

LOCALITY (UK)

(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30<sup>th</sup> JUNE 2025

Registered Charity No. 1036460

Company No. 02787912

Locality (UK)  
Trustees' Annual Report  
for the year ended 30<sup>th</sup> June 2025

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**Legal and Administrative Details**

Locality (UK) is a Private 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  
                                 PO Box 7193  
                                 Planetary Road  
                                 Willenhall  
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                                 134 Edmund Street  
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**Trustees**

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

Steve Sayers	(Chair – from December 2024 (previously Vice Chair)
Alison Haskins	(Chair – resigned December 2024)
Manjula Patel	(Vice Chair - from 22 November 2024)
Adrian Ball	(Vice Chair)
Anna Bonallack	
Paul Butler	
Colin Crooks	Independent (co-opted)
Alexis Keir	Independent (co-opted)
Amy Kinnear	
Alex Kittow	Temporary Treasurer – from 22 November 2024
Tess Lanning	Independent (co-opted)
Sarah Mitson	Independent (co-opted)
Bernadette O'Brien	
Antonia Onigbode	(Resigned October 2025)
Graham Easterlow	(Elected December 2024 - Resigned October 2025)
David Nugent	Elected December 2024

**Senior Management Team**

Tony Armstrong	Chief Executive and Company Secretary
Csaba Prodan	Director of Finance
Carole Reilly	Director of Services
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 2025. 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 and Neighbourhood Centres (IFS).

**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 16 Trustees, 11 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 a committed Trustee team. Our chair, Alison Haskins, has completed her second term and retired in December 2024. We thank her for the significant contributions and support she has provided to Locality over the years. Steve Sayers has been appointed as Chair, succeeding Alison. With several years of experience as a trustee, we look forward to his continued strategic leadership in this position.

**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 £1,973 (2024: £2,376). 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. This is regularly monitored and reviewed and remains our strategic planning document. 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 developed webinars and resources to support organisations to manage their own community spaces. Topics covered included gaining funding and income for community owned spaces, improving energy efficiency, and engaging the community in the project. We also created a new hub to help organisations support their staff and volunteers. The My Community 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**

In February 2025 we were advised by Ministry of Housing Communities and Local Government (MHCLG) that we had been successful in our tender submission to deliver the new Neighbourhood Planning contract. Work continued to progress this until in early April the decision was made by MHCLG that the contract would not go ahead as funding would cease.

As a result we have had to restructure the NP team to ensure that we can continue to deliver the remainder of the current contract whilst unfortunately making staff that did not have a role in the tail end delivery redundant.

We have agreed an exit strategy to manage all current Technical Support work by the end of March 26.

Up until the closure of the 24-25 contract we awarded:

- £2,912,004 of grants against a budget of £3M
- £4,198,413 of TS against a budget of £4,121,000 (increased using grant underspend)

We performed well in the period on our turnaround KPIs with 100% of grant requests and Advice Services queries answered within the required timescales.

## **Planning Consultancy Work**

Beyond the formal programme, we continued to market our planning services, to support Neighbourhood Planning groups develop Neighbourhood Development Plans and to strengthen their influence in the creation of local development plans or master planning exercises. We engaged various groups and local authorities keen on the continuation of Neighbourhood Planning in their areas. And we are promoting our broader consultancy services to local authorities, emphasising how we can help strengthen community voices as they develop local development plans, create masterplans, or devise place-based strategies for different neighbourhoods.

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

Demand for support from community organisations remains consistently high. Throughout the year, we have engaged with hundreds of communities via directly awarded contracts and through the delivery of national and regional programmes. There has also been notable growth in interest from local authorities, housing associations, and some NHS bodies.

Our national team has been highly active in supporting community organisations, particularly as many face significant challenges due to ongoing financial pressures. These pressures have reinforced the need for responsive and effective support.

We have provided substantial assistance to numerous Big Local groups nationwide as they transition to the next phase of their development. Our support has focused principally on governance, asset-based development and acquisition, and long-term sustainability.

Individual consultancy contracts continue to be extremely varied, featuring significant work delivered in the following areas:

- Community asset transfer
- Asset-based community development (ABCD)
- Training and organisational development
- Financial sustainability and income generation
- Grant assessment and awards advice
- Measuring and reporting on social impact



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Additionally, we supported Groundwork with the delivery of the DCMS Energy Efficiency Fund. Our staff delivered energy assessments, enabling community groups to implement effective energy-saving improvements within their buildings.

Collaboration with national funding bodies remains a priority, and we have provided ongoing support to groups funded by the National Lottery Heritage Fund, Local Trust, and Lloyds Bank Foundation, amongst others.

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 as the CSU enters a new phase in its development.

### **Programmes**

Programme work has predominantly focussed on the delivery of the Community Ownership Fund (COF) support programme. Funded by the Ministry of Housing and Local Government, 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 led 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.

By the time of the Spending Review 2025 we learnt that the government has not provided dedicated funding to continue this support to communities, and so the programme came to an end in March 2025, with final delivery due until September 2025.

