

KENT COMMUNITY FOUNDATION

England & Wales · Charity number 1084361

Details

Status Registered

Legal form Charitable company

Company number [04088589](#)

Registered 2001-01-05

Register [View on the Charity Commission register](#)

Contact

Address Evegate Park Barn
Evegate
Ashford
Kent
TN25 6SX

Phone 01303814500

Email admin@kentcf.org.uk

Website www.kentcf.org.uk

Activities

Objects: 3 THE OBJECTS FOR WHICH THE CHARITY ARE ESTABLISHED ARE: 3.1 THE PROMOTION OF ANY CHARITABLE PURPOSES FOR THE BENEFIT OF THE COMMUNITY IN THE COUNTY OF KENT AND THE BOROUGH OF MEDWAY AND IN PARTICULAR THE ADVANCEMENT OF EDUCATION THE PROTECTION OF GOOD HEALTH BOTH MENTAL AND PHYSICAL AND THE RELIEF OF POVERTY AND SICKNESS; 3.2 OTHER EXCLUSIVELY CHARITABLE PURPOSES IN THE UNITED KINGDOM AND ELSEWHERE WHICH ARE IN THE OPINION OF THE TRUSTEES BENEFICIAL TO THE COMMUNITY INCLUDING THOSE IN THE AREA OF BENEFIT.

Activities: The Foundation encourages and enables a culture of effective giving to support thriving local communities. In the main, we raise and distribute funds to meet the needs of the community in Kent and Medway. We act as a bridge between good causes in the county and individuals and organisations with the means and commitment to support them.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Religious Activities, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment, Armed Forces/emergency Service Efficiency, Human Rights/religious Or Racial Harmony/equality Or Diversity, Recreation, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** COUNTY OF KENT, BOROUGH OF MEDWAY, UNITED KINGDOM, AND ELSEWHERE.
- Kent
- Medway

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,483,197	£4,699,174	£34,222,455	17
2024-03-31	£6,855,852	£5,504,784	£34,910,690	16
2023-03-31	£6,089,228	£6,225,491	£31,437,698	15
2022-03-31	£6,094,067	£5,515,301	£33,174,593	15
2021-03-31	£6,912,387	£6,380,665	£31,038,344	14

Trustees

Name	Role	Appointed
Cheryl Wing-Han Chan		2023-07-28
Dr Emilia Falcetti		2018-05-05
Dr Nitin Chandrakant Shrotri		2026-05-15
Elizabeth Kate Fenwick DL		2025-05-16
Gail Alexandra Hall		2019-06-07
Lord Robert Sackville-West		2017-05-05
Munyaradzi Badze		2021-08-06
Penelope Jane Harris		2025-02-28
Samantha Penelope Cooper-Gray		2025-11-28
Susan Helen Green		2026-05-15
TREVOR JOHN MINTER		2023-07-28
Tim James Williams		2026-05-15

Accounts

Kent Community Foundation
A company limited by guarantee
registered in England and Wales

Company number : 04088589
Charity number : 1084361



Annual Report and Accounts for the year ended 31st March 2025

www.kentcf.org.uk

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Reference and administrative details of the charitable company, its Trustees and advisers

For the year ended 31 March 2025

Trustees

Robert Sackville West, DL (Chair)
Kruti Shrotri
Hugo Fenwick (resigned 16 May 2025)
Melissa Murdoch, DL (resigned 29 November 2024)
Dr Emilia Falcetti Boscawen
Gail Hall
Russell Race JP, DL (resigned 16 May 2025)
Munyaradzi Badze
Samantha Cooper-Gray (resigned 29 November 2024)
Cheryl Wing-Han Chan
Trevor Minter OBE DL
Gearóid Maguire (resigned 6 February 2025)
Elizabeth Kate Fenwick (appointed 16 May 2025)
Penelope Harris (appointed 28 February 2025)

Company registered number

04088589

Charity registered number

1084361

Registered office

Evegate Park Barn
Evegate
Smeeth
Ashford
Kent TN25 6SX

Company secretary

Sarah Osborne (resigned 6 January 2025)
Angela Davis (appointed 6 January 2025)

Chief executive

Josephine McCartney (to 17 February 2025)
Natalie Smith (Interim)
Catherine Glover (from April 2025)

**Reference and administrative details of the charitable company, its Trustees and advisers
For the year ended 31 March 2025 (continued)**

Independent auditors

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
37 St Margaret's Street
Canterbury
Kent CT1 2TU

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Metro Bank
One Southampton Row
London WC1B 5HA

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

Patron

The Lady Colgrain, Lord-Lieutenant of Kent

Vice Presidents

Lady Nelson
Simon MacLachlan (Deceased)
Rt Rev Dr Jonathan Gibbs Bishop of Rochester

Investment Managers

Sarasin & Partners LLP
100 St. Paul's Churchyard
London EC4M 8BU

CCLA Investment Management Limited
One Angel Lane
London EC4R 3AB

Website

www.kentcf.org.uk

Annual Report and Accounts for the year ended 31st March 2025

About Kent Community Foundation

Kent Community Foundation has been finding, funding, and supporting some of the smallest voluntary organisations in the county of Kent since 2001. In this time, we have distributed over £60 million to help create stronger, fairer and more resilient local communities.

Since we were first founded, we have been part of a UK-wide accredited network of 47 Community Foundations, committed to improving the lives of local people and communities, particularly the most vulnerable, isolated, and disadvantaged by partnering with, and guiding philanthropic individuals, families, businesses and other foundations.

Our **mission and vision** are at the forefront of everything we do.



Our mission is to proactively **create strong local communities** by connecting those who want to help with those seeking help.



Our vision is to **empower organisations** and charities in our local communities of Kent and Medway who make a **real and positive difference** to people's lives.

Responsible for over 100 philanthropic funds, Kent Community Foundation is unrivalled in its knowledge of local causes and expertise in establishing and managing charitable funds.

We use these funds to support as many organisations as we can: charities and voluntary groups who are often a lifeline for those vulnerable and under-represented people in our Kent communities, who are in the most need. We're proud of our role as professional grant-makers who make this possible and bring the joy of giving to those who are able to offer financial support.

Our **values** inform and underpin all our activities



We strive to achieve **excellence** in the delivery of our service by exceeding the expectations of both our donors and our grant recipients.



We go above and beyond to **support** the organisations that apply to us for funding by sharing our knowledge and expertise to help build a sustainable and confident voluntary sector across Kent and Medway



We operate with **integrity** in everything we do. We are transparent in our processes and deliver what we promise.

Our highlights in 2024/2025

This year we raised £ 2,907,553.

We processed 795 grant applications.

607 grants were awarded to 476 organisations and over 131 individuals and families.

We paid £2,981,537 in grants.

And agreed £399,500 social enterprise loans.

232 groups applied to us for the first time and 116 groups received their first grant – we are continuing to increase our reach.

73% of our applicants were successful.



Trustees Report

For the year ended 31 March 2025

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Kent Community Foundation (the company) for the year ended 31 March 2025.

The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) as amended by Update Bulletin 1 (effective 1 January 2019).

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

Objectives and Activities

a. Policies and objectives

The Foundation's objectives are the promotion of any charitable purpose for the benefit of the community in the County of Kent and Medway and in particular the advancement of education, the protection of good health, both mental and physical, and the relief of poverty and sickness. The Foundation's objectives also include other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the trustees, beneficial to the community including those in the area of benefit.

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Kent Community Foundation is stated in its 'Objectives and Activities' and the trustees ensure that this purpose is carried out for the public benefit by working to the Mission Statement.

Trustees Report for the year ended 31 March 2025 (continued)

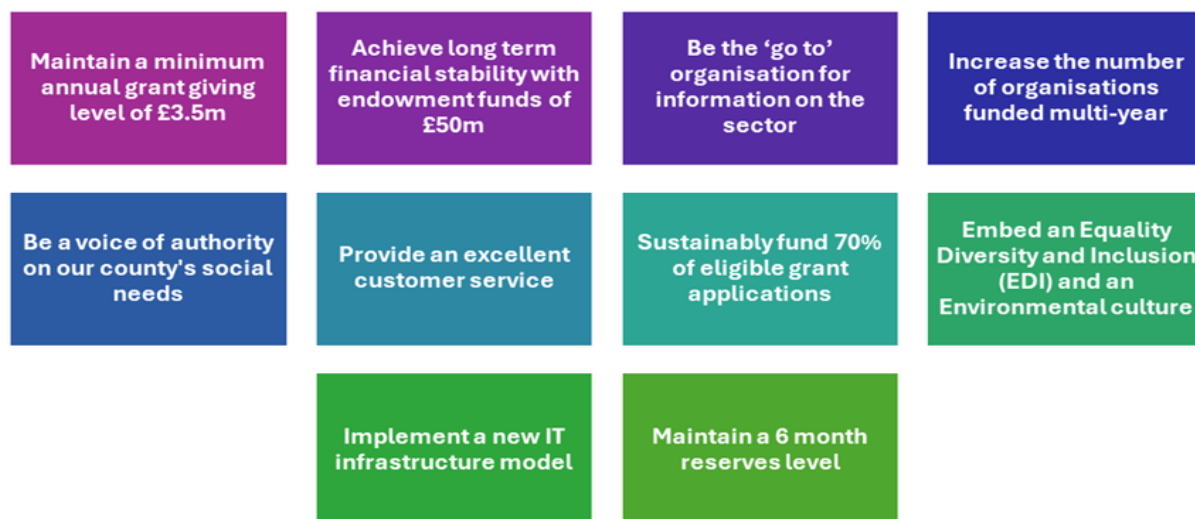
Kent Community Foundation meets its charitable objectives by encouraging and facilitating financial and other support to a wide range of charitable causes, with a particular focus on assisting and enabling local community action in Kent and Medway. This means that the majority of the Foundation's grants are made to local community organisations in Kent and Medway, often reliant on volunteers. The trustees have identified priority areas of need to inform local community grant making.

Our priority areas for grant making:

- **Children Young People and Families:** Enabling young people and families to overcome disadvantage and achieve their potential.
- **Vulnerable Adults:** Promoting the safety, wellbeing and independence of vulnerable adults.
- **The Elderly and Isolated:** Addressing the challenges faced by elderly adults; most importantly, social isolation. Enabling the elderly to stay well, healthy and independent.
- **Employability, Skills and Enterprise:** Raising the aspirations and increasing the skills and opportunities of people who are far from the labour market due to a range of circumstances that can present barriers to employment and training.
- **The Environment:** To facilitate dynamic change by supporting projects which enrich nature, connect people with green spaces and enable more sustainable and healthier ways of living in Kent and Medway.

In the year ended 31 March 2025, Kent Community Foundation continued to operate under its 2022-2025 business plan. This plan featured ambitious financial targets alongside our commitment to become a more diverse, equitable and inclusive organisation, being responsible for our impact on the environment.

Our overarching business plan objectives from 2022-2025



b. Strategies for achieving our objectives

Kent Community Foundation proactively raises and develops new funds for Kent and Medway. This can be through donor advised funds, which are distributed according to specific criteria set by our donors; pooled funds, set up to support specific causes; and discretionary funds which are used to support a range of initiatives to the benefit of Kent communities. **Establishing sustainable funding** is a critical part of long-term planning within the Foundation, therefore raising endowment funds is one of our key areas of focus within our fund development strategies, alongside funds to be distributed in the short to medium term, which we term as flow through funds.

Building and maintaining long-term, trusting partnerships relationships with both existing and potential fund-holders is crucial to achieving Kent Community Foundation's strategic aims.

Currently over 70% of funds raised within our financial year is from existing fund-holders and therefore consistent stewardship and ongoing philanthropic guidance on the needs of communities across the county is critical to continued success.

Core to our strategy is building a pipeline of new potential individual family and private family trust fund-holders to achieve our business plan endowment target of £50m and grow income awarded through flow-through funds. Individuals and families have always been a key audience for Kent Community Foundation and remains a strategic priority.

To support the raising of awareness amongst a greater number of high-net-worth individuals and potential fund-holders, the Development strategy includes a dedicated approach to professional advisers, through whom Kent Community Foundation and our services will be introduced. This is also of benefit to professional advisers who can increase client loyalty by adding philanthropy guidance recommendations as part of their services.

This runs alongside the cultivation and stewardship of relationships with individuals and families through face-to-face events and one-to-one contact. We also host a **Funders Forum annual event**, inviting other trusts and foundations who support Kent and Medway and statutory bodies to discuss funding priorities and strategies.



Trustees Report for the year ended 31 March 2025 (continued)

Relationships with **key statutory partners in Kent and Medway** continue to bring in some new funds, and while we welcome opportunities from this sector, they only represent a small portion of our overall funding.

As part of the UK Community Foundations network, our membership occasionally gives us the opportunity to deliver funding from national programmes at a local level.

Funds and Grants

The Foundation's Grants Team has a wealth of knowledge and experience and can advise donors and grant making panels on where funding is most needed. Equally, the team is expert at facilitating donor-defined giving.

There are several thousand active voluntary organisations in Kent and Medway, and it is our ambition to reach as many of those under the £3m annual income threshold as possible. The Grants and Communications Teams continue to deliver their **outreach programme** to attract new local causes with an integrated approach.

Grant applications go through a thorough due diligence and assessment process, ensuring organisations not only meet our main eligibility criteria but can also **demonstrate the need and demand** for their services. Applicants must also show that they are a going concern. Successful applicants are required to report back on how the grant was spent, and on the successes and challenges of their project once the funding has come to an end. This information takes the form of qualitative and quantitative data and is used to demonstrate impact to all Kent Community Foundation's stakeholders; directly through personal communications to Fund-holders and to the general public through our website, e-mailings and social media platforms.

We try to keep all our processes proportional to the capacity of the organisation applying and size of the grant requested/awarded. Kent Community Foundation's grant making policy is reviewed by the trustees at least every two years.

Trustees Report for the year ended 31 March 2025 (continued)

KSELF

Kent Community Foundation also has a loan fund for charities and social enterprises, **Kent Social Enterprise Loan Fund (KSELF)**. This was started with £1m of initial funding from Kent County Council in March 2012, followed by a further two donations of £1m in 2013 and 2014 respectively. A further £500,000 was added to the fund in October 2017 from The Growth Fund. The Growth Fund, is a £50m partnership which uses a combination of grant funding, made possible thanks to National Lottery players, and loan finance from Big Society Capital and other co-investors, to address specific gaps in the social investment market. The programme is delivered by Access through a range of social investors. Funds from The National Lottery Community Fund, under the Growth Fund programme have been treated as restricted funds, in these accounts.

This loan fund is now well established and has become a **valuable source of investment** for local Kent based charities and social enterprises who want to grow and develop for community benefit.

With the capacity to consider loans of between £10,000 and £100,000 on bespoke, flexible terms, KSELF supports **all sizes of social venture**. Primarily a loan fund, there is also scope for an element of grant funding as well as providing applicants with investment support and advice.

c. Fundraising Practices

Kent Community Foundation is a registered member of the Fundraising Regulator which is the independent regulator of charitable fundraising. The Foundation is therefore committed to following The Code of Fundraising Practice. Kent Community Foundation has a complaints procedure to deal with any issues raised by stakeholders and is pleased to report that **no complaints regarding fundraising** have been received during the year.



Trustees Report for the year ended 31 March 2025 (continued)

The Foundation takes a **responsible approach** to its fundraising, ensuring its donors and potential donors are treated with respect, and it has a vulnerable adult's policy that its trustees review on a regular basis. The Foundation has not used any commercial fundraising partners or outsourced any of its fundraising activity and does not intend to do so in the future.

Achievements and performance

Our objectives for the 2024/25 financial year – how did we do?

Secure minimum donations of £2.85m	• This year we achieved donation income of £2,907,553
Distribute grants of £3.96m	• We distributed a total of £2,981,537 in grants
Set a timeline for our new business plan	• We will start developing our new business plan in 2025/2026
Fully embed our new database and finance systems	• We've successfully embedded our new systems, and we are now benefitting from increased efficiencies and insights
Implement a new grant making strategy	• We launched our new grant making strategy in April 2024 which is now fully operational
Finalise and embed our DEI strategy	• Our DEI strategy will be approved by the Board in May 2025 and already informs our grant strategy and recruitment practices
Secure 5 year's core funding	• We successfully achieved a 3-year core funding award with the prospect of a further two years on expiry. We continue to seek further longer term core funding.
Maintain 6 month's operating reserves	• Our unrestricted reserve is the equivalent of 6 month's operating costs, and we are committed to maintaining this level.

Trustees Report for the year ended 31 March 2025 (continued)

a. Our financial performance

Over this year, donations of £3,024,369 (2024: £4,823,750) were secured which included £1,049,172 (2024: £1,469,942) in endowment funds. These donations are from new and existing donors.

£2,981,537 (2024: £3,808,955) was distributed in grants.

Last year, the Foundation secured its £1,000,000 endowment match partner with the Lawson Charitable Trust. The programme is a pound for pound match to encourage long term, sustainable philanthropy through endowment, with grants made from its income to be spent specifically on projects with an environmental element.

At end March 2024, £575,000 of the £1,000,000 target was banked, and we're pleased to report that the balance was received in October 2024. An overall total of £2,200,000 has now been raised for environmental causes in Kent and Medway – one of the five Priority Areas in our grant making strategy.

We offer grateful thanks to all our donors.

At the 31st March 2025 the Foundation held endowment funds of £29,821,727 (2024: £29,720,363).

b. Review of activities

Grant Making

During the year the grants team processed 795 grant applications;

607 grants were awarded to 476 organisations and 131 individuals and families;

232 groups applied for first time grants, of whom 116 received their first grant from Kent Community Foundation.

Applications made to Kent Community Foundation in the year saw a 73% success rate, keeping pace with previous years.

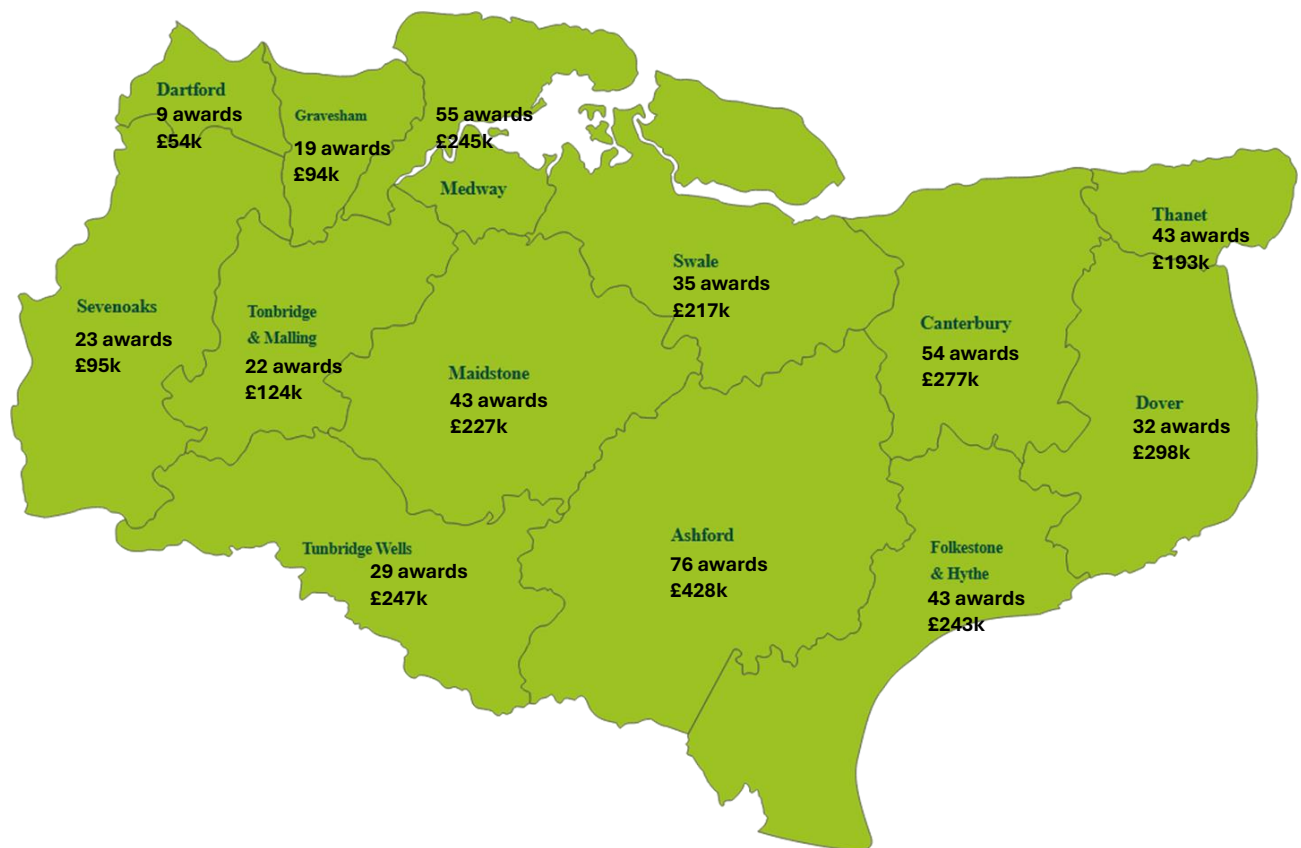
Trustees Report for the year ended 31 March 2025 (continued)

The total value of grants paid out during the year was £2,981,537 (2024: £3,808,955). Whilst we did not achieve our target this year, due to some attrition in our funds, we prioritized sustainability and the impact that could be achieved with the funding available.

For more information about funded projects, see our website:

www.kentcf.org.uk/about

The map below shows the distribution of grant funding in 2024/2025 across the various local authorities in Kent and Medway.



To find out which Funds are open for applications, see Kent Community Foundation's website where the latest funding opportunities are advertised (www.kentcf.org.uk).

Our Grants Strategy

A new grants strategy was introduced in April 2024 and has been implemented in the year, building on foundations laid during the previous strategy.

Trustees Report for the year ended 31 March 2025 (continued)

We are proud to have secured IVAR accreditation as an open and trusted grant maker. IVAR is the Institute for Voluntary Action Research and sets the standard for forward-thinking funding by monitoring grant-makers against eight commitments. For example: ‘don’t waste time’, and ‘be proportionate’,

In the next three years we will focus on the following –

- making more **grants** in Dartford, Gravesham & Swale, as per the results of our 2024 analysis of areas of particular disadvantage
- continuing to make **unrestricted grants**
- making more **multi-year grants** – 2–5-year funding commitments are key to supporting small organisations and their longer-term planning. It also gives the individuals and communities that they support greater assurance their services will continue. This builds stability in the sector and increases the impact of funding.
- **opening up our decision-making** – where we are able, bringing in fresh perspectives to our panels. This might be people with lived experience, professionals with particular expertise, or local residents for a geographically specific fund etc.
- embedding **DEI** in our grant-making, communications and processes – pressure-checking accessibility, language preferences and biases, monitoring grants to minority-led organisations, outreach to under-funded minority communities (based on current data), in line with our overall DEI strategy.
- Looking at grantee support through a wider **environmental lens** – adding environmental resources/encouragement for applicants on our website, introducing a green uplift grant – the Go Green Grant, and continuing to plot grant-making against relevant sustainable development goals (SDGs), to be in line with our overall environmental strategy.
- giving our **Grants Committee a more strategic role** – delegation of more routine decision-making to our Grants Team, with only first-time and riskier applications going to the Committee for decision, freeing their time to spearhead more high-profile, innovative grant-making, such as multi-year support.
- **increase the impact of our grants** – by increasing the number of larger grants we award to smaller organisations. Higher value grants are much more resource-efficient for grantees– receiving £8K rather than £4K from the same request is obviously a much better return on their fundraising time & resource invested. It’s generally true that the more money gifted, the more difference an organisation can make.

Trustees Report for the year ended 31 March 2025 (continued)

For example, the more provisions a foodbank can purchase, the more hours a befriending service can be open. We will also explore ways of supporting our grantees in measuring their own impact.

- Set a target for **more high value grants (over £5K)** particularly via our annual route and **more fully funded applications** particularly via our General route.
- **continue to collaborate with other funders** –for example by: streamlining the application and reporting processes across different grant-makers, identifying and addressing wider sector issues, and leading by example with multi-year grants.
- **Re-commit to “small grassroots organisations”** – groups with income up to £100K (NCVO definition of “small”) should be our primary priority for funding, providing they meet our criteria of meeting a need and quality.

Environmental Strategy and Achievements: 2024/2025

Kent Community Foundation recognises that the growing climate changes are a serious risk to the pursuit of our charitable aims. As one of the largest private grant-makers in Kent, Kent Community Foundation has an important part to play in combating these challenges and in 2021 launched its first Environmental Strategy. **Local community action can be at the heart of delivering solutions** that not only minimise the impact on the environment but also offer additional benefits that people and local communities can reap.

