

DERBYSHIRE COMMUNITY FOUNDATION
(A Company Limited by Guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

DERBYSHIRE COMMUNITY FOUNDATION
(A Company Limited by Guarantee)

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DERBYSHIRE COMMUNITY FOUNDATION
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

Trustees

Oliver Stephenson, Chair
William Kerr, Treasurer
Philip Bloxham
Paul Broadhead
Stephen Gordon
Nick Hodgson
Peter Pimm
Louise Pinder (resigned 5 December 2022)
Sheila Taylor
David Palmer
Andrew Cochrane
Alison Williams
Jane Gerard-Pearse
Gurmail Raju

Company registered number 02893759

Charity registered number 1039485

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

Chief executive officer Rachael Grime

Independent auditor BHP LLP
Chartered Accountants
Statutory Auditors
One Waterside Place
Basin Square
Brimington Road
Chesterfield
Derbyshire
S41 7FH

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

DERBYSHIRE COMMUNITY FOUNDATION
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Solicitors	Geldards Number One Pride Place Pride Park Derby DE24 8QR
Patron	The Duke of Devonshire KCVO, CBE, DL
President	Brian Ashby Sir Richard FitzHerbert Bt - President Emeritus
Investment managers	Cazenove Capital 1 London Wall Place London EC2Y 5AU Rathbone Brothers plc Temple Point 1 Temple Row Birmingham B2 5LG CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

The chair presents his statement for the year.

This year's statement is written at a time when the words 'inflation', 'interest rates' and 'cost of living' are seldom out of the news and media. As is well documented, the sources of inflation are found in the aftermath of the Covid pandemic (and its burden of expense on governments at home and abroad), and in the war in Ukraine. The stress that the latter has put on energy and food production costs has fed through to every UK household. During 2023 the Bank of England has fought inflation through a succession of base rate increases – in turn increasing the cost of both mortgages and rents. The UK consumer is constrained, and none more so than those whom we assist through grant making at Foundation Derbyshire.

Last year I reflected that the previous 12 months had been a difficult time for small charities and community groups. After Covid, many of them significantly retrenched and others closed for good. In late 2022 Foundation Derbyshire began to see activity in the local charity sector increasing again. It is as if people are starting to see current economics as a 'new normal'. It is gratifying that so many groups are pleased to see us as friends, as they value our advice just as much as our grantmaking.

Financial markets have been lack-lustre during the past year and our portfolio of investments is marginally reduced in value as a result. Recovery will happen, but when is less clear. Our slightly reduced endowment value has not prevented us from making a significant quantum of grants, which is at a new high.

I am delighted to report that for the year ended 31st March 2023:

- The number of endowed funds under the Foundation's management has increased from 68 to 71.
- A total of £493,300 was granted during the year.
- The value of all the endowed funds is £8.8 million.

As in previous years we have received several donations. All donations to Foundation Derbyshire's custodianship are generous, whatever their size, and we pride ourselves on investing the money safely and enabling our benefactors to take as great a role in selecting chosen charities to support as much as they wish. We are hugely proud of the relationships that we have built over the years with the donor community.

I was pleased to attend the annual conference of UKCF (United Kingdom Community Foundations) in Birmingham. Other than a full day of interesting presentations on a variety of philanthropy and governance topics, the friendships that are made at such events with representatives of other regions' community foundations is immensely valuable.

Within the county, we always enjoy the strong relationships we have with the Lord Lieutenant and the High Sheriff. The High Sheriff of 2022 Michael Copestake raised a phenomenal £13,500 for Foundation by cycling all the way to Skegness with his now late brother Jeremy. Foundation Derbyshire is so appreciative of successive High Sheriffs' involvement with us, and we are currently enjoying the 2023 High Sheriff Theresa Peltier's term of office – about which I will comment more fully next year. From all of the Board, 'Thank you Michael', and 'Best Wishes Theresa'. Both of them warrant so much gratitude from Foundation Derbyshire, and from the county as a whole.

DERBYSHIRE COMMUNITY FOUNDATION
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CHAIR'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Having said farewell to Louise Pinder on her retirement from the Board at the 2022 AGM, I can now report that we are shortly going to be joined by Katy Pugh who many will know from her long association with Age UK Derby & Derbyshire. I know that Katy will be a terrific asset to us.

At the Belper office the executive team of Rachael Grime, Sarah Stainthorpe, and Misbah Ramzan are the invaluable team that make Foundation Derbyshire as good as it is. Without their reliable diligence, input, and good humour Foundation Derbyshire would be a lesser place. We have boosted the team by the recent addition of Vicki Martin who has taken to her new role with enthusiasm.

I would like to mention our valuable sub committees; Finance chaired by William Kerr, Grants chaired by Peter Pimm, Vickers chaired by Helen Bishop, and the EDI group of Sheila Taylor, Jane Gerard-Pearse, Alison Williams, Peter Pimm and Paul Broadhead. Like all Trustees, their time and commitment is entirely voluntary; something that is never taken for granted. The Vickers panel has particular input from volunteers, of whom I would especially note Griselda Kerr, Jenny Denton, Jean Lammie, Tony Butler, Peter Pimm, Craig Fisher and Sian Hoyle.

As ever I would like to thank the Friends of Foundation Derbyshire who make monthly contributions to us. These gifts are always appreciated. It is so good to know that our many friends and supporters are there for us, throughout the entire county of Derbyshire.



Oliver Stephenson
Chairman
Date: Nov 20, 2023

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report together with the audited financial statements of the charitable company for the 1 April 2022 to 31 March 2023. The Annual Report serves the purposes of both a trustees' report and a directors' report under company law. The trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charitable company qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

Derbyshire Community Foundation (operating as Foundation Derbyshire) ("the Foundation") is an independent Derbyshire based registered charity. Our vision is to see a culture of giving at the heart of life in Derbyshire, helping to create a county where communities are strong, civil society is valued and all individuals have the opportunity to fulfil their potential and be treated fairly and with respect.

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

When reviewing the Foundation's charitable objectives and deciding what activities the Foundation should undertake, the Trustees give due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance "Public benefit: running a charity (PB2).