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.

### **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. The support we provide through our membership network is therefore more important than ever, to help our members remain strong and successful and able to keep driving their neighbourhoods forward.

Over the past year our network has continued to grow, with over 2000 organisations in membership. 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.

Our events are central to our support offer, providing 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 regular 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

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regular 'Power of Community'. Our member engagement levels are consistently high, with around 60% of members in our highest categories of engagement.

We have established our new Connectors-UK programme, with the support of a major grant from the National Lottery Community Fund. This enabling us to work across the UK, in partnership with the Development Trusts Associations in Scotland, Wales and Northern Ireland. As well as supporting and expanding our programme of peer learning events and specialist advice, we are supporting 15 "Connection Trailblazers" across the UK. The organisations are working over an 18-month period to develop innovative ways of connecting their communities across divides.

### **Convention**

In November we hosted our annual Locality Convention 2024, the biggest community sector event of the year, in Manchester. We had 488 delegates, a huge increase on last year, and we had very high satisfaction levels, with people saying they gained useful information and left feeling inspired. Delegates heard from Andy Burnham, Mayor of Greater Manchester and many community organisations. They visited nearby Locality members, gained expert advice and created new connections. We celebrated our Locality award winners for 2024. We built equity and inclusion into the agenda throughout, for example covering barriers to taking community ownership of assets, health inequalities, board diversity and a specific workshop on tackling racism and division in communities. We provided more bursaries to groups that would otherwise not be able to attend, including organisations supporting racialised and 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.

Following the general election, with a new Labour government, we have worked to explore the opportunities set out in our manifesto "Building Thriving Neighbourhoods". This proposed 5 "big reforms" to kickstart a "community power revolution" and these ideas have formed the basis of our political engagement.

Working closely with the We're Here Campaign - of which we are a founder member and current host organisation – we've seen important steps in a community powered direction, in particular with the government's commitment to establish a new "Community Right to Buy", a longstanding policy ask.

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. This year we have continued to support West Yorkshire as the first Integrated Care System to adopt our "Keep it Local" principles, which are designed to encourage long-term partnership working between the public sector and community organisations.

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

Our staff team consistently receive high praise from our members and partners; they truly are our most valuable resource. This year, the organisation faced a significant challenge triggered by the unexpected withdrawal of the Neighbourhood Planning contract, exacerbated by the end of the Community Ownership Fund support programme. This created considerable financial pressure, resulting in a difficult but essential restructure to ensure our future sustainability which completed in June 2025 with a transition to the new structure by September 2025.

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The resulting structure, though smaller, is robust and designed for future success. It establishes a new, integrated Business Development and Programmes team and enhances our capacity in CRM and data, allowing us to be more forward-thinking in how we secure funding and deliver our work. This new structure ensures we retain a strong leadership team focused on our strategic priorities and the vital work that supports our members.

Our focus on our people is reflected in our 2024 staff survey, and our continued accreditation with Investors in People and Investors in Wellbeing. We have introduced a new training and development plan, aimed at growing talent within Locality as well and making improvements to our internal policies to reflect the changing legislation following the UK Employment Rights Bill.

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

Our commitment to becoming an anti-racist organisation continues to drive our work on DEI. We developed a new strategic vision developed with our external partner, New Ways. Our efforts are now focused on key priorities for 2025-26, including "Thought Leadership" and becoming "Active Unlearners".

Our actions are delivering measurable results. We awarded 37 bursaries to individuals from racialised and other marginalised groups to enable them to attend our Convention. We were also pleased to be awarded funding by the Esmée Fairbairn Foundation to launch our 'Creating Places for Everyone' project. A steering group of nine Locality members is already in place, and this research will be fundamental in shaping how we support our members on their own race equity journeys in the future.

### **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.

## **4. Financial Review**

### **4.1. Finances**

These accounts cover the year ended 30<sup>th</sup> June 2025 and present our financial performance for the past 12 months. Overall, our business performance was as planned throughout the year, with good levels of demand for our programmes and smaller contract work and our financial outturn was slightly better than forecast.

However, in April the organisation faced a challenge triggered by the unexpected withdrawal of the Neighbourhood Planning contract. The current programme will finalise by March 2026 with no further funding to support the work. The news has not impacted the current year performance, however the future income reduction resulted in a restructuring process that Locality completed at the end of the financial year. As the levels of income will be reducing in the new year, Locality reduced its cost base as necessary in the budget process.

During the year, the charity recognised total income of £9,140k (2024: £10,305k) (£1,282k restricted), a decrease of £1,165k. The contributing factor to a lower turnover is mainly related to the Community Ownership Fund programme (grants distribution) that did not take place in the current financial year.

Expenditure amounted to £9,052k (2024: £10,559k), a decrease of £1,507k. Costs have decreased in line with the lower 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 this will change in the new financial year due to the restructuring.

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Locality ended the financial year with an unrestricted deficit of (£63k) and an additional impairment on the investment property (£360k); (2024: deficit of (£122k), and a restricted surplus of £151k (2024: deficit of (£132k)).