Review and Refresh of Environmental Strategy

In January 2025, Kent Community Foundation took an important step forward by reviewing and refreshing its Environmental Strategy. This update merges our environmental strategy with a new policy, resulting in a unified, outward-facing statement of intent. This document not only reaffirms our commitment to sustainability but also sets a clear direction for the next phase of our environmental work.

Key Achievement: Lawson Endowment Match Fund

One of the most significant accomplishments of the 2024/2025 financial year was the successful completion of the Lawson Endowment Match Fund, raising £2.2 million to support environmental projects across Kent and Medway. This milestone marks a major step in Kent Community Foundation's long-term environmental strategy, as we continue to engage donors, fund-holders, and local communities in action on climate change.

Trustees Report for the year ended 31 March 2025 (continued)

Environmental Strategy and Policy Highlights

As part of our refreshed approach, Kent Community Foundation's Environmental Strategy and Policy for 2025 focuses on driving meaningful, local action to mitigate climate change. Our renewed commitment includes:

- **Philanthropy:** Growing our support for environmental causes, including raising funds for local projects and establishing Green Uplift Grants to enhance the environmental sustainability of grantees.
- **Organisational Change:** Completing an environmental audit, working towards a 50% reduction in our carbon footprint by 2030 and integrating sustainable practices across all our operations.
- **Grant-Making:** Committing to allocate at least 20% of all grants to environmental initiatives, ensuring that sustainability is embedded across our funding priorities.
- **Community Advocacy:** Fostering greater community engagement on environmental issues, particularly through donor education and collaborative projects.

Funder Commitment on Climate Change

As part of our commitment to addressing the climate crisis, Kent Community Foundation remains a proud signatory of the Funder Commitment on Climate Change, which outlines our actions on education, resources, operational decarbonisation, and more. We continue to integrate climate considerations across all of our programmes and investments.



Trustees Report for the year ended 31 March 2025 (continued)

Achievements to Date

Since the launch of our initial Environmental Strategy in 2021, Kent Community Foundation has made notable strides in integrating sustainability into our operations and funding efforts, including:

- Raising over £300,000 for local environmental projects through the Fund for the Environment.
- Aligning our investments with net-zero goals, wherever we are able, and prioritising sustainable practices in all our grant-making processes.

Looking Forward

Our Environmental Strategy and Policy will be reviewed every three years to ensure that we remain on track to meet our ambitious sustainability goals. As we look ahead, Kent Community Foundation is committed to continuing its role as a leader in climate action, driving local and global change through our philanthropic efforts, sustainable operations, and community partnerships.

By working together with our donors, fund-holders, and local organisations, Kent Community Foundation is confident in our ability to build a greener, more sustainable future for Kent and Medway, and beyond.



Diversity, Equity and Inclusion (DEI)

Kent Community Foundation is committed to promoting equity, diversity, and inclusion across our organisation among staff, trustees, grantees, donors, and other stakeholders.

The Board of Kent Community Foundation has delegated responsibility for DEI to a dedicated sub-committee to ensure that we remain focussed on and accountable for this important area.

Within our DEI strategy, our key areas of focus over the next 12-18 months are:

1. **Culture (Staff & Trustees):** Ensuring an inclusive organisational culture that values diverse perspectives.
2. **Practice (Grant-Making):** Embedding DEI in our grant-making approach, targeting particular geographical areas and groups that are under-represented in our current grant making programmes.
3. **Influence (Sector & Stakeholders):** Leading by example and supporting DEI initiatives within the broader funding sector.

Our DEI Action plan

Our Immediate priority is our approach to under-represented organisations in relation to our grant making strategy. Over the next 12 months, we will:

- Continue to identify **underfunded and marginalised communities** in Kent through research and data analysis.
- Measure our data to track and assess whether **funding gaps (identified in a first round of research in 2024) are closing / have closed** and adjust grant-making practices accordingly if needed.
- Use insights from this research to **create an outreach programme** aimed at raising Kent Community Foundation's profile amongst communities in Dartford, Gravesham and Swale which are the three areas identified through our own data analysis. The Director of Grants and Impact will develop this outreach plan with the Head of Marketing and Communications.

To date, towards meeting our DEI objectives, we have:

- Created a dynamic action plan which is updated every quarter.

Trustees Report for the year ended 31 March 2025 (continued)

- Surveyed a small sample of existing grantees and diverse organisations that have not previously applied for funding to understand and address their challenges.
- Carried out extensive research into the needs of the county and our own grant making programmes.
- Conducted two rounds of inclusive trustee recruitment.
- Launched staff and trustee training programs to foster a more inclusive culture.

With a robust strategy and DEI Policy, we aim to provide our staff and trustees with a roadmap to deepen our understanding of DEI and strengthen our engagement with key stakeholders so that we can expand our reach and visibility across the county.

The Kent Social Enterprise Loan Fund (KSELF)

KSELF is a social lending programme, aiming to bridge the increasing funding gap for new and existing social enterprises and charities in Kent and Medway, by offering unsecured loans of between £10,000 and £100,000. The financial package will include an element of up to 30% grant of the loan amount.

The aim of the Fund is to break down the barriers which prevent social enterprises and charities from accessing finance and encourage a more enterprising approach to achieving positive change in our communities. Once finance is repaid, it will be re-loaned and re-invested back in the community.

Since inception, we have approved 57 loans to organisations spread throughout the county.

In 2024/2025 we agreed 8 loans with a total value of £399,500 (2023/2024: 7 loans valued at £443,500)

Quality Accreditation

UK Community Foundations runs a network wide Quality Accreditation programme which endorses and encourages best practice by community foundation members and has been held by Kent Community Foundation since 2007. In October 2024, Kent Community Foundation passed its fifth Quality Accreditation, which involved independent assessors reviewing Kent Community Foundation's internal processes across a set of standards relevant to Community Foundations which include five key performance areas:

- Strategy, governance, definitions and risk
- Financial and information management
- Philanthropy services and donor management
- Grant making and community participation
- Organisational and network development.

Achieving Quality Accreditation demonstrates that the Foundation is serious about quality and accountability and secures its



position as part of a high performing network across the UK. Successful accreditation awards are renewed every three years.

c. Investment policy and performance

Kent Community Foundation operates a comprehensive investment policy, which is reviewed annually by the Board of Trustees. All investment decisions are considered by the Foundation's Investment Committee and then ratified by a quorum of Trustees.

We aim to meet a balance between current needs and developing endowment funds to meet the needs of future generations. Our policy is therefore to invest endowed funds with the aim of achieving a balance between capital growth and income.

Trustees Report for the year ended 31 March 2025 (continued)

The Foundation seeks to produce the best financial return within an acceptable level of risk. The aim is to distribute 5% of fund value annually to cover both grant making in the community and the contribution to our own costs, while maintaining the long-term value of the Foundation's endowment funds. We adopt a total return approach with the aim of optimising the return generated, regardless of whether this is obtained from dividends, interest or capital gain, and the Investment Committee monitors the results.

The Board regularly reviews the value of our investment funds and may take action, including reducing the annual drawdown, if it is perceived that the long-term endowment of the Foundation is at risk. However, we take a long-term view, recognising the context of our overall strategy to continually raise new endowment funds.

The Investment Committee review quarterly investment reports and meet at least twice during each year to review performance of the investments as well as meeting face to face with the Relationship Managers from both investment houses the charity work with.

The total value of investments held by Kent Community Foundation at 31 March 2025 was £30,364,213 (2024: £30,283,934)

The net total return Investment performance was as follows:

Sarasin Climate Active Endowment Fund +3.4% (2024: +11.2%)

CCLA COIF Ethical Investment Fund -1.46%; (2024: +13.11%)

COIF Investment Fund -1.98%. (2024: +12.16%)

Recent changes in US international trade policy have impacted investment funds globally, including the above. In Quarter 1 of 2025/2026, however, there is evidence that funds are starting to recover. Nevertheless, these remain uncertain times for investors.

Where possible, we base our drawdown calculations on 3-year rolling average market values, which minimises the impact of shorter-term market volatility on the amount we are able to draw down to award as grants.

Financial Review

a. Going concern

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

b. Reserves policy

The aim of Kent Community Foundation is to benefit the local communities of Kent and Medway. An important way it does this is by encouraging individuals, businesses and funders to establish donor advised funds.

Generally, these funds are restricted for specific community grant making with a portion given over as a contribution towards the core running costs of the Foundation itself. This gives Kent Community Foundation a level of security in terms of regular income, but there are still some uncertainties as flow through funds and the value of endowed funds fluctuate from year to year.

Kent Community Foundation's income tends to arise from a modest number of significant donations, rather than a large number of smaller donations. Given the amounts involved and the long-term nature of these funds, the trustees are mindful of the need to give stakeholders, particularly existing and potential donors, confidence that the charity has sufficient reserves to carry on its activities in the face of a shortfall of income or fluctuations in investment performance.

The trustees have considered the above and have agreed that the charity will retain a minimum of six months' anticipated running costs as reserves. In addition, where possible, the trustees plan to hold a margin above this level of reserves to ensure Kent Community Foundation is in a position to respond quickly to, and invest in, new opportunities as and when they arise.

During the 2021-22 financial year, the trustees designated £150,000 of free reserves to fund the implementation of a new Salesforce database and Xero accounting software, with the aim of increasing productivity and efficiency, and creating a better user experience for all our stakeholders and staff.

Trustees Report for the year ended 31 March 2025 (continued)

These systems are now fully embedded and the designated fund is spent. Our operations have benefitted considerably from this investment, for example in streamlining processes thereby saving staff time, and in data analytical capability, so that we can more reliably assess our impact.

In July 2023 the Board designated £100,000 from reserves to cover the cost of a Senior Philanthropy Advisor role, with a focus on cultivating and raising awareness among professional advisers and their clients. At 31 March 2025, a balance of £37,009 remains unspent on this fund, which will be fully utilised in 2025/2026.

The level of free reserves at 31st March 2025 was £480,973 (2024: £445,720) which was the equivalent of 6.5 months operating costs. The trustees have considered this level of reserve and agreed it is appropriate given the above policy.

c. Principal funding

Our principal sources of funding are individuals, companies, charitable trusts and other organisations with an interest in the communities of Kent and Medway. Significant donations were received during the period from a number of charitable trusts, individuals, statutory bodies and corporations including:

- £272,380 from John Swire 1989 Charitable Trust
- £198,000 from Port of Dover
- £135,000 from Frank Brake Charitable Trust
- £121,000 from The Brook Trust

d. Material investments policy

The Kent Community Foundation's assets can be invested widely and diversified by asset class. Asset classes can include cash, bonds, UK and overseas equities, property, hedge funds, structured products, private equity, commodities and any other asset class deemed suitable for the Foundation.

The Foundation's Trustees agree a suitable investment strategy which the appointed Investment Managers are required to follow, and this is monitored by the Investment Committee.

Trustees Report for the year ended 31 March 2025 (continued)

The Foundation's Investment Managers concentrate on what they regard as good quality securities that can be invested in for the medium to long term. In order to meet their criteria, they take into account a number of factors and risks which may include environmental factors. They also meet, where possible, with the management of the companies they invest in, engage with them and vote on issues that they regard as material.

Responsible Investment Criteria

Kent Community Foundation recognises its own role in contributing to positive environmental and social change in the community. It therefore follows that investing in companies that are responsible, as well as stable and profitable, is important to Kent Community Foundation's values and reputation, and can play an important part in meeting our financial objectives. The Foundation requires investment managers who work on its behalf to apply measures to analyse key risks and engage with, and if necessary disinvest from, investee companies which exceed tolerable risk levels.

General Exclusions

Kent Community Foundation will actively avoid or minimise its exposure to areas considered by the trustees to be in conflict with our objectives and values, specifically:

Armaments: we will not invest in companies involved in producing or providing core systems of controversial weapons (e.g. anti-personnel mines, cluster weapons, nuclear, chemical or biological weapon systems); we will not invest in companies deriving more than 10% of revenues from military armaments

Adult Entertainment: we will not invest in companies deriving more than 10% of revenues from production of adult entertainment.

Alcoholic beverages: we will not invest in companies deriving more than 10% of revenues from manufacturing alcoholic beverages.

Tobacco: we will not invest in companies involved in the production of tobacco products

Gambling: we will not invest in companies deriving more than 10% of revenues from owning or operating gambling establishments or online gambling enterprises

Predatory lending: we will not invest in companies engaged in predatory lending.

Trustees Report for the year ended 31 March 2025 (continued)

Environmental factors

Kent Community Foundation supports and wishes to contribute to the Paris Climate Agreement and the objective of net zero carbon. We also wish to align our investments with its environmental policy objectives, specifically:

Net Zero Carbon: Kent Community Foundation will expect its Investment Managers to have policies and strategies in place to achieve net zero carbon across their asset holdings by 2050, and in particular to engage with companies to encourage positive policies in this respect and if necessary to disinvest where progress is unsatisfactory.

Negative environmental impact: Kent Community Foundation wishes to avoid or limit investment exposure to companies whose processes or products involve high risk emissions or releases to land, water or air. Kent Community Foundation will work with investment managers who are applying appropriate monitoring and screening in this respect and will expect investment managers to engage with companies involved in high-risk activity and to disinvest if environmental behaviours are not improved.

Social and governance

Kent Community Foundation recognises the importance of good corporate governance and social responsibility and seeks to invest in companies which demonstrate these values, specifically:

- Kent Community Foundation will expect its investment managers to employ systems to assess the social and governance risks at play in investee companies (e.g. Sustainalytics) and to use these tools to avoid highest risk companies, and to identify companies with which to engage to promote improved corporate behaviours
- Kent Community Foundation wishes to avoid investment in companies which pose a high risk in terms of poor employment practices or failing to uphold standards of human rights among employees and other stakeholders both within its own operations and its supply chain
- Kent Community Foundation wishes to avoid investment in companies which pose high risks in terms of corporate governance, regulatory or legal shortcomings, or questionable business ethics such as corruption, anti-competitive, mis-selling etc.

Trustees Report for the year ended 31 March 2025 (continued)

We regularly review all ethical restrictions as part of our investment policy and ensure investments do not conflict with the Foundation's charitable purposes. The trustees take a measured and objective approach to this process with advice from their investment managers and are maintaining transparent communication with donors and stakeholders about decisions made.

Structure, governance and management

a. Constitution

Kent Community Foundation is registered as a charitable company limited by guarantee and was set up by a Trust deed on 20 October 2000. The Company is also a registered Charity (number 1084361), registered on 5 January 2001.

Operations commenced during April 2001.

b. Method of appointment or election of Trustees

Trustees are appointed by the Board of Trustees in their capacities as members. The trustees follow an open recruitment process to encourage more diversity, although trustees retain the ability to recommend individuals of interest to the Board, informed by regular board skills audits.

c. Policies adopted for the induction and training of Trustees

New trustees undergo an initial induction to brief them on the role of a trustee, Kent Community Foundation's charitable purpose, strategy and priorities, finances, staffing and operations and any current issues. Thereafter, there is an annual trustee away day and other training is arranged as appropriate.

d. Pay policy for senior staff

Kent Community Foundation's Staffing and Remuneration sub-committee considers and assesses pay levels for all staff, taking into account market conditions as well as individual roles and responsibilities. All decisions of the Staffing and Remuneration Committee are ratified by the Board of Trustees.

The trustees consider the Board of Trustees, the Chief Executive and the Director of Grants and Impact as the key management personnel of the charity, in charge of directing, controlling, running and operating the charity on a day-to-day basis.

Trustees Report for the year ended 31 March 2025 (continued)

All trustees give their time freely and no trustee remuneration was paid in the year. Details of the trustee expenses and related party transactions are disclosed in note 8 of the accounts.

The Staffing and Remuneration Committee review the pay of the Chief Executive and other senior management annually to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

e. Organisational structure and decision making

The Board of Trustees governs the Charity. The Chief Executive, supported by a team of (on average during the year) 16 paid staff, conducts the day-to-day business of the Charity, reporting to the board.

As of March 2025, the board consisted of 9 trustees and directors including the Chair and Vice Chair.

The Board of Trustees delegate responsibility to sub-committees in some areas such as:

- Finance and Audit
- Investments
- Staffing and Remuneration
- Grants
- Technology
- Environment
- Equity Diversity and Inclusion

All sub-committees have trustee membership and terms of reference which are regularly reviewed. Some committees also have trusted advisers who specialise in certain areas to add to the trustees' skills and experience.

In 2025/2026 it is proposed to review the above committee structure and merge those with significant overlap in purpose, now that strategies and policies are fully formulated for each area.

All decisions made by sub-committees are reported back to the board at its quarterly meetings through the sharing of minutes.

Trustees Report for the year ended 31 March 2025 (continued)

f. Risk management

The trustees have assessed the major risks to which the company is exposed, and in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Significant risks identified by the trustees are as follows:

Risk	Mitigation
Insufficient unrestricted funds/reserves to cover operations	Prudent management of reserves which do not fall below 6 months' running costs in accordance with the Charity's reserves policy, and careful monitoring of the Foundation's financial position on a regular basis by trustees.
Challenges recruiting new donors/Fund-holders affecting fund development, especially endowment growth	Priority focus on fund development activities by staff and trustees.
Reputational risk if the Foundation fails to meet expectations	Proactive client care strategies and high level of engagement.
Key person risk	Continuing development of structure/operations and capacity to avoid over reliance on one or two key individuals.
Loss in value of endowments	Close supervision and scrutiny of external investment fund managers by the Investment Committee.
Loss of funds due to fraud	Robust financial procedures policy, anti-bribery policy and grant making policy reviewed and ratified regularly by the Board of Trustees.
Risk to data security	IT provider maintaining up to date security software, and data protection procedures implemented from a robust data protection policy, regularly reviewed by the board, to ensure compliance with GDPR. The foundation also has Cyber Essentials accreditation
Failure to comply with Charity and Company law or regulatory requirements	Regular compliance activities scheduled and monitored by Company Secretary. Support is provided by auditors regarding reporting requirements. Regular board agenda items in place to adhere to trustees' responsibilities.
Loss of key senior personnel	Broadening the scope of roles in fund development and grant management, and recruiting specialist finance and systems staff members, to ensure that loss of a significant person has minimal impact on the delivery of the Foundations charitable purposes, financial wellbeing and the wellbeing of the staff team.

Trustees Report for the year ended 31 March 2025 (continued)

In all these areas the board is satisfied it has identified appropriate mitigating actions and reviews its risk register at quarterly meetings of the board.

The Foundation also carries comprehensive charities' all risks insurance which underwrites potential financial costs or losses arising from a number of identified risks.

Future developments and Business Plan Objectives for 2025/2026

The Board of Trustees have agreed to carry forward the current 2022-2025 business plan objectives, excluding those already delivered, for a further year, so that our new Chief Executive will be able to lead on the development of a new plan.

Our objectives for 2025/2026 are therefore:



Secure minimum donations of £2.85m



Distribute grants of at least £3.2m



Fully embed our DEI strategy across the organisation



Begin developing our new 3-year business plan



Secure core funding over five years



Maintain a minimum of 6 months' reserves policy



Complete and launch our brand re-fresh

The new Salesforce database and Xero accounting systems are now fully implemented and embedded. We have also reviewed and updated our processes and procedures to reflect changes in practice and accommodate the additional facilities these systems have given us. In 2025/2026 we are continuing to develop functionality to further automate routine tasks and enable staff to concentrate on more value-added work, guided by the insights and efficiencies enabled by these systems.

Trustees Report for the year ended 31 March 2025 (continued)

With the regretted departure of our Chief Executive, Josephine McCartney, we are acutely aware that 2025/2026 will be a year of risk to our income generation capacity. We welcome our newly appointed Chief Executive, Catherine Glover, and during the transition period the Finance and Audit sub-committee will meet more frequently with the specific aim of monitoring our income pipeline.

Following the departure of the Director of Operations, the Foundation has appointed two specialist staff members: Head of Finance and Governance, and Systems Manager to respond to the changing needs of the Foundation.

The Senior Philanthropy Adviser role appointed in 2023/2024 has brought new skills to the Development Team and is successfully generating referrals to add to our prospective donor pipeline.

Disclosure of information to auditors

Each of the persons who are trustees (who are also directors of the charity for the purposes of the Companies Act) at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'Robert Sackville-West', is written over a light blue horizontal line.

Robert Sackville-West DL
(Chair of Trustees)

Dated: 5th September 2025

Statement of trustees' responsibilities

For the year ended 31 March 2025

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 (FRS 102);
- make judgments 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 business.

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.

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

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Independent auditors' report to the Trustees of Kent Community Foundation

Opinion

We have audited the financial statements of Kent Community Foundation (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Independent auditors' report to the Trustees of Kent Community Foundation (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Trustees' 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.

Independent auditors' report to the Trustees of Kent Community Foundation (continued)

Auditors' responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the charitable company and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety and fundraising practices) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Independent auditors' report to the Trustees of Kent Community Foundation (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Kreston Reeves LLP

Samantha Rouse FCCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

6 September 2025

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2025

	Note	Endowment funds 2025 £	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Income and endowments from:						
Donations and legacies:	3					
Donations and grants		1,049,172	1,896,894	78,303	3,024,369	4,823,750
Operational contribution (internal cross-charging)		-	-	685,376	685,376	719,134
Fees from external funds		-	-	14,912	14,912	13,962
Investments	4	-	1,605,527	153,013	1,758,540	1,299,006
Total income and endowments		1,049,172	3,502,421	931,604	5,483,197	6,855,852
Expenditure on:						
Raising funds	5	-	-	118,620	118,620	121,685
Charitable activities	7	10,000	3,738,326	832,228	4,580,554	5,383,099
Total expenditure		10,000	3,738,326	950,848	4,699,174	5,504,784
Net income/(expenditure) before net (losses)/gains on investments						
		1,039,172	(235,905)	(19,244)	784,023	1,351,068
Net (losses)/gains on investments		(1,472,258)	-	-	(1,472,258)	2,121,924
Net income/(expenditure)		(433,086)	(235,905)	(19,244)	(688,235)	3,472,992
Transfers between funds	16	534,450	(534,450)	-	-	-
Net movement in funds		101,364	(770,355)	(19,244)	(688,235)	3,472,992
Reconciliation of funds:						
Total funds brought forward		29,720,363	4,653,101	537,226	34,910,690	31,437,698
Net movement in funds		101,364	(770,355)	(19,244)	(688,235)	3,472,992
Total funds carried forward		29,821,727	3,882,746	517,982	34,222,455	34,910,690

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 41 to 61 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)
Registered number: 04088589

Balance sheet
As at 31 March 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	11	-	-
Investments	12	30,364,213	30,283,934
		30,364,213	30,283,934
Current assets			
Debtors due after more than 1 year	13	416,769	473,753
Debtors due within 1 year	13	248,914	242,183
Investments	14	68,004	95,198
Cash at bank and in hand		3,831,169	4,571,193
		4,564,856	5,382,327
Creditors: amounts falling due within one year	15	(706,614)	(755,571)
Net current assets		3,858,242	4,626,756
Total assets less current liabilities		34,222,455	34,910,690
Total net assets		34,222,455	34,910,690
Charity funds			
Endowment funds	16	29,821,727	29,720,363
Restricted funds	16	3,882,746	4,653,101
Unrestricted funds	16	517,982	537,226
Total funds		34,222,455	34,910,690

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:

Robert Sackville West DL
(Trustee)
Date: 5 September 2025



The notes on pages 41 to 61 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2025

	Note	2025 £	2024 £
Cash flows from operating activities			
Net cash used in operating activities	19	(924,947)	461,468
Cash flows from investing activities			
Dividends, interests and rents from investments		1,758,540	1,299,006
Proceeds from sale of investments		95,550	313,183
Purchase of investments		(1,669,167)	(1,516,170)
Net cash provided by investing activities		184,923	96,019
Cash flows from financing activities			
Cash flows from financing activities		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		(740,024)	557,487
Cash and cash equivalents at the beginning of the year		4,571,193	4,013,706
Cash and cash equivalents at the end of the year	20	3,831,169	4,571,193

The notes on pages 41 to 61 form part of these financial statements

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2025

1. General information

Kent Community Foundation is a charitable company, limited by guarantee, domiciled in England and Wales, registration number 04088589. The registered office is Evegate Park Barn, Evegate, Smeeth, Ashford, Kent, TN25 6SX.

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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Kent 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 charity's functional and presentational currency is in Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

2.3 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

2.4 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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Endowment funds represent those assets held in the long term by the charity, principally investments. In accordance with the trust deed and donors' wishes the capital is expendable, that is the capital can be converted into income at the discretion of the trustees in the furtherance of the charitable objectives. Income arising on endowment fund can be used in accordance with the objectives of the charity and included in restricted income. Any capital gains and losses arising and the investment management charges and legal advice relating to the fund are charged against the fund.