The Trustees are satisfied that these objects meet the appropriate charitable purposes as defined by the Charities Act 2011. Given that public benefit is an intrinsic part of the Foundation's objectives and activities, additional information on its delivery is provided throughout the body of this report.

b. Strategies for achieving objectives

The Foundation's over arching mission is three-fold:

- To build a multi-purpose endowment that provides a growing and sustainable source of funding that can meet the needs of today and anticipated and unexpected future needs
- To grow philanthropy in Derbyshire by enabling anyone to be a philanthropist; in life, through a legacy, establishing a named fund or through collective giving.
- To make grants creatively and effectively for both our grant recipients and funders, creating the bridge between people who care about and can give to their local community and the wide range of grassroots groups and charities that work to tackle disadvantage, address need & improve the quality of life in our county.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

Our current strategic plan has distilled the organisation's Vision and Mission into two key objectives, namely:

1. To build on our position as the county's trusted philanthropic enabler and advisor, a fair and intelligent grant-maker and a professional manager of charitable funds
2. To ensure our grantmaking is:
 - Relevant, supportive & equitable, reflecting & meeting the needs of the communities we serve and targeting priority areas and issues.
 - Pre-emptive as well as responsive and supportive

c. Activities undertaken to achieve objectives

The main activity we undertake to deliver our objectives is providing a range of tailor-made grant making services to help donors bring about change by channelling their charitable giving, in a tax efficient way, into Derbyshire. We offer donors:

- the versatility to assist a wide range of causes, including children, older people, sport, arts and culture, the environment and community development;
- the means to improve quality of life and help to build stronger communities across the county in perpetuity;
- a countywide knowledge that helps us to identify those most in need and enable donors to reach grass roots projects that might not otherwise find the funds they need.

By linking local donors with local needs in this way, we are able to deliver public benefit in a sustainable way, by using an endowment based giving model to address both the problems of today and the issues facing future generations.

The Foundation also augments its grantmaking activity and impact by distributing funds on behalf of companies, individuals and other charities, through a variety of grant making programmes.

Our other objective focuses on the quality of our grant making, which is effectively our bridge between the people who care about the local community and the wide range of groups and individuals that need their help. A key element of our strategy for maintaining and strengthening this "bridge" is to listen to and learn from our stakeholders, to ensure that our grantmaking is informed by, relevant to and meets the needs of the communities we serve and enabling people with detailed local knowledge and lived experience to contribute to decision making.

Achievements and performance

a. Main achievements of the charitable company

- 233 grants awarded totalling £493k
- Endowed funds totalling £8.88 million as at 31st March 2023
- Over 7,200 grants totalling almost £18.5 million have now been awarded since the Foundation was established in 1996
- 71 endowed funds now under Foundation Derbyshire's management

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

b. Review of activities

2022-23 was yet another year in which the consequence of global events continued to play out in our communities and exacerbate existing social and economic inequalities across the county.

The pivotal role that local place based philanthropy and civil society continues to play in understanding and addressing the ensuing need and disadvantage is clear. But many of the community groups and organisations that we fund are themselves in a state of crisis; demand for their vital services continues to increase and intensify but operating costs and their ability to recruit and retain the staff and volunteers they need are becoming increasingly problematic.

Ensuring our grantmaking remains relevant, responsive and fit for purpose is one of our principal strategic priorities. Listening to the sector and the groups that we support is of fundamental importance to this work, as is continuing to evolve and hone our processes and criteria to reflect and meet the need and the challenges that they are facing. Therefore, in direct response to the impact that the ongoing cost of living crisis and inflationary pressures are having on our grant applicants, we increased our average grant size from £2,000 to £2,500 during the year and continue to explore other ways in which we can provide support that is tailored to the specific requirements of the local voluntary sector.

As demand for our county's foodbanks continued, and in many cases increased, we were delighted to be able to continue our partnership with Derbyshire County Council during the year, distributing a further £92.5k tranche of funding to foodbanks and food access projects on their behalf.

As part of the Office for Civil Society and Charity Commission's Revitalising Trusts Initiative, we have been working with Derbyshire County Council to review their portfolio of educational Trusts, many of which had become ineffective over time due to the very small amounts of money that they held or because their charitable objectives were too restrictive or no longer relevant. Over £1 million of these trusts have now successfully been transferred to Foundation Derbyshire and will be used to provide grants that support educational opportunities for young people or enable them to develop talents in the arts, sports or science.

We were also delighted to work in partnership with the High Sheriff of Derbyshire, Michael Copestake. Michael raised £13,800 during the year, for which we and the groups that benefited are very grateful.

We were one of the first one hundred Foundations to be selected for The Foundation Practice Rating (a project supported by 10 large UK Foundations to improve practice across the sector, to encourage improvement in Diversity, Accountability and Transparency). Each grantmaking Foundation was rated either A, B, C, or D, (loosely aligned, we understand, with Ofsted and CQC ratings of 'outstanding', 'good', 'requires improvement' and 'inadequate'). The results were published at the beginning of the year and we are pleased to report that Foundation Derbyshire scored a B overall. This process also provided an invaluable insight into the areas where our practices and approach can be improved and helped to inform our baseline self assessment and EDI Action Plan that is now being implemented throughout the organisation and against which we are able to measure our progress.

Achievements and performance (continued)

c. Grantmaking

The essence of the Foundation’s activity is to provide public benefit for the residents of Derbyshire and Derby City, through the provision of grant funding. In 2022/23, £493.3k of funds were distributed throughout Derbyshire, bringing the total value of grants made by the Foundation, since its establishment in 1996, to £18.5 million.

The total value of grants made during the year was £44.5k higher than last year’s total of £448.8k.

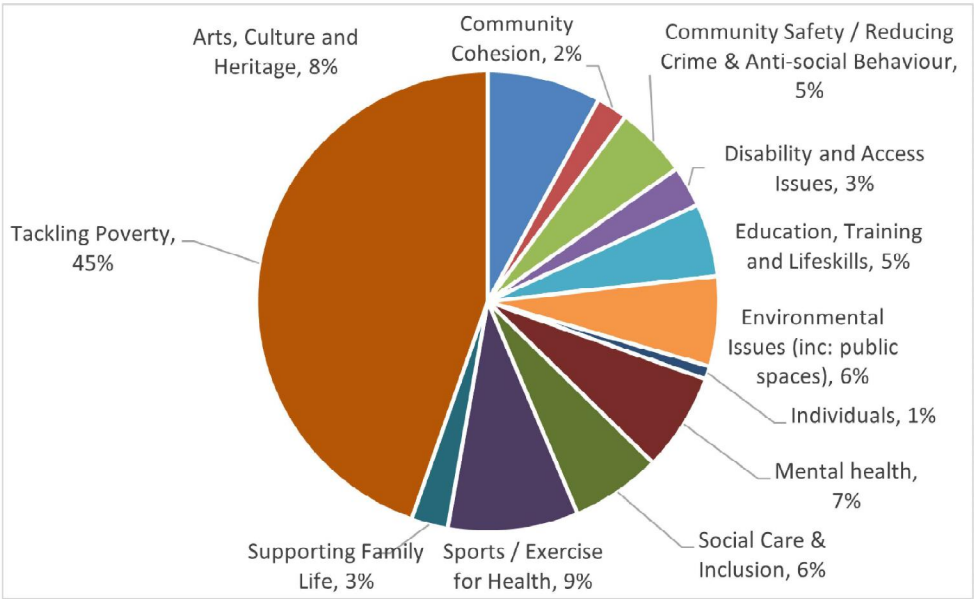
Of the 233 grants awarded during the year, only 8 grants (totalling £77.3k) were in excess of £7,000, evidencing the fact that Foundation Derbyshire is a predominantly small grant maker.

