numerical value.

High profile risk areas include:

Risk	Mitigation
Failure to win new contracts.	Clear income targets by region and departments and internally process to focus on current opportunities and business development priorities.
Failure to extend/renew Neighbourhood Planning Contract	Set a tight 2024-25 budget to hedge for a potential downturn. Review performance and available information at forecast stage and plan changes accordingly.
Cost of living crisis continues and affects business performance.	Consolidated existing free reserves and cash flow to hedge for potential adverse performance.
Failure to create appropriate interest in programmes, resulting in multiple problems for us as the lead organisation responsible.	Devise clear and engaging Comms. Partners support awareness raising to build pipeline. Review uptake regularly and amend strategy.
Income pipeline and income actuals plus expenditure actuals do not deliver on budget.	Monthly management accounts, and forecast performance is monitored closely.
Failure of members / failure of services resulting in reputational damages.	Swift involvement of Comms in incidents.
Failure to attract, train, retain staff team.	Maintain reputation/benchmark T&Cs, build strong teams. Strong induction and training and development policies.

The Trustees regularly assess risks and are satisfied that the risk management process is robust and that risks are being managed appropriately. All risk assessments are discussed extensively at staff and Trustee meetings. We recognise that we are working in a volatile environment and risk management is a critical activity.



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**Statement of Trustees' Responsibilities**

The Trustees (who are also Directors of Locality for the purposes of Company Law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the affairs of the Charitable Company and of the net income 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 Statement of Recommended Practice (FRS102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions, 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.

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.

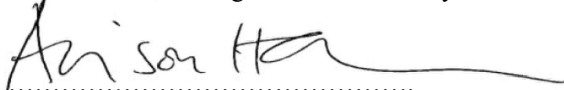
**Information to Auditors**

The Trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

**Auditor**

MHA have been appointed as auditors since 2017.

The Trustees' Annual Report is approved by the Locality's Board of Trustees and authorised for issue on 24<sup>th</sup> October 2024, and signed on its behalf by



Alison Haskins  
Chair of Locality's Board of Trustees

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Locality (UK)  
Trustees' Annual Report  
for the year ended 30<sup>th</sup> June 2023

**Independent Auditor's Report to the members of Locality (UK)**  
**For the year ended 30 June 2024**

**Opinion**

We have audited the financial statements of Locality (UK) (the 'Charitable Company') for the year ended 30 June 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 30 June 2024, 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 Auditor's 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 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**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Trustees' assessment of the entity's ability to continue to adopt the going concern basis of accounting included critical reviews of budgets, forecasts and future plans for the Charity.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

**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

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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 (incorporating the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating the Directors' report) has been prepared in accordance with applicable legal requirements.

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

In the light of 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement included in the Trustees' Annual Report, 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.

### **Auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in

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respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

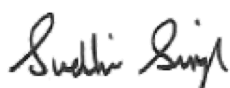
- Obtaining an understanding of the regulatory and legal frameworks that the entity operates in, focusing on those having a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management about instances of non-compliance with laws and regulations;
- Reviewing the design and implementation of control systems in place and testing the operational effectiveness of those controls;
- Performing audit work over the risk of management override, including testing of journal entries for appropriateness and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures alongside supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### **Use of this 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Sudhir Singh FCA** (Senior Statutory Auditor)  
For and behalf of MHA, Statutory Auditor  
London, United Kingdom

Date: 13 November 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

**Locality (UK)**  
**Statement of Financial Activities**  
**for the year ended 30th June 2024**

	Note	Unrestricted funds 2024 £000s	Restricted funds 2024 £000s	12 months Total funds 2024 £000s	12 months Total funds 2023 £000s
<b>Income and expenditure</b>					
<b>Income</b>					
Income from Investments		99	-	99	108
Other Income		71	-	71	65
<b>Income from charitable activities</b>					
Member services		211	(16)	195	969
Services and delivery and learning		9,427	241	9,668	6,586
Policy and campaigning		75	197	272	282
<b>Total income</b>		<b>9,883</b>	<b>422</b>	<b>10,305</b>	<b>8,010</b>
<b>Expenditure</b>					
<b>Expenditure on charitable activities</b>					
Membership services		447	163	610	1,096
Services and delivery and learning		9,296	160	9,456	6,676
Policy and campaigning		262	231	493	485
<b>Total expenditure</b>	2	<b>10,005</b>	<b>554</b>	<b>10,559</b>	<b>8,257</b>
<b>Net (deficit)</b>		<b>(122)</b>	<b>(132)</b>	<b>(254)</b>	<b>(247)</b>
Fund transfers	11	( 15)	15	-	-
Gains/(losses) on investment property	7	( 150)	-	(150)	-
<b>Net movement in funds for the year</b>		<b>(287)</b>	<b>(117)</b>	<b>(404)</b>	<b>(247)</b>
Fund balances brought forward at 1st July 2023	11	<b>3,960</b>	<b>315</b>	<b>4,275</b>	<b>4,522</b>
<b>Fund balances carried forward 30th June 2024</b>	11	<b>3,673</b>	<b>198</b>	<b>3,871</b>	<b>4,275</b>

All activities are continuing.