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

2.5 Income

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

For donations received subject to match funding arrangements the additional funding received is recognised at the time of the initial donation, unless any conditions are attached.

Donations other than in the form of cash are recorded at fair value as at the date of the donation.

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

2.6 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Head office. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to governance of the company apportioned to charitable activities.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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 charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.7 Tangible fixed assets and depreciation

All assets over £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	33.3% straight line
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Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

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.

Current asset investments include cash or other short-term liquid investments with a short maturity of more than three months but less than one year, held for investment purposes.

2.9 Operating leases

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

2.10 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.

2.11 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.

2.12 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 within interest payable and similar charges.

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

2.13 Financial instruments

The charity enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

2.15 Value Added Tax

Value Added Tax (VAT) is not recoverable by Kent Community Foundation, and as such is included in the relevant costs in the statement of financial activities.

Notes to the financial statements
For the year ended 31 March 2025

2. Accounting policies (continued)

2.16 Social investments

The objective of the Kent Social Enterprise Loan Fund is to support existing and emerging enterprises through the making of grants and concessionary loans. These loans are made or received by the charity to further its purposes and any interest charged is below prevailing market rates.

Kent Community Foundation has opted to initially recognise and measure the loans at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. Fees and interest are deemed to be restricted income, to be utilised in the making of future loans in accordance with the fund objectives.

If Kent Community Fund consider that there is an objective evidence of impairment, for example a default on repayments due or evidence of significant financial difficulty in the entity in which the investment has been made, then an immediate impairment loss is recognised in the statement of financial activities as a cost within expenditure on charitable activities. The impairment is measured on the same basis as other investments or financial assets.

Amounts due for repayment after more than 12 months from the balance sheet date are shown as long-term debtors within current assets.

2.17 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The material judgements, estimates or assumptions that have had significant impact on amounts recognised in the financial statements are:

Investment valuations

Investment valuations are obtained by trustees from the investment managers, who utilise the closing quoted market price information available at the balance sheet date.

Impairment of social investment debtors

The charity makes an estimate of the recoverable value of social investment debtors. When assessing the impairment of the social investment debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 13 for the net carrying amount of social investment debtors.

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

3. Income from donations and legacies

	Endowment funds 2025 £	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Donations					
Donations and grants	1,049,172	1,896,894	78,303	3,024,369	4,823,750
Operational contribution (internal cross-charging)	-	-	685,376	685,376	719,134
Fees from external funds	-	-	14,912	14,912	13,962
	<u>1,049,172</u>	<u>1,896,894</u>	<u>778,591</u>	<u>3,724,657</u>	<u>5,556,846</u>
<i>Total 2024</i>	<u><u>1,469,942</u></u>	<u><u>3,340,894</u></u>	<u><u>746,010</u></u>	<u><u>5,556,846</u></u>	

From time to time, Kent Community Foundation receives substantial one-off donations to set up donor advised funds. This can mean that income from donations and grants is subject to fluctuations from year to year.

4. Investment income

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Investment income	1,588,544	12,325	1,600,869	1,175,123
Bank interest	-	140,688	140,688	110,358
KSELF Income	16,983	-	16,983	13,525
	<u>1,605,527</u>	<u>153,013</u>	<u>1,758,540</u>	<u>1,299,006</u>
<i>Total 2024</i>	<u><u>1,078,290</u></u>	<u><u>220,716</u></u>	<u><u>1,299,006</u></u>	

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Other staff costs	39	39	40
Rent & rates	6,741	6,741	6,747
Marketing & advertising	4,167	4,167	3,749
Sundries	935	935	952
Office costs	2,235	2,235	2,281
IT support	6,569	6,569	2,939
Insurance	280	280	241
Bank charges	129	129	116
Subscriptions	3,916	3,916	3,022
Book keeping	4,140	4,140	3,783
Legal & professional	2,359	2,359	26
Travel	766	766	661
Wages and salaries	73,355	73,355	81,987
Employer's NI	6,937	6,937	8,323
Pensions	5,071	5,071	6,220
Staff Training	981	981	598
	118,620	118,620	121,685
<i>Total 2024</i>	121,685	121,685	

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

6. Analysis of grants

	Grants to Institutions 2025 £	Grants to Individuals 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Community First Grant-making	233,226	-	233,226	324,424
Grants	2,657,289	91,022	2,748,311	3,484,531
	<u>2,890,515</u>	<u>91,022</u>	<u>2,981,537</u>	<u>3,808,955</u>
<i>Total 2024</i>	<u><u>3,736,431</u></u>	<u><u>72,524</u></u>	<u><u>3,808,955</u></u>	

From time to time, Kent Community Foundation makes large one-off donations from donor-advised funds which can mean Grants payable is subject to significant fluctuation from year to year.

A list of the recipients of significant grants made to institutions is available on request from the charity's registered office and is available on the charity's website: www.kentcf.org.uk

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

7. Costs of charitable activities

	Endowment funds 2025 £	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Grants payable (See note 6)	-	2,981,537	-	2,981,537	3,808,955
Operational contribution	10,000	581,637	-	591,637	636,045
KSELF operational contribution	-	96,983	-	96,983	95,082
KBSF bad debt write off	-	78,169	-	78,169	-
Operational staff costs and pensions - grants team	-	-	362,580	362,580	341,110
Other staff costs	-	-	221	221	226
Rent & Rates	-	-	38,197	38,197	38,231
Marketing & advertising	-	-	23,613	23,613	21,246
Sundries	-	-	5,296	5,296	5,393
Office costs	-	-	12,667	12,667	12,924
IT support	-	-	37,229	37,229	16,652
Insurance	-	-	1,586	1,586	1,366
Bank charges	-	-	732	732	655
Subscriptions	-	-	22,190	22,190	17,124
Book keeping	-	-	23,458	23,458	21,436
Travel	-	-	4,341	4,341	3,747
Events	-	-	7,853	7,853	12,706
Legal & professional	-	-	13,370	13,370	146
Salaries and pensions	-	-	206,757	206,757	188,947
Staff training	-	-	5,557	5,557	3,388
Designated IT strategy costs	-	-	6,394	6,394	131,432
Audit fees	-	-	12,084	12,084	11,400
Designated senior philanthropy adviser costs	-	-	48,103	48,103	14,888
	<u>10,000</u>	<u>3,738,326</u>	<u>832,228</u>	<u>4,580,554</u>	<u>5,383,099</u>
<i>Total 2024</i>	<u><u>24,503</u></u>	<u><u>4,515,579</u></u>	<u><u>843,017</u></u>	<u><u>5,383,099</u></u>	

8. Auditors' remuneration

	2025 £	<i>2024 £</i>
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	<u>11,800</u>	<u>11,400</u>

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

9. Staff costs

	2025 £	2024 £
Wages and salaries	595,447	541,733
Social security costs	56,342	51,117
Pension costs	51,014	48,625
	<u>702,803</u>	<u>641,475</u>

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

	2025 No.	2024 No.
Employees	<u>17</u>	<u>16</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
In the band £60,001 - £70,000	1	-
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	-	1

The total salaries received by key management personnel was £180,141 (2024: £188,426). Employer pension contributions were a total of £15,873 (2024: £17,106) and employer national insurance contributions were a total of £21,198 (2024: £22,237).

10. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2024 - £NIL).

During the year ended 31 March 2025, no trustee expenses have been incurred (2024 - £NIL).

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

11. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2024	11,363
At 31 March 2025	<u>11,363</u>
Depreciation	
At 1 April 2024	11,363
At 31 March 2025	<u>11,363</u>
Net book value	
At 31 March 2025	<u>-</u>
<i>At 31 March 2024</i>	<u>-</u>

12. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2024	30,283,934
Additions	1,669,167
Disposals	(95,550)
Revaluations	(1,493,338)
At 31 March 2025	<u>30,364,213</u>
Net book value	
At 31 March 2025	<u>30,364,213</u>
<i>At 31 March 2024</i>	<u>30,283,934</u>

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

12. Fixed asset investments (continued)

The total decrease of revaluations of £1,493,338 disclosed above includes £1,472,258 attributable to the charity and £21,080 attributable to client money held.

Investments at market value comprise of listed investments at £30,364,213 (2024: £30,283,934).

The market continues to demonstrate volatility post the year end.

13. Debtors

	2025 £	2024 £
Due after more than one year		
Loans	416,769	473,753
	416,769	473,753
Due within one year		
Loans	214,935	240,108
Other debtors	33,979	2,075
	665,683	715,936

Loans consist of loans to borrowers issued through the Kent Social Enterprise Loan Fund.

14. Current asset investments

	2025 £	2024 £
Unlisted investments	68,004	95,198

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

15. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Trade creditors	8,333	11,136
Other taxation and social security	17,361	14,511
Client money held	610,491	658,764
Other creditors	60,929	61,660
Accruals	9,500	9,500
	706,614	755,571

The Kent Community Foundation holds funds of £610,491 (2024: £658,764) in respect of the Spires Academy.

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Unrestricted funds						
Designated funds						
IT Strategy	6,394	-	(6,394)	-	-	-
Senior Philanthropy Adviser	85,112	-	(48,103)	-	-	37,009
	<u>91,506</u>	<u>-</u>	<u>(54,497)</u>	<u>-</u>	<u>-</u>	<u>37,009</u>
General funds						
General Funds	445,720	931,604	(896,351)	-	-	480,973
Total Unrestricted funds	<u>537,226</u>	<u>931,604</u>	<u>(950,848)</u>	<u>-</u>	<u>-</u>	<u>517,982</u>
Endowment funds						
Grassroots Funds Endowment Funds	5,622,454	105,114	-	-	(222,181)	5,505,387
Other Endowment Funds	15,215,153	944,058	(10,000)	534,450	(620,234)	16,063,427
Community First Endowment Funds for Kent	8,882,756	-	-	-	(629,843)	8,252,913
	<u>29,720,363</u>	<u>1,049,172</u>	<u>(10,000)</u>	<u>534,450</u>	<u>(1,472,258)</u>	<u>29,821,727</u>

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

16. Statement of funds (continued)

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2025 £
Restricted funds						
Donor Advised Funds - Individuals and Trusts	2,339,760	2,472,933	(2,185,841)	(663,992)	-	1,962,860
Donor Advised Funds - Corporate	421,720	803,177	(798,413)	(15,276)	-	411,208
Miscellaneous Funds	426,647	170,815	(512,346)	144,818	-	229,934
Big Lottery Fund	778,868	20,588	(166,058)	-	-	633,398
Kent Social Enterprise Loan Fund	686,106	34,908	(75,668)	-	-	645,346
	<u>4,653,101</u>	<u>3,502,421</u>	<u>(3,738,326)</u>	<u>(534,450)</u>	<u>-</u>	<u>3,882,746</u>
Total of funds	<u><u>34,910,690</u></u>	<u><u>5,483,197</u></u>	<u><u>(4,699,174)</u></u>	<u><u>-</u></u>	<u><u>(1,472,258)</u></u>	<u><u>34,222,455</u></u>

In 2024, the trustees agreed to ring fence £100,000 from free reserves in order to fund a Senior Philanthropy Advisor position.

Endowment funds relate to amounts received from philanthropists who want to provide a lasting legacy for their local community. The income received on endowment funds is treated as restricted income, to be expended in accordance with the criteria of each fund as agreed by the donors.

In addition the charity receives donations from donors which are treated as restricted funds to be expended in accordance with the wishes of the donor concerned. Details of the grant-making criteria for funds available for application from the community are publicised on the Kent Community Foundation website. Timing differences between receiving restricted donations and making grants can result in variances in net incoming resources from year to year.

The object of KSELF and the Big Lottery Fund is to support existing and emerging social enterprises with grants and loans.

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2024 £</i>
Unrestricted funds						
Designated funds						
IT Strategy	137,826	-	(131,432)	-	-	6,394
Senior Philanthropy Adviser	-	-	(14,888)	100,000	-	85,112
	<u>137,826</u>	<u>-</u>	<u>(146,320)</u>	<u>100,000</u>	<u>-</u>	<u>91,506</u>
General funds						
General Funds	507,734	856,368	(818,382)	(100,000)	-	445,720
Total Unrestricted funds	<u>645,560</u>	<u>856,368</u>	<u>(964,702)</u>	<u>-</u>	<u>-</u>	<u>537,226</u>
Endowment funds						
Grassroots Funds Endowment Funds	5,129,762	125,000	(8,878)	-	376,570	5,622,454
Other Endowment Funds	13,048,952	1,344,942	(15,625)	(148,135)	985,019	15,215,153
Community First Endowment Funds for Kent	8,216,741	-	-	(94,320)	760,335	8,882,756
	<u>26,395,455</u>	<u>1,469,942</u>	<u>(24,503)</u>	<u>(242,455)</u>	<u>2,121,924</u>	<u>29,720,363</u>

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

16. Statement of funds (continued)

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2024 £</i>
Restricted funds						
Donor Advised Funds - Individuals and Trusts	1,308,237	2,998,162	(2,008,741)	42,102	-	2,339,760
Donor Advised Funds - Corporate	753,746	721,863	(1,064,436)	10,547	-	421,720
Miscellaneous Funds	725,977	743,892	(1,233,028)	189,806	-	426,647
Big Lottery Fund	941,408	23,834	(186,374)	-	-	778,868
Kent Social Enterprise Loan Fund	667,315	41,791	(23,000)	-	-	686,106
	<u>4,396,683</u>	<u>4,529,542</u>	<u>(4,515,579)</u>	<u>242,455</u>	<u>-</u>	<u>4,653,101</u>
Total of funds	<u>31,437,698</u>	<u>6,855,852</u>	<u>(5,504,784)</u>	<u>-</u>	<u>2,121,924</u>	<u>34,910,690</u>

17. Summary of funds

Summary of funds - current year

	<i>Balance at 1 April 2024 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2025 £</i>
Designated funds	91,506	-	(54,497)	-	-	37,009
General funds	445,720	931,604	(896,351)	-	-	480,973
Endowment funds	29,720,363	1,049,172	(10,000)	534,450	(1,472,258)	29,821,727
Restricted funds	4,653,101	3,502,421	(3,738,326)	(534,450)	-	3,882,746
	<u>34,910,690</u>	<u>5,483,197</u>	<u>(4,699,174)</u>	<u>-</u>	<u>(1,472,258)</u>	<u>34,222,455</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2025

17. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2024 £</i>
Designated funds	137,826	-	(146,320)	100,000	-	91,506
General funds	507,734	856,368	(818,382)	(100,000)	-	445,720
Endowment funds	26,395,455	1,469,942	(24,503)	(242,455)	2,121,924	29,720,363
Restricted funds	4,396,683	4,529,542	(4,515,579)	242,455	-	4,653,101
	<u>31,437,698</u>	<u>6,855,852</u>	<u>(5,504,784)</u>	<u>-</u>	<u>2,121,924</u>	<u>34,910,690</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2025 £	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £
Fixed asset investments	29,821,727	542,486	-	30,364,213
Debtors due after more than one year	-	416,769	-	416,769
Current assets	-	3,533,982	614,105	4,148,087
Creditors due within one year	-	(610,491)	(96,123)	(706,614)
Total	<u>29,821,727</u>	<u>3,882,746</u>	<u>517,982</u>	<u>34,222,455</u>

Analysis of net assets between funds - prior year

	<i>Endowment funds 2024 £</i>	<i>Restricted funds 2024 £</i>	<i>Unrestricted funds 2024 £</i>	<i>Total funds 2024 £</i>
Fixed asset investments	29,720,363	563,571	-	30,283,934
Debtors due after more than one year	-	473,753	-	473,753
Current assets	-	4,274,541	634,033	4,908,574
Creditors due within one year	-	(658,764)	(96,807)	(755,571)
Total	<u>29,720,363</u>	<u>4,653,101</u>	<u>537,226</u>	<u>34,910,690</u>

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

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

	2025 £	2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(688,235)	3,472,992
Adjustments for:		
(Gains)/losses on investments	1,520,532	(1,666,378)
Dividends, interests and rents from investments	(1,758,540)	(1,299,006)
(Increase)/decrease in debtors	50,253	(29,699)
Decrease in creditors	(48,957)	(16,441)
Net cash provided by/(used in) operating activities	(924,947)	461,468

20. Analysis of cash and cash equivalents

	2025 £	2024 £
Cash in hand	3,831,169	4,571,193
Total cash and cash equivalents	3,831,169	4,571,193

21. Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	4,571,193	(740,024)	3,831,169
Liquid investments	95,198	(27,194)	68,004
	4,666,391	(767,218)	3,899,173

KENT COMMUNITY FOUNDATION
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Notes to the financial statements
For the year ended 31 March 2025

22. Operating lease commitments

At 31 March 2025 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	2024 £
Not later than 1 year	42,730	45,963
Later than 1 year and not later than 5 years	15,730	49,441
Later than 5 years	2,840	-
	61,300	95,404

23. Related party transactions

During the year the Kent Community Foundation supported a number of other charities and social enterprises which have one or more trustees in common with the Foundation. All such donations, grants or loans have been made in accordance with the same eligibility criteria as all other similar applications for support received.

Conversely, from time to time, Kent Community Foundation receives donations from charities which have one or more trustees who are also trustees of the Foundation or who are related to a trustee of the Foundation.

During the year the trustees donated £100,000 (2024: £100,000) plus gift aid totalling £25,000 (2024: £12,500) to the charity.

See note 9 of the financial statements for details of the key management personnel remuneration.

24. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the trustees.

Accounts

Registered number: 04088589
Charity number: 1084361

Kent Community Foundation
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2024

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

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KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Reference and administrative details of the charitable company, its Trustees and advisers For the year ended 31 March 2024

Trustees

Robert Sackville West, DL (Chair)
Kruti Shrotri
Sarah Hohler (resigned 24 November 2023)
Hugo Fenwick
Melissa Murdoch, DL
Emilia Falcetti Boscawen
Gail Hall
Russell Race JP, DL
Munyaradzi Badze
Samantha Cooper-Gray
Cheryl Wing Han Chan (appointed 28 July 2023)
Trevor Minter OBE DL (appointed 28 July 2023)
Gearóid Maguire (appointed 28 July 2023)

Company registered number

04088589

Charity registered number

1084361

Registered office

Evegate Park Barn
Evegate
Smeeth
Ashford
Kent
TN25 6SX

Company secretary

Sarah Osborne

Chief executive

Josephine McCartney

Independent auditors

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Reference and administrative details of the charitable company, its Trustees and advisers (continued)
For the year ended 31 March 2024

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Metro Bank
One Southampton Row
London
WC1B 5HA

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Patron

The Lady Colgrain, Lord-Lieutenant of Kent

Vice Presidents

Lady Nelson
Simon MacLachlan
Rt Rev Dr Jonathan Gibbs Bishop of Rochester

Investment Managers

Sarasin & Partners LLP
100 St. Paul's Churchyard
London
EC4M 8BU

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

Website

www.kentcf.org.uk

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Trustees' report

For the year ended 31 March 2024

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Kent Community Foundation (the company) for the year ended 31 March 2024. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) as amended by Update Bulletin 1 (effective 1 January 2019).

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

Objectives and Activities

a. Policies and objectives

The Foundation's objectives are the promotion of any charitable purpose for the benefit of the community in the County of Kent and Medway and in particular the advancement of education, the protection of good health, both mental and physical, and the relief of poverty and sickness. The Foundation's objectives also include other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the trustees, beneficial to the community including those in the area of benefit.

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Kent Community Foundation is stated in its 'Objectives and Activities' and the trustees ensure that this purpose is carried out for the public benefit by working to the Mission Statement.

Kent Community Foundation (KCF) meets its charitable objectives by encouraging and facilitating financial and other support to a wide range of charitable causes, with a particular focus on assisting and enabling local community action in Kent and Medway. This means that the majority of the Foundation's grants are made to local community organisations in Kent and Medway, often reliant on volunteers. The trustees have identified priority areas of need to inform local community grant making:

- **Children Young People and Families:** Enabling young people and families to overcome disadvantage and achieve their potential
- **Vulnerable Adults:** Promoting the safety, wellbeing and independence of vulnerable adults.
- **The Elderly and Isolated:** Addressing the challenges faced by elderly adults; most importantly, social isolation. Enabling the elderly to stay well, healthy and independent.
- **Employability, Skills and Enterprise:** Raising the aspirations and increasing the skills and opportunities of people who are far from the labour market due to a range of circumstances that can present barriers to employment and training.
- **The Environment:** To facilitate dynamic change by supporting projects which enrich nature, connect people with green spaces and enable more sustainable and healthier ways of living in Kent and Medway.

April 2022 marked the beginning of a new three-year business plan (2022-25). During the previous year 2021-22 the Foundation's Trustees agreed a one-year business plan to recover after the height of the pandemic.

This new business plan period (2022-25) has been KCF's most ambitious yet, not just in terms of financial targets but also in terms of its commitment to becoming a more inclusive and diverse organisation, and being responsible for its impact on the environment; with the ambition that these commitments become part of KCF's organisational 'DNA'.

Overarching Objectives to March 2025

- Maintain a minimum annual grant giving level of £3.5m by securing new flow-through fund-holders
- Achieve long term financial stability by increasing the value of our endowment funds to £50m
- Be the 'go to' organisation if you want to know anything about the sector in Kent
- Be a voice of authority on the social needs of the county
- Increase the number of organisations funded with multi-year core grants from 27 to 100

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Trustees' report (continued)

For the year ended 31 March 2024

- Provide an excellent customer service to our grant recipients and our Fund-holders
- Implement a new IT infrastructure model across the Foundation
- Embed an EDI and Environmental culture across the Foundation
- Sustainably fund 70% of eligible grant applications
- Maintain a minimum 6 month's reserves level

Objectives for 2023/24

- Donation target of £6.2m
- Distribute grants of £3.84m
- Complete implementation of new IT Infrastructure, including a new grant-management database
- Review and implement a new finance system
- Secure a new million-pound endowment match partner
- Deliver a new sector infrastructure grants programme
- Recruit two new trustees and sub-committee external advisers
- Recruit new philanthropy adviser role
- Create and implement a new EDI Strategy

b. Strategies for achieving objectives

Kent Community Foundation encourages and enables a culture of local charitable giving, primarily for the benefit of the communities of Kent and Medway. The Foundation aims to improve the lives of local people, particularly the most disadvantaged and vulnerable, through the raising and distribution of funds given by individuals and private families, companies and other charitable trusts with the means and commitment to support their local community.

Kent Community Foundation proactively raises and develops new funds for Kent and Medway, typically, but not exclusively, through donor advised funds. Establishing permanent resources to benefit the local community is at the heart of the Foundation so raising endowment funds is a particular focus of fund development strategies. Building long-term, trusting relationships with potential donors and Fund-holders is key to achieving KCF's strategic aims. At the heart of this strategy is building the pipeline of new potential individual family and private family trust fund-holders in order to achieve the business plan endowment target of £50m. This audience has always been KCF's core business and where the development team focus their energies in each strategic period. KCF's development team invest time building relationships with local Professional Advisors in order to spread awareness of KCF's services in the appropriate networks.

Relationships with key statutory partners in Kent and Medway continue to bring in some new funds, the peak of this income stream was during the Covid-19 pandemic and was time limited, but this is not part of KCF's main income strategy, so its slow-down is not an area of risk. As part of the UK Community Foundations network, KCF also delivers regional portions of national programmes from time to time.

Funds can operate within the Foundation's priority areas of need, or bespoke grant making criteria can be developed for individual Funds. The Foundation's grants team has a wealth of knowledge and experience and can advise donors and grant making panels on where funding is most needed.

There are over 4,000 active voluntary organisations in Kent and Medway who could be eligible for funding through KCF, therefore as part of its grant making strategy the team continues to deliver its outreach programme to attract new local causes.

Grant applications go through a thorough due diligence and assessment process, ensuring organisations not only meet the main eligibility criteria but can demonstrate the need and demand for their services and are a going concern. Applicants are required to report back on how the money was spent and on the successes and challenges of their project once the funding has come to an end. This information takes the form of qualitative and quantitative data and is used to demonstrate impact to all KCF's stakeholders; directly through personal communications to Fund-holders and to the general public through the website, e-mailings and social media platforms. All these processes are considered by KCF to be proportional to the capacity of the organisation applying and size of the grant, and there are different application and assessment processes to suit varying organisation and grant types. KCF's grant making policy is reviewed by the trustees at least every two years.