The majority of our grants are awarded through the 71 named funds that have been established by generous individuals, families and organisations who want to make a difference and whose grant making criteria reflects their own charitable objectives and the issues and/or areas of Derbyshire that they care about.

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

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

The breadth of our grantmaking by primary issue is shown in the chart below:



Tackling Poverty accounted for 45% of our grantmaking in 2022-23, a reflection of the impact of the cost of living crisis and also £141k of Foodbank funding distributed on behalf of Derbyshire County Council during the year, including £92.5k received in the year and £48.5k remaining from the prior year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

Stripping out the Derbyshire County Council funding reveals that grant spend by primary issue remains broadly in line with last year, apart from Environmental Issues/Public Spaces, which has increased from 1% of our grantmaking in 2021-22 to 9% in 2022-23.

Also of note is that Mental Health has fallen from 21% of grant spend in 2021-22 to 7% this year. Notwithstanding this, mental health and wellbeing are cited as key areas of focus and benefit in many other grant applications (particularly those that identify environmental issues, tackling poverty and sport/exercise as being the primary issue being addressed), reflecting the intersectionality of so many of the issues and complex needs facing our communities.

Measuring Impact and Understanding Need

Measuring the impact of our grantmaking is a vital part of ensuring that the Foundation continues to be relevant and responsive and not only addresses the need in our county but is able to inspire and inform our donors and funders.

Understanding the challenges and issues within our communities starts at the very beginning of the Foundation's grant application process, when all groups are encouraged to talk to us about their ideas and projects. Our rigorous assessment then enables us to draw out further information on the need that is being met and our bespoke data base (specifically designed for grant making bodies) enables us to generate visual geographic mapping of deprivation levels, down to LSOA* level

*(Lower-layer Super Output Areas are small areas designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households. There are 32,844 Lower-layer Super Output Areas (LSOAs) in England.

End of grant monitoring provides additional information on the impact of our grantmaking and the difference it has made. As well as reporting on financial spend, this is a group's chance to tell us how the project went and for us to capture case studies. An "Influence the Funder" section asks for feedback from grant recipients on the ongoing challenges that a group and the communities it serves might be facing. In addition, grant recipients are surveyed on a regular basis and representatives from our district Councils for Voluntary Service ("CVS"s) are represented on our Grants Committee, ensuring their knowledge of the local voluntary and community sector informs our decision making and policy.

This on the ground, lived experience and intelligence is also vital when interpreting the statistical data that we gather on application levels, grantmaking by district, primary issues addressed, groups/project size (reserve levels and income) and indices of multiple deprivation. For example, the IMD ranking for any grant can only be based on a single postcode (usually that of the applicant group) and not the myriad individuals and communities that are being supported. Notwithstanding this, hard data plays an invaluable role in flagging areas and issues where additional focus and resource may be needed.

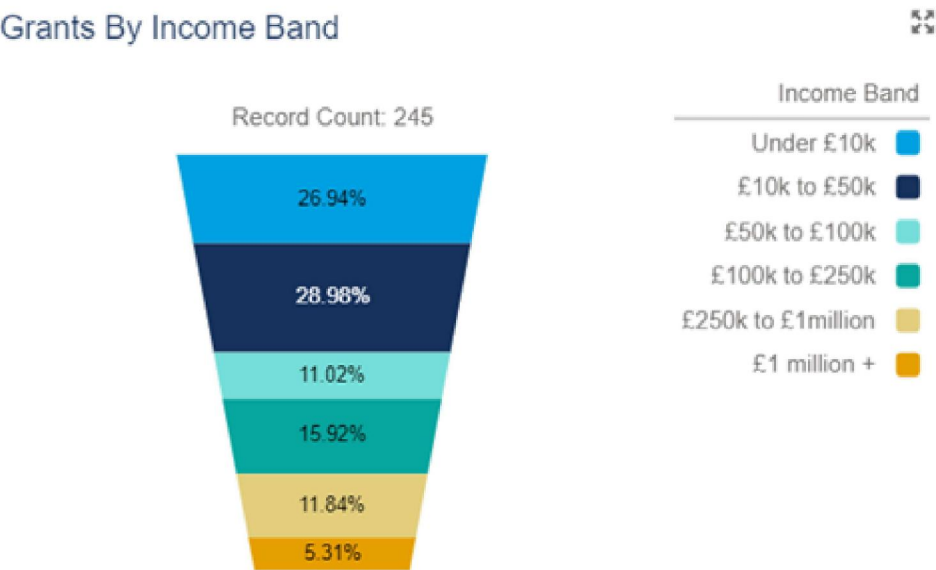
Our impact measurement and needs analysis information is reviewed at quarterly Grants Committee and Board meetings and provides an opportunity for staff and Trustees to identify trends, as well as spot early warning signs, emerging communities in need and gaps in our provision.

This in turn feeds into our grantmaking strategy and policies, from the philanthropic advice we give to our donors through to how and where we allocate our own resources.

There are estimated to be over 5,000 voluntary and community organisations operating across Derbyshire, including formally registered organisations, such as charities, social enterprises and co-operatives, and a large number of 'below the radar' organisations that are not formally registered or incorporated. Nationally, approximately 50% of organisations are micro in size (annual income under £10,000) but receive only 1% of national voluntary sector income and it is therefore at this grassroots level where the Foundation's grantmaking can and does make a real difference across Derbyshire.

Achievements and performance (continued)

As can be seen from the below chart, 27% of our grantmaking in 2022/23 went to groups with an annual income of under £10,000 and two thirds of our grantmaking went to groups with annual income of under £100k.



Funding surgeries held across the City and County continue to be a key and effective way of communicating the availability of grants and how to apply for them to potential recipients. During 2022/23 seven community outreach events were organised or attended, including funding surgeries, workshops and presentations for other infrastructure organisations.

d. Equity, Diversity & Inclusion

Foundation Derbyshire is committed to ensuring that the values of equity, diversity, inclusion (EDI) and respect for all inform and are embedded into everything that we do.

EDI is a key element of the Foundation’s strategic plan and work continued throughout the year to support the Foundation’s Board of Trustees and Staff Team to not only fulfil their EDI obligations but to go beyond the legal requirements and understand, promote and implement greater diversity, equity and inclusion and ensure that everyone feels involved and included in our plans, programmes and activities.

The Foundation’s EDI Committee (comprising Trustees and senior staff members) conducted a baseline organisational self-assessment in January 2022, utilising the Meyer DEI Spectrum Tool, which helps an organisation to assess where it is on its EDI journey and identify potential areas for future work.