The comparative figures for each fund are shown in the notes to the accounts (note 19).

The notes on pages 23 to 38 form part of these financial statements.

**Locality (UK)**  
**Balance Sheet as at 30th June 2024**

	<b>Note</b>	<b>2024 £000s</b>	<b>2023 £000s</b>
<b>Fixed assets</b>			
Tangible fixed assets	6	626	654
Intangible fixed assets	6	53	66
Investments	7	2,081	2,231
		<b>2,760</b>	<b>2,951</b>
<b>Current assets</b>			
Debtors	8	1,682	1,339
Cash at bank and in hand		1,063	1,713
		<b>2,745</b>	<b>3,052</b>
<b>Creditors: amounts falling due within one year</b>	9, 9a	(1,634)	(1,728)
<b>Net current assets</b>		<b>1,111</b>	<b>1,324</b>
<b>Total Assets less current liabilities</b>		<b>3,871</b>	<b>4,275</b>
<b>Creditors: amounts falling due after more than one year</b>	9b	-	-
<b>Net Assets</b>		<b>3,871</b>	<b>4,275</b>
<b>Funds:</b>			
Unrestricted funds - general	12	1,281	1,298
Unrestricted funds - revaluation	12	368	518
Designated funds	12	2,024	2,144
Restricted funds	12	198	315
		<b>3,871</b>	<b>4,275</b>

These financial statements were approved and authorised for issue by the Board on 24th October 2024 and signed on its behalf by:



Alison Haskins - Chair of Locality's Board of Trustees

The notes on pages 23 to 38 form part of these financial statements.

Company number: 2787912

**Locality (UK)**  
**Statement of Cashflows**  
**for the year ended 30th June 2024**

	Notes	<b>2024</b> <b>£000s</b>	<b>2023</b> <b>£000s</b>
Net cash (used) in operating activities		(611)	(548)
<b>Cash flows from investing activities</b>			
Dividends and interest		(21)	(11)
Additions to fixed assets		(15)	(28)
	6	<u>(36)</u>	<u>(39)</u>
<b>Cash flows from Financing activities</b>			
Capital repayments	18	( 14)	(42)
Interest accrued	18	<u>10</u>	<u>25</u>
		<u>(4)</u>	<u>(17)</u>
<b>Change in cash and cash equivalents</b>		<b>(651)</b>	<b>(604)</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>		<b>1,714</b>	<b>2,318</b>
<b>Cash and cash equivalents at the end of the reporting year</b>		<b><u>1,063</u></b>	<b><u>1,714</u></b>
<b>Reconciliation of net outgoing resources to net cash outflow from operating activities</b>			
Net (outgoing) resources		(254)	(247)
Bank interest received		21	11
Depreciation charges	6	37	38
Amortisation charges	6	20	28
Other non-cash adjustments		2	13
(Increase) in debtors		(343)	(735)
Increase/(decrease) in creditors		<u>(94)</u>	<u>344</u>
Net cash (used) in operating activities		<b><u>(611)</u></b>	<b><u>(548)</u></b>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		1,063	1,713
<b>Total cash and cash equivalents</b>		<b><u>1,063</u></b>	<b><u>1,713</u></b>

The notes on pages 23 to 38 form part of these financial statements.

**Locality (UK)**  
**Notes to the Financial Statements**  
**for the year ended 30th June 2024**

**1 Accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP) and the Charities Act 2011. Accounts are presented in GBP and rounded to the nearest thousand.

**Going concern**

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on membership, consultancy and grant funding and investment income. After making enquiries, the Trustees consider that no material uncertainties exist which may cast doubt on the charity's ability to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis. The charity has sufficient financial resources and appropriate structures in place to manage business risks.

The Trustees considered the ongoing risks related to the cost of living crisis. Having a high level of secured contractual income for the new financial year 2024-25 and closing free reserves at June 2024 of £1,180k, the trustees are confident that Locality can continue as a going concern. We have carried out scenario forecasting to June 2026 and the future operation is being supporting by a robust cash and reserves position.

**Length of reporting period**

The reporting period for 2023-23 and 2023-24 is 12 months and therefore the comparative figures in the financial statements and related notes are comparable.

**1.1 Income**

**Membership income**

Membership fees are recognised in the financial periods that the membership covers.

**Investment Income**

Represented by rental income, this is recognised in financial periods that it covers.

**Grants**

Grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of performance or provision of other specified service is deferred until the criteria for income recognition have been met. Advance payments in respect of grants for bursaries for future periods are carried forward in the financial statements as deferred income.

**Government Grants**

Grants received from Government bodies during the financial year 2023-24 are £128k (2023: £211k). All conditions and contingencies relating to the grants have been met. Income derived from business activities with DLUHC is contract based.

**1.2 Expenditure**

Expenditure is included within the statement of financial activities under one or more of the following headings. This is recognised in the accounts on an accrual basis and reflected in the accounts in the period that it relates to:

**Charitable activities**

**(i) Membership services**

The cost of supporting our extensive network of community organisations across the UK as they become more effective entities.

**(ii) Services and delivery and learning**

The costs associated with helping communities and community organisations with asset ownership, community enterprise, community co-design and organising.