KENT COMMUNITY FOUNDATION
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Trustees' report (continued)
For the year ended 31 March 2024

Kent Community Foundation also has a loan fund for charities and social enterprises, Kent Social Enterprise Loan Fund (KSELF), which was started in 2013 with £1m of initial funding from Kent County Council in March 2012 followed by a further two donations of £1m in 2013 and 2014 respectively. A further £500,000 was added to the fund in October 2017 from The Growth Fund. The Growth Fund, is a £50m partnership which uses a combination of grant funding, made possible thanks to National Lottery players, and loan finance from Big Society Capital and other co-investors, to address specific gaps in the social investment market. The programme is delivered by Access through a range of social investors. Funds from The National Lottery Community Fund, under the Growth Fund programme have been treated as restricted funds, in these accounts.

This loan fund is now well established and has become a valuable source of investment for local Kent based charities and social enterprises who want to grow and develop for community benefit. With the capacity to consider loans of between £10,000 and £100,000 on bespoke, flexible terms, KSELF supports all sizes of social venture. Primarily a loan fund, there is also scope for an element of grant funding as well as providing applicants with investment support and advice.

c. Fundraising Practices

Kent Community Foundation is a registered member of the Fundraising Regulator which is the independent regulator of charitable fundraising, established to strengthen the system of charity regulation and restore public trust in fundraising. The Foundation is therefore committed to following The Code of Fundraising Practice. Kent Community Foundation has a complaints procedure to deal with any issues raised by stakeholders and is pleased to report that no complaints regarding fundraising have been received during the year. The Foundation takes a responsible approach to its fundraising, ensuring its donors and potential donors are treated with respect and has a vulnerable adults policy that its trustees regularly review. The Foundation has not used any commercial fundraising partners or outsourced any of its fundraising activity and does not intend to do so in the future.

Achievements and performance

a. Key financial performance indicators

Over this year, donations of £4,823,750 were secured which included £1,469,942 donated to the endowment fund. These donations are from new and existing donors. £3,808,955 was distributed in grants.

The Foundation secured its £1m endowment match partner with the Lawson Charitable Trust. The programme is a pound for pound match to encourage long term, sustainable philanthropy through endowment, with grants made from its income to be spent specifically on projects with an environmental element. At end March £575,000 of the £1m target was banked, with the balance projected to be secured by September 2024. This programme is focused on supporting local environmental projects as part of one of the five Priority Areas in our grants strategy.

At the 31st March, 2024 the Foundation held endowment funds of £29,720,363 (2023: £26,395,455)

b. Review of activities

Grant Making

Key statistics:

- During the year the grants team processed 914 grant applications;
- 798 grants were awarded to 548 organisations and over 129 individuals and families;
- 176 groups applied for their first time
- 159 groups received their first grant from KCF, demonstrating that KCF is continuing to increase its reach.
- Applications made to KCF saw a 75% success rate, an increase of 8% on the previous year.

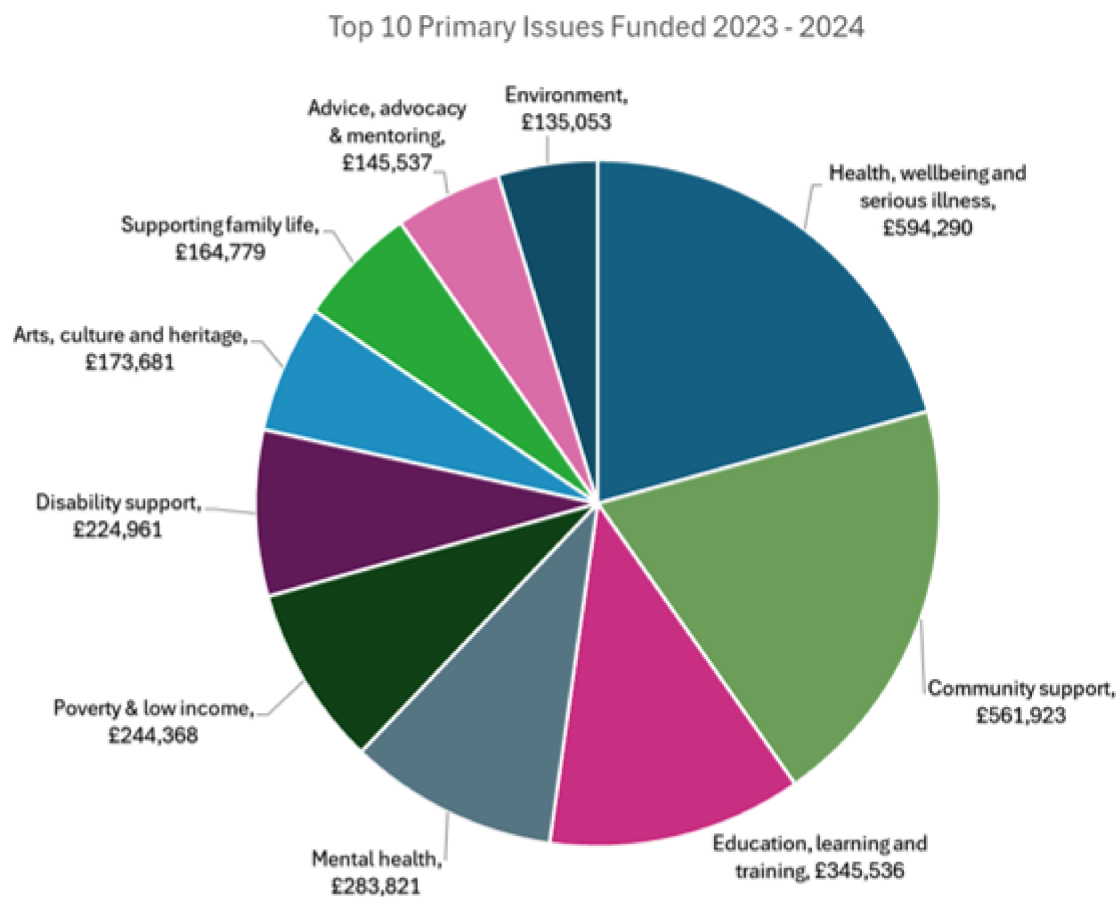
The total value of grants paid out during the year was £3,808,955 which was just shy of the £3.84m target.

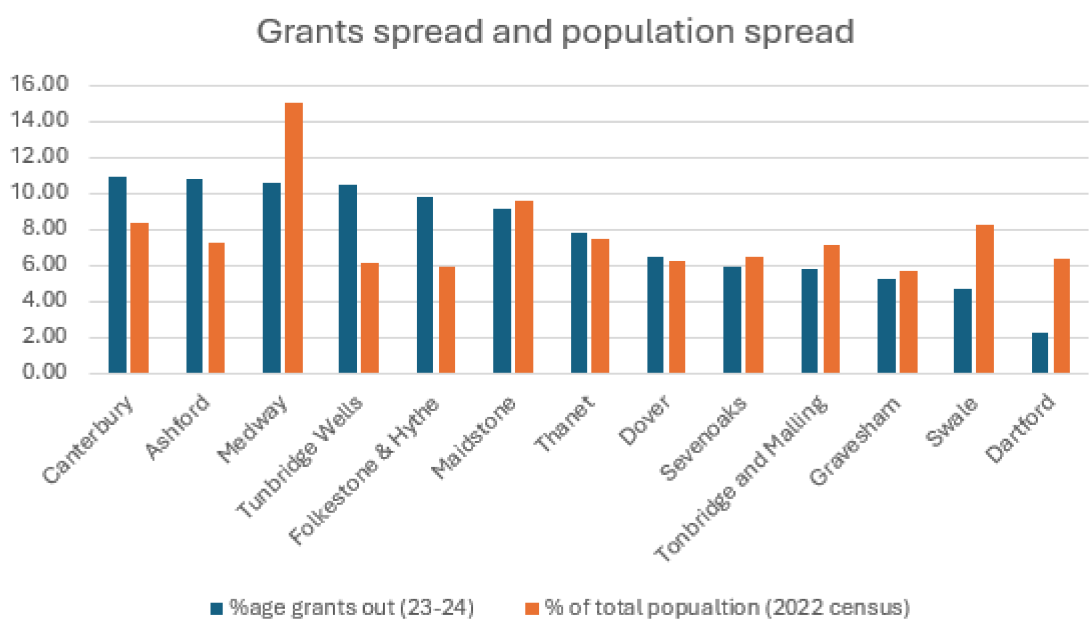
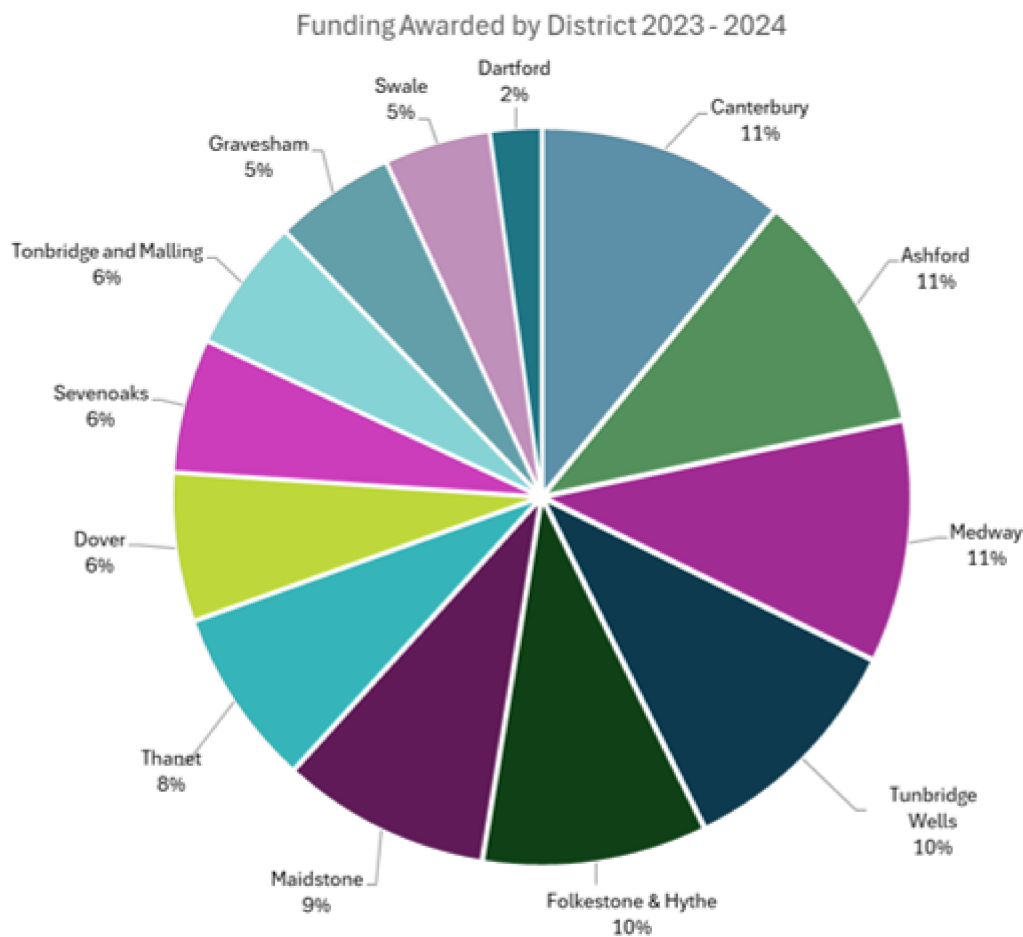
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Trustees' report (continued)
For the year ended 31 March 2024

For more information about funded projects, see KCF's website: www.kentcf.org.uk/about

The chart below shows the distribution of funding across the various local authorities in Kent and Medway:





Kent Community Foundation welcomes applications that fit with the priorities of the Foundation’s various grants and loan making Funds. To find out which Funds are open for applications, see Kent Community Foundation’s website where the latest funding rounds are advertised (www.kentcf.org.uk).

Trustees' report (continued)
For the year ended 31 March 2024

Grants Strategy

A new grants strategy was introduced in July 2021. Part of this strategy was an endeavour to make applying for grants more proportional and straightforward for applicants and new application 'routes' were introduced along with more guidance on eligibility made available on the KCF website. The new Micro Grants route was created for organisations with turnover of less than £75,000. The Annual Application route for organisations which have previously received multiple KCF grants was created to relieve the burden of submitting more than one application a year, for organisations eligible for multiple funding streams. These applications remain active for 12 months to attract as much support as possible, up to £15,000. The third route is a General Route, which covers all other grant making, usually up to £5,000 per grant. These routes all make grants within KCF's five priority areas and are the channel for the vast majority of the Foundation's grant making.

Other aspects of the strategy included using knowledge gained from KCF's Needs Analysis report to supplement the Team's anecdotal knowledge to inform and direct grant making towards areas of highest need. From this work, KCF identified five areas of greatest need and has started to monitor grant making against those areas. KCF continued to advocate for the importance of core funding for charities to ensure they not only receive support for their discrete projects, but can meet their ever growing overheads in times of increasing cost of living.

A new grant making strategy is due to be drafted and implemented in Spring 2024.

Environmental Strategy

Kent Community Foundation (KCF) recognises that the growing climate changes are a serious risk to the pursuit of our charitable aims. As one of the largest private grant-makers in Kent, KCF has an important part to play in combating these challenges. We believe that local community action can be at the heart of delivering solutions that not only minimise the impact on the environment, but also offer additional benefits that people and local communities can reap. As place-based grant-makers, Community Foundations are pioneers of the statement 'think global, act local' and in partnership with donors and the local voluntary and community sector we believe we can facilitate dynamic change in our own 'back yard'.

As well as its own environmental strategy and action plan, KCF is a signatory of the Funder Commitment on Climate Change (created and lead by the Association of Charitable Foundations, ACF) and has committed to taking action on six pillars: Educate and learn, commit resources, integrate, steward our investments for a post carbon future, decarbonise operations, report on progress.

One of KCF's staff members is an environmental champion; driving the action plan forward and actively gaining knowledge in this area. For a substantial amount of 2023-24 this person was on maternity leave, so some of the activity slowed down due to lack of human resource, however KCF still achieved the following during 2023-2024:

- Sent a KCF team member to a European Community Foundation Initiative Climate Action Conference in Berlin
- KCF featured as one of a handful of case studies by the European Community Foundations Initiative, as well as being asked to speak to other funders nationwide at the Association of Charitable Foundation's launch of their progress report on 'Funders Commitment for Climate Change'
- Funded and facilitated speaker training for a number of charitable organisations who want to share their experiences of being 'greener' in the way in which they operate and / or run successful environmental projects in local communities
- Hosted a Green Impact Forum (see below for more)
- Adapted application form data collection to encompass some environmental indicators
- Launched a £1m Endowment Match for the Environment programme, which has seen strong interest and new fundholders joining KCF, with £425k remaining at 31 March 2023 to reach the £1m target.

As one of the largest grant-makers in Kent and Medway, KCF brought together members of the voluntary sector at our first ever Green Impact Forum in March 2023. The Forum opened the floor for speeches from community groups who have taken steps towards eco sustainability, followed by discussion in the room of 90 people on the environment, what it means to local communities, what we can learn from one another and the steps we can each take next. Three key and emerging themes raised during the event were:

- We need to take accountability but should not be afraid to take imperfect action.
- Climate Anxiety and the Need for a Shift to a More Positive Mindset

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Trustees' report (continued)
For the year ended 31 March 2024

- Taking Care of Our Local Environment Brings Self-Growth and Purpose

The event highlighted success stories from groups that exemplified how a single individual can catalyse group efforts, reflecting Kent Community Foundation's belief in thinking globally, acting locally.

Equity Diversity and Inclusion (EDI)

The trustees approved the formation of an EDI sub-committee of the Board in order to keep focus and accountability in this increasingly important area. In April 2023 the Committee had its inaugural meeting.

One of the first jobs of the EDI Committee was to review the strategy so far and set new objectives. Before creating these objectives, a review of EDI data will be carried out; mapping the county's EDI landscape and KCF's grant making, to draw strategic conclusions about where action needs to be focused. Strategic focus will be on the culture of KCF, its practices and sphere of influence.

The Kent Social Enterprise Loan Fund (KSELF)

In 2023-24, seven loans (with grant elements) were agreed to a total value of £443,500. The fund released £457,000 in loans including £103,000 in grants during the year. There were 26 on-going loans at the end of the year.

Quality Accreditation

UK Community Foundations runs a network wide Quality Accreditation programme which endorses and encourages best practice by community foundation members and has been held by Kent Community Foundation since 2007. In October 2021, Kent Community Foundation passed the fifth Quality Accreditation, which involved independent assessors reviewing KCF's internal processes across a set of standards relevant to Community Foundations which include five key performance areas:

- Strategy, governance, definitions and risk
- Financial and information management
- Philanthropy services and donor management
- Grant making and community participation
- Organisational and network development.

Achieving Quality Accreditation demonstrates that the Foundation is serious about quality and accountability and secures its position as part of a high performing network across the UK. Successful accreditation awarded in 2021 will last for three years.

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Trustees' report (continued)
For the year ended 31 March 2024

c. Investment policy and performance

All investment decisions by the Foundation are considered by the Investment Committee and ratified by a quorum of trustees. The Foundation's Investment Policy is reviewed from time to time by the Board of Trustees. The Foundation aims to meet a balance between current needs and developing the endowment to meet the needs of future generations. Therefore, investment of endowed funds should achieve a balance between capital growth and income.

The Foundation seeks to produce the best financial return within an acceptable level of risk. The aim is to distribute 5% of fund value annually to cover both grant making in the community and the contribution to KCF's own costs, while maintaining the long-term value of the Foundation's endowment funds. The Foundation adopts a total return approach with the aim of optimising the return generated, regardless of whether this is obtained from dividends, interest or capital gain and the Investment Committee monitors this balance.

The Foundation regularly reviews the real value of its investment funds and may take action, including reducing the annual drawdown, if the long-term endowment of the Foundation is at risk. However, the Foundation takes a long-term view and recognises the context of its overall strategy to continually raise new funds to add to the overall endowment. In this regard, the Foundation treats its investment funds as expendable, rather than permanent, endowment.

The Investment Committee review quarterly investment reports and meet twice during each year to review performance of the investments as well as meeting face to face with the Relationship Managers from both investment houses the charity work with.

The total value of investments held by KCF at 31 March 2024 was £30,283,934 having started the year at £26,921,542. Net total return Investment performance was as follows: Sarasin Climate Active Endowment Fund +11.2%; CCLA COIF Ethical Investment Fund +13.11%; COIF Investment Fund +12.16%.

KENT COMMUNITY FOUNDATION
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Trustees' report (continued)
For the year ended 31 March 2024

Financial review

a. Going concern

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

b. Reserves policy

The aim of Kent Community Foundation is to benefit the local communities of Kent and Medway. An important way it does this is by encouraging individuals, businesses and funders to establish donor advised funds. Generally, these funds are restricted for specific community grant making with a portion given over as a contribution towards the core running costs of the Foundation itself. This gives Kent Community Foundation a level of security in terms of regular income, but there are still some uncertainties as flow through funds and the value of endowed funds fluctuate from year to year.

Kent Community Foundation's income tends to arise from a modest number of significant donations, rather than a large number of smaller donations. Given the amounts involved and the long-term nature of these funds, the trustees are mindful of the need to give stakeholders, particularly existing and potential donors, confidence that the charity has sufficient reserves to carry on its activities in the face of a shortfall of income or fluctuations in investment performance.

The trustees have considered the above and have agreed that the charity will retain a minimum of six months' anticipated running costs as reserves. In addition, where possible, the trustees plan to hold a margin above this level of reserves to ensure KCF is in a position to respond quickly to, and invest in, new opportunities as and when they arise.

During the 2021-22 financial year, the trustees decided to designate £150,000 of free reserves to set aside funding for significant IT upgrades which included the replacement of the Salesforce database and a full review of finance systems. The objective is that these improvements will increase the efficiency of the Foundation without needing to increase staff costs and create a better user experience for all stakeholders and staff; improving productivity, long term cost savings and an increase in voluntary income. At the end of the year £6,394 was left in this designated fund, with Salesforce project complete and the finance systems ready to deploy for the 2024-25 financial year.

In July 2023 the Board decided to invest in a new staff position of Senior Philanthropy Adviser. The objective of this role was to focus on generating awareness of KCF's philanthropic services among Professional Advisers as a key strategic development focus. £100,000 was designated from reserves to cover the salary of this position for the first two years, after which the role will be self-sustaining.

Taking this into account, the level of free reserves at 31st March 2024 was £445,720 which was the equivalent of 6.5 months operating costs. The trustees considered this level of reserve and agreed it was appropriate given the above policy.

c. Principal funding

The principal sources of funding are individuals, companies, charitable trusts and other organisations with an interest in the communities of Kent and Medway. Significant donations were received during the period from a number of charitable trusts, individuals, statutory bodies and corporations including: The Sir Charles Jessel Charitable Trust (£1.06m), Kent County Council (£500k), The Lawson Charitable Trust (£350k), John Swire Charitable Trust (£200k); and other significant trust donations from The Brook Trust and the Frank Brake Charitable Trust.

Trustees' report (continued)
For the year ended 31 March 2024

d. Material investments policy

The Foundation's assets can be invested widely and diversified by asset class. Asset classes can include cash, bonds, UK and overseas equities, property, hedge funds, structured products, private equity, commodities and any other asset class deemed suitable for the Foundation.

The Foundation's Trustees agree a suitable investment strategy which the appointed Investment Managers are required to follow, and this is monitored by the Investment Committee.

The Foundation's Investment Managers concentrate on what they regard as good quality securities that can be invested in for the medium to long term. In order to pass their quality threshold they take into account a number of factors and risks which may include environmental factors. They also meet, where possible, with the management of the companies they invest in, engage with them and vote on issues that they regard as material.

Responsible Investment Criteria

KCF recognises its own role in contributing to positive environmental and social change in the community. It therefore follows that investing in companies that are responsible, as well as stable and profitable, is important to KCF's values and reputation, and can play an important part in meeting KCF's financial objectives. KCF requires investment managers who work on its behalf to apply measures to analyse key risks and engage with, and if necessary disinvest from, investee companies which exceed tolerable risk levels.

General Exclusions

KCF will actively avoid or minimise its exposure to areas considered by the trustees to be in conflict with KCF's objectives and values, specifically:

- Armaments: will not invest in companies involved in producing or providing core systems of controversial weapons (eg anti-personnel mines, cluster weapons, nuclear, chemical or biological weapon systems); will not invest in companies deriving more than 10% of revenues from military armaments
- Adult Entertainment: will not invest in companies deriving more than 10% of revenues from production of adult entertainment
- Alcoholic beverages: will not invest in companies deriving more than 10% of revenues from manufacturing alcoholic beverages
- Tobacco: will not invest in companies involved in the production of tobacco products
- Gambling: will not invest in companies deriving more than 10% of revenues from owning or operating gambling establishments or online gambling enterprises
- Predatory lending: will not invest in companies engaged in predatory lending

Environmental factors

KCF supports and wishes to contribute to the Paris Climate Agreement and the objective of net zero carbon. KCF wishes to align its investments with its environmental policy objectives, specifically:

- Net Zero Carbon: KCF will expect its Investment Managers to have policies and strategies in place to achieve net zero carbon across their asset holdings by 2050, and in particular to engage with companies to encourage positive policies in this respect and if necessary to disinvest where progress is unsatisfactory.
- Negative environmental impact: KCF wishes to avoid or limit investment exposure to companies whose processes or products involve high risk emissions or releases to land, water or air. KCF will work with Investment Managers who are applying appropriate monitoring and screening in this respect, and will expect IMs to engage with companies involved in high-risk activity and to disinvest if environmental behaviours are not improved

Social and governance

KCF recognises the importance of good corporate governance and social responsibility and seeks to invest in companies which demonstrate these values, specifically:

- KCF will expect its IMs to employ systems to assess the social and governance risks at play in investee companies (e.g. Sustainalytics) and to use these tools to avoid highest risk companies, and to identify companies with which to engage to promote improved corporate behaviours
- KCF wishes to avoid investment in companies which pose a high risk in terms of poor employment

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2024

- practices or failing to uphold standards of human rights among employees and other stakeholders both within its own operations and its supply chain
- KCF wishes to avoid investment in companies which pose high risks in terms of corporate governance, regulatory or legal shortcomings, or questionable business ethics such as corruption, anti-competitive, mis-selling etc.

The Foundation regularly reviews all ethical restrictions as part of its investment policy and ensures investments do not conflict with the Foundation's charitable purposes. The trustees take a measured and objective approach to this process with advice from their investment managers and are maintaining transparent communication with donors and stakeholders about decisions made.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed on 20 October 2000. The Company is a registered Charity (number 1084361), registered on 5 January 2001. Operations commenced during April 2001.

b. Method of appointment or election of Trustees

Trustees are appointed by the Board of Trustees in their capacities as members. Following an equity, diversity and inclusion audit, the trustees decided to engage a process of open recruitment to appoint three trustees in 2021 to encourage more diversity, and this process was repeated in April 2023, resulting in three new appointments to the Board in July 2023; Gearoid Maguire, Trevor Minter and Cheryl Chan. During the year the Board said a heartfelt thank you and goodbye to Sarah Hohler who had served as a trustee for 10 years.