This baseline self assessment covers the key areas of Vision, Commitment, Leadership, Policies, infrastructure, Training, Diversity, Data, Community, Decision, Accountability and Inclusion and has been used to inform and create an Action Plan that is now being implemented throughout the organisation.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

d. Equity, Diversity & Inclusion (continued)

The EDI Committee meets quarterly in order to:

- drive the various projects and initiatives within the Action Plan
- measure and monitor our progress along the EDI journey and
- report back to each full Board meeting.

e. Volunteers

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

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

The Foundation also manages a number of fund specific panels. Our panels continued to meet during the year, both virtually and in person, and the Board thanks all panel members for their ongoing commitment and contribution to the Foundation, during these challenging times.

f. UKCF

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

Having passed the fifth iteration of UKCF's Quality Accreditation Programme in October 2021, we continued to avail of the benefits that UKCF membership brings including:

- CEO Residential in Birmingham, sharing national and international best practice and addressing the challenges and developments within grantmaking/philanthropy sectors
- Chair and Trustee Away Days and online training
- Bi-ennial UKCF conference in Manchester (October 2022)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

g. Fund development activity

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

The Foundation was delighted to welcome three new endowment funds and two new flow through funds to our donor family during the year. This brings the total number of endowed funds under Foundation Derbyshire's management to 71, with a further 7, which we administer on a "flow through" basis (i.e. held and spent within a specific period, rather than invested for the long term) on behalf of both businesses and individual donors.

An increasing number of our named funds are being established on a "Hybrid" basis and incorporating both endowment and flow through elements. This gives our Donors the "best of both worlds", providing them with more money for grantmaking in the short-term, while also putting something aside for the future.

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

A key initiative during the year was a series of feedback sessions with Trustees, that enabled donors to share their thoughts about the Foundation in a peer to peer setting and provided us with invaluable insight into why our donors give through the Foundation, the things we do well and the improvements we can make. Listening to our donors in this way will inform our strategic planning and enable us to improve the donor experience and service that we provide. The success of this initiative has led to further interviews being planned for 2024.

Enabling donors to see, first hand, the impact that their philanthropy is having in their local communities is a highly important aspect of our work. Four "Seeing is Believing" visits to funded groups took place during the year and our newsletters, case studies and monitoring feedback that we share with Donor panels, continue to be both popular and inspiring.

Social Media continues to play an important role in communicating the work of the Foundation to both existing and potential grant recipients and donors. Around 925 subscribers receive our quarterly e-newsletter and we have over 2,500 followers on Twitter and 770 Facebook followers.

The new Foundation Derbyshire website has been well received since it was launched in March 2022:

- The number of users has grown by +31%
- Users referred to the website via social media shows a healthy +52% increase.
- Visitors continue to look at more pages (up by +12%)

Our Friends of Foundation Derbyshire scheme was established in 2018 to enable new and existing supporters, by making a small monthly donation, to help us cover our day to day costs and develop our growth. It continues to be a vital source of funding that enables us to invest in and improve our services and we thank our Friends for their ongoing support and making it possible for us to reach even more of Derbyshire's community groups and projects, that so desperately need our help.

DERBYSHIRE COMMUNITY FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

h. Foundation Derbyshire Friends

Barbara Ball	Jasper Olivier
Joanne & Tim Basford	David Pinder
Edward Cadogan	Louise Potter
Andrew Cochrane	Barbi Rodger
Emma Curzon	Robert Shields
Alexandra Hayward	Charles Stephenson
Bill & Gillian Hutchinson	Fiona Stephenson
William and Griselda Kerr	Oliver Stephenson
Longcliffe Quarries	Elizabeth Tarling
Matthew Montague Architects	Tony Walker

Foundation Derbyshire Lifetime Friends

Duncan Ashby	Bill & Gillian Hutchinson
James Litchfield	James Litchfield
Peter Ashworth	Derek & Karen Mapp
Helen Bishop	Nick Mirfin
Arthur Blackwood	Lady Marion Morris
Jeremy Bowler	Mel Morris
David Coleman	John Nicholson
Mike Copestake	David & Lucy Palmer
Chris Endsor	Robert Shields
Deborah Fern	Rex Stone
Sir Richard FitzHerbert	Brigadier Edward Wilkinson
Peter Gadsby	John Wilson
Michael Hall	Robin Wood
Roger Hollick	

DERBYSHIRE COMMUNITY FOUNDATION
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Financial review

a. Results for the year

Unrestricted Funds

Management fee income of £13k was only slightly lower than 2021/22 (at £13.6k).

£8.3k of unrestricted donations during the year and net administration fees of £175.9k from endowed funds resulted in an operating surplus of £30.4k. This left unrestricted reserves at £221.8k as at 31 March 2023 (31 March 2022: £191.4k).

Restricted Funds

Foodbank funding totalling £92.5k from Derbyshire County Council and £21.8k of Communities in Crisis Funding (from M&G, British Red Cross and Department for Culture, Media & Sport) were the main contributor to £178.5k of Restricted Income during the year.

Net grantmaking of £467k combined with £348k of distributable income transferred from endowed funds to restricted funds during the year (in accordance with the Foundation's Total Return policy), left a restricted fund balance unspent at 31 March 2023 of £697.5k, £59.2k higher than the balance at 31 March 2022.

This end of year restricted fund balance relates to funds which have not fully distributed their grant making capacity and will be available for grant distribution during 2023/24.

Endowment Fund

£420k of new endowed funds were secured during the year.

Unfortunately, poor market performance resulted in the Foundation's investments returning an unrealised loss for the year of £497k (2021/22: £397k gain). Despite investment income (interest, dividends and rental income) of £290k during the year, these losses, combined with endowment expenses (investment management costs and expenses relating to our investment property) of £30.7k and £523.8k of distributions (relating to transfers under the Foundation's Total Return Policy), resulted in a £342.6k decrease in endowed funds during the year to £8.88 million (2021/22: £9.22 million).

b. Reserves policy

The reserves policy was revised in 2007 to reflect a target level of a minimum of four months running costs equating to £65,851. This revision reflected the increased timescales and potential costs of winding down the much larger organisation. Free reserves as at 31 March 2023 were £122,022 (2022: £99,717).

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

c. Investments policy

Under the Memorandum and Articles of Association, Derbyshire Community Foundation has the power to invest any funds not immediately required for the furtherance of its objects in such investments, securities or property as may be thought fit.

The investment objectives remain as:-

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

The Trustees have delegated their investment powers to appointed investment managers (currently Rathbones, Cazenove Capital Management and CCLA) on a discretionary basis. In addition, the Office for Civil Society requires that CCLA manage a small portion of the Foundation's endowment (£419.7k as at 31 March 2023) under the Community First programme.

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

Whilst the Trustees are not involved in the day-to-day operation of the investment portfolio and do not directly influence attainment of a performance target, they assess performance quarterly.

In addition, the appointment of investment managers is reviewed at least every five years by the Trustees.