The current financial year's unrestricted deficit is mainly due to restructuring costs. The restricted surplus was mainly due to some projects that we received funding for in advance such as: The National Lottery Community Fund (The UK Fund – Connectors UK).

The total funds of the charity amount to £3,599k (2024: £3,871k), of which £349k are restricted (2024: £198k). Unrestricted funds of the charity decreased to £3,250k (2024: £3,673k).

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 2025-26 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 coming to end in the new year.

Considering all these, the Board has signed off a broadly break-even budget for the coming year. Trustees have retained designated funds which provide us with the opportunity to ensure future support to specific business activities and development.

The main asset held by Locality is represented by a London office building, which was previously our HQ and is now an investment asset, let to other organisation, generating rental income that is being used for charitable purposes. The Trustees reviewed the fair value of the investment property in line with SORP requirements. The year-end valuation review carried out by the Trustees concluded that there was an impairment against the investment property of (£360k), which is reflected 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.

Despite ongoing cost-of-living pressures and increased volatility in funding within the sector, the Board has approved a broadly break-even budget for 2025-26. This budget has a lower cost level throughout the organization while still allowing for investments in business development activities, routine operations, and maintaining a primary focus on member support.

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, and we have an agreed schedule of delegation in place which codifies roles and responsibilities. Locality does not rely on volunteers in delivering its business.

The next year's budget 2025-26 has been signed off by the Board and this includes a good 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 2025 were £721k, a reasonable level in line with our current free reserves target of £740k. The free reserves represent the unrestricted funds of £799k (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 good level of secured contractual income and unrestricted free reserves of £721k, the Trustees are confident that Locality can continue as a going concern. Furthermore, Locality owns the freehold investment building located at Corsham Street.

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## 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 £3,599k in total funds at 30<sup>th</sup> June 2025, which includes £349k in restricted funds, £799k in general unrestricted funds, £2,451k in designated funds.

The Board's policy on free reserves is to have 3 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 prudent to have this level of reserves.

The free reserves target calculated last year was £740k. As at 30<sup>th</sup> June 2025, free reserves stood at £721k, a deficit on the set target by (£19k). Trustees have determined that the variance is acceptable, no further action is required.

### Designated Funds

With a total of £2,451k that includes:

**£2,284k - Investment fixed asset fund** which have been ringfenced by Trustees to identify the value of funds that can only be realised by disposing the investment asset. The total value of the investment asset includes £368k revaluation reserve. In practice, the investment asset is a free reserve, however, the trustees choose to present it under designated funds as it is not immediately available in liquidity terms.

**£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 2 years.

**£32k - 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.

**£65k - Member support fund**: Funds set aside to invest in resources to support and grow our members' network. This fund is being utilised over the next 2 years.

## 5. Future Plans

### 5.1 Services and Programmes

As we approach the conclusion of our current contracts for both the Neighbourhood Planning Programme and the Community Ownership Fund, we recognise the importance of ensuring continued support to the communities involved in these areas. The transition away from these major contracts requires careful business planning, which we are addressing through a proactive and structured approach designed to maintain the financial health of the organisation and the continuation of our services to communities.

In the immediate term, we will adjust our consultancy focus towards securing and delivering direct contracts, reducing emphasis on larger programme work. To support our business development efforts, we have established two new roles: Head of Business Development and Programmes, and Senior Officer for CRM and Data. These positions will enhance our capacity to identify and secure new business opportunities.

We are committed to ensuring an orderly and effective close-out of both the Neighbourhood Planning Programme and the Community Ownership Fund support service. We hope to work with affected community organisations to help them secure alternative funding sources. Looking ahead, we will expand our consultancy services in land-based planning policy, collaborating with existing contract partners and subcontractors throughout the coming year.

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Over the next year, our strategic focus will include allocating resources to source and develop new business initiatives. These may include innovative areas such as supporting members to achieve net zero targets through community enterprise. We will build upon our established track record in consultancy, aiming to maintain high standards of service delivery. In 2024-25, our Net Promoter Score was 76, reflecting strong client satisfaction—a standard we are determined to uphold.

Finally, we are actively reviewing our business development opportunities. This process involves assessing potential markets, engaging with partners, and evaluating client needs to identify areas where our support can have the greatest impact. Alongside this, we are developing a coherent, organisation-wide plan to establish and prioritise key areas for growth. These efforts are aimed at ensuring we deploy resources efficiently and position ourselves strongly within the sector, enabling the organisation to adapt effectively and drive long-term success.

## **5.2 Marketing and Partnerships**

Over the coming year we will be promoting how community organisations can play their part in reducing carbon emissions and tackling climate change, and how Locality can help. We will also be continuing to promote what organisations can achieve when they take on and run buildings and spaces for the benefit of the community, including how they can ensure these places are welcoming and accessible for everyone.