Trustees retain the ability to recommend individuals of interest to the Board, but now primarily operate with an open recruitment policy following regular skills analysis' of the board.

c. Policies adopted for the induction and training of Trustees

New trustees undergo an initial induction to brief on the role of a trustee, Kent Community Foundation's charitable purpose, strategy and priorities, finances, staffing and operations and any current issues. Thereafter, there is an annual trustee away day and other training is arranged as appropriate.

d. Pay policy for senior staff

A committee of trustees has been set up which considers and assesses pay levels for all staff taking into account market conditions as well as individual roles and responsibilities. All decisions of the Staffing and Remuneration Committee are ratified by the Board of Trustees.

The trustees consider the Board of Trustees, the Chief Executive and the Director of Grants and Impact as the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give their time freely and no trustee remuneration was paid in the year. Details of the trustee expenses and related party transactions are disclosed in note 8 of the accounts.

The pay of the Chief Executive and other senior management is reviewed annually by the Staffing and Remuneration Committee to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

e. Organisational structure and decision making

The Board of Trustees governs the Charity. The Chief Executive, supported by a team of (on average during the year) 16 paid staff, conducts the day-to-day business of the Charity, reporting to the board.

As of March 2024 the board consisted of 12 trustees and directors including the Chair and Vice Chair.

KENT COMMUNITY FOUNDATION
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Trustees' report (continued)
For the year ended 31 March 2024

The Board of Trustees delegate responsibility to sub-committees in some areas such as:

- Finance and Audit
- Investments
- Staffing and Remuneration
- Grants
- Technology
- Environment
- Equity Diversity and Inclusion Committee

All sub-committees have trustee membership and terms of reference which are regularly reviewed. Some committees have trusted advisers who specialise in certain areas to add to the trustees' skills and experience. All decisions are reported back to the board at its quarterly meetings through the sharing of minutes.

f. Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Significant risks identified by the trustees are as follows:

- Insufficient unrestricted funds/reserves to cover operations, mitigated by prudent management of reserves which do not fall below 6 months' running costs in accordance with the Charity's reserves policy and careful monitoring of financial position on a regular basis by trustees.
- Challenges recruiting new donors/Fund-holders affecting fund development especially endowment growth, mitigated by priority focus on fund development activities by staff and trustees.
- Reputational risk if the Foundation fails to meet expectations of funders, donors, grantees and other stakeholders, mitigated by proactive client care strategies and high level of engagement.
- Key person risk, mitigated by continuing development of structure/operations and capacity of the Foundation to avoid over reliance on one or two key individuals.
- Loss in value of endowments, mitigated by close supervision and scrutiny of external Investment Fund Managers by trustee Investment Committee.
- Loss of funds due to fraud (including improper use or misdirection of grant making funds) mitigated by a robust financial procedures policy, anti-bribery policy and grant making policy reviewed and ratified regularly by the Board of Trustees.
- Risk to data security (including personal data), by cyber-attack or accidental data leak. This is mitigated by our IT provider maintaining up to date security software, and data protection procedures implemented from KCF's data protection policy, recently reviewed by the board, to ensure compliance with GDPR. Cyber Essentials accreditation being applied for in 2022 to increase security.
- Failure to comply with Charity and Company law or regulatory requirements of Charity Commission and Companies House, mitigated by regular compliance activities scheduled and monitored by Company Secretary. Support is provided by auditors regarding reporting requirements. Regular board agenda items in place to adhere to trustees responsibilities.
- Loss of key personnel such as senior management staff, due to resignation, termination of employment, sickness or long term absence. This area of risk has been recently assessed and new mitigation strategies are being put in place to ensure that loss of a significant person has minimal impact on the delivery of the Foundations charitable purposes, financial wellbeing and the well being of the staff team.

In all these areas the board is satisfied it has identified appropriate mitigating actions and is regularly reviewing its risk register at quarterly meetings of the board.

Future developments and Business Plan Objectives for 2024/25

Objectives agreed for 2024/25 Financial Year:

- Secure minimum donations of - £2.85m – March 2025
- Distribute grants of £3.96m – March 2025
- Establish a timeline for the creation of the next business plan cycle– Jan 2025

KENT COMMUNITY FOUNDATION

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Trustees' report (continued)

For the year ended 31 March 2024

- Fully embed the new database and finance system – Dec 2024
- Implement new grant making strategy – Dec 2024
- Finalise and imbed EDI strategy across the organisation – Feb 2025
- Secure core funding over five years – Dec 2024
- Maintain minimum 6 months reserves policy – March 2025
- Complete brand refresh in line with the new business plan objectives – March 2025

The trustees agreed to invest in a review of KCF's current operating practices in order to ensure our processes and IT infrastructure are fit for purpose and future proofed for at least the next 10 years of growth and designated £150k in 2021/22 to fund the recommended improvements. The project to build and implement a new Salesforce CRM and Grant-Making system is now complete and a new Xero-based finance system implemented within budget. We are now in a transition phase and the team will now be reviewing processes to increase efficiency and improve data management, analysis, and forecasting.

The Board also invested in a new Senior Philanthropy Adviser role in December 2023 to strengthen the development team and ensure a healthy pipeline of referrals continue to be generated and converted to financial supporters.

2024/25 is a transition year for the Foundation team with a new database and finance system to embed, a new grants strategy to implement and an exciting new three-year business plan to create.

Disclosure of information to auditor

Each of the persons who are trustees (who are also directors of the charity for the purposes of the Companies Act) at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

Robert Sackville-West DL

(Chair of Trustees)

Date: 26 July 2024

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Statement of trustees' responsibilities

For the year ended 31 March 2024

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 (FRS 102);
- make judgments 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 business.

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.

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

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2024

	Note	Endowment funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income and endowments from:						
Donations and legacies:	3					
Donations and grants		1,469,942	3,340,894	12,914	4,823,750	4,266,454
Operational contribution (internal cross-charging)		-	-	719,134	719,134	761,561
Fees from external funds		-	-	13,962	13,962	11,422
Investments	4	-	1,188,648	110,358	1,299,006	1,049,791
Total income and endowments		1,469,942	4,529,542	856,368	6,855,852	6,089,228
Expenditure on:						
Raising funds	5	-	-	121,685	121,685	143,206
Charitable activities	7	24,503	4,515,579	843,017	5,383,099	6,082,285
Total expenditure		24,503	4,515,579	964,702	5,504,784	6,225,491
Net income/(expenditure) before net gains/(losses) on investments		1,445,439	13,963	(108,334)	1,351,068	(136,263)
Net gains/(losses) on investments		2,121,924	-	-	2,121,924	(1,600,632)
Net income/(expenditure)		3,567,363	13,963	(108,334)	3,472,992	(1,736,895)
Transfers between funds	16	(242,455)	242,455	-	-	-
Net movement in funds		3,324,908	256,418	(108,334)	3,472,992	(1,736,895)
Reconciliation of funds:						
Total funds brought forward		26,395,455	4,396,683	645,560	31,437,698	33,174,593
Net movement in funds		3,324,908	256,418	(108,334)	3,472,992	(1,736,895)
Total funds carried forward		29,720,363	4,653,101	537,226	34,910,690	31,437,698

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 24 to 44 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)
Registered number: 04088589

Balance sheet
As at 31 March 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	-	-
Investments	12	30,283,934	26,921,542
		30,283,934	26,921,542
Current assets			
Debtors due after more than 1 year	13	473,753	413,324
Debtors due within 1 year	13	242,183	272,913
Investments	14	95,198	588,225
Cash at bank and in hand		4,571,193	4,013,706
		5,382,327	5,288,168
Creditors: amounts falling due within one year	15	(755,571)	(772,012)
Net current assets		4,626,756	4,516,156
Total assets less current liabilities		34,910,690	31,437,698
Total net assets		34,910,690	31,437,698
Charity funds			
Endowment funds	16	29,720,363	26,395,455
Restricted funds	16	4,653,101	4,396,683
Unrestricted funds	16	537,226	645,560
Total funds		34,910,690	31,437,698

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:

Robert Sackville West DL
(Trustee)
Date: 26 July 2024

The notes on pages 24 to 44 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	19	461,468	(860,114)
Cash flows from investing activities			
Dividends, interests and rents from investments		1,299,006	1,049,791
Proceeds from sale of investments		313,183	9,855,598
Purchase of investments		(1,516,170)	(10,565,420)
Net cash provided by investing activities		96,019	339,969
Cash flows from financing activities			
Cash flows from financing activities		-	-
Net cash provided by financing activities		-	-
Change in cash and cash equivalents in the year		557,487	(520,145)
Cash and cash equivalents at the beginning of the year		4,013,706	4,533,851
Cash and cash equivalents at the end of the year	20	4,571,193	4,013,706

The notes on pages 24 to 44 form part of these financial statements

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

1. General information

Kent Community Foundation is a charitable company, limited by guarantee, domiciled in England and Wales, registration number 04088589. The registered office is Evegate Park Barn, Evegate, Smeeth, Ashford, Kent, TN25 6SX.

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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Kent 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 charity's functional and presentational currency is in Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

2.3 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements
For the year ended 31 March 2024

2. Accounting policies (continued)

2.4 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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Endowment funds represent those assets held in the long term by the charity, principally investments. In accordance with the trust deed and donors' wishes the capital is expendable, that is the capital can be converted into income at the discretion of the trustees in the furtherance of the charitable objectives. Income arising on endowment fund can be used in accordance with the objectives of the charity and included in restricted income. Any capital gains and losses arising and the investment management charges and legal advice relating to the fund are charged against the fund.

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

2.5 Income

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

For donations received subject to match funding arrangements the additional funding received is recognised at the time of the initial donation, unless any conditions are attached.

Donations other than in the form of cash are recorded at fair value as at the date of the donation.

Notes to the financial statements
For the year ended 31 March 2024

2. Accounting policies (continued)

2.6 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Head office. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to governance of the company apportioned to charitable activities.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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 charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.7 Tangible fixed assets and depreciation

All assets over £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	33.3% straight line
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Notes to the financial statements
For the year ended 31 March 2024

2. Accounting policies (continued)

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.

Current asset investments include cash or other short-term liquid investments with a short maturity of more than three months but less than one year, held for investment purposes.

2.9 Operating leases

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

2.10 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.

2.11 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.

2.12 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 within interest payable and similar charges.

Notes to the financial statements
For the year ended 31 March 2024

2. Accounting policies (continued)

2.13 Financial instruments

The charity enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

2.15 Value Added Tax

Value Added Tax (VAT) is not recoverable by Kent Community Foundation, and as such is included in the relevant costs in the statement of financial activities.

Notes to the financial statements
For the year ended 31 March 2024

2. Accounting policies (continued)

2.16 Social investments

The objective of the Kent Social Enterprise Loan Fund is to support existing and emerging enterprises through the making of grants and concessionary loans. These loans are made or received by the charity to further its purposes and any interest charged is below prevailing market rates.

Kent Community Foundation has opted to initially recognise and measure the loans at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. Fees and interest are deemed to be restricted income, to be utilised in the making of future loans in accordance with the fund objectives.

If Kent Community Fund consider that there is an objective evidence of impairment, for example a default on repayments due or evidence of significant financial difficulty in the entity in which the investment has been made, then an immediate impairment loss is recognised in the statement of financial activities as a cost within expenditure on charitable activities. The impairment is measured on the same basis as other investments or financial assets.

Amounts due for repayment after more than 12 months from the balance sheet date are shown as long-term debtors within current assets.

2.17 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The material judgements, estimates or assumptions that have had significant impact on amounts recognised in the financial statements are:

Investment valuations

Investment valuations are obtained by trustees from the investment managers, who utilise the closing quoted market price information available at the balance sheet date.

Impairment of social investment debtors

The charity makes an estimate of the recoverable value of social investment debtors. When assessing the impairment of the social investment debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 13 for the net carrying amount of social investment debtors.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

3. Income from donations and legacies

	Endowment funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Donations					
Donations and grants	1,469,942	3,340,894	12,914	4,823,750	4,266,454
Operational contribution (internal cross-charging)	-	-	719,134	719,134	761,561
Fees from external funds	-	-	13,962	13,962	11,422
	<u>1,469,942</u>	<u>3,340,894</u>	<u>746,010</u>	<u>5,556,846</u>	<u>5,039,437</u>
<i>Total 2023</i>	<u><i>1,084,269</i></u>	<u><i>3,098,694</i></u>	<u><i>856,474</i></u>	<u><i>5,039,437</i></u>	

From time to time, Kent Community Foundation receives substantial one-off donations to set up donor advised funds. This can mean that income from donations and grants is subject to fluctuations from year to year.

4. Investment income

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Investment income	1,175,123	110,358	1,285,481	1,044,099
KSELF Income	13,525	-	13,525	5,692
	<u>1,188,648</u>	<u>110,358</u>	<u>1,299,006</u>	<u>1,049,791</u>
<i>Total 2023</i>	<u><i>1,012,592</i></u>	<u><i>37,199</i></u>	<u><i>1,049,791</i></u>	

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Other staff costs	40	40	51
Rent & rates	6,747	6,747	8,306
Marketing & advertising	3,749	3,749	6,282
Sundries	952	952	1,180
Office costs	2,281	2,281	4,057
IT support	2,939	2,939	5,062
Insurance	241	241	294
Bank charges	116	116	156
Subscriptions	3,022	3,022	3,891
Book keeping	3,783	3,783	4,645
Legal & professional	26	26	5,151
Travel	661	661	1,289
Wages and salaries	81,987	81,987	87,590
Employer's NI	8,323	8,323	8,688
Pensions	6,220	6,220	5,916
Staff Training	598	598	648
	121,685	121,685	143,206
<i>Total 2023</i>	143,206	143,206	

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

6. Analysis of grants

	Grants to Institutions 2024 £	Grants to Individuals 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Community First Grant-making	324,424	-	324,424	344,432
Grants	3,412,007	72,524	3,484,531	4,268,883
	<u>3,736,431</u>	<u>72,524</u>	<u>3,808,955</u>	<u>4,613,315</u>
<i>Total 2023</i>	<u><u>4,522,126</u></u>	<u><u>91,189</u></u>	<u><u>4,613,315</u></u>	

From time to time, Kent Community Foundation makes large one-off donations from donor-advised funds which can mean Grants payable is subject to significant fluctuation from year to year.

A list of the recipients of significant grants made to institutions is available on request from the charity's registered office and is available on the charity's website: www.kentcf.org.uk

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

7. Costs of charitable activities

	Endowment funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Grants payable (See note 6)	-	3,808,955	-	3,808,955	4,613,315
Operational contribution	24,503	611,542	-	636,045	680,666
KSELF operational contribution	-	95,082	-	95,082	93,217
Operational staff costs and pensions - grants team	-	-	341,110	341,110	317,146
Other staff costs	-	-	226	226	205
Rent & Rates	-	-	38,231	38,231	33,225
Marketing & advertising	-	-	21,246	21,246	25,127
Sundries	-	-	5,393	5,393	4,720
Office costs	-	-	12,924	12,924	16,228
IT support	-	-	16,652	16,652	20,249
Insurance	-	-	1,366	1,366	1,178
Bank charges	-	-	655	655	625
Subscriptions	-	-	17,124	17,124	15,565
Book keeping	-	-	21,436	21,436	18,579
Travel	-	-	3,747	3,747	5,156
Events	-	-	12,706	12,706	20,539
Legal & professional	-	-	146	146	20,340
Salaries and pensions	-	-	188,947	188,947	170,640
Staff training	-	-	3,388	3,388	2,591
Designated IT strategy costs	-	-	131,432	131,432	12,174
Audit fees	-	-	11,400	11,400	10,800
Designated senior philanthropy adviser costs	-	-	14,888	14,888	-
	<u>24,503</u>	<u>4,515,579</u>	<u>843,017</u>	<u>5,383,099</u>	<u>6,082,285</u>
<i>Total 2023</i>	<u>27,276</u>	<u>5,359,922</u>	<u>695,087</u>	<u>6,082,285</u>	

8. Auditors' remuneration

	2024 £	2023 £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	<u>11,400</u>	<u>10,800</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

9. Staff costs

	2024 £	<i>2023</i> £
Wages and salaries	541,733	<i>500,278</i>
Social security costs	51,117	<i>46,954</i>
Pension costs	48,625	<i>42,748</i>
	641,475	<i>589,980</i>

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

	2024 No.	<i>2023</i> No.
Employees	16	<i>16</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	<i>2023</i> No.
In the band £80,001 - £90,000	1	<i>1</i>

The total salaries received by key management personnel was £188,426 (2023: £135,082). Employer pension contributions were a total of £17,106 (2023: £11,857) and employer national insurance contributions were a total of £22,237 (2023: £16,976).

10. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no trustee expenses have been incurred (2023 - £NIL).

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

11. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2023	11,363
At 31 March 2024	<u>11,363</u>
Depreciation	
At 1 April 2023	11,363
At 31 March 2024	<u>11,363</u>
Net book value	
At 31 March 2024	<u><u>-</u></u>
<i>At 31 March 2023</i>	<u><u>-</u></u>

12. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2023	26,921,542
Additions	1,516,170
Disposals	(313,183)
Revaluations	2,159,405
At 31 March 2024	<u>30,283,934</u>
Net book value	
At 31 March 2024	30,283,934
<i>At 31 March 2023</i>	<u><u>26,921,542</u></u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

12. Fixed asset investments (continued)

The total increase of revaluations of £2,159,405 disclosed above includes £2,121,924 attributable to the charity and £37,481 attributable to client money held.

Investments at market value comprise of listed investments at £30,283,934 (2023: £26,921,542).

The market continues to demonstrate volatility post the year end.

13. Debtors

	2024 £	2023 £
Due after more than one year		
Loans	473,753	413,324
	473,753	413,324
Due within one year		
Loans	240,108	270,713
Other debtors	2,075	2,200
	715,936	686,237

Loans consist of loans to borrowers issued through the Kent Social Enterprise Loan Fund.

14. Current asset investments

	2024 £	2023 £
Unlisted investments	95,198	588,225

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

15. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Trade creditors	11,136	18,979
Other taxation and social security	14,511	13,693
Client money held	658,764	664,309
Other creditors	61,660	60,531
Accruals and deferred income	9,500	14,500
	755,571	772,012

The Kent Community Foundation holds funds of £658,764 (2023: £664,309) in respect of the Spires Academy.

Deferred income at the end of the year ended 31 March 2023 constituted a Kent Social Enterprise Loan repayment received in the year ended 31 March 2024.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Unrestricted funds						
Designated funds						
IT Strategy	137,826	-	(131,432)	-	-	6,394
Senior Philanthropy Adviser	-	-	(14,888)	100,000	-	85,112
	<u>137,826</u>	<u>-</u>	<u>(146,320)</u>	<u>100,000</u>	<u>-</u>	<u>91,506</u>
General funds						
General Funds	507,734	856,368	(818,382)	(100,000)	-	445,720
Total Unrestricted funds	<u>645,560</u>	<u>856,368</u>	<u>(964,702)</u>	<u>-</u>	<u>-</u>	<u>537,226</u>
Endowment funds						
Grassroots Funds Endowment Funds	5,129,762	125,000	(8,878)	-	376,570	5,622,454
Other Endowment Funds	13,048,952	1,344,942	(15,625)	(148,135)	985,019	15,215,153
Community First Endowment Funds for Kent	8,216,741	-	-	(94,320)	760,335	8,882,756
	<u>26,395,455</u>	<u>1,469,942</u>	<u>(24,503)</u>	<u>(242,455)</u>	<u>2,121,924</u>	<u>29,720,363</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

16. Statement of funds (continued)

**Restricted
funds**

Donor Advised Funds - Individuals and Trusts	1,308,237	2,998,162	(2,008,741)	42,102	-	2,339,760
Donor Advised Funds - Corporate	753,746	721,863	(1,064,436)	10,547	-	421,720
Miscellaneous Funds	725,977	743,892	(1,233,028)	189,806	-	426,647
Kent Social Enterprise Loan Fund	941,408	23,834	(186,374)	-	-	778,868
Big Lottery Fund	667,315	41,791	(23,000)	-	-	686,106
	<u>4,396,683</u>	<u>4,529,542</u>	<u>(4,515,579)</u>	<u>242,455</u>	<u>-</u>	<u>4,653,101</u>
Total of funds	<u><u>31,437,698</u></u>	<u><u>6,855,852</u></u>	<u><u>(5,504,784)</u></u>	<u><u>-</u></u>	<u><u>2,121,924</u></u>	<u><u>34,910,690</u></u>

In 2023 the trustees agreed to ring fence £150k from free reserves in order to carry out a full review of KCF's IT infrastructure which will include the replacement of the current database which is coming to the end of its serviceable life. This review is almost complete as at 31 March 2024.

The trustees agreed to ring fence £100k from free reserves in order to fund a Senior Philanthropy Advisor position.

Endowment funds relate to amounts received from philanthropists who want to provide a lasting legacy for their local community. The income received on endowment funds is treated as restricted income, to be expended in accordance with the criteria of each fund as agreed by the donors.

In addition the charity receives donations from donors which are treated as restricted funds to be expended in accordance with the wishes of the donor concerned. Details of the grant-making criteria for funds available for application from the community are publicised on the Kent Community Foundation website. Timing differences between receiving restricted donations and making grants can result in variances in net incoming resources from year to year.

The object of KSELF and the Big Lottery Fund is to support existing and emerging social enterprises with grants and loans.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2023 £</i>
Unrestricted funds						
Designated funds						
IT Strategy	150,000	-	(12,174)	-	-	137,826
General funds						
General Funds - all funds	440,180	893,673	(826,119)	-	-	507,734
Total Unrestricted funds	590,180	893,673	(838,293)	-	-	645,560
Endowment funds						
Grassroots Funds Endowment Funds	5,571,967	-	(9,776)	-	(432,429)	5,129,762
Other Endowment Funds	12,901,165	1,076,250	(17,500)	(174,144)	(736,819)	13,048,952
Community First Endowment Funds for Kent	8,813,132	8,019	-	(173,026)	(431,384)	8,216,741
	27,286,264	1,084,269	(27,276)	(347,170)	(1,600,632)	26,395,455
Restricted funds						
Donor Advised Funds - Individuals and Trusts	1,552,144	2,116,873	(2,476,189)	115,409	-	1,308,237
Donor Advised Funds - Corporate	902,403	1,203,648	(1,362,872)	10,567	-	753,746
Miscellaneous Funds	1,080,637	741,643	(1,317,497)	221,194	-	725,977

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

16. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2023 £</i>
Kent Social Enterprise Loan Fund	1,063,151	11,621	(133,364)	-	-	941,408
Big Lottery Fund	699,814	37,501	(70,000)	-	-	667,315
	<u>5,298,149</u>	<u>4,111,286</u>	<u>(5,359,922)</u>	<u>347,170</u>	<u>-</u>	<u>4,396,683</u>
Total of funds	<u>33,174,593</u>	<u>6,089,228</u>	<u>(6,225,491)</u>	<u>-</u>	<u>(1,600,632)</u>	<u>31,437,698</u>

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2024 £
Designated funds	137,826	-	(146,320)	100,000	-	91,506
General funds	507,734	856,368	(818,382)	(100,000)	-	445,720
Endowment funds	26,395,455	1,469,942	(24,503)	(242,455)	2,121,924	29,720,363
Restricted funds	4,396,683	4,529,542	(4,515,579)	242,455	-	4,653,101
	<u>31,437,698</u>	<u>6,855,852</u>	<u>(5,504,784)</u>	<u>-</u>	<u>2,121,924</u>	<u>34,910,690</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

17. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2023</i>
	£	£	£	£	£	£
Designated funds	150,000	-	(12,174)	-	-	137,826
General funds	440,180	893,673	(826,119)	-	-	507,734
Endowment funds	27,286,264	1,084,269	(27,276)	(347,170)	(1,600,632)	26,395,455
Restricted funds	5,298,149	4,111,286	(5,359,922)	347,170	-	4,396,683
	<u>33,174,593</u>	<u>6,089,228</u>	<u>(6,225,491)</u>	<u>-</u>	<u>(1,600,632)</u>	<u>31,437,698</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Endowment funds 2024 £	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Fixed asset investments	29,720,363	563,571	-	30,283,934
Debtors due after more than one year	-	473,753	-	473,753
Current assets	-	4,274,541	634,033	4,908,574
Creditors due within one year	-	(658,764)	(96,807)	(755,571)
Total	<u>29,720,363</u>	<u>4,653,101</u>	<u>537,226</u>	<u>34,910,690</u>

Analysis of net assets between funds - prior period

	<i>Endowment funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Unrestricted funds 2023 £</i>	<i>Total funds 2023 £</i>
Fixed asset investments	26,395,455	526,087	-	26,921,542
Debtors due after more than one year	-	413,324	-	413,324
Current assets	-	4,121,581	753,263	4,874,844
Creditors due within one year	-	(664,309)	(107,703)	(772,012)
Total	<u>26,395,455</u>	<u>4,396,683</u>	<u>645,560</u>	<u>31,437,698</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

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

	2024 £	2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	3,472,992	(1,736,895)
Adjustments for:		
(Gains)/losses on investments	(1,666,378)	2,093,987
Dividends, interests and rents from investments	(1,299,006)	(1,049,791)
(Increase)/decrease in debtors	(29,699)	(150,717)
Decrease in creditors	(16,441)	(16,698)
Net cash provided by/(used in) operating activities	461,468	(860,114)

20. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	4,571,193	4,013,706
Total cash and cash equivalents	4,571,193	4,013,706

21. Analysis of changes in net debt

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	4,013,706	557,487	4,571,193
Liquid investments	588,225	(493,027)	95,198
	4,601,931	64,460	4,666,391

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2024

22. Operating lease commitments

At 31 March 2024 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	45,963	45,773
Later than 1 year and not later than 5 years	49,441	94,692
	95,404	140,465

23. Related party transactions

During the year the Kent Community Foundation supported a number of other charities and social enterprises which have one or more trustees in common with the Foundation. All such donations, grants or loans have been made in accordance with the same eligibility criteria as all other similar applications for support received.