**(iii) Policy and campaigning**

The costs of national work to influence policy and to promote community enterprise.

**Support costs**

Support costs are allocated on the basis of staff time, apart from where restricted funders specify a different formula.

**Grant making policy**

Grants payable are payments made to third party institutions in furtherance of the Charity's objectives. Unconditional grant offers are accrued in full once the recipient has been advised of the grant award and the payment is probable, or paid in advance. Where grant awards are subject to performance conditions that are outside of the control of the Charity, these are accrued when the recipient has been notified of the grant award. There were no grants made to individuals.



**Locality (UK)**  
**Notes to the Financial Statements**  
**for the year ended 30th June 2024**

**1 Accounting policies continued**

**Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Computer equipment	over 3 years
Office equipment	over 4 years
Fixtures and fittings	over 10 years
Freehold improvements	over 20 years
Freehold buildings	over 50 years remaining life of the building
Freehold land	not depreciated

**Intangible fixed assets and amortisation**

Amortisation is provided on all intangible fixed assets costing more than £1,000 at rates calculated to write off the cost of each asset over their estimated useful economic lives (based on expected useful life of asset) as follows:

Computer Software	over 3 years
Website development	over 5 years

**Investments**

**Social investments**

Investments in other organisations made by Locality by way of capital or lending, which are made primarily to further the charitable purposes of Locality rather than for financial return, are treated as programme related investments. Programme related investments are measured initially at transaction price and subsequently at each reporting date at fair value, except where the fair value cannot be readily determined, in which case the programme related investment is subsequently measured at cost less impairment.

**Fixed assets investments**

Investment properties are defined as those 'held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business'. FRS 102 requires valuation at year end fair value.

**Financial instruments**

The Charity only holds basic Financial Instruments. Financial Instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets or financial liabilities. The trustees carried out a fair value review of the investment property and concluded that there was no impairment.

**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.

Trade and other debtors (including accrued income) are financial instruments and are debt instruments measured at amortised costs as detailed in note 8. Prepayments are not financial instruments.

**Cash and cash equivalents**

Cash and cash equivalents are classified as basic financial instrument and is measured at face value.

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

**Liabilities**

Trade creditors, accruals and other creditors are classified as financial instruments, and are measured at amortised cost as detailed in note 9. Amounts due for taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

**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.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**1 Accounting policies continued**

**Employee Benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The charity operates a defined contribution plan for the benefit of its employees. Contributions are unrestricted and expensed as they become payable. Termination payments are recognised immediately upon becoming a constructive obligation.

**Funds**

Funds held by the charity comprise:

**Unrestricted general** - these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

**Revaluation reserve** - this reflects the uplift in value of the investment property asset to market value under FRS 102.

**Designated** - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

**Restricted** - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**Pension scheme arrangements**

Locality makes contributions to a defined contribution pension scheme, the assets of which are held separately from the assets of the organisation. The amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Leasing commitments**

Rentals applicable to operating leases are charged to the SOFA against income over the period in which the cost is incurred on a straight-line basis.

**Critical estimates and judgements**

In preparing the financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The annual depreciation charge for tangible fixed assets, including freehold land and buildings, fixtures and fittings and office equipment, as well as the amortisation charge for intangible assets (computer software), are sensitive to changes in useful economic lives and residual values of assets. These are reassessed annually and any impairment accounted for.

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**2 Expenditure 2024**

	Staff costs £000s	Grants to institutions £000s	Support costs £000s	Other direct costs £000s	12 months Total 2024 £000s
<b>Analysis of total expenditure</b>					
Membership services	295	-	39	276	610
Services and delivery and learning	2284	1050	291	5831	9456
Policy and campaigning	261	-	26	206	493
<b>Total expenditure</b>	<b>2,840</b> (note 5)	<b>1,050</b>	<b>356</b> (note 3)	<b>6,313</b>	<b>10,559</b>

**Expenditure 2023**

	Staff costs £000s	Grants to institutions £000s	Support costs £000s	Other direct costs £000s	12 months Total 2023 £000s
<b>Analysis of total expenditure</b>					
Membership services	343	-	46	707	1096
Services and delivery and learning	2151	776	287	3462	6676
Policy and campaigning	257	-	28	200	485
<b>Total expenditure</b>	<b>2,751</b> (note 5)	<b>776</b>	<b>361</b> (note 3)	<b>4,369</b>	<b>8,257</b>

**Grants to Institutions**

	2024 £000s	2023 £000s
Social Economy Growth Business Support grants	18	-
COF grants	1,009	-
VCSE Health and Wellbeing Alliance	20	-
Bridge Renewal Trust (LHC grant)	-	10
GLA (Community Spaces at Risk grants)	-	5
Guardian Appeal grants	-	521
Sport England Together Fund grants	-	109
Hodwell Associates (City Bridge Trust)	3	12
Various individually under £10,000 to: 0 organisations (2023: 71 organisations)	-	119
<b>Total</b>	<b>1050</b>	<b>776</b>

The key business areas where Locality distributed grants to institutions were Community Ownership Fund (COF), Social Economy Growth Business Support, City Bridge Trust, and Health & Wellbeing Alliance. No support costs were directly allocated to the grant-making activities. Any support costs were allocated against the revenue received as management fees for the running of the programmes.