We will deliver effective newsletters and events for Locality members, and we will promote what Locality members are doing through our social media and website. 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 Liverpool in November 2025, the biggest community sector event of the year. This year we will also be hosting the International Federation of Settlements and Neighbourhood Centres (IFS) conference, celebrating 100 years of the IFS with international delegates and speakers. We will continue to increase the number of delegates and create an accessible and engaging event for all attendees.

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.

## **5.3 Membership**

With a highly challenging external environment showing no signs of letting up, we will continue to work hard to support our members the “ABC” of Locality membership: advice, belonging and connection.

A key part of our support offer will relate to our Connectors-UK programme, for which Locality has received almost £1.9 million over three years from The National Lottery Community Fund, the largest community funder in the UK. Following a successful first year, we will be deepening our collaboration with DTA Scotland, DTA Wales and DT Northern Ireland to bring our members together to build resilience, share innovative practice and shape their community's future.

In particular, this year will be the key delivery year for our “Connection Trailblazers” – 15 community organisations whom we are supporting to go further to bridge divides and connect their communities. We'll be providing practical advice as well as leadership development and drawing out learning to share with our wider networks.

## **5.4 Policy and Public Affairs**

We have a full programme of Policy and Public Affairs work for 2025-26. A year into the new government we will be building on influencing successes such as the new Community Right to Buy and targeted funding for disadvantaged neighbourhoods. Our goal is to move “community power” from being supported via individual initiatives to a much wider animating theme for our politics.

A key part of this will be our continuing support for the We're Right Here Campaign, developing opportunities to embed its ambitious proposals for rebalancing where power lies in the country.

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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.

## 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	A successful restructuring has been implemented, as the NP contract is set to conclude by March 2026. We have established a stringent budget for 2025-26 to mitigate the anticipated income reduction. Performance and available information will be reviewed during the forecasting stage, and adjustments will be made as necessary.
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 Audit Services LLP 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 23<sup>rd</sup> October 2025, and signed on its behalf by



.....  
Steve Sayers  
Chair of Locality's Board of Trustees



Locality (UK)  
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for the year ended 30<sup>th</sup> June 2025

**Independent Auditor's Report to the members of Locality (UK)**  
**For the year ended 30 June 2025**

**Opinion**

We have audited the financial statements of Locality (UK) (the 'Charitable Company') for the year ended 30 June 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and notes to the financial statements, including 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 2025, 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 ethical responsibilities in accordance with 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

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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.

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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 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:

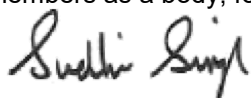
- Obtaining an understanding of the regulatory and legal frameworks that the entity operates in, focusing on those having a direct effect on the financial statements;
- Enquiry of management to identify any instances of known or suspected instances of fraud;
- Enquiry of management about instances of 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: <http://www.frc.org.uk/auditorsresponsibilities>. 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: 6 November 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

**Locality (UK)**  
**Statement of Financial Activities**  
**for the year ended 30th June 2025**

	Note	Unrestricted funds 2025 £000s	Restricted funds 2025 £000s	12 months Total funds 2025 £000s	12 months Total funds 2024 £000s
<b>Income and expenditure</b>					
<b>Income</b>					
Income from Investments		104	-	104	99
Other Income		101	-	101	71
<b>Income from charitable activities</b>					
Member services		231	-	231	195
Services and delivery and learning		7,398	926	8,324	9,668
Policy and campaigning		24	356	380	272
<b>Total income</b>		<b>7,858</b>	<b>1,282</b>	<b>9,140</b>	<b>10,305</b>
<b>Expenditure</b>					
<b>Expenditure on charitable activities</b>					
Membership services		326	-	326	610
Services and delivery and learning		7,341	798	8,139	9,456
Policy and campaigning		254	333	587	493
<b>Total expenditure</b>	2	<b>7,921</b>	<b>1,131</b>	<b>9,052</b>	<b>10,559</b>
<b>Net (deficit)</b>		<b>(63)</b>	<b>151</b>	<b>88</b>	<b>(254)</b>
Fund transfers	11	-	-	-	-
Gains/(losses) on investment property	7	( 360)	-	(360)	(150)
<b>Net movement in funds for the year</b>		<b>(423)</b>	<b>151</b>	<b>(272)</b>	<b>(404)</b>
Fund balances brought forward at 1st July 2024	11	<b>3,673</b>	<b>198</b>	<b>3,871</b>	<b>4,275</b>
<b>Fund balances carried forward 30th June 2025</b>	11	<b>3,250</b>	<b>349</b>	<b>3,599</b>	<b>3,871</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 22 to 37 form part of these financial statements.