Conversely, from time to time, Kent Community Foundation receives donations from charities which have one or more trustees who are also trustees of the Foundation or who are related to a trustee of the Foundation.

During the year the trustees donated £100,000, plus gift aid totalling £12,500 (2023: £31,250) to the charity.

See note 10 of the financial statements for details of the key management personnel remuneration.

24. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the trustees.

Accounts

Registered number: 04088589
Charity number: 1084361

Kent Community Foundation
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2023

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

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KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Reference and administrative details of the charitable company, its Trustees and advisers For the year ended 31 March 2023

Trustees

Robert Sackville West, DL (Chair)
Sarah Hohler
Hugo Fenwick
Melissa Murdoch, DL
Emilia Falcetti Boscawen
Gail Hall
Russell Race JP, DL
Munyaradzi Badze
Samantha Cooper-Gray
Kruti Shrotri

Company registered number

04088589

Charity registered number

1084361

Registered office

Evegate Park Barn
Evegate
Smeeth
Ashford
Kent
TN25 6SX

Company secretary

Sarah Osborne

Chief executive

Josephine McCartney

Independent auditor

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Reference and administrative details of the charitable company, its Trustees and advisers (continued)
For the year ended 31 March 2023

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Metro Bank
One Southampton Row
London
WC1B 5HA

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Patron

The Lady Colgrain, Lord-Lieutenant of Kent

Vice Presidents

Lady Nelson
Simon MacLachlan
Rt Rev Dr Jonathan Gibbs Bishop of Rochester (appointed 24th September 2022)

Investment Managers

Sarasin & Partners LLP
100 St. Paul's Churchyard
London
EC4M 8BU

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

Website

www.kentcf.org.uk

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Trustees' report

For the year ended 31 March 2023

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Kent Community Foundation (the company) for the year ended 31 March 2023. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2019).

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

Objectives and Activities

a. Policies and objectives

The Foundation's objectives are the promotion of any charitable purpose for the benefit of the community in the County of Kent and Medway and in particular the advancement of education, the protection of good health, both mental and physical, and the relief of poverty and sickness. The Foundation's objectives also include other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the trustees, beneficial to the community including those in the area of benefit.

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Kent Community Foundation is stated in its 'Objectives and Activities' and the trustees ensure that this purpose is carried out for the public benefit by working to the Mission Statement.

Kent Community Foundation (KCF) meets its charitable objectives by encouraging and facilitating financial and other support to a wide range of charitable causes, with a particular focus on assisting and enabling local community action in Kent and Medway. This means that the majority of the Foundation's grants are made to local community organisations in Kent and Medway, often reliant on volunteers. The trustees have identified priority areas of need to inform local community grant making:

- **Children Young People and Families:** Enabling young people and families to overcome disadvantage and achieve their potential
- **Vulnerable Adults:** Promoting the safety, wellbeing and independence of vulnerable adults.
- **The Elderly and Isolated:** Addressing the challenges faced by elderly adults; most importantly, social isolation. Enabling the elderly to stay well, healthy and independent.
- **Employability, Skills and Enterprise:** Raising the aspirations and increasing the skills and opportunities of people who are far from the labour market due to a range of circumstances that can present barriers to employment and training.
- **Environment:** To facilitate dynamic change by supporting projects which enrich nature, connect people with green spaces and enable more sustainable and healthier ways of living in Kent and Medway.

April 2022 marked the beginning of a new three-year business plan. The last three-year business plan which ended in April 2021, saw the organisation exceed its overarching financial objectives and at the end of March, 2021 the value of the organisation was £32m and the endowment value was £26m.

The Board agreed that an interim business plan for the 2021/22 financial year should be put in place to give the foundation the opportunity to recover and reset following a year of operating within a global pandemic.

This new business plan period will be KCF's most ambitious yet, not just in terms of financial targets but also in terms of its commitment to becoming a more inclusive and diverse organisation, and being responsible for its impact on the environment; with the ambition that these commitments become part of KCF's organisational DNA.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2023

Overarching Objectives to March 2025

- Maintain a minimum annual grant giving level of £3.5m by securing new flow-through fund-holders
- Achieve long term financial stability by increasing the value of our endowment funds to £50m
- Be the 'go to' organisation if you want to know anything about the sector in Kent
- Be a voice of authority on the social needs of the county
- Increase the number of organisations funded with multi-year core grants from 27 to 100
- Provide an excellent customer service to our grant recipients and our Fund-holders
- Implement a new IT infrastructure model across the Foundation
- Embed an EDI and Environmental culture across the Foundation
- Sustainably fund 70% of eligible grant applications
- Maintain a minimum 6 month's reserves level

Objectives for 2022/23

- Donation target - £3.388m
- Distribute grants of £3m
- Complete review of processes and IT requirements
- Deliver Needs Analysis Conference
- Complete review of investment managers
- Secure new million pound endowment match partner
- Implement second stage of Environmental Strategy
- Recruit new Trustees and sub-committee external advisers
- Complete review of existing fund-holder relationships

b. Strategies for achieving objectives

Kent Community Foundation encourages and enables a culture of local charitable giving, primarily for the benefit of the communities of Kent and Medway. The Foundation aims to improve the lives of local people, particularly the most disadvantaged and vulnerable, through the raising and distribution of funds given by individuals and private families, companies and other charitable trusts with the means and commitment to support their local community.

Kent Community Foundation proactively raises and develops new funds for Kent and Medway, typically, but not exclusively, through donor advised funds. Establishing permanent resources to benefit the local community is at the heart of the Foundation so raising endowment funds is a particular focus of fund development strategies. Building long-term, trusting relationships with potential donors and Fund-holders is key to achieving KCF's strategic aims. At the heart of this strategy is building the pipeline of new potential individual family and private family trust fund-holders in order to achieve the business plan endowment target of £50m. This audience has always been KCF's core business and where the development team focus their energies in each strategic period. KCF's development team invest time building relationships with local Professional Advisors in order to spread awareness of KCF's services in the appropriate networks.

Relationships with key statutory partners in Kent and Medway continue to bring in new funds, but there is a recognition that this is not KCF's long-term strategy as this funding which peaked during the Covid-19 pandemic will be time limited. As part of the UK Community Foundations network, KCF also delivers regional portions of national programmes from time to time.

Funds can operate within the Foundation's priority areas of need, or bespoke grant making criteria can be developed for individual Funds. The Foundation's grants team has a wealth of knowledge and experience and can advise donors and grant making panels on where funding is most needed.

It is believed there are nearly 3,000 active voluntary organisations in Kent and Medway who could be eligible for funding through KCF, therefore as part of its grant making strategy the team continues to deliver its outreach programme to attract new local causes.

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Trustees' report (continued)
For the year ended 31 March 2023

Grant applications go through a thorough due diligence and assessment process, ensuring organisations not only meet the main eligibility criteria but can demonstrate the need and demand for their services and are a going concern. Applicants are required to report back on how the money was spent and on the successes and challenges of their project once the funding has come to an end. This information takes the form of qualitative and quantitative data and is used to demonstrate impact to all KCF's stakeholders; directly through personal communications to Fund-holders and to the general public through the website, e-mailings and social media platforms. All these processes are considered by KCF to be proportional to the capacity of the organisation applying and size of the grant, and there are different application and assessment processes to suit varying organisation and grant types. KCF's grant making policy is reviewed by the trustees at least every two years.

Kent Community Foundation also has a loan fund for charities and social enterprises, Kent Social Enterprise Loan Fund (KSELF), which was started in 2013 with £1m of initial funding from Kent County Council in March 2012 followed by a further two donations of £1m in 2013 and 2014 respectively. A further £500,000 was added to the fund in October 2017 from The Growth Fund. The Growth Fund, is a £50m partnership which uses a combination of grant funding, made possible thanks to National Lottery players, and loan finance from Big Society Capital and other co-investors, to address specific gaps in the social investment market. The programme is delivered by Access through a range of social investors. Funds from The National Lottery Community Fund, under the Growth Fund programme have been treated as restricted funds, in these accounts.

This loan fund is now well established and has become a valuable source of investment for local Kent based charities and social enterprises who want to grow and develop for community benefit. With the capacity to consider loans of between £10,000 and £100,000 on bespoke, flexible terms, KSELF supports all sizes of social venture. Primarily a loan fund, there is also scope for an element of grant funding as well as providing applicants with investment support and advice.

c. Fundraising Practices

Kent Community Foundation is a registered member of the Fundraising Regulator which is the independent regulator of charitable fundraising, established to strengthen the system of charity regulation and restore public trust in fundraising. The Foundation is therefore committed to following The Code of Fundraising Practice. Kent Community Foundation has a complaints procedure to deal with any issues raised by stakeholders and is pleased to report that no complaints regarding fundraising have been received during the year. The Foundation takes a responsible approach to its fundraising, ensuring its donors and potential donors are treated with respect and has a vulnerable adults policy that its trustees regularly review. The Foundation has not used any commercial fundraising partners or outsourced any of its fundraising activity and does not intend to do so in the future.

Achievements and performance

a. Key financial performance indicators

Over this year, new donations of £4,266,454 were secured against an original target of £3.388m and £4,613,315 was distributed in grants.

During the year £1,084,269 was donated to the endowment funds from new and existing donors.

At the 31st March, 2023 the Foundation held endowment funds of £26,395,455 (2022: £27,286,264).

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Trustees' report (continued)
For the year ended 31 March 2023

b. Review of activities

Grant Making

Key statistics:

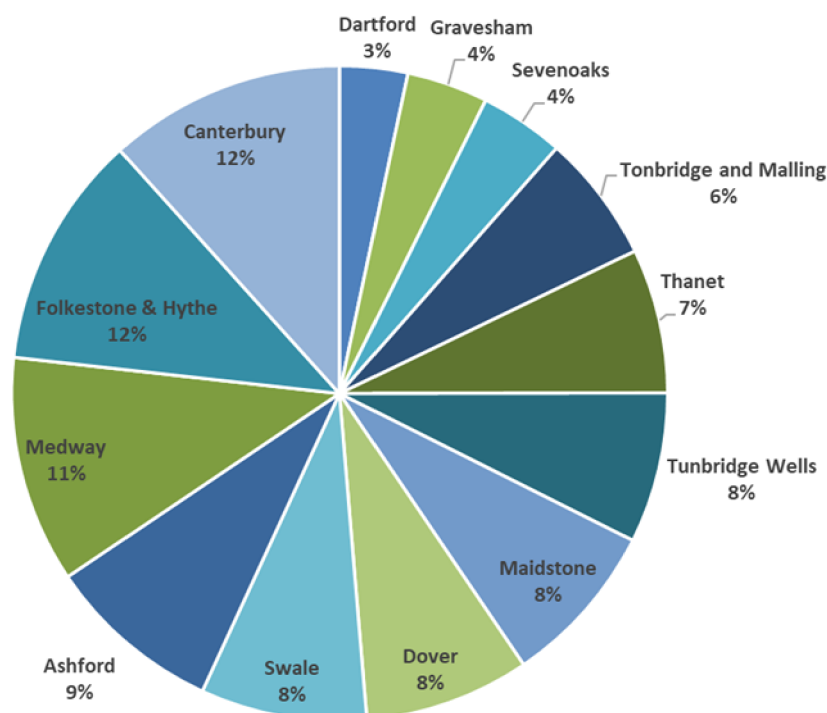
- During the year the grants team processed 1,078 grant applications;
- 886 grants were awarded to 573 organisations and over 130 individuals and families;
- 232 groups applied for their first time
- 150 groups received their first grant from KCF, demonstrating that KCF is continuing to increase its reach.
- Applications made to KCF saw a 67% success rate

The total value of grants paid out during the year was £4,613,315 which far exceed the target of £3m.

For more information about funded projects, see KCF's website: www.kentcf.org.uk/about

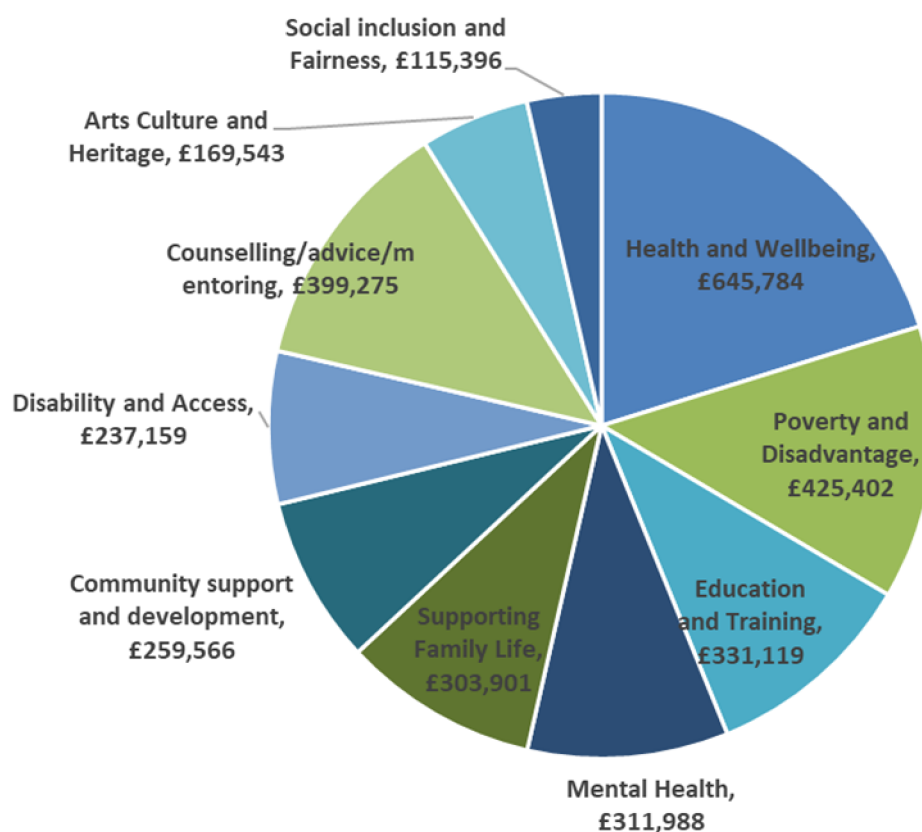
The chart below shows the distribution of funding across the various local authorities in Kent and Medway:

Funding Awarded by District 2022-2023



Trustees' report (continued)
For the year ended 31 March 2023

Top 10 Issues Funded 2022-23



Kent Community Foundation welcomes applications that fit with the priorities of the Foundation's various grants and loan making Funds. To find out which Funds are open for applications, see Kent Community Foundation's website where the latest funding rounds are advertised (www.kentcf.org.uk).

Grants Strategy

A new grants strategy was introduced in July 2021. Part of this strategy was an endeavour to make applying for grants more proportional and straightforward for applicants and new application 'routes' were introduced along with more guidance on eligibility made available on the KCF website. The new Micro Grants route was created for organisations with turnover of less than £75,000. Up to 31st March, 128 grants were made through this route with nearly half of those grants going to first-time applicants. The Annual Application route for organisations which have previously received multiple KCF grants was created to relieve the burden of submitting more than one application a year, for organisations eligible for multiple funding streams. These applications remain active for 12 months to attract as much support as possible, up to £15,000. The Annual route made 146 grants up to 31 March 2023.

Other aspects of the strategy included using knowledge gained from KCF's Needs Analysis report to supplement the Team's anecdotal knowledge to inform and direct grant making towards areas of highest need. KCF continued to advocate for the importance of core funding for charities to ensure they not only just support for their discrete projects, but can meet their ever growing overheads in times of increasing cost of living.

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Trustees' report (continued)
For the year ended 31 March 2023

Environmental Strategy

KCF recognises that the growing climate emergency is a serious risk to the pursuit of our charitable aims. As one of the largest private grant-makers in Kent and KCF has an important part to play in combating these challenges. We believe that local community action can be at the heart of delivering solutions that not only minimise the impact on the environment, but also offer additional benefits that people and local communities can reap. As place-based grant-makers, Community Foundations are pioneers of the statement 'think global, act local' and in partnership with donors and the local voluntary and community sector we believe we can facilitate dynamic change in our own 'back yard'.

In 2022-23 we achieved:

- A full carbon audit encompassing scope 1,2 and 3 and have committed to an accompanying carbon reduction plan.
- Over £280,000 worth of grants made with an environmental theme
- A review of our investment policy and houses in line with the spirit of the Paris Climate Agreement and the objective of net zero carbon.
- The recruitment of two external advisers to our Environmental committee.
- KCF's Development Manager, Sophie Hosking completed Active Philanthropy's three month Climate and Philanthropy course along with a cohort of European Community Foundation colleagues.

As well as our own environmental strategy and action plan, KCF is a signature of the Funder Commitment on Climate Change and has committed to taking action on six pillars: Educate and Learn, commit resources, integrate, steward our investments for a post carbon future, decarbonise our operations, report on progress.

Kent Needs Analysis Conference

Following the publication of KCF's Needs Analysis report (which can be found here <https://www.paperturn-view.com/uk/graphickat/needs-analysis-2022-flip?pid=MjU250116&v=4.1>) the foundation hosted its first conference to celebrate the launch in June 2022. Over 200 delegates attended from a range of stakeholder groups including charities, grant makers, Fund-holders and statutory bodies. Keynote speakers addressed the attendees, with breakout sessions for smaller groups to discuss specific areas of interest based on the report's key findings. The trustees were delighted with success of the conference and the positive reception the report received.

Equity Diversity and Inclusion (EDI)

During the year, KCF published a statement about its EDI journey which can be found here: <https://kentcf.org.uk/edi-statement>

The Board of Trustees established an EDI Committee with its inaugural meeting taking place on the 14th April 2023. The Committee will oversee a rewrite of the strategy and action plan and monitor how it is implemented across the organisation.

The Kent Social Enterprise Loan Fund (KSELF)

In 2022-23, six loans (with grant elements) were agreed to a total value of £529,000. The fund released £354,000 in loans and £100,000 in grants during the year. There were 24 on-going loans at the end of the year.

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Trustees' report (continued)
For the year ended 31 March 2023

Quality Accreditation

UK Community Foundations runs a network wide Quality Accreditation programme which endorses and encourages best practice by community foundation members and has been held by Kent Community Foundation since 2007. In October 2021, Kent Community Foundation passed the fifth Quality Accreditation, which involved independent assessors reviewing KCF's internal processes across a set of standards relevant to Community Foundations which include five key performance areas:

- Strategy, governance, definitions and risk
- Financial and information management
- Philanthropy services and donor management
- Grant making and community participation
- Organisational and network development.

Achieving Quality Accreditation demonstrates that the Foundation is serious about quality and accountability and secures its position as part of a high performing network across the UK. Successful accreditation awarded in 2021 will last for three years.

c. Investment policy and performance

All investment decisions by the Foundation are considered by the Investment Committee and ratified by a quorum of trustees. The Foundation's Investment Policy is reviewed from time to time by the Board of Trustees. The Foundation aims to meet a balance between current needs and developing the endowment to meet the needs of future generations. Therefore, investment of endowed funds should achieve a balance between capital growth and income.

The Foundation seeks to produce the best financial return within an acceptable level of risk. The aim is to distribute 5% of fund value annually to cover both grant making in the community and the contribution to KCF's own costs, while maintaining the long-term value of the Foundation's endowment funds. The Foundation adopts a total return approach with the aim of optimising the return generated, regardless of whether this is obtained from dividends, interest or capital gain and the Investment Committee monitors this balance.

The Foundation regularly reviews the real value of its investment funds and may take action, including reducing the annual drawdown, if the long-term endowment of the Foundation is at risk. However, the Foundation takes a long-term view and recognises the context of its overall strategy to continually raise new funds to add to the overall endowment. In this regard, the Foundation treats its investment funds as expendable, rather than permanent, endowment.

The Investment Committee meet twice during each year to review performance of the investments as well as meeting face to face with the Relationship Managers from both investment houses the charity work with.

The total value of investments held by KCF at 31 March 2023 was £26,921,542; having started the year at 31 March 2022 at £27,856,676.

Financial review

a. Going concern

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

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Trustees' report (continued)
For the year ended 31 March 2023

b. Reserves policy

The aim of Kent Community Foundation is to benefit the local communities of Kent and Medway. An important way it does this is by encouraging individuals, businesses and funders to establish donor advised funds. Generally, these funds are restricted for specific community grant making with a portion given over as a contribution towards the core running costs of the Foundation itself. This gives Kent Community Foundation a level of security in terms of regular income, but there are still some uncertainties as flow through funds and the value of endowed funds fluctuate from year to year.

Kent Community Foundation's income tends to arise from a modest number of significant donations, rather than a large number of smaller donations. Given the amounts involved and the long-term nature of these funds, the trustees are mindful of the need to give stakeholders, particularly existing and potential donors, confidence that the charity has sufficient reserves to carry on its activities in the face of a shortfall of income or fluctuations in investment performance.

The trustees have considered the above and have agreed that the charity will retain a minimum of six months' anticipated running costs as reserves. In addition, where possible, the trustees plan to hold a margin above this level of reserves to ensure KCF is in a position to respond quickly to, and invest in, new opportunities as and when they arise.

During the 2021-22 financial year, the trustees decided to designate £150,000 of free reserves to set aside funding for significant IT upgrades which need to take place over the next one to two years. The Foundation's database is at the end of its life and in need of replacement, so the opportunity will be used to also assess and improve on the associated technology used to process grants, finances and interact with applicants and supporters. The objective is that these improvements will increase the efficiency of the Foundation without needing to increase staff costs and create a better user experience for all stakeholders and staff; improving productivity, long term cost savings and an increase in voluntary income. At the end of the year £12,174 had been spent from this designated fund.

Taking this into account, the level of free reserves at 31st March 2023 was £507,734 which was the equivalent of 7 months operating costs. The trustees considered this level of reserve and agreed it was appropriate given the above policy.

c. Principal funding

The principal sources of funding are individuals, companies, charitable trusts and other organisations with an interest in the communities of Kent and Medway. Significant donations were received during the period from a number of charitable trusts, individuals, statutory bodies and corporations including: Notsew Orm Sands Foundation donating £1m; Kent County Council giving a total of £326,550; Arun Estates giving £230k; and other significant trust donations from The Brook Trust, Barretts of Canterbury, the Dulverton Trust and the Frank Brake Charitable Trust.

d. Material investments policy

The Foundation's assets can be invested widely and diversified by asset class. Asset classes can include cash, bonds, UK and overseas equities, property, hedge funds, structured products, private equity, commodities and any other asset class deemed suitable for the Foundation.

The Foundation's Trustees agree a suitable investment strategy which the appointed Investment Managers are required to follow, and this is monitored by the Investment Committee.

The Foundation's Investment Managers concentrate on what they regard as good quality securities that can be invested in for the medium to long term. In order to pass their quality threshold they take into account a number of factors and risks which may include environmental factors. They also meet, where possible, with the management of the companies they invest in, engage with them and vote on issues that they regard as material.