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

As at 8 September 2023 the value of the Foundation's investment portfolio was £9,432k (as at the balance sheet date of 31 March 2023: £9,404k).

d. Going concern

The Trustees have prepared forecasts of income and expenditure to 31 March 2026 and subjected these to sensitivity analysis. These show they have sufficient reserves and cash to continue in operational existence for the foreseeable future. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

e. Principal risks and uncertainties

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

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

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

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

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

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

2. Stock Market volatility and/or poor performance

The Foundation utilises the services of three investment managers in order to mitigate poor investment management performance and monitors their performance closely (including face to face meetings every 6 months). In addition, the appropriateness of distribution levels is reviewed alongside investment performance information.

3. Inadequate planning/forecasting

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

Structure, governance and management

a. Constitution

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

b. Methods of appointment or election of trustees

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

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

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

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

c. Organisational structure and decision-making policies

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

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

d. Policies adopted for the induction and training of trustees

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

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

e. Governance and management

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

- embrace and reflect the whole community that we serve;
- function effectively within the terms of a modern and relevant code of governance;
- promote the commitment and satisfaction of those who serve on it; and
- help the Foundation achieve its objectives.

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

The Foundation now employs a core staff of three part time employees (2.14 FTE) and continues to manage a significant grants budget and increasing number of named endowment funds. To enable us to maintain our efficiency and probity, ongoing work on our infrastructure, including policies, operational standards and management practice, continued as an ongoing priority.

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

f. Employees

The Trustees would like to formally express their appreciation to all employees and the members of our grant making panels for their contribution to another successful year.

g. Trustees

The Trustees who have held office during the year are listed on page 1.

The Board thanks all members for their contribution to another successful year for Derbyshire Community Foundation.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

h. Fundraising standards information

Given the ongoing uncertainties regarding the Coronavirus pandemic, there were no fundraising events organised during the year.

The Foundation does not use professional fund-raisers or commercial participators to carry out fundraising activities on its behalf and does not use direct marketing, telephone, doorstep or on-street fundraising.

The charity has been registered with the Fundraising Regulator since May 2021 and is therefore subject to an undertaking to be bound by a voluntary scheme for regulating fund-raising, or voluntary standard for fund-raising in respect of its activities.

The Foundation has developed a Donor Care policy that sets out the practices and commitment we make to all of our supporters, as part of our fundraising ethos and working practice.

Plans for future periods

Our Strategic Plan continues to be used as the basis of the action plan and progress against targets is reported to, and reviewed at, quarterly Board meetings.

The current three year strategic plan takes the organisation through to 2024 and was the subject of several Trustee Strategic planning sessions with senior staff during the year. It was agreed that our overarching strategic objectives remain relevant and fit for purpose for the 2023 – 2027 period, namely:

- Build on Foundation Derbyshire's position as the county's trusted philanthropic enabler and advisor, a fair and intelligent grant-maker and a professional manager of charitable funds
- Ensure our grantmaking is:
 - a. Relevant, supportive & equitable - reflecting & meeting the needs of the communities we serve and targeting priority areas and issues.
 - b. Pre-emptive as well as responsive and supportive

The focus is now on the projects and actions that are needed to deliver these objectives over the next four years and the most appropriate measures of our success.

DERBYSHIRE COMMUNITY FOUNDATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP 2019 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 operation.

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

Disclosure of information to auditor

So far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware, and
- the trustees have taken all the steps that they ought to have taken in order to be aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

The auditor, BHP LLP, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

Approved by order of the members of the board of trustees and signed on their behalf by:



.....
Oliver Stephenson

Chair

Date: Nov 20, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBYSHIRE COMMUNITY FOUNDATION

We have audited the financial statements of Derbyshire Community Foundation (the 'charitable company') for the year ended 31 March 2023, which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 31 March 2023, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' 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. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBYSHIRE COMMUNITY FOUNDATION
(CONTINUED)

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 directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBYSHIRE COMMUNITY FOUNDATION
(CONTINUED)

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including Companies Act 2006, Charities Act 2011, employment law and data protection laws;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the entity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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 is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

DERBYSHIRE COMMUNITY FOUNDATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DERBYSHIRE COMMUNITY FOUNDATION
(CONTINUED)

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

BHP LLP

[Jane Marshall \(Nov 23, 2023 13:19 GMT\)](#)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants
Statutory Auditor
One Waterside Place
Basin Square
Brimington Road
Chesterfield
Derbyshire
S41 7FH

Date: Nov 23, 2023

DERBYSHIRE COMMUNITY FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies	4	8,349	178,532	419,818	606,699	1,310,064
Charitable activities	5	13,015	-	-	13,015	13,646
Other trading activities	6	-	150	-	150	4,447
Investments	7	-	-	289,613	289,613	234,378
Total income and endowments		21,364	178,682	709,431	909,477	1,562,535
Expenditure on:						
Raising funds	8	12,117	-	30,731	42,848	45,657
Charitable activities	8	154,705	467,451	-	622,156	627,805
Total expenditure		166,822	467,451	30,731	665,004	673,462
Net (expenditure)/income before net (losses)/gains on investments						
		(145,458)	(288,769)	678,700	244,473	889,073
Net (losses)/gains on investments	16	-	-	(497,437)	(497,437)	397,249
Net (expenditure)/income		(145,458)	(288,769)	181,263	(252,964)	1,286,322
Transfers between funds	20	175,885	347,959	(523,844)	-	-
Net movement in funds		30,427	59,190	(342,581)	(252,964)	1,286,322
Reconciliation of funds:						
Total funds brought forward		191,354	638,316	9,219,630	10,049,300	8,762,978
Net movement in funds		30,427	59,190	(342,581)	(252,964)	1,286,322
Total funds carried forward		221,781	697,506	8,877,049	9,796,336	10,049,300

The Statement of Financial Activities complies with the requirements for an income and expenditure account under the Companies Act 2006 and includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

DERBYSHIRE COMMUNITY FOUNDATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 02893759

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	14	173,251	172,604
Heritage assets	15	79,526	79,526
Investments	16	9,404,269	9,273,528
		9,657,046	9,525,658
Current assets			
Debtors	17	40,439	67,460
Cash at bank and in hand		321,845	781,002
		362,284	848,462
Creditors: amounts falling due within one year	18	(153,864)	(249,372)
Net current assets		208,420	599,090
Total assets less current liabilities		9,865,466	10,124,748
Creditors: amounts falling due after more than one year	19	(69,130)	(75,448)
Total net assets		9,796,336	10,049,300
Charity funds			
Endowment funds (includes revaluation reserve of £1,921,266 (2022: £2,554,370))	20	8,877,049	9,219,630
Restricted funds	20	697,506	638,316
Unrestricted funds	20	221,781	191,354
Total funds		9,796,336	10,049,300

DERBYSHIRE COMMUNITY FOUNDATION

(A Company Limited by Guarantee)

REGISTERED NUMBER: 02893759

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

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

William Kerr

William Kerr (Nov 22, 2023 13:13 GMT)

William Kerr

Treasurer

Date: Nov 22, 2023

The notes on pages 29 to 53 form part of these financial statements.