**Locality (UK)**  
**Balance Sheet as at 30th June 2025**

	<b>Note</b>	<b>2025 £000s</b>	<b>2024 £000s</b>
<b>Fixed assets</b>			
Tangible fixed assets	6	36	626
Intangible fixed assets	6	32	53
Investments	7	2,294	2,081
		<b>2,362</b>	<b>2,760</b>
<b>Current assets</b>			
Debtors	8	1,353	1,682
Cash at bank and in hand		1,367	1,063
		<b>2,720</b>	<b>2,745</b>
<b>Creditors: amounts falling due within one year</b>	9, 9a	(1,483)	(1,634)
<b>Net current assets</b>		<b>1,237</b>	<b>1,111</b>
<b>Total Assets less current liabilities</b>		<b>3,599</b>	<b>3,871</b>
<b>Net Assets</b>		<b>3,599</b>	<b>3,871</b>
<b>Funds:</b>			
Unrestricted funds - general	12	799	1,281
Unrestricted funds - revaluation	12	-	368
Designated funds	12	2,451	2,024
Restricted funds	12	349	198
		<b>3,599</b>	<b>3,871</b>

These financial statements were approved and authorised for issue by the Board on 23rd October 2025 and signed on its behalf by:



Steve Sayers - Chair of Locality's Board of Trustees

The notes on pages 22 to 37 form part of these financial statements.

Company number: 2787912

**Locality (UK)**  
**Statement of Cashflows**  
**for the year ended 30th June 2025**

	Notes	<b>2025</b> <b>£000s</b>	<b>2024</b> <b>£000s</b>
Net cash generated by/(used in) operating activities		341	(611)
<b>Cash flows from investing activities</b>			
Dividends and interest		(21)	(21)
Additions to fixed assets	6	<u>(12)</u>	<u>(15)</u>
		<u>(33)</u>	<u>(36)</u>
<b>Cash flows from Financing activities</b>			
Capital repayments	18	(14)	(14)
Interest accrued	18	<u>10</u>	<u>10</u>
		<u>(4)</u>	<u>(4)</u>
<b>Change in cash and cash equivalents</b>		<b>304</b>	<b>(651)</b>
<b>Cash and cash equivalents at the beginning of the reporting year</b>		<b>1,063</b>	<b>1,714</b>
<b>Cash and cash equivalents at the end of the reporting year</b>		<b><u>1,367</u></b>	<b><u>1,063</u></b>
<b>Reconciliation of net outgoing resources to net cash outflow from operating activities</b>			
Net incoming/(outgoing) resources		88	(254)
Bank interest received		21	21
Depreciation charges	6	30	37
Amortisation charges	6	20	20
Other non-cash adjustments		4	2
Decrease/(Increase) in debtors		329	(343)
(Decrease)/Increase in creditors		<u>(151)</u>	<u>(94)</u>
Net cash generated by/(used in) operating activities		<b><u>341</u></b>	<b><u>(611)</u></b>
<b>Analysis of cash and cash equivalents</b>			
Cash at bank and in hand		1,367	1,063
<b>Total cash and cash equivalents</b>		<b><u>1,367</u></b>	<b><u>1,063</u></b>

The notes on pages 22 to 37 form part of these financial statements.

**Locality (UK)**  
**Notes to the Financial Statements**  
**for the year ended 30th June 2025**

**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 and economical challenges. Having a good level of secured contractual income for the new financial year 2025-26 and closing free reserves at June 2025 of £721k, the Trustees are confident that Locality can continue as a going concern. We have carried out scenario forecasting to June 2027 and the future operation is being supported by a robust cash and reserves position.

**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 2024-25 are £160k (2024: £128k). 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 2025**

**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**

Creditors 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 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 2025**

**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.

**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 2025**

**2 Expenditure 2025**

	Staff costs £000s	Grants to institutions £000s	Support costs £000s	Other direct costs £000s	12 months Total 2025 £000s
<b>Analysis of total expenditure</b>					
Membership services	157	-	23	146	326
Services and delivery and learning	2,444	376	337	4,982	8,139
Policy and campaigning	337	-	33	217	587
<b>Total expenditure</b>	<b>2,938</b>	<b>376</b>	<b>393</b>	<b>5,345</b>	<b>9,052</b>
	(note 5)		(note 3)		

**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	2,284	1,050	291	5,831	9,456
Policy and campaigning	261	-	26	206	493
<b>Total expenditure</b>	<b>2,840</b>	<b>1,050</b>	<b>356</b>	<b>6,313</b>	<b>10,559</b>
	(note 5)		(note 3)		

**Grants to Institutions**

	2025 £000s	2024 £000s
COF grants	-	1,009
Hodwell Associates (City Bridge Trust)	-	3
LHC London	179	-
Social Economy Growth Business Support grants	72	18
UK Fund	118	-
VCSE Health and Wellbeing Alliance	7	20
<b>Total</b>	<b>376</b>	<b>1,050</b>

The key business areas where Locality distributed grants to institutions were LHC London, Social Economy Growth Business Support, UK Fund, 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.