**Social Economy Growth Business Support:** Business support and grant administration in respect of Social economy growth. Grants and business support aimed at Social Entrepreneurs to increase business skills, employment and working more confidently in areas of multiple deprivation.

**Community Ownership Fund:** COF helps communities across the UK to take ownership of assets at risk of closure. Locality has partnered with 9 national charities to deliver the programme by providing in depth development support for organisations applying for funding. Locality also administered small revenue grants (up to 10k) for specialist support such as legal advice/building surveys.

**City Bridge Trust:** A Triage and Connect programme to support the delivery of City Bridge Trust's Bridge Project offer.

**VCSE Health & Wellbeing Alliance:** The HW Alliance exists to connect the VCSE sector with the health and care system to provide a voice and improve health and wellbeing for all communities.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**3 Analysis of support costs 2024**

**12 months**

	<b>Member services £000s</b>	<b>Services and delivery and learning £000s</b>	<b>Policy and campaigning £000s</b>	<b>Total 2024 £000s</b>
Premises costs	9	70	6	85
Office costs	5	42	4	51
IT	10	63	5	78
Professional fees	5	40	4	49
Management	8	59	5	72
Governance	2	17	2	21
<b>Total</b>	<b>39</b>	<b>291</b>	<b>26</b>	<b>356</b>

**Analysis of support costs 2023**

**12 months**

	<b>Member services £000s</b>	<b>Services and delivery and learning £000s</b>	<b>Policy and campaigning £000s</b>	<b>Total 2023 £000s</b>
Premises costs	9	55	5	69
Office costs	4	25	2	31
IT	15	94	9	118
Professional fees	7	43	4	54
Management	9	29	6	44
Governance	2	41	2	45
<b>Total</b>	<b>46</b>	<b>287</b>	<b>28</b>	<b>361</b>

**Governance & audit costs**

	<b>12 months Total 2024 £000s</b>	<b>12 months Total 2023 £000s</b>
Audit fees	26	20
Trustees' costs	8	10
Other governance costs	8	15
<b>Total</b>	<b>42</b>	<b>45</b>

**4 Net income / expenditure**

These are stated after charging:

Auditor's remuneration - current year  
Amortisation  
Depreciation

**12 months  
2024  
£000s**

**12 months  
2023  
£000s**

26	20
20	28
<b>37</b>	<b>38</b>

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

	<b>12 months</b>	<b>12 months</b>
	<b>2024</b>	<b>2023</b>
	<b>£000s</b>	<b>£000s</b>
<b>5 Staff costs</b>		
Wages and salaries	2,086	2,022
Social security costs	228	219
Pension costs	329	298
<b>Total direct staff costs</b>	<b>2,643</b>	<b>2,539</b>
Welfare, travel and agency staff	99	127
Recruitment	14	13
Holiday pay accrual	84	72
<b>Total staff costs</b>	<b>2,840</b>	<b>2,751</b>

Included in Wages and salaries above is a non-contractual termination payment of £16,576 (2023: £nil). The payment represents an ex-gratia payment which the Trustees believed the Charity had a morale obligation to make.

	<b>12 months</b>	<b>12 months</b>
	<b>2024</b>	<b>2023</b>
Number of employees within salary range:		
Above £100,000	-	-
£90,000 - £100,000	1	1
£70,000 - £80,000	-	-
£60,000 - £70,000	3	2

The total amount paid to 7 key management personnel (2023: 6) (CEO, Director of Finance, Director of Services, Director of Marketing and Partnerships, Director of Policy and Engagement, Strategic HR & Equalities Lead) for their services to the Charity was £527,212 (2023: £473,901), of which salaries were £403,567, pension contributions £75,429 and Employer's NIC £48,216.

The average number of employees including part-time workers, analysed by function, was:

	<b>12 months</b>	<b>12 months</b>
	<b>2024</b>	<b>2023</b>
Governance	1	1
Delivering national programmes and support to members	40	39
Policy and campaigning	4	4
Administration	6	6
<b>Total employees</b>	<b>51</b>	<b>50</b>

No remuneration has been paid to the Trustees. Total travel expenses of £2,376 (2023: £2,425) were paid to 11 (2023: 8) Trustees. During the year, the Charity incurred £5,873 (2023: £4,649) professional indemnity insurance costs for employees, and £5,873 (2023: £2369) for Trustee and individual liability insurance.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**6 Tangible fixed assets**

	Freehold land and buildings	Freehold improve- ments	Fixtures and fittings	Computer equipment	Total
<b>Cost &amp; valuation</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
At 1st July 2023	618	222	50	42	932
Additions	-	-	-	9	9
At 30th June 2024	<b>618</b>	<b>222</b>	<b>50</b>	<b>51</b>	<b>941</b>
<b>Accumulated depreciation</b>					
At 1st July 2023	171	63	20	25	279
Charge for the year	9	11	5	12	37
At 30th June 2024	<b>180</b>	<b>74</b>	<b>25</b>	<b>37</b>	<b>316</b>
<b>Net book values</b>					
At 30th June 2024	<b>439</b>	<b>148</b>	<b>25</b>	<b>14</b>	<b>625</b>
At 30th June 2023	<b>447</b>	<b>159</b>	<b>31</b>	<b>17</b>	<b>654</b>