DERBYSHIRE COMMUNITY FOUNDATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash (used in)/ provided by operating activities	23	(117,188)	659,063
Cash flows from investing activities			
Dividends, interest and rents from investments		295,722	234,378
Purchase of tangible fixed assets		(2,038)	-
Proceeds from sale of investments		295,714	280,421
Purchase of investments		(938,370)	(1,547,255)
Proceeds from sale of investment property		-	300,000
Net cash used in investing activities		(348,972)	(732,456)
Cash flows from financing activities			
Repayments of borrowing		(7,475)	(2,645)
Net cash used in financing activities		(7,475)	(2,645)
Change in cash and cash equivalents in the year		(473,635)	(76,038)
Cash and cash equivalents at the beginning of the year		822,059	898,097
Cash and cash equivalents at the end of the year	24	348,424	822,059

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in sterling, which is the functional currency of the charity, and rounded to the nearest £1.

2.2 Going concern

The Trustees have prepared forecasts of income and expenditure to 31 March 2026 and subjected these to sensitivity analysis. These show they have sufficient reserves and cash to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charitable company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charitable company, can be reliably measured.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Raising funds costs are those incurred in seeking the voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Investment management fees are also included under this heading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charitable company's objectives, as well as any associated support costs.

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

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.5 Taxation

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

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	no depreciation (see note below)
Office equipment	-	20% straight line
Computer equipment	-	20% straight line

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

2.7 Heritage assets

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

Heritage assets are reviewed for evidence of impairment annually and no provision had been made in either year. In the view of the trustees, this is reasonable when considering the condition of the artwork and its potential for resale and/ or generating income.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.14 Pensions

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.15 Fund accounting

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

Endowment funds represent those assets which are expendable by the charity. Income arising on the endowment funds is included as endowment income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

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

Investment income, gains and losses are allocated to the appropriate fund.

2.16 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.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The following assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Valuation of heritage assets - these valuations are subject to judgements made by insurers and these may change over time with changes to the artwork market. Impairment reviews consider recent exhibitions and the active market for which data may not be readily available.

Allocation of investment income, management costs and gains/ losses - these are allocated to funds by reference to the nature of the underlying funds which generated the income, incurred the costs or made the gain/ loss. Any misallocation could result in a material misstatement of fund balances and impact free reserves reported in these financial statements.

DERBYSHIRE COMMUNITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	8,349	178,532	419,818	606,699	1,310,064
Total 2022	8,332	152,057	1,149,675	1,310,064	

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Administration fees	13,015	13,015	13,646
Total 2022	13,646	13,646	

6. Fundraising income

Income from fundraising events

	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Vickers artwork sales	150	150	4,447
Total 2022	4,447	4,447	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Investment income

	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Rental income	-	-	130
Bank interest and dividends received	289,613	289,613	234,248
	289,613	289,613	234,378
Total 2022	234,378	234,378	

8. Expenditure by fund

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
<i>Expenditure on raising funds</i>					
Fundraising (note 9)	12,117	-	-	12,117	12,102
Investment management fees	-	-	30,731	30,731	33,555
	12,117	-	30,731	42,848	45,657
<i>Expenditure on charitable activities</i>					
Grants payable/ restricted fund expenditure (note 11)	-	467,451	-	467,451	468,629
Support costs (note 9)	149,996	-	-	149,996	152,238
Management and admin (note 9)	4,709	-	-	4,709	6,938
	154,705	467,451	-	622,156	627,805
Total 2023	166,822	467,451	30,731	665,004	673,462
Total 2022	171,278	468,629	33,555	673,462	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Expenditure - fundraising, support costs and management and admin

	Support costs 2023 £	Management and admin 2023 £	Fundraising 2023 £	Total funds 2023 £	Total funds 2022 £
Wages and salaries	83,680	56	9,762	93,498	85,855
Other staff costs	615	107	46	768	(485)
Fundraising costs	-	-	360	360	515
Utilities and insurances	2,998	525	225	3,748	3,045
Office and meeting costs	1,329	233	100	1,662	2,472
Computer costs	8,880	1,554	666	11,100	11,869
Finance costs	1,172	205	88	1,465	5,206
Publicity and communications	1,985	347	149	2,481	8,528
Legal and professional	9,614	1,682	721	12,017	17,937
Depreciation	1,391	-	-	1,391	1,323
Governance costs (note 10)	38,332	-	-	38,332	35,013
Total 2023	149,996	4,709	12,117	166,822	171,278
Total 2022	152,238	6,938	12,102	171,278	

10. Governance costs

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	Total funds 2022 £
Auditor's remuneration	15,360	-	-	15,360	14,662
Other costs	250	-	-	250	250
Salaries and national insurance	22,722	-	-	22,722	20,101
Total 2023	38,332	-	-	38,332	35,013
Total 2022	35,013	-	-	35,013	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Grants payable/ restricted fund expenditure

	2023 Number	2023 £	2022 Number	2022 £
Grants to Community Groups & Voluntary Organisations	222	490,394	176	447,195
Grants to individuals	11	2,900	1	1,600
Withdrawn/ underspent grants	-	(26,359)	-	(1,441)
Other restricted expenditure	-	516	-	21,275
Total 2023	233	467,451	177	468,629

12. Auditor's remuneration

	2023 £	2022 £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	10,515	8,650
Fees payable to the charitable company's auditor in respect of: All non-audit services not included above	4,565	4,150

13. Staff costs

	2023 £	2022 £
Wages and salaries	100,720	92,330
Social security costs	10,597	9,111
Pension and health scheme costs	4,903	4,515
	116,220	105,956

Included within pension and health scheme costs are pension contributions payable of £4,502 (2022: £4,082).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Staff costs (continued)

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

	2023	2022
	No.	No.
Grant support	2	2
Management	1	1
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>

The average headcount expressed as full-time equivalents was:

	2023	2022
	No.	No.
Allocated to charitable activities	1.74	1.00
Allocated to management, administration and fundraising	0.40	0.40
	<hr/>	<hr/>
	2.14	1.40
	<hr/>	<hr/>

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

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

The total amount of employee benefits (including employers NI and pension contributions) received by key management personnel were £87,104 (2022: £88,578). The charity considers its key management personnel to be the Chief Executive Officer and Assistant Director of Grants.

DERBYSHIRE COMMUNITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Tangible fixed assets

	Freehold property £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2022	169,009	1,502	5,115	175,626
Additions	-	-	2,038	2,038
At 31 March 2023	169,009	1,502	7,153	177,664
Depreciation				
At 1 April 2022	-	800	2,222	3,022
Charge for the year	-	300	1,091	1,391
At 31 March 2023	-	1,100	3,313	4,413
Net book value				
At 31 March 2023	169,009	402	3,840	173,251
At 31 March 2022	169,009	702	2,893	172,604

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

15. Heritage assets

Assets recognised at valuation

	Artwork 2023 £
Market value at 1 April 2022	79,526
Market value at 31 March 2023	79,526

Artwork relates to the holding of pieces of art donated by or purchased from artists. The Board reviewed holdings during the year and determined that the valuation of works continued to be appropriate for the current year.