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Trustees' report (continued)
For the year ended 31 March 2023

During the year the Board of Trustees reviewed the Foundation's Investment Policy with the primary intention of strengthening its approach to responsible and sustainable investment. Environmental, social and governance (ESG) factors were reviewed and more explicitly written into the policy and subsequently discussed with the incumbent investment managers as to their ability to deliver these new objectives. These policy changes were also the focal point of the investment manager review and ESG was a significant area of the Investment Committee's considerations.

Responsible Investment Criteria

KCF recognises its own role in contributing to positive environmental and social change in the community. It therefore follows that investing in companies that are responsible, as well as stable and profitable, is important to KCF's values and reputation, and can play an important part in meeting KCF's financial objectives. KCF requires investment managers who work on its behalf to apply measures to analyse key risks and engage with, and if necessary disinvest from, investee companies which exceed tolerable risk levels.

General Exclusions

KCF will actively avoid or minimise its exposure to areas considered by the trustees to be in conflict with KCF's objectives and values, specifically:

- Armaments: will not invest in companies involved in producing or providing core systems of controversial weapons (eg anti-personnel mines, cluster weapons, nuclear, chemical or biological weapon systems); will not invest in companies deriving more than 10% of revenues from military armaments
- Adult Entertainment: will not invest in companies deriving more than 10% of revenues from production of adult entertainment
- Alcoholic beverages: will not invest in companies deriving more than 10% of revenues from manufacturing alcoholic beverages
- Tobacco: will not invest in companies involved in the production of tobacco products
- Gambling: will not invest in companies deriving more than 10% of revenues from owning or operating gambling establishments or online gambling enterprises
- Predatory lending: will not invest in companies engaged in predatory lending

Environmental factors

KCF supports and wishes to contribute to the Paris Climate Agreement and the objective of net zero carbon. KCF wishes to align its investments with its environmental policy objectives, specifically:

- Net Zero Carbon: KCF will expect its Investment Managers to have policies and strategies in place to achieve net zero carbon across their asset holdings by 2050, and in particular to engage with companies to encourage positive policies in this respect and if necessary to disinvest where progress is unsatisfactory.
- Negative environmental impact: KCF wishes to avoid or limit investment exposure to companies whose processes or products involve high risk emissions or releases to land, water or air. KCF will work with Investment Managers who are applying appropriate monitoring and screening in this respect, and will expect IMs to engage with companies involved in high-risk activity and to disinvest if environmental behaviours are not improved

Social and governance

KCF recognises the importance of good corporate governance and social responsibility and seeks to invest in companies which demonstrate these values, specifically:

- KCF will expect its IMs to employ systems to assess the social and governance risks at play in investee companies (e.g. Sustainalytics) and to use these tools to avoid highest risk companies, and to identify companies with which to engage to promote improved corporate behaviours
- KCF wishes to avoid investment in companies which pose a high risk in terms of poor employment practices or failing to uphold standards of human rights among employees and other stakeholders both within its own operations and its supply chain
- KCF wishes to avoid investment in companies which pose high risks in terms of corporate governance, regulatory or legal shortcomings, or questionable business ethics such as corruption, anti-competitive, mis-selling etc.

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Trustees' report (continued)
For the year ended 31 March 2023

The Foundation regularly reviews all ethical restrictions as part of its investment policy and ensures investments do not conflict with the Foundation's charitable purposes. The trustees take a measured and objective approach to this process with advice from their investment managers and are maintaining transparent communication with donors and stakeholders about decisions made.

Investment Management Review

After the scheduled review of investment managers was postponed due to the pandemic, the process began in February 2022. Initial proposals from a range of investment managers were received and reviewed by the Investment Committee and then a shortlist made. The shortlisted candidates presented their investment proposals to the Committee, explaining their approach to investing, how they would meet the expectations of KCF's investment policy and their suggestions for how the portfolio would be invested.

The Committee recommended continuing investing with CCLA, (in the COIF Investment and COIF Ethical Funds) and recruiting Sarasin & Partners to replace Investec Wealth & Investment, to manage the rest of the portfolio, which the Board of Trustees approved. The funds were transferred gradually from Investec during the year and invested in units in Sarasin & Partners' Climate Active Endowments Fund.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed on 20 October 2000. The Company is a registered Charity (number 1084361), registered on 5 January 2001. Operations commenced during April 2001.

b. Method of appointment or election of Trustees

Trustees are appointed by the Board of Trustees in their capacities as members. Following an equity, diversity and inclusion audit, the trustees decided to engage a process of open recruitment to appoint three trustees in 2021 to encourage more diversity, and this process was repeated in April 2023, resulting in three new appointments to the Board.

Trustees retain the ability to recommend individuals of interest to the Board, but now primarily operate with an open recruitment policy following regular skills analysis' of the board.

c. Policies adopted for the induction and training of Trustees

New trustees undergo an initial induction to brief on the role of a trustee, Kent Community Foundation's charitable purpose, strategy and priorities, finances, staffing and operations and any current issues. Thereafter, there is an annual trustee away day and other training is arranged as appropriate.

d. Pay policy for senior staff

A committee of trustees has been set up which considers and assesses pay levels for all staff taking into account market conditions as well as individual roles and responsibilities. All decisions of the Staffing and Remuneration Committee are ratified by the Board of Trustees.

The trustees consider the Board of Trustees, the Chief Executive and the Director of Grants and Impact as the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give their time freely and no trustee remuneration was paid in the year. Details of the trustee expenses and related party transactions are disclosed in note 8 of the accounts.

The pay of the Chief Executive and Director of Grants and Impact is reviewed annually by the Staffing and Remuneration Committee to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

Trustees' report (continued)
For the year ended 31 March 2023

e. Organisational structure and decision making

The Board of Trustees governs the Charity. The Chief Executive, supported by a team of (on average during the year) 16 paid staff, conducts the day-to-day business of the Charity, reporting to the board.

As of March 2023 the board consisted of 10 trustees and directors including the Chair.

The Board of Trustees delegate responsibility to sub-committees in some areas such as:

- Finance and Audit
- Investments
- Staffing and Remuneration
- Grants
- Technology
- Environmental strategy
- Equity Diversity and Inclusion Committee – established in November 2022 with inaugural meeting in April 2023

All sub-committees have trustee membership and terms of reference which are regularly reviewed. Some committees have trusted advisers who specialise in certain areas to add to the trustees' skills and experience. All decisions are reported back to the board at its quarterly meetings through the sharing of minutes.

After the year end, in May 2023 Gail Hall was appointed by the Board as Vice Chair.

f. Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Significant risks identified by the trustees are as follows:

- Insufficient unrestricted funds/reserves to cover operations, mitigated by prudent management of reserves which do not fall below 6 months' running costs in accordance with the Charity's reserves policy and careful monitoring of financial position on a regular basis by trustees.
- Challenges recruiting new donors/Fund-holders affecting fund development especially endowment growth, mitigated by priority focus on fund development activities by staff and trustees.
- Reputational risk if the Foundation fails to meet expectations of funders, donors, grantees and other stakeholders, mitigated by proactive client care strategies and high level of engagement.
- Key person risk, mitigated by continuing development of structure/operations and capacity of the Foundation to avoid over reliance on one or two individuals.
- Loss in value of endowments, mitigated by close supervision and scrutiny of external Investment Fund Managers by trustee Investment Committee.
- Loss of funds due to fraud (including improper use or misdirection of grant making funds) mitigated by a robust financial procedures policy, anti-bribery policy and grant making policy reviewed and ratified regularly by the Board of Trustees.
- Risk to data security (including personal data), by cyber-attack or accidental data leak. This is mitigated by our IT provider maintaining up to date security software, and data protection procedures implemented from KCF's data protection policy, recently reviewed by the board, to ensure compliance with GDPR. Cyber Essentials accreditation being applied for in 2022 to increase security.
- Failure to comply with Charity and Company law or regulatory requirements of Charity Commission and Companies House, mitigated by regular compliance activities scheduled and monitored by Company Secretary. Support is provided by auditors regarding reporting requirements. Regular board agenda items in place to adhere to trustees responsibilities.
- Loss of key personnel such as senior management staff, due to resignation, termination of employment, sickness or long term absence. This area of risk has been recently assessed and new mitigation strategies are being put in place to ensure that loss of a significant person has minimal impact on the delivery of the Foundations charitable purposes, financial wellbeing and the well being of the staff team.

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Trustees' report (continued)
For the year ended 31 March 2023

In all these areas the board is satisfied it has identified appropriate mitigating actions and is regularly reviewing its risk register at quarterly meetings of the board.

Future developments and Business Plan Objectives for 2023/24

Objectives agreed for 2023/24 Financial Year:

- Donation target - £6.2m – March 2024
- Distribute grants of £3.84m – March 2024
- Complete implementation of new IT infrastructure including database - Oct 2023
- Review and implement new financial strategy for KCF – Nov 2023
- Secure new million-pound endowment match partner – Oct 2023
- Deliver new sector infrastructure grants programme – March 2024
- Recruit two new Trustees and sub-committee external advisers – May 2023

The trustees agreed to invest in a review of KCF's current operating practices in order to ensure our processes and IT infrastructure are fit for purpose and future proofed for at least the next 10 years of growth and designated £150k in 2021/22 to fund the recommended improvements. The project to build and implement a new Salesforce CRM and Grant-Making system is underway, with the initial phase of this project due to finish before the end of the financial year 2023-24. KCF's financial systems and processes are also being reviewed, to increase efficiency and improve data management, analysis, and forecasting.

The Board plans to invest in contingency and sustainability planning, including financial forecasting and strengthening the development team.

In March 2023 the Board commenced another successful round of open recruitment for new trustees and appointed three new board members in July 2023.

Disclosure of information to auditor

Each of the persons who are trustees (who are also directors of the charity for the purposes of the Companies Act) at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Robert Sackville-West DL
(Chair of Trustees)
Date: 28th July 2023

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Statement of trustees' responsibilities

For the year ended 31 March 2023

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 . 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 (FRS 102);
- make judgments 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 business.

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.

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

Independent auditor's report to the Trustees of Kent Community Foundation

Opinion

We have audited the financial statements of Kent 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 the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 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's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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Independent auditor's report to the Trustees of Kent Community Foundation (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Trustees' 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.

Independent auditor's report to the Trustees of Kent Community Foundation (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety and fundraising practices) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

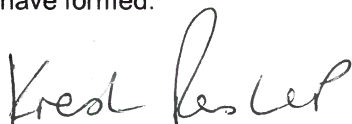
Independent auditor's report to the Trustees of Kent Community Foundation (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Susan Robinson BA FCA FCIE DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Chatham Maritime

28 July 2023

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2023

	Note	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:						
Donations and legacies:	3					
Donations and grants		1,084,269	3,098,694	83,491	4,266,454	4,361,929
Operational contribution (internal cross-charging)		-	-	761,561	761,561	701,238
Fees from external funds		-	-	11,422	11,422	33,320
Investments	4	-	1,012,592	37,199	1,049,791	997,580
Total income and endowments		1,084,269	4,111,286	893,673	6,089,228	6,094,067
Expenditure on:						
Raising funds	5	-	-	143,206	143,206	131,287
Charitable activities		27,276	5,359,922	695,087	6,082,285	5,384,014
Total expenditure		27,276	5,359,922	838,293	6,225,491	5,515,301
Net income/(expenditure) before net (losses)/gains on investments						
		1,056,993	(1,248,636)	55,380	(136,263)	578,766
Net (losses)/gains on investments		(1,600,632)	-	-	(1,600,632)	1,557,483
Net income/(expenditure)		(543,639)	(1,248,636)	55,380	(1,736,895)	2,136,249
Transfers between funds	16	(347,170)	347,170	-	-	-
Net movement in funds		(890,809)	(901,466)	55,380	(1,736,895)	2,136,249
Reconciliation of funds:						
Total funds brought forward		27,286,264	5,298,149	590,180	33,174,593	31,038,344
Net movement in funds		(890,809)	(901,466)	55,380	(1,736,895)	2,136,249
Total funds carried forward		26,395,455	4,396,683	645,560	31,437,698	33,174,593

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 43 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)
Registered number: 04088589

Balance sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	-	-
Investments	12	26,921,542	27,856,676
		26,921,542	27,856,676
Current assets			
Debtors due after more than 1 year	13	413,324	336,064
Debtors due within 1 year	13	272,913	199,456
Investments	14	588,225	1,037,256
Cash at bank and in hand		4,013,706	4,533,851
		5,288,168	6,106,627
Creditors: amounts falling due within one year	15	(772,012)	(788,710)
Net current assets		4,516,156	5,317,917
Total assets less current liabilities		31,437,698	33,174,593
Total net assets		31,437,698	33,174,593
Charity funds			
Endowment funds	16	26,395,455	27,286,264
Restricted funds	16	4,396,683	5,298,149
Unrestricted funds	16	645,560	590,180
Total funds		31,437,698	33,174,593

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:



Robert Sackville West DL
 (Trustee)
 Date: 28th July 2023

The notes on pages 23 to 43 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(860,114)	(476,606)
Cash flows from investing activities		
Dividends, interests and rents from investments	1,049,791	997,580
Proceeds from sale of investments	9,855,598	437,610
Purchase of investments	(10,565,420)	(76,134)
Net cash provided by investing activities	339,969	1,359,056
Cash flows from financing activities		
Cash flows from financing activities	-	-
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(520,145)	882,450
Cash and cash equivalents at the beginning of the year	4,533,851	3,651,401
Cash and cash equivalents at the end of the year	4,013,706	4,533,851

The notes on pages 23 to 43 form part of these financial statements

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

1. General information

Kent Community Foundation is a charitable company, limited by guarantee, domiciled in England and Wales, registration number 04088589. The registered office is Evegate Park Barn, Evegate, Smeeth, Ashford, Kent, TN25 6SX.

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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Kent 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 charity's functional and presentational currency is in Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

2.3 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements
For the year ended 31 March 2023

2. Accounting policies (continued)

2.4 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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Endowment funds represent those assets held in the long term by the charity, principally investments. In accordance with the trust deed and donors' wishes the capital is expendable, that is the capital can be converted into income at the discretion of the trustees in the furtherance of the charitable objectives. Income arising on endowment fund can be used in accordance with the objectives of the charity and included in restricted income. Any capital gains and losses arising and the investment management charges and legal advice relating to the fund are charged against the fund.

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

2.5 Income

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

For donations received subject to match funding arrangements the additional funding received is recognised at the time of the initial donation, unless any conditions are attached.

Donations other than in the form of cash are recorded at fair value as at the date of the donation.

Notes to the financial statements
For the year ended 31 March 2023

2. Accounting policies (continued)

2.6 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Head office. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to governance of the company apportioned to charitable activities.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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 charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.7 Tangible fixed assets and depreciation

All assets over £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	33.3% straight line
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Notes to the financial statements
For the year ended 31 March 2023

2. Accounting policies (continued)

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.

Current asset investments include cash or other short-term liquid investments with a short maturity of more than three months but less than one year, held for investment purposes.

2.9 Operating leases

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

2.10 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.

2.11 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.

2.12 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 within interest payable and similar charges.

Notes to the financial statements
For the year ended 31 March 2023

2. Accounting policies (continued)

2.13 Financial instruments

The charity enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

2.15 Value Added Tax

Value Added Tax (VAT) is not recoverable by Kent Community Foundation, and as such is included in the relevant costs in the statement of financial activities.

Notes to the financial statements
For the year ended 31 March 2023

2. Accounting policies (continued)

2.16 Social investments

The objective of the Kent Social Enterprise Loan Fund is to support existing and emerging enterprises through the making of grants and concessionary loans. These loans are made or received by the charity to further its purposes and any interest charged is below prevailing market rates.

Kent Community Foundation has opted to initially recognise and measure the loans at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. Fees and interest are deemed to be restricted income, to be utilised in the making of future loans in accordance with the fund objectives.

If Kent Community Fund consider that there is an objective evidence of impairment, for example a default on repayments due or evidence of significant financial difficulty in the entity in which the investment has been made, then an immediate impairment loss is recognised in the statement of financial activities as a cost within expenditure on charitable activities. The impairment is measured on the same basis as other investments or financial assets.

Amounts due for repayment after more than 12 months from the balance sheet date are shown as long-term debtors within current assets.

2.17 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The material judgements, estimates or assumptions that have had significant impact on amounts recognised in the financial statements are:

Investment valuations

Investment valuations are obtained by trustees from the investment managers, who utilise the closing quoted market price information available at the balance sheet date.

Impairment of social investment debtors

The charity makes an estimate of the recoverable value of social investment debtors. When assessing the impairment of the social investment debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 13 for the net carrying amount of social investment debtors.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

3. Income from donations and legacies

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Donations					
Donations and grants	1,084,269	3,098,694	83,491	4,266,454	4,361,929
Operational contribution (internal cross-charging)	-	-	761,561	761,561	701,238
Fees from external funds	-	-	11,422	11,422	33,320
	<u>1,084,269</u>	<u>3,098,694</u>	<u>856,474</u>	<u>5,039,437</u>	<u>5,096,487</u>
<i>Total 2022</i>	<u><i>76,134</i></u>	<u><i>4,262,508</i></u>	<u><i>757,845</i></u>	<u><i>5,096,487</i></u>	

From time to time, Kent Community Foundation receives substantial one-off donations to set up donor advised funds. This can mean that income from donations and grants is subject to fluctuations from year to year.

4. Investment income

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Investment income	1,006,900	37,199	1,044,099	989,690
KSELF Income	5,692	-	5,692	7,890
	<u>1,012,592</u>	<u>37,199</u>	<u>1,049,791</u>	<u>997,580</u>
<i>Total 2022</i>	<u><i>991,721</i></u>	<u><i>5,859</i></u>	<u><i>997,580</i></u>	

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Other staff costs	51	51	67
Rent & rates	8,306	8,306	8,243
Marketing & advertising	6,282	6,282	4,999
Sundries	1,180	1,180	1,100
Office costs	4,057	4,057	2,920
IT support	5,062	5,062	4,651
Insurance	294	294	226
Bank charges	156	156	172
Subscriptions	3,891	3,891	3,706
Book keeping	4,645	4,645	4,188
Legal & professional	5,151	5,151	3,594
Travel	1,289	1,289	546
Wages and salaries	87,590	87,590	83,093
Employer's NI	8,688	8,688	7,783
Pensions	5,916	5,916	5,610
Staff Training	648	648	389
	143,206	143,206	131,287
<i>Total 2022</i>	131,287	131,287	

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

6. Analysis of grants

	Grants to Institutions 2023 £	Grants to Individuals 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Community First Grant-making	344,432	-	344,432	211,892
Grants	4,177,694	91,189	4,268,883	3,859,434
	<u>4,522,126</u>	<u>91,189</u>	<u>4,613,315</u>	<u>4,071,326</u>
<i>Total 2022</i>	<u><u>3,784,209</u></u>	<u><u>287,117</u></u>	<u><u>4,071,326</u></u>	

From time to time, Kent Community Foundation makes large one-off donations from donor-advised funds which can mean Grants payable is subject to significant fluctuation from year to year.

A list of the recipients of significant grants made to institutions is available on request from the charity's registered office and is available on the charity's website: www.kentcf.org.uk

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

7. Costs of charitable activities

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Grants payable (See note 6)	-	4,613,315	-	4,613,315	4,071,326
Operational contribution	27,276	653,390	-	680,666	638,205
KSELF operational contribution	-	93,217	-	93,217	91,389
Operational staff costs and pensions - grants team	-	-	317,146	317,146	280,179
Other staff costs	-	-	205	205	268
Rent & Rates	-	-	33,225	33,225	32,970
Marketing & advertising	-	-	25,127	25,127	19,998
Sundries	-	-	4,720	4,720	4,400
Office costs	-	-	16,228	16,228	11,678
IT support	-	-	20,249	20,249	18,606
Insurance	-	-	1,178	1,178	906
Bank charges	-	-	625	625	689
Subscriptions	-	-	15,565	15,565	14,826
Book keeping	-	-	18,579	18,579	16,754
Travel	-	-	5,156	5,156	2,183
Events	-	-	20,539	20,539	14,931
Legal & professional	-	-	20,340	20,340	16,478
Salaries and pensions	-	-	170,640	170,640	135,873
Staff training	-	-	2,591	2,591	1,555
Designated IT strategy costs	-	-	12,174	12,174	-
Audit fees	-	-	10,800	10,800	10,800
	<u>27,276</u>	<u>5,359,922</u>	<u>695,087</u>	<u>6,082,285</u>	<u>5,384,014</u>
<i>Total 2022</i>	<u>9,767</u>	<u>4,791,153</u>	<u>583,094</u>	<u>5,384,014</u>	

8. Auditor's remuneration

	2023 £	<i>2022 £</i>
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	<u>10,800</u>	<u>10,800</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

9. Staff costs

	2023 £	<i>2022</i> £
Wages and salaries	500,278	436,138
Social security costs	46,954	38,680
Pension costs	42,748	37,720
	<u>589,980</u>	<u>512,538</u>

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

	2023 No.	<i>2022</i> No.
Employees	16	15

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	<i>2022</i> No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

The total salaries received by key management personnel was £135,082 (2022: £127,347). Employer pension contributions were a total of £11,857 (2022: £11,174) and employer national insurance contributions were a total of £16,976 (2022: £15,131).

10. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no trustee expenses have been incurred (2022 - £NIL).

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

11. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2022	11,363
At 31 March 2023	<u>11,363</u>
Depreciation	
At 1 April 2022	11,363
At 31 March 2023	<u>11,363</u>
Net book value	
At 31 March 2023	<u>-</u>
<i>At 31 March 2022</i>	<u>-</u>

12. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2022	27,856,676
Additions	10,565,420
Disposals	(9,855,598)
Revaluations	(1,644,956)
At 31 March 2023	<u>26,921,542</u>
Net book value	
At 31 March 2023	<u>26,921,542</u>
<i>At 31 March 2022</i>	<u>27,856,676</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

12. Fixed asset investments (continued)

The total decrease of revaluations of £1,644,956 disclosed above includes £1,600,632 attributable to the charity and £44,324 attributable to client money held.

Investments at market value comprise of listed investments at £26,921,542 (2022: £27,856,676).

The market continues to demonstrate volatility post the year end.

13. Debtors

	2023 £	2022 £
Due after more than one year		
Loans	413,324	336,064
	413,324	336,064
Due within one year		
Loans	270,713	172,256
Other debtors	2,200	27,200
	686,237	535,520

Loans consist of loans to borrowers issued through the Kent Social Enterprise Loan Fund.

14. Current asset investments

	2023 £	2022 £
Unlisted investments	588,225	1,037,256

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	18,979	10,581
Other taxation and social security	13,693	11,426
Client money held	664,309	682,664
Other creditors	70,031	84,039
Deferred income	5,000	-
	772,012	788,710

The Kent Community Fund Foundation holds funds of £664,309 (2022: £682,664) in respect of the Spires Academy.

Deferred income at the end of the year, constitutes a Kent Social Enterprise Loan repayment received, in relation to the year ended 31 March 2024.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

16. 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 £
Unrestricted funds						
Designated funds						
IT Strategy	150,000	-	(12,174)	-	-	137,826
General funds						
General Funds - all funds	440,180	893,673	(826,119)	-	-	507,734
Total Unrestricted funds	590,180	893,673	(838,293)	-	-	645,560
Endowment funds						
Grassroots Funds Endowment Funds	5,571,967	-	(9,776)	-	(432,429)	5,129,762
Other Endowment Funds	12,901,165	1,076,250	(17,500)	(174,144)	(736,819)	13,048,952
Community First Endowment Funds for Kent	8,813,132	8,019	-	(173,026)	(431,384)	8,216,741
	27,286,264	1,084,269	(27,276)	(347,170)	(1,600,632)	26,395,455
Restricted funds						
Donor Advised Funds - Individuals and Trusts	1,552,144	2,116,873	(2,476,189)	115,409	-	1,308,237
Donor Advised Funds - Corporate	902,403	1,203,648	(1,362,872)	10,567	-	753,746
Miscellaneous Funds	1,080,637	741,643	(1,317,497)	221,194	-	725,977

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

16. 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 £
Community Cash Fund	-	-	-	-	-	-
Kent Social Enterprise Loan Fund	1,063,151	11,621	(133,364)	-	-	941,408
Big Lottery Fund	699,814	37,501	(70,000)	-	-	667,315
	<u>5,298,149</u>	<u>4,111,286</u>	<u>(5,359,922)</u>	<u>347,170</u>	<u>-</u>	<u>4,396,683</u>
Total of funds	<u>33,174,593</u>	<u>6,089,228</u>	<u>(6,225,491)</u>	<u>-</u>	<u>(1,600,632)</u>	<u>31,437,698</u>

The trustees agreed to ring fence £150k from free reserves in order to carry out a full review of KCF's IT infrastructure which will include the replacement of the current database which is coming to the end of its serviceable life.