**Intangible fixed assets**

	Computer software £000s
<b>Cost</b>	
At 1st July 2023	183
Additions	6
At 30th June 2024	<b>189</b>
<b>Accumulated amortisation</b>	
At 1st July 2023	117
Charge for the year	20
At 30th June 2024	<b>137</b>
<b>Net book values</b>	
At 30th June 2024	<b>52</b>
At 30th June 2023	<b>66</b>

All fixed assets held are for use by the organisation in furthering its charitable objectives.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

<b>7 Investments</b>	<b>12 months 2024 £000s</b>	<b>12 months 2023 £000s</b>
<u>Social investments</u>		
At 1st July 2023 and 30th June 2024	Just Power 10	Just Power 10

In August 2012, Locality made an investment in a new social enterprise venture whose aim is to support community organisations to improve energy efficiency including through the installation of solar panels and other renewable energy equipment. The company is a community interest company (Just Power for Communities CIC) and Locality's shareholding represents 43% of the share capital. This is a programme related investment. The board is currently reviewing Locality's involvement in the investment.

Locality's share of net assets at 30th June 2024 was £10k (2023: £10k). This is a CIC that was initially impacted by the changes to the Government's Feed In Tariff scheme (announced in November 2012).

	<b>12 months 2024 £000s</b>	<b>12 months 2023 £000s</b>
<b>Locality's share of JP CIC</b>		
Share of income	1	1
Share of expenditure	(1)	(1)
	-	-
Investment brought forward	10	10
Investment carried forward	10	10

	<b>12 months 2024 £000s</b>	<b>12 months 2023 £000s</b>
<u>Fixed Asset Investment</u>		
Fair value b/f	2,221	2,221
Improvements	-	-
Revaluation/(impairment)	( 150)	-
Fair value c/f	2,071	2,221
<b>Total Investments</b>	<b>2,081</b>	<b>2,231</b>

During 2017/18, Locality undertook a major refurbishment of its building across the 3 floors. The building and the improvements are deemed as mixed use assets. The ground floor is used for charitable activities whereas the 1st and 2nd floor are rented out to third parties. The building and the improvements to fixed assets are being apportioned 1/3 as used for charitable purposes and 2/3 have been reclassified as fixed asset investment.

The trustees reviewed the fair value of the investment property element, in line with SORP requirements. The year-end valuation review carried out by the trustees included consideration of commercial property rental yields, market movements and a desktop valuation performed by an independent property consultancy, and concluded that indicators of impairment existed. As such, an impairment charge of £150k has been recognised, reducing the value of the investment property to what the trustees consider to be its fair value as at the year-end.

The last formal valuation took place in 2018 by Lambeth Smith Hampton. The trustees will consider if a new formal valuation will be commissioned in the next financial year.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**8 Debtors**

	<b>2024</b>	<b>2023</b>
	<b>£000s</b>	<b>£000s</b>
Trade debtors	1,347	788
Bad debt provision	(9)	(25)
Prepayments	59	60
Accrued income	285	516
	<u>1,682</u>	<u>1,339</u>
	<u>1,682</u>	<u>1,339</u>
Financial assets that are debt instruments measured at amortised cost	<u>1,625</u>	<u>1,278</u>

**9 Creditors: amounts falling due within one year**

	<b>2024</b>	<b>2023</b>
	<b>£000s</b>	<b>£000s</b>
Trade creditors	605	480
Social security and other taxes	55	57
VAT	168	127
Other creditors	60	47
Accruals	464	496
Deferred income (note 10)	146	31
Unity Trust Loan	115	469
	<u>1,613</u>	<u>1,707</u>
	<u>1,613</u>	<u>1,707</u>
Financial liabilities measured at amortised cost	<u>1,129</u>	<u>1,023</u>
	<u>21</u>	<u>21</u>

**9a Rent deposits held by Locality**

At 30<sup>th</sup> June 2024 Locality held deposits for the tenants on the 1st floor, £20,910.

<b>Total Creditors</b>	<u><b>1,634</b></u>	<u><b>1,728</b></u>
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**Unity Trust Loan**

Due to Locality registering a deficit position in 2023/24 financial year, the loan covenants were breached. Whilst the Charity have been provided with assurance that the bank will not exercise its rights to recall the loan in full, they legally retain their right to do so. The entire value of the loan as at the year-end has been recognised as a current liability. July 2023 Locality was able to make a large repayment of £350k. Whilst the loan is presented as a current liability in the financial statements in practice the repayments will be made in line with the agreed loan schedule. The loan will be repayable on a capital and interest basis by regular quarterly payments calculated over a repayment profile of 240 months. Interest will be charged at 2.15% per annum over Unity's Base Rate from time to time (which is currently 5.25%) subject to a minimum charge of 2.15% per annum.