Analysis of heritage asset transactions

	2023 £	2022 £	2021 £	2020 £	2019 £
Donations					
Artwork	-	-	17,210	-	-
Total additions	-	-	17,210	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Fixed asset investments

	Listed investments £	Cash £	Total £
<i>Cost or valuation</i>			
At 1 April 2022 (as restated)	9,232,471	41,057	9,273,528
Additions	938,370	-	938,370
Disposals	(295,714)	-	(295,714)
Revaluations	(497,437)	-	(497,437)
Movement in cash	-	(14,478)	(14,478)
At 31 March 2023	<u>9,377,690</u>	<u>26,579</u>	<u>9,404,269</u>
<i>Net book value</i>			
At 31 March 2023	<u>9,377,690</u>	<u>26,579</u>	<u>9,404,269</u>
At 31 March 2022	<u>9,232,471</u>	<u>41,057</u>	<u>9,273,528</u>

Investments at market value comprise

	2023 £	2022 £
Cazenove Charity Multi Asset Fund	4,082,991	3,673,405
CCLA Investment Management Ltd	1,835,197	1,911,569
Rathbones Investments Management	3,486,081	3,658,736
M&G Investments	-	29,818
	<u>9,404,269</u>	<u>9,273,528</u>
Historical cost	<u>7,483,003</u>	<u>6,719,158</u>

The investments consist of monies held in externally managed portfolios in a mixture of UK and foreign investments, and are shown at market value as at 31 March 2023.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Debtors

	2023	2022
	£	£
Trade debtors	95	95
Other debtors	37,057	65,095
Prepayments and accrued income	3,287	2,270
	40,439	67,460

18. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Mortgage repayments due within one year	4,362	5,519
Other taxation and social security	11,029	5,609
Other creditors	7,773	6,570
Accruals and deferred income	21,120	27,143
Grants payable (i.e. awaiting contract return)	109,580	204,531
	153,864	249,372

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Mortgage repayments due after one year	69,130	75,448

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2023	2022
	£	£
Payable or repayable by instalments	48,303	50,862
	48,303	50,862

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

DERBYSHIRE COMMUNITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
<i>Unrestricted funds</i>						
General funds	191,354	21,364	(166,822)	175,885	-	221,781
<i>Endowment funds (expendable)</i>						
Discretionary Funds	322,454	95,230	(1,209)	(18,334)	(17,000)	381,141
J Vickers Fund	276,872	6,094	(690)	(11,176)	(10,822)	260,278
Donor Directed Funds	8,179,904	608,107	(28,832)	(494,334)	(452,872)	7,811,973
Community First Funds	440,400	-	-	-	(16,743)	423,657
	9,219,630	709,431	(30,731)	(523,844)	(497,437)	8,877,049
<i>Restricted funds</i>						
Tom Carey	97,575	-	(80,914)	75,506	-	92,167
Assist Grassroots Grant Revenue	39,440	-	-	3,877	-	43,317
Derbyshire Building Society	32,044	-	-	2,550	-	34,594
SDLF	44,701	-	-	7,359	-	52,060
Rolls-Royce plc Fund	6,686	-	-	14,468	-	21,154
S.D.C.C.T.E	15,742	-	-	-	-	15,742
Freemasons GR	9,168	-	(18,700)	19,109	-	9,577
Made by Sport	58	-	-	-	-	58
Coronavirus Response Fund	52,064	-	-	-	-	52,064
Flood Relief Fund	12,481	-	-	-	-	12,481
Ashby Fund	16,789	-	(40,259)	39,264	-	15,794
Golf day	16,074	-	-	-	-	16,074

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
Jefford- Weller Fund	7,642	250	(10,970)	9,480	-	6,402
Let's Create Jubilee Fund	210	-	99	-	-	309
DCC Winter Access Fund	52,064	92,500	(140,772)	-	-	3,792
Other named funds	235,578	85,932	(175,935)	176,346	-	321,921
	<u>638,316</u>	<u>178,682</u>	<u>(467,451)</u>	<u>347,959</u>	<u>-</u>	<u>697,506</u>
Total of funds	<u>10,049,300</u>	<u>909,477</u>	<u>(665,004)</u>	<u>-</u>	<u>(497,437)</u>	<u>9,796,336</u>

DERBYSHIRE COMMUNITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
<i>Unrestricted funds</i>						
General funds	169,403	21,978	(171,278)	171,251	-	191,354
<i>Endowment funds (expendable)</i>						
Discretionary Funds	316,115	13,425	(1,421)	(19,600)	13,935	322,454
J Vickers Fund	273,692	7,524	(874)	(12,063)	8,593	276,872
Donor Directed Funds	6,855,909	1,363,104	(31,260)	(345,626)	337,777	8,179,904
Community First Funds	454,357	-	-	(50,901)	36,944	440,400
Revaluation reserve - investment property	90,000	-	-	(90,000)	-	-
	7,990,073	1,384,053	(33,555)	(518,190)	397,249	9,219,630

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Restricted funds

Tom Carey	54,247	-	(39,530)	82,858	-	97,575
Assist Grassroots Grant Revenue	35,255	-	-	4,185	-	39,440
Derbyshire Building Society	27,524	-	-	4,520	-	32,044
SDLF	32,407	-	-	12,294	-	44,701
Rolls-Royce plc Fund	46,822	-	(55,281)	15,145	-	6,686
S.D.C.C.T.E	15,259	-	-	483	-	15,742
Freemasons GR	19,595	-	(19,500)	9,073	-	9,168
Made by Sport	64,994	(60,894)	(4,042)	-	-	58
Grassroots Derbyshire	27,100	-	-	(27,100)	-	-
Coronavirus Response Fund	15,063	92,000	(55,000)	1	-	52,064
Flood Relief Fund	12,481	-	-	-	-	12,481
Ashby Fund	17,294	-	(40,328)	39,823	-	16,789
Golf day	16,074	-	-	-	-	16,074
Jefford- Weller Fund	13,252	250	(11,405)	5,545	-	7,642
Let's Create Jubilee Fund	-	89,550	(89,340)	-	-	210
Other named funds	206,135	35,598	(154,203)	200,112	-	287,642
	<u>603,502</u>	<u>156,504</u>	<u>(468,629)</u>	<u>346,939</u>	<u>-</u>	<u>638,316</u>
Total of funds	<u><u>8,762,978</u></u>	<u><u>1,562,535</u></u>	<u><u>(673,462)</u></u>	<u><u>-</u></u>	<u><u>397,249</u></u>	<u><u>10,049,300</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. Statement of funds (continued)

Purpose of endowment funds

Discretionary Funds grants are allocated at the Trustees' discretion to meet current community needs.