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

**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.

**LHC London:** Locality acts as LHC agent to manage the investment of the LHC Community Benefit Fund and reports on its effectiveness in improving

**Social Economy Growth Business Support:** Business support and grant administration in respect of Social economy growth. Grants and business

**UK Fund:** 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 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 2025**

**3 Analysis of support costs 2025**

**12 months**

	<b>Member services £000s</b>	<b>Services and delivery and learning £000s</b>	<b>Policy and campaigning £000s</b>	<b>Total 2025 £000s</b>
Premises costs	4	61	6	71
Office costs	4	53	5	62
IT	2	36	4	42
Professional fees	3	52	5	60
Management	8	107	10	125
Governance	2	28	3	33
<b>Total</b>	<b>23</b>	<b>337</b>	<b>33</b>	<b>393</b>

**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>

**Governance & audit costs**

	<b>12 months Total 2025 £000s</b>	<b>12 months Total 2024 £000s</b>
Audit fees	24	22
Non-audit fee	1	1
Trustees' costs	9	8
Other governance costs	7	8
<b>Total</b>	<b>41</b>	<b>39</b>

**4 Net income / expenditure**

These are stated after charging:

Auditor's remuneration - current year  
Non-audit fee  
Amortisation  
Depreciation

**12 months  
2025**

**£000s**

**12 months**

**2024**

**£000s**

24  
1  
20  
30

22  
1  
20  
37

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2025**

	<b>12 months</b>	<b>12 months</b>
	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
<b>5 Staff costs</b>		
Wages and salaries	2,350	2,086
Social security costs	252	228
Pension costs	179	329
<b>Total direct staff costs</b>	<b>2,781</b>	<b>2,643</b>
Welfare, travel and agency staff	72	99
Recruitment	5	14
Holiday pay accrual	80	84
<b>Total staff costs</b>	<b>2,938</b>	<b>2,840</b>

Locality Pension costs in YE2024 included total pension salary sacrifice, including employee and employer contributions; during 2025 employee element of the pension salary sacrifice has been reallocated to wages and salaries, so pension costs represent the cost to Locality. Included in wages and salaries above are termination benefits totalling £61,409 (2024: £16,576) relating to eight individuals (2024: one individual). Of this total, £61,409 (2024: £nil) was outstanding at the year-end. This total includes contractual benefits of £50,684 (2024: £nil) and non-contractual benefits of £10,725 (2024: £16,576).

	<b>12 months</b>	<b>12 months</b>
	<b>2025</b>	<b>2024</b>
Number of employees within salary range:		
£90,000 - £100,000	1	1
£70,000 - £80,000	2	-
£60,000 - £70,000	2	3

The total amount paid to 6 key management personnel (2024: 7) (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 £505,673 (2024: £527,212), of which salaries were £417,708, employer pension contributions £35,837 and Employer's NIC £52,128. Key management personnel includes employed SMT team members detailed above, as well as the board of trustees. However, the board of trustees does not receive any remuneration.

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

	<b>12 months</b>	<b>12 months</b>
	<b>2025</b>	<b>2024</b>
Governance	1	1
Delivering national programmes and support to members	39	40
Policy and campaigning	4	4
Administration	6	6
<b>Total employees</b>	<b>50</b>	<b>51</b>

No remuneration has been paid to the Trustees. Total travel expenses of £1,972 (2024: £2,376) were paid to 15 (2024: 11) Trustees. During the year, the Charity incurred £5,769 (2024: £5,873) professional indemnity insurance costs for employees, and £329 (2024: £329) for Trustee and individual liability insurance.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2025**

**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 2024	618	222	50	51	941
Additions	-	-	-	12	12
Reclassification to Investment	(618)	(222)	-	-	(840)
At 30th June 2025	-	-	50	63	113
<b>Accumulated depreciation</b>					
At 1st July 2024	180	74	25	37	316
Charge for the year	6	9	5	10	30
Reclassification to Investment	(186)	(83)	-	-	(269)
At 30th June 2025	-	-	30	47	77
<b>Net book values</b>					
At 30th June 2025	-	-	20	16	36
At 30th June 2024	439	148	25	14	625

The building in 2024 was deemed as mixed use asset. The ground floor was used for charitable activities whereas the 1st and 2nd floor are rented out to third parties. In April 2025 Locality rented out the whole building and therefore the property is now classified in entirety as an investment asset. (Note 7)

**Intangible fixed assets**

	Computer software £000s
<b>Cost</b>	
At 1st July 2024	189
At 30th June 2025	189
<b>Accumulated amortisation</b>	
At 1st July 2024	137
Charge for the year	20
At 30th June 2025	157
<b>Net book values</b>	
At 30th June 2025	32
At 30th June 2024	52

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 2025**

<b>7 Investments</b>	<b>12 months 2025 £000s</b>	<b>12 months 2024 £000s</b>
<u>Social investments</u>		
At 1st July 2024 and 30th June 2025	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 reviewed Locality's involvement in the investment. Just Power for Communities CIC decided to strike off the company and distribute existing company cash to its shareholders. This will take place in the next financial year.