**10 Deferred income analysis**

	<b>2024</b>	<b>2023</b>
	<b>£000s</b>	<b>£000s</b>
Brought forward	31	213
Released in year	(246)	(302)
New deferrals	361	120
Carried forward	<u>146</u>	<u>31</u>

The majority of the deferred income is for membership income and Convention 2024 sponsorship.



**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**11 Movement in funds 2024**

Restricted funds	Balance at 1st July 2023 £000s	Movement in resources			Balance at 30th June 2024 £000s
		Revenue £000s	Outgoing £000s	Transfers £000s	
Services					
VCSE Energy Efficiency Scheme programme	-	33	(19)	-	14
Bridge Project	103	43	(79)	-	67
Lifeboat	-	-	(7)	7	-
Lighthouse	1	-	-	(1)	-
CSARF / GLA Grants	1	-	(2)	1	-
Sport England - Together Fund	(15)	25	(11)	1	-
Waltham Forest VOICE	-	20	(7)	-	13
SocioDigital Futures - University of Bristol	17	12	(12)	-	17
Guardian Appeal - Cost of Living Grant Programme	181	(16)	(163)	(2)	-
UK Fund	-	108	(24)	-	84
Policy and campaigning					
Policy Consultancy - IFS	(4)	6	(11)	9	-
We Are Right Here	47	123	(140)	-	30
VCSE Health & Wellbeing Alliance	(16)	68	(79)	-	(27)
Total restricted funds	315	422	(554)	15	198
Unrestricted funds					
	Balance 1st July 2023 £000s	Revenue £000s	Outgoing £000s	Transfers £000s	Balance 30th June 2024 £000s
General funds	1,298	9,883	(10,005)	105	1,281
Revaluation Reserve	518	-	(150)	-	368
Designated funds:					
Fixed Asset fund	731	-	-	(28)	703
Fixed Asset Investment fund	1,098	-	-	(10)	1,088
Development Fund	80	-	-	(10)	70
Expenditure activity fund	45	-	-	(45)	-
Restructuring fund	100	-	-	(17)	83
Member support fund	90	-	-	(10)	80
Total designated funds	2,144	-	-	(120)	2,024
Total unrestricted funds	3,960	9,883	(10,155)	(15)	3,673
Total funds	4,275	10,305	(10,709)	-	3,871

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**Restricted funds (continued)**

**Services**

The National Lottery Community Fund: The UK Fund – Connectors UK	Locality will receive almost £1.9 million over three years from The National Lottery Community Fund, the largest community funder in the UK. The funding will support the Connectors UK programme, delivered in partnership with DTA Scotland, DTA Wales and DT Northern Ireland. Through the programme we will bring local community organisations together, to build resilience, share innovative practice and shape their community's future.
VCSE Energy Efficiency Scheme programme	VCSE Energy Efficiency Scheme is a £20m capital grant fund that launched at the end of 2023 for energy efficiency measures to community buildings, funded by DCMS. Locality is part of a Groundwork UK led consortium providing support to community organisations applying to the fund.
Lighthouse	Lighthouse is an online diagnostic tool for assessing the current health of community organisations across six key areas, alerting users to areas that need their attention to ensure the long-term health and sustainability of their organisation.
CSARF / GLA Grants	A Greater London Authority grant to enable Locality as a delivery partner to provide grant administration, distribution and specialist advisory support to the Authority for the Community Spaces at Risk Fund.
Sport England Together Fund	Enables community groups to continue to exist and engage with their communities, supporting people to be engaged and active.
Waltham Forest Community Voice	Locality has been delivering a community facilitation programme for VCS organisations and community groups in Waltham Forest. The aim to co-design a coordinating body that will represent the sector in the borough. The work has included mapping the sector and other approaches to VCS infrastructure and running a series of listening events with different parts of the sector.
SocioDigital Futures - University of Bristol	The SocioDigital Futures project aims to shape the space for communities in a digital future, through research and collaboration.
Guardian Appeal - Cost of Living Grant Programme	Locality cost of living grant programme supported by the Guardian and Observer charity appeal 2022. Grants to help community organisations across the UK tackle the cost of living crisis.
Lifeboat	Lifeboat programme supports community organisations that are in financial and organisational difficulty.

**Policy and campaigning**

Policy Consultancy - IFS	IFS-Fostering Social Justice aims to encourage European cooperation and strengthen the capacity of the IFS network to provide and advocate for effective adult learning opportunities, targeted to people with fewer opportunities, migrants and refugees by means of mutual learning, peer counselling and capacity building.
We're Right Here Campaign	The We're Right Here's campaign calls for a Community Power Act, so that local people can shape the places where they live. The campaign seeks to draw on the energy and ambition of those committed to their communities and places.
VCSE Health & Wellbeing Alliance	The HW Alliance exists to connect the VCSE sector with the health and care system to provide a voice and improve health and wellbeing for all communities. The funding will continue in 2024/25 financial year.

**Restricted Fund Transfers**

Restricted Fund Transfers are done on the satisfaction completion of the project.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**Revaluation Reserve**

The year-end valuation review carried out by the trustees concluded that the fair value of the investment property has decreased. Therefore an impairment charge of £(150k) has been recognised in the

**Designated Funds**

Development fund

Existing designated fund to be used for income generating development activity such as business development priorities and digital work. We expect to draw down more of this fund in the coming 2 years.