Endowment funds relate to amounts received from philanthropists who want to provide a lasting legacy for their local community. The income received on endowment funds is treated as restricted income, to be expended in accordance with the criteria of each fund as agreed by the donors.

In addition the charity receives donations from donors which are treated as restricted funds to be expended in accordance with the wishes of the donor concerned. Details of the grant-making criteria for funds available for application from the community are publicised on the Kent Community Foundation website. Timing differences between receiving restricted donations and making grants can result in variances in net incoming resources from year to year.

The object of KSELF and the Big Lottery Fund is to support existing and emerging social enterprises with grants and loans.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2022 £</i>
Unrestricted funds						
Designated funds						
IT Strategy	-	-	-	150,000	-	150,000
General funds						
General Funds - all funds	540,857	763,704	(714,381)	(150,000)	-	440,180
Total Unrestricted funds	540,857	763,704	(714,381)	-	-	590,180
Endowment funds						
Grassroots Funds Endowment Funds	5,595,268	-	(9,767)	(105,000)	91,466	5,571,967
Other Endowment Funds	12,218,033	70,313	-	(145,386)	758,205	12,901,165
Community First Endowment Funds for Kent	8,276,956	5,821	-	(177,457)	707,812	8,813,132
	26,090,257	76,134	(9,767)	(427,843)	1,557,483	27,286,264
Restricted funds						
Donor Advised Funds - Individuals and Trusts	1,245,801	2,914,948	(2,280,379)	(328,226)	-	1,552,144
Donor Advised Funds - Corporate	593,968	561,339	(595,371)	342,467	-	902,403
Miscellaneous Funds	722,635	1,682,524	(1,738,801)	414,279	-	1,080,637

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

16. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2022 £</i>
Community Cash Fund	677	-	-	(677)	-	-
Kent Social Enterprise Loan Fund	1,306,473	8,730	(94,402)	(157,650)	-	1,063,151
Big Lottery Fund	537,676	86,688	(82,200)	157,650	-	699,814
	<u>4,407,230</u>	<u>5,254,229</u>	<u>(4,791,153)</u>	<u>427,843</u>	<u>-</u>	<u>5,298,149</u>
Total of funds	<u><u>31,038,344</u></u>	<u><u>6,094,067</u></u>	<u><u>(5,515,301)</u></u>	<u><u>-</u></u>	<u><u>1,557,483</u></u>	<u><u>33,174,593</u></u>

17. Summary of funds

Summary of funds - current year

	<i>Balance at 1 April 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2023 £</i>
Designated funds	150,000	-	(12,174)	-	-	137,826
General funds	440,180	893,673	(826,119)	-	-	507,734
Endowment funds	27,286,264	1,084,269	(27,276)	(347,170)	(1,600,632)	26,395,455
Restricted funds	5,298,149	4,111,286	(5,359,922)	347,170	-	4,396,683
	<u><u>33,174,593</u></u>	<u><u>6,089,228</u></u>	<u><u>(6,225,491)</u></u>	<u><u>-</u></u>	<u><u>(1,600,632)</u></u>	<u><u>31,437,698</u></u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

17. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2022 £</i>
Designated funds	-	-	-	150,000	-	150,000
General funds	540,857	763,704	(714,381)	(150,000)	-	440,180
Endowment funds	26,090,257	76,134	(9,767)	(427,843)	1,557,483	27,286,264
Restricted funds	4,407,230	5,254,229	(4,791,153)	427,843	-	5,298,149
	<u>31,038,344</u>	<u>6,094,067</u>	<u>(5,515,301)</u>	<u>-</u>	<u>1,557,483</u>	<u>33,174,593</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2023 £	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Fixed asset investments	26,395,455	526,087	-	26,921,542
Debtors due after more than one year	-	413,324	-	413,324
Current assets	-	4,121,581	753,263	4,874,844
Creditors due within one year	-	(664,309)	(107,703)	(772,012)
Total	<u>26,395,455</u>	<u>4,396,683</u>	<u>645,560</u>	<u>31,437,698</u>

Analysis of net assets between funds - prior year

	<i>Endowment funds 2022 £</i>	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Fixed asset investments	27,286,264	570,412	-	27,856,676
Debtors due after more than one year	-	336,064	-	336,064
Current assets	-	5,074,303	696,260	5,770,563
Creditors due within one year	-	(682,630)	(106,080)	(788,710)
Total	<u>27,286,264</u>	<u>5,298,149</u>	<u>590,180</u>	<u>33,174,593</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

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

	2023 £	2022 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(1,736,895)	2,136,249
Adjustments for:		
(Gains)/losses on investments	2,093,987	(1,590,979)
Dividends, interests and rents from investments	(1,049,791)	(997,580)
(Increase)/decrease in debtors	(150,717)	(77,527)
Increase/(decrease) in creditors	(16,698)	53,231
Net cash used in operating activities	(860,114)	(476,606)

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	4,013,706	4,533,851
Total cash and cash equivalents	4,013,706	4,533,851

21. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	4,533,851	(520,145)	4,013,706
Liquid investments	1,037,256	(449,031)	588,225
	5,571,107	(969,176)	4,601,931

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2023

22. 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	45,773	34,980
Later than 1 year and not later than 5 years	94,692	-
	140,465	34,980

23. Related party transactions

During the year the Kent Community Foundation supported a number of other charities and social enterprises which have one or more trustees in common with the Foundation. All such donations, grants or loans have been made in accordance with the same eligibility criteria as all other similar applications for support received.

Conversely, from time to time, Kent Community Foundation receives donations from charities which have one or more trustees who are also trustees of the Foundation or who are related to a trustee of the Foundation.

During the year the trustees donated £31,250 (2022: £220,000) to the charity.

See note 9 of the financial statements for details of the key management personnel remuneration.

24. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the trustees.

Accounts

Registered number: 04088589
Charity number: 1084361

Kent Community Foundation
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2022

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

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KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Reference and administrative details of the charitable company, its Trustees and advisers For the year ended 31 March 2022

Trustees

Tim Bull, DL (Retired as Trustee and Chair 31 December 2021)
Robert Sackville West, DL (Chair)
Sarah Hohler
Hugo Fenwick
Melissa Murdoch, DL
Emilia Falcetti Boscawen
Gail Hall
Russell Race JP, DL
Georgina Warner DL (Retired 12 November 2021)
Peter Williams MBE (Retired 12 November 2021)
Munyaradzi Badze (Appointed 6 August 2021)
Samantha Cooper-Gray (Appointed 6 August 2021)
Kruti Shrotri (Appointed 6 August 2021)

Company registered number

04088589

Charity registered number

1084361

Registered office

Evegate Park Barn
Evegate
Smeeth
Ashford
Kent
TN25 6SX

Company secretary

Sarah Osborne

Chief executive

Josephine McCartney

Independent auditor

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Reference and administrative details of the charitable company, its Trustees and advisers (continued)
For the year ended 31 March 2022

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Metro Bank
One Southampton Row
London
WC1B 5HA

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Patron

The Lady Colgrain, Lord-Lieutenant of Kent

Vice Presidents

Lady Nelson
Simon MacLachlan
The Right Reverend James Langstaff, The Bishop of Rochester (retired July 2021)

Investment Managers

Investec Wealth and Investment Limited
30 Gresham Street
London
EC2V 7QN

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Website

www.kentcf.org.uk

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Trustees' report

For the year ended 31 March 2022

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Kent Community Foundation (the company) for the year ended 31 March 2022. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2019).

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

Objectives and Activities

a. Policies and objectives

The Foundation's objectives are the promotion of any charitable purpose for the benefit of the community in the County of Kent and Medway and in particular the advancement of education, the protection of good health, both mental and physical, and the relief of poverty and sickness. The Foundation's objectives also include other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the trustees, beneficial to the community including those in the area of benefit.

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Kent Community Foundation is stated in its 'Objectives and Activities' and the trustees ensure that this purpose is carried out for the public benefit by working to the Mission Statement.

Kent Community Foundation (KCF) meets its charitable objectives by encouraging and facilitating financial and other support to a wide range of charitable causes, with a particular focus on assisting and enabling local community action in Kent and Medway. This means that the majority of the Foundation's grants are made to local community organisations in Kent and Medway, often reliant on volunteers. The trustees have identified priority areas of need to inform local community grant making, adding a fifth area to the list in September 2021:

- **Children Young People and Families:** Enabling young people and families to overcome disadvantage and achieve their potential
- **Vulnerable Adults:** Promoting the safety, wellbeing and independence of vulnerable adults.
- **The Elderly and Isolated:** Addressing the challenges faced by elderly adults; most importantly, social isolation. Enabling the elderly to stay well, healthy and independent.
- **Employability, Skills and Enterprise:** Raising the aspirations and increasing the skills and opportunities of people who are far from the labour market due to a range of circumstances that can present barriers to employment and training.
- **Environment:** To facilitate dynamic change by supporting projects which enrich nature, connect people with green spaces and enable more sustainable and healthier ways of living in Kent and Medway.

The recent addition of the environmental theme was launched in conjunction with KCF's environmental strategy which aims to deliver change locally and increase awareness of environmental issues throughout the county and with organisations across Kent and Medway.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2022

Following the previous three-year business plan (2018-2021), the trustees decided to implement an ambitious one-year strategic plan to 31 March 2022. This was an intentional transition period in which strategic changes to the way the organisation operate were made. The board can then start a new three-year business plan in April 2022 under the leadership of its new Chair. The objectives for 2021-22 were to:

- Secure donations of £2.822m
- Distribute grants of £2.78m
- Launch new environmental strategy
- Implement 20th Anniversary Communication Plans
- Grow new Fund-holder pipeline whilst looking after existing Fund-holders
- Carry out a Needs Analysis of the county
- Create and implement a new grant making strategy in light of COVID
- Recruit three new Trustees
- Implement recommendations from the Equality, Diversity and Inclusion audit
- Carry out a full review of the Foundation's human resources
- Complete KSELF National Lottery Loan Fund drawdown commitments
- Develop long term strategic partnerships with the county's other key funders

b. Strategies for achieving objectives

Kent Community Foundation encourages and enables a culture of local charitable giving, primarily for the benefit of the communities of Kent and Medway. The Foundation aims to improve the lives of local people, particularly the most disadvantaged and vulnerable, through the raising and distribution of funds given by individuals and private families, companies and other charitable trusts with the means and commitment to support their local community.

Kent Community Foundation proactively raises and develops new funds for Kent and Medway, typically, but not exclusively, through donor advised funds. Establishing permanent resources to benefit the local community is at the heart of the Foundation so raising endowment funds is a particular focus of fund development strategies. Building long-term, trusting relationships with potential donors and Fund-holders is key to achieving KCF's strategic aims.

Funds can operate within the Foundation's priority areas of need, or bespoke grant making criteria can be developed for individual Funds. The Foundation's grants team has a wealth of knowledge and experience and can advise donors and grant making panels on where funding is most needed.

It is believed there are nearly 3,000 active voluntary organisations in Kent and Medway who could be eligible for funding through KCF, therefore as part of its grant making strategy the team continues to deliver its outreach programme to attract new local causes.

Grant applications go through a thorough due diligence and assessment process, ensuring organisations not only meet the main eligibility criteria but can demonstrate the need and demand for their services and are a going concern. Applicants are required to report back on how the money was spent and on the successes and challenges of their project once the funding has come to an end. This information takes the form of qualitative and quantitative data and is used to demonstrate impact to all KCF's stakeholders; directly through personal communications to Fund-holders and to the general public through the website, e-mailings and social media platforms. All these processes are considered by KCF to be proportional to the capacity of the organisation applying and size of the grant, and there are different application and assessment processes to suit varying organisation and grant types. KCF's grant making policy is reviewed by the trustees at least every two years.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2022

Kent Community Foundation also has a loan fund for charities and social enterprises, Kent Social Enterprise Loan Fund (KSELF), which was started in 2013 with £1m of initial funding from Kent County Council in March 2012 followed by a further two donations of £1m in 2013 and 2014 respectively. A further £500,000 was added to the fund in October 2017 from the Big Lottery Fund as part of their Big Society Capital Programme. This loan fund is now well established and has become a valuable source of investment for local Kent based charities and social enterprises who want to grow and develop for community benefit. With the capacity to consider loans of between £10,000 and £100,000 on bespoke, flexible terms, KSELF supports all sizes of social venture. Primarily a loan fund, there is also scope for an element of grant funding as well as providing applicants with investment support and advice.

c. Fundraising Practices

Kent Community Foundation is a registered member of the Fundraising Regulator which is the independent regulator of charitable fundraising, established to strengthen the system of charity regulation and restore public trust in fundraising. The Foundation is therefore committed to following The Code of Fundraising Practice. Kent Community Foundation has a complaints procedure to deal with any issues raised by stakeholders and is pleased to report that no complaints regarding fundraising have been received during the year. The Foundation takes a responsible approach to its fundraising, ensuring its donors and potential donors are treated with respect and has a vulnerable adults policy that its trustees regularly review. The Foundation has not used any commercial fundraising partners or outsourced any of its fundraising activity and does not intend to do so in the future.

Achievements and performance

a. Key financial performance indicators

Over this year, new funds of £5,096,487 were raised and £4,071,326 was distributed in grants.

During the year £76,134 was donated to the endowment funds from existing donors, although this figure was lower than hoped, this year also saw an exceptional level of 'flow-through' donations totalling £4,262,508. A key objective this year was to achieve £2.822m in donations which was far exceeded, with the final amount being 150% of the original budget.

At the 31st March the Foundation held endowment funds of £27,286,264 (2021: £26,090,257).

b. Review of activities

Grant Making

During the year the grants team processed 1,546 grant applications. 1,235 grants were awarded to 538 organisations and over 500 individuals and families. 212 groups applied for their first time and 158 groups received their first grant from KCF, demonstrating that KCF is continuing to increase its reach. The total value of grants paid out during the year was £4,071,326 which far exceed the target of £3m.

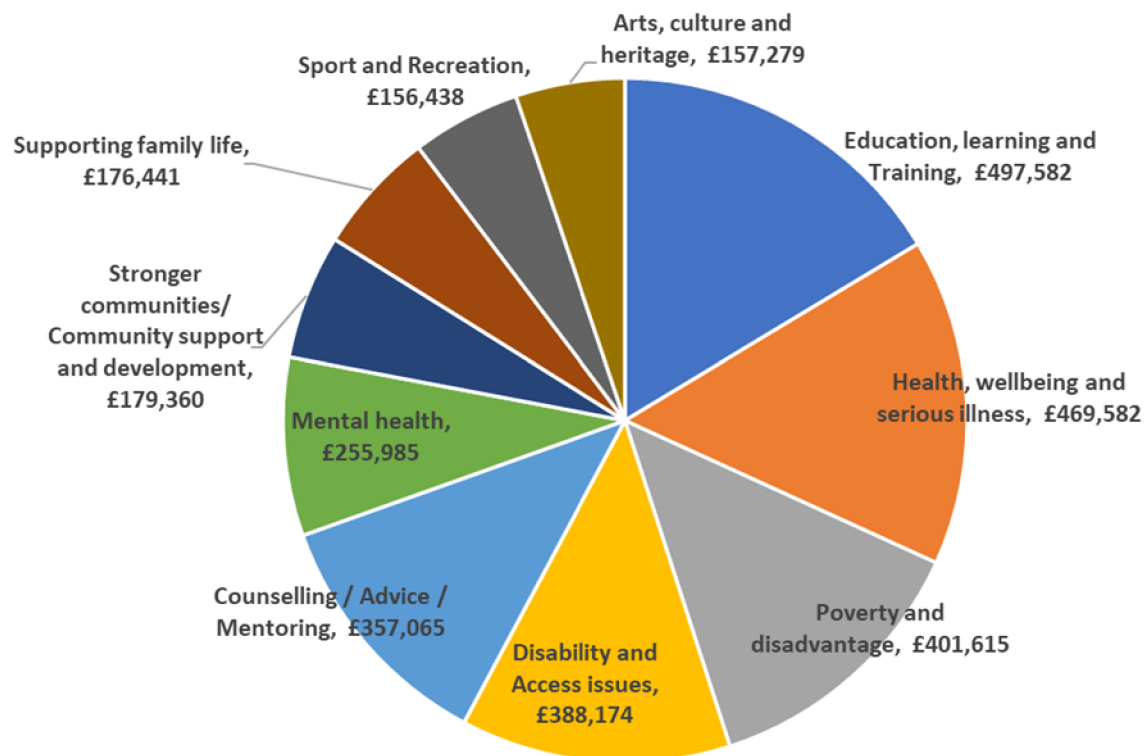
As the Covid-19 pandemic continued to impact the county, donations from Kent County Council provided for those most affected by setting up three crucial funds; the Strategic Recovery Fund, Hardship Fund, and the Digital Inclusion Fund. In total 11 new funds were set up during the year with donations from various new Fund-holders, ranging from individuals, statutory bodies, to national funders.

The charts below give a picture of the shape of KCF's grant making during the year. For more information about funded projects, see KCF's website: www.kentcf.org.uk/about

Trustees' report (continued)
For the year ended 31 March 2022

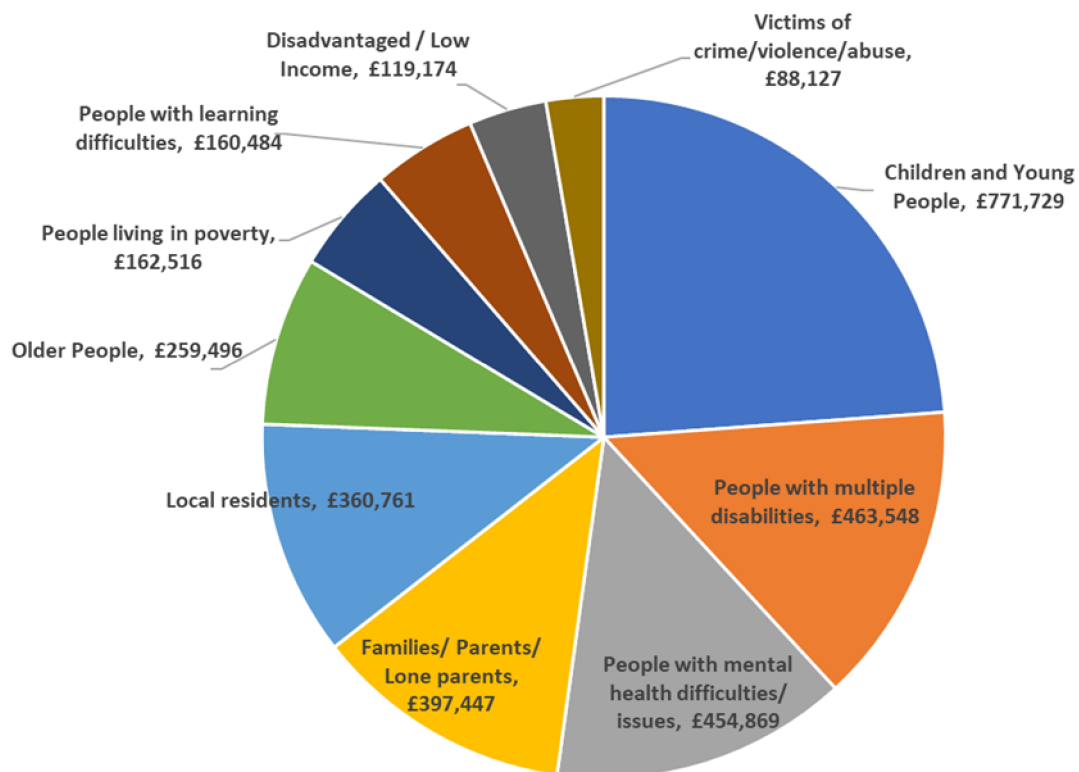
Organisational grants were made in the following areas:

Top 10 Issue Categories for Organisational Grants 21-22

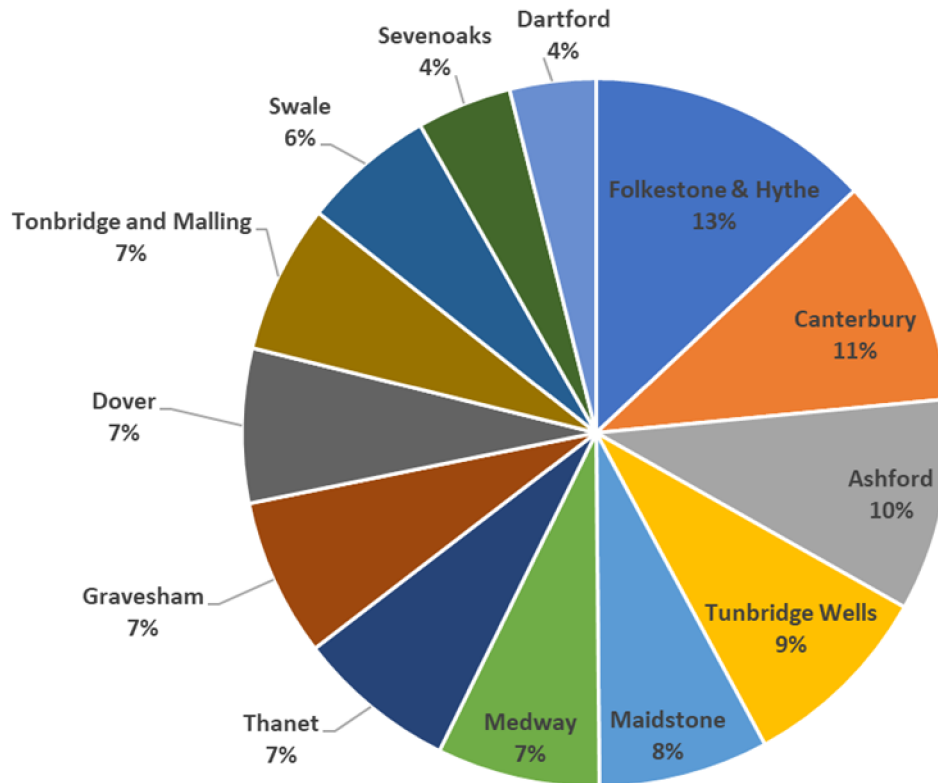


Trustees' report (continued)
For the year ended 31 March 2022

Top 10 Beneficiary Categories for Organisational Grants 21-22



Funds Awarded by District 2021-22



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Trustees' report (continued)
For the year ended 31 March 2022

Kent Community Foundation welcomes applications that fit with the priorities of the Foundation's various grants and loan making Funds. To find out which Funds are open for applications, see Kent Community Foundation's website where the latest funding rounds are advertised (www.kentcf.org.uk).

Environmental Strategy

KCF's first environmental strategy was launched in April 2021, and the trustees established an environmental sub committee of the board to ensure accountability. Research highlighted that only 4% of all charitable donations in the UK go to environmental causes so as a key element of the strategy the new Environment Fund was set up attracting significant interest from existing donors. The fund was launched with over £200k in the pot, making its first grant in January 2022.

The ongoing environmental strategy and accompanying action plan encompasses objectives over four areas:

1. Philanthropic – providing a sustainable source of income for the new environmental grant making plans.
2. Sustainable and responsible investment policy - continuing the move to a sustainable investment portfolio in line with KCF's charitable objects.
3. Grant making strategy – launching the new environment theme.
4. Organisational change – reviewing operations and policies.

Progress of these objectives are reviewed by the Environment Committee and overseen by the board.

20th Anniversary

This year KCF celebrated its 20th Anniversary. In November 2021 an impact report retelling the stories of its successes over the last 20 years was released and can be viewed on the Foundation's website:
www.paperturn-view.com/?pid=MTk195566

KCF hosted a celebratory garden party for Fund-holders and supporters who had been a part of KCF's journey during the 20 years. It was a wonderful chance to reunite and one of the first opportunities to gather together following the lifting of pandemic restrictions. KCF also held a private dinner at Leeds Castle to thank donors and other key stakeholders for their continued support during the pandemic.

Needs Analysis

The Foundation embarked on a new needs analysis project due to the impact of the pandemic on the county and a desire to understand how this has affected the thirteen districts that make up Kent and Medway. The final published report will provide evidence of the need in the area and build a picture of localised need by district. The information will be shared with charities and community groups in Kent as a free resource to help them articulate and evidence the need for their services too.

EDI

The Foundation continued to implement the recommendations arising from the EDI audit carried out in the previous financial year. There has been a review of policies in light of the report, including re-writing the Equality, Diversity and Inclusion policy and making significant changes to the recruitment policies, grant making policy, committee terms of references and others.

As part of this transformation project, KCF changed the way it recruits new trustees, by having its first appointments through open recruitment. This opened up a completely new pool of talent and experience and the board has become more diverse in many ways through this strategy and has plans to repeat the