Locality's share of net assets at 30th June 2025 was £10k (2024: £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 2025 £000s</b>	<b>12 months 2024 £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 2025 £000s</b>	<b>12 months 2024 £000s</b>
<u>Fixed Asset Investment</u>		
Fair value b/f	2,071	2,221
Reclassification	573	-
Revaluation/(impairment)	(360)	(150)
Fair value c/f	2,284	2,071
<b>Total Investments</b>	<b>2,294</b>	<b>2,081</b>

The building in 2024 was deemed as mixed use asset. The ground floor was used for charitable activities whereas the 1st and 2nd floor are rented out to third parties. In April 2025 Locality rented out the whole building and therefore the property is now classified in entirety as an investment asset. Part of the investment property value is attributed to revaluation reserve of £368k.

The trustees reviewed the fair value of the investment property 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 there was an impairment to be recognised of £(360k).

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2025**

**8 Debtors**

	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Trade debtors	935	1,347
Bad debt provision	(19)	(9)
Prepayments	107	59
Accrued income	330	285
	<u>1,353</u>	<u>1,682</u>
	<u>1,248</u>	<u>1,625</u>
Financial assets that are debt instruments measured at amortised cost		

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

	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Trade creditors	362	605
Social security and other taxes	62	55
VAT	30	168
Other creditors	38	60
Accruals	456	464
Deferred income (note 10)	324	146
Unity Trust Loan	109	115
	<u>1,381</u>	<u>1,613</u>
Financial liabilities measured at amortised cost	<u>856</u>	<u>1,129</u>

**9a Rent deposits held by Locality**

	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Tenants Deposits	101	21
<b>Total Creditors</b>	<u><b>1,483</b></u>	<u><b>1,634</b></u>

**Unity Trust Loan**

Due to Locality registering an unrestricted deficit position in 2024/25 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; this is consistent with prior year. 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 4.25%) subject to a minimum charge of 2.15% per annum.

**10 Deferred income analysis**

	<b>2025</b>	<b>2024</b>
	<b>£000s</b>	<b>£000s</b>
Brought forward	146	31
Released in year	(659)	(246)
New deferrals	837	361
Carried forward	<u>324</u>	<u>146</u>

The majority of the deferred income is for membership income, Convention 2025 sponsorship and Community Ownership Fund income.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2025**

**11 Movement in funds 2025**

<b>Restricted funds</b>	<b>Balance at 1st July 2024 £000s</b>	<b>Movement in resources</b>			<b>Balance at 30th June 2025 £000s</b>
		<b>Revenue £000s</b>	<b>Outgoing £000s</b>	<b>Transfers £000s</b>	
<b>Services</b>					
VCSE Energy Efficiency Scheme programme	14	71	(71)	-	14
Bridge Project	67	100	(125)	-	42
Waltham Forest VOICE	13	-	-	-	13
SocioDigital Futures - University of Bristol	17	-	-	-	17
UK Fund	84	750	(597)	-	237
Sported - WMCA	-	5	(5)	-	-
<b>Policy and campaigning</b>					
Creating Places for Everyone	-	80	(59)	-	21
Middlesex University toolkit	-	5	(5)	-	-
We Are Right Here	30	181	(197)	-	14
VCSE Health & Wellbeing Alliance	(27)	90	(72)	-	(9)
					-
<b>Total restricted funds</b>	<b>198</b>	<b>1,282</b>	<b>(1,131)</b>	<b>-</b>	<b>349</b>
<b>Unrestricted funds</b>					
	<b>Balance 1st July 2024 £000s</b>	<b>Movement in resources</b>			<b>Balance 30th June 2025 £000s</b>
		<b>Revenue £000s</b>	<b>Outgoing £000s</b>	<b>Transfers £000s</b>	
General funds	1,281	7,858	(7,921)	(487)	731
Revaluation Reserve	368	-	-	(368)	-
Fixed Asset fund	703	-	-	(635)	68
<b>Designated funds:</b>					
Fixed Asset Investment fund	1,088	-	(360)	1,556	2,284
Development Fund	70	-	-	-	70
Restructuring fund	83	-	-	(51)	32
Member support fund	80	-	-	(15)	65
<b>Total designated funds</b>	<b>1,321</b>	<b>-</b>	<b>(360)</b>	<b>1,490</b>	<b>2,451</b>
<b>Total unrestricted funds</b>	<b>3,673</b>	<b>7,858</b>	<b>(8,281)</b>	<b>-</b>	<b>3,250</b>
<b>Total funds</b>	<b>3,871</b>	<b>9,140</b>	<b>(9,412)</b>	<b>-</b>	<b>3,599</b>

The Fixed Asset Investment Fund of £2,284k includes revaluation reserve of £368k. In practice, the investment asset is a free reserve, however, the trustees choose to present it under designated funds as it is not immediately available in liquidity terms.



**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2025**

**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.
Sported - WMCA	The purpose of this Pilot is to realise the value of triaged support in providing efficient and effective support to voluntary organisations in sport and physical activity with multiple agencies delivering in unison across the West Midlands Combined Authority (WMCA) area.
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.