Expenditure activity fund

Was used to support our planned expenditure in the current year. The trustees have set aside the designated fund to support the cost base during the volatile economic situation and the cost of living crisis.

Restructuring fund

Being prudent and prepared for long term restructuring costs as some of our larger contracts come to an end. This fund will be utilised over the next 2 years.

Member support fund

Funds set aside to invest in resources to support and grow our members' network. This fund will be utilised over the next 2 years.

Fixed asset fund

The fixed asset fund denotes the sum equal to the net book value of the tangible fixed assets and intangible assets (less the value of any capital grants), which are not freely expendable.

Fixed asset investment fund

The building and the improvements are deemed as mixed use assets. The ground floor is used for charitable activities whereas the 1st and 2nd floor are rented out to third parties to generate revenue. Therefore the building and the improvements to fixed assets were apportioned 1/3 as charitable activities and 2/3 were reclassified as investment fixed asset in June 2018. A valuation was carried out on the expected market value of the building after refurbishment works at a valuation of £3.26m. The proportion relating to fixed investment fund was £2.221m (2023 and 2024).

**Designated Transfers**

Funds were used to further Locality's vision. Transfers out of Designated funds were made with Trustee approval and to fund expenditure towards membership events, the development of election campaigning, green agenda, and DEI. As well, some of the funds were used for increased expenditure due to cost of living, ex-gratia payment for one staff member.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**11 Movement in funds 2023**

Restricted funds	Balance at 1st July 2022 £000s	Movement in resources			Balance at 30th June 2023 £000s
		Revenue £000s	Outgoing £000s	Transfers £000s	
Services					
City Bridge Trust - Spotlight	7	29	(36)	-	-
Esmee Fairbairn Foundation Lifeboat	76	6	(82)	-	-
Bridge Project	106	74	(77)	-	103
Lighthouse	1	-	-	-	1
CSARF / GLA Grants	6	4	(9)	-	1
Sport England - Together Fund	-	128	(143)	-	(15)
Mutual Aid - GLA	17	-	(17)	-	-
SocioDigital Futures - University of Bristol	-	17	-	-	17
Guardian Appeal - Cost of Living Grant Programme	-	755	(574)	-	181
Policy and campaigning					
Policy Consultancy - IFS	-	6	(10)	-	(4)
We Are Right Here	-	127	(80)	-	47
InnoSI European project - MMU	1	-	-	(1)	-
VCSE Health & Wellbeing Alliance	-	90	(106)	-	(16)
PtC Infrastructure Collaboration	-	-	7	(7)	-
Nationwide Foundation	-	4	(4)	-	-
Total restricted funds	214	1,240	(1,131)	(8)	315
Unrestricted funds					
	Balance 1st July 2022 £000s	Revenue £000s	Outgoing £000s	Transfers £000s	Balance 30th June 2023 £000s
General funds	1,217	6,770	(7,126)	437	1,298
Revaluation Reserve	518	-	-	-	518
Designated funds:					
Fixed Asset fund	758	-	-	(27)	731
Fixed Asset Investment fund	1,115	-	-	(17)	1,098
Development Fund	100	-	-	(20)	80
2022-23 Expenditure activity fund	400	-	-	(355)	45
Restructuring fund	100	-	-	-	100
Member support fund	100	-	-	(10)	90
Total designated funds	2,573	-	-	(429)	2,144
Total unrestricted funds	4,308	6,770	(7,126)	8	3,960
Total funds	4,522	8,010	(8,256)	-	4,275

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**12 Analysis of net assets between funds 2024**

	<b>Tangible fixed assets 2024 £000s</b>	<b>Intangible fixed assets 2024 £000s</b>	<b>Investments fixed and social 2024 £000s</b>	<b>Net current assets 2024 £000s</b>	<b>Total 2024 £000s</b>
Restricted funds	-	-	-	198	198
Revaluation reserve	-	-	368	-	368
Designated funds	586	-	1,205	233	2,024
Unrestricted funds	39	52	10	1,180	1,281
	<b>625</b>	<b>52</b>	<b>1,583</b>	<b>1,611</b>	<b>3,871</b>

**Analysis of net assets between funds 2023**

	<b>Tangible fixed assets 2023 £000s</b>	<b>Intangible fixed assets 2023 £000s</b>	<b>Investments fixed and social 2023 £000s</b>	<b>Net current assets 2023 £000s</b>	<b>Total 2023 £000s</b>
Restricted funds	-	-	-	315	315
Revaluation reserve	-	-	518	-	518
Designated funds	606	-	1,223	315	2,144
Unrestricted funds	48	66	10	1,174	1,298
	<b>654</b>	<b>66</b>	<b>1,751</b>	<b>1,804</b>	<b>4,275</b>

**13 Liability of Members**

The Charity is a company limited by guarantee and consequently does not have a share capital. In the event of the company being wound up or not being able to pay its debts from its assets, each Member 2024: 2,227 (2023: 1,958) is required to contribute an amount not exceeding £1.