J Vickers Fund was established with a donation from the estate of the late Jonathan Vickers and distributions are used to fund and administer the Jonathan Vickers Fine Art Award.

Donor Directed Funds are where the donor chooses which projects to support by establishing grantmaking criteria and may also be involved in the grantmaking decisions.

Community First Funds are the Donor Directed Community First Funds held on trust in perpetuity separately from the charitable company's own assets.

Purpose of restricted funds

Tom Carey fund is a named donor directed endowment fund that provides support to new and existing community activity in the Abbey ward of Derby City.

Assist Grassroots Grant Revenue is a named donor directed fund established to support groups providing opportunities for people to gain new skills, qualifications or work experience.

Derbyshire Building Society fund was established in 2004 as part of the Society's wider ongoing commitment to support and improve life within our county.

SDLF fund supports community and voluntary groups offering opportunities for people to gain new skills, which will ultimately allow people to enter or re-enter the world of employment.

Rolls-Royce plc Fund is one of the Foundation's founding funds and was established to provide long term support to local groups and activities in Derbyshire. Every year the Foundation works alongside Rolls-Royce to develop a grant theme, responding to local needs, topics and concerns.

S.D.C.C.T.E is a named fund established to provide core cost funding for the Foundation.

Freemasons GR fund has been established by the Freemasons of Derbyshire Provincial Grand Charity to support community life and tackle disadvantage across Derbyshire by supporting community and voluntary groups and charities.

Made by Sport - administered on behalf of Made by Sport to support clubs and community organisations that intentionally use sport or exercise to develop young people's lives.

Coronavirus Response Fund was launched at the end of March 2020 to provide support to community groups and organisations working to tackle the impact of the Coronavirus in Derbyshire and Derby City.

Flood Relief Fund was launched by Foundation Derbyshire in November 2019 in response to the floods that affected parts of Derbyshire and Derby City. The Fund was used to help individuals, families and communities that were affected by the flood waters.

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Ashby Fund - aims to improve the quality of life for Derbyshire residents and to tackle inequalities and disadvantages faced in local communities, with a preference for groups operating in rural areas or projects focusing on heritage and arts & culture.

Golf Day relates to the fundraising proceeds from the Foundation's annual charity golf day.

The Jefford Weller Fund supports individuals and groups who are working with homelessness and housing issues in Derbyshire.

Let's Create Jubilee Fund is distributed on behalf of Arts Council England (ACE) and supports voluntary and community groups to develop creative and cultural activities as part of the Queen's Platinum Jubilee celebrations in June 2022.

DCC Winter Access Fund is distributed on behalf of Derbyshire County Council to Derbyshire food banks and community food projects that are supporting vulnerable people who are experiencing financial crisis and food insecurity to access food.

Other named funds are the grant revenue pots of the remaining discretionary and donor directed named endowment funds, which are held as part of the Foundation's endowment and flow through funds managed by the Foundation.

Grassroots Derbyshire - supports groups and projects that work to enhance the quality of life for people living in Derbyshire communities.

Transfers between funds

Transfers into restricted funds, totalling £347,960 and unrestricted funds of £175,884 relate primarily to distributable income for grant making and administration that was transferred in accordance with the Foundation's Total Return Policy in relation to the management of the investment portfolio. These transfers were made from the Foundation's Endowment Fund into General Funds and the grant revenue pots of the 64 discretionary and donor directed named endowment funds, which have been established with the Foundation.

21. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2023 £
General funds	191,354	21,364	(166,822)	175,885	-	221,781
Endowment funds	9,219,630	709,431	(30,731)	(523,844)	(497,437)	8,877,049
Restricted funds	638,316	178,682	(467,451)	347,959	-	697,506
	<u>10,049,300</u>	<u>909,477</u>	<u>(665,004)</u>	<u>-</u>	<u>(497,437)</u>	<u>9,796,336</u>

DERBYSHIRE COMMUNITY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
General funds	169,403	21,978	(171,278)	171,251	-	191,354
Endowment funds	7,990,073	1,384,053	(33,555)	(518,190)	397,249	9,219,630
Restricted funds	603,502	156,504	(468,629)	346,939	-	638,316
	<u>8,762,978</u>	<u>1,562,535</u>	<u>(673,462)</u>	<u>-</u>	<u>397,249</u>	<u>10,049,300</u>

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	173,251	-	-	173,251
Fixed asset investments	-	-	9,404,269	9,404,269
Heritage assets	-	-	79,526	79,526
Current assets	161,944	807,086	(606,746)	362,284
Creditors due within one year	(44,284)	(109,580)	-	(153,864)
Creditors due in more than one year	(69,130)	-	-	(69,130)
Total	<u>221,781</u>	<u>697,506</u>	<u>8,877,049</u>	<u>9,796,336</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	172,604	-	-	172,604
Fixed asset investments	-	-	9,273,528	9,273,528
Heritage assets	-	-	79,526	79,526
Current assets	343,570	638,316	(133,424)	848,462
Creditors due within one year	(249,372)	-	-	(249,372)
Creditors due in more than one year	(75,448)	-	-	(75,448)
Total	191,354	638,316	9,219,630	10,049,300

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net (expenditure)/ income for the year (as per Statement of Financial Activities)	(252,964)	1,286,322
Adjustments for:		
Depreciation charges	1,391	1,323
Net losses/(gain) on investments	497,437	(397,249)
Dividends, interest and rents from investments	(295,722)	(234,378)
Decrease/(increase) in debtors	29,318	(7,204)
(Decrease)/ increase in creditors	(96,648)	10,249
Net cash (used in)/ provided by operating activities	(117,188)	659,063

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NOTES TO THE FINANCIAL STATEMENTS
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24. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	321,845	781,002
Cash held in the investment portfolio	26,579	41,057
<i>Total cash and cash equivalents</i>	348,424	822,059

25. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£	£	£
Cash at bank and in hand	781,002	(459,157)	321,845
Cash in investments	41,057	(14,478)	26,579
Debt due within 1 year	(5,519)	1,157	(4,362)
Debt due after 1 year	(75,448)	6,318	(69,130)
	741,092	(466,160)	274,932

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

26. Pension commitments

The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £4,502 (2022: £4,082). Contributions totalling £634 (2022: £511) were payable to the fund at the balance sheet date and are included in creditors.

27. Operating lease commitments

At 31 March 2023 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Not later than 1 year	650	650
Later than 1 year and not later than 5 years	813	1,463
	1,463	2,113

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2023	2022
	£	£
Operating lease rentals	967	650

28. Related party transactions

During the year donations made by trustees to the charitable company totalled £1,060 (2022: £27,577). In addition, £1,434 (2022: £7,797) was paid to Arha Labs Limited for website and design services, a company part owned by Trustee Alison Williams.