**Policy and campaigning**

Middlesex University toolkit	A collaboration with Middlesex University to produce "Pathways to Good Work", a toolkit for community organisations. The scope is to support additional work to promote and get feedback on the toolkit. The overarching aim is to understand the impact the toolkit has had so far, and update it to ensure continuing relevance.
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.
Creating Places for Everyone	Grant funding towards costs for an action research project with Locality members to understand the role of place-based community organisations within racial justice and develop anti-racist practice in the community sector
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 2025/26 financial year and the extra expenditure incurred in 2024-25 is fully funded.

**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 2025**

**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.
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 investment fund	The building in 2024 was deemed as mixed use assets. The ground floor was used for charitable activities whereas the 1st and 2nd floor are rented out to third parties. In April 2025 Locality rented out the whole building and therefore the property is now classified in entirety as an investment asset. Part of the investment property value is attributed to revaluation reserve of £368k.

**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 and termination benefit payments due to a restructuring.

**Locality (UK)**  
**Notes to the Financial Statements continued**  
**for the year ended 30th June 2025**

**11 Movement in funds 2024**

Restricted funds	Balance at	Movement in resources			Balance at
	1st July 2023 £000s	Revenue £000s	Outgoing £000s	Transfers £000s	30th June 2024 £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	Movement in resources			Balance
	1st July 2023	Revenue	Outgoing	Transfers	30th June 2024
	£000s	£000s	£000s	£000s	£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 2025**

**12 Analysis of net assets between funds 2025**

	<b>Tangible fixed assets 2025 £000s</b>	<b>Intangible fixed assets 2025 £000s</b>	<b>Investments fixed and social 2025 £000s</b>	<b>Net current assets 2025 £000s</b>	<b>Total 2025 £000s</b>
Restricted funds	-	-	-	349	349
Revaluation reserve	-	-	-	-	-
Designated funds	-	-	2,284	167	2,451
Unrestricted funds	36	32	10	721	799
	<b>36</b>	<b>32</b>	<b>2,294</b>	<b>1,237</b>	<b>3,599</b>

**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>

**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 2025: 2,227 (2024: 2,227) 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 £40k (2024: £25k) expenditure for operating leases.

	<b>Other 2025 £000s</b>	<b>Other 2024 £000s</b>
Within one year	19	21
In two to five years	7	3
	<b>26</b>	<b>24</b>

**Operating lease as lessor**

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

Not later than one year	144	21
Later than one year not later than five years	541	-
	<b>685</b>	<b>21</b>

There is no rental income recognised on a contingent basis.

**15 Capital commitments**

There were no outstanding capital commitments at 30th June 2025 or 30th June 2024.

**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 £10,582 (2024: £16,498); Canopy Housing Project £75 (2024: £0); Cardigan Centre £255 (2024: £0); Murray Hall Community Trust £5152 (2024: £112); Rotunda Ltd £5,000 (2024: £0); Windmill Hill City Farm £100 (2024: £0); Waltham Forest Community Hub £0 (2024: £60).

The total bursaries or grants awarded during the year to Locality member organisations of which a Locality Trustee is an employee or Trustee was £10,125 (2024: £27,564). These were for Canopy Housing Project £75 (2024: £0); Murray Hall Community Trust £5,000 (2024: £4,500); Rotunda Ltd £5,000 (2024: £8,974); Windmill Hill City Farm £50 (2024: £0); Fromehall Mill Community Benefit Society Limited £0 (2024: £9,820); Selby Trust £0 (2024: £3,000); Hackney Co-operative Developments £0 (2024: £1000); Creative Sustainability CIC £0 (2024: £270).

The total income for services or goods from organisations connected to Locality Trustees during the year was £19,032 (2024: £28,790). This income was received from Social Investment Buisness Limited £12,932 (2024: £0); Libraries Unlimited £250 (2024: £250); Manchester Settlement £1,450 (2024: £250); Murray Hall Community Trust £1,450 (2024: £1,450); Windmill Hill City Farm £250 (2024: £250); Creative Sustainability CIC £250 (2024: £0); Cardigan Community Centre £250 (2024: £0); Finsbury Park Trust £250 (2024: 250); Canopy Housing £250 (2024: £0); Leeds Community Homes £250 (2024: £0) and East Durham Trust £1,450 (2024: £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 2025**

**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 2025 £350,139 (2024: £328,971) during the year of which 2025: £28,817 (2024: £28,153) was still outstanding at the year end and is included in creditors.

**18 Reconciliation of Net Debt**

Unity Trust Loan	At 1st July 2024 £000s	Cashflows £000s	Other non-cash £000s	At 30th June 2025 £000s	At 30th June 2024 £000s
Opening Balance	115	-	-	115	469
Capital Repayment		(14)	-	(14)	(364)
Interest Charged		-	-	-	10
<b>Closing Balance</b>	<b>115</b>	<b>(14)</b>	<b>-</b>	<b>101</b>	<b>115</b>
Borrowings					
Debt due within one year				101	115
<b>Total</b>				<b>101</b>	<b>115</b>

**Locality (UK)**  
**Statement of Financial Activities**  
**for the year ended 30th June 2025**

	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.