**14 Future financial commitments**

**Operating leases as lessee**

Minimum lease payments under non cancellable operating leases fall due as follows:

During the year Locality has incurred £25k (2023: £12k) expenditure for operating leases.

	<b>Other 2024 £000s</b>	<b>Other 2023 £000s</b>
Within one year	21	11
In two to five years	3	9
	<b>24</b>	<b>20</b>

**Operating lease as lessor**

Future minimum lease payments under non-cancellable operating leases fall due as follows:

Not later than one year	21	83
Later than one year not later than five years	-	27
	<b>21</b>	<b>110</b>

There is no rental income recognised on a contingent basis.

**15 Capital commitments**

There were no outstanding capital commitments at 30th June 2024 or 30th June 2023.

**16 Related parties**

All Locality Trustees were employed by, or were Trustees of Locality full Members or Associate Members, with the following exceptions: Anna Bonallack, Colin Crooks, Alexis Keir, Amy Kinnear, Tess Lanning and Sarah Mitson.

The total payments for services or goods made to Locality Trustees or organisations connected to Locality Trustees during the year was £172 (2023: £380) ; Halifax Opportunities Trust £0 (2023: £380), Waltham Forest Community Hub £60 (2023: £0) and Murray Hall Community Trust £112 (2023: £0)

The total bursaries or grants awarded during the year to Locality member organisations of which a Locality Trustee is an employee or Trustee was £27,564 (2023: £0). These were for Fromehall Mill Community Benefit Society Limited £9,820 (2023: £0); Selby Trust £3,000 (2023: £0); Rotunda Ltd £8,974 (2023: £0); Murray Hall Community Trust £4,500 (2023: £0); Hackney Co-operative Developments £1,000 (2023: £0); Creative Sustainability CIC £270 (2023: £0).

The total income for services or goods from organisations connected to Locality Trustees during the year was £28,790 (2023: £20,658). This income was received from Chats Place Arts Centre £0 (2023: £250); Goodwin Development Trust £1,450 (2023: £3,550); Halifax Opportunities Trust £1,450 (2023: £2,860); Libraries Unlimited £250 (2023: £250); Manchester Settlement £250 (2023: £1,266); Murray Hall Community Trust £1,450 (2023: £1,450); Rotunda Ltd £1,450 (2023: £1,450); Selby Trust £2,615 (2023: £9,322); and Windmill Hill City Farm £250 (2023: £250); Hackney Co-Operative Development Trust £250 (2023: 0); Finsbury Park Trust £250 (2023: 0); NHS England £8,325 (2023: 0); and Waltham Forest Council £10,800 (2023: 0).

All activities with connected organisations were carried out on an arm's length basis in the normal course of activities and on terms no more favourable than for any other member organisation.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

**17 Pension scheme**

The organisation contributes to a defined contribution scheme, the assets of which are held separately from those of the Charity. The organisation contributed in 2024 £328,971 (2023: £298,300) during the year of which 2024: £28,153 (2023: £26,050) was still outstanding at the year end and is included in creditors.

**18 Reconciliation of Net Debt**

<b>Unity Trust Loan</b>	<b>At 1st July 2023 £000s</b>	<b>Cashflows £000s</b>	<b>At 30th June 2024 £000s</b>	<b>At 30th June 2023 £000s</b>
Opening Balance	469	-	469	486
Capital Repayment		(364)	(364)	(42)
Interest Charged		10	10	25
<b>Closing Balance</b>	<b>469</b>	<b>(354)</b>	<b>115</b>	<b>469</b>
Borrowings				
Debt due within one year			115	469
<b>Total</b>			<b>115</b>	<b>469</b>

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2024**

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*SOFA comparatives (previous year ended 30th June 2023)*

	Note	Unrestricted funds 2023 £000s	Restricted funds 2023 £000s	12 months Total funds 2023 £000s	12 months Total funds 2022 £000s
<b>Income and expenditure</b>					
<b>Income</b>					
Income from Investments		108	-	108	124
Other Income		61	4	65	98
<b>Income from charitable activities</b>					
Member services		214	755	969	190
Services and delivery and learning		6,328	258	6,586	6,501
Policy and campaigning		59	223	282	186
<b>Total income</b>		<b>6,770</b>	<b>1,240</b>	<b>8,010</b>	<b>7,099</b>
<b>Expenditure</b>					
Membership services		520	576	1,096	443
Services and delivery and learning		6,317	359	6,676	6,653
Policy and campaigning		289	196	485	408
<b>Total expenditure</b>	2	<b>7,126</b>	<b>1,131</b>	<b>8,257</b>	<b>7,504</b>
<b>Net surplus/(deficit)</b>		<b>(356)</b>	<b>109</b>	<b>(247)</b>	<b>(405)</b>
<b>Fund transfers</b>	11	8	( 8)	-	-
<b>Net movement in funds for the year</b>		<b>(348)</b>	<b>101</b>	<b>(247)</b>	<b>(405)</b>
Fund balances brought forward at 1st July 2022	11	<b>4,308</b>	<b>214</b>	<b>4,522</b>	<b>4,927</b>
<b>Fund balances carried forward 30th June 2023</b>	11	<b>3,960</b>	<b>315</b>	<b>4,275</b>	<b>4,522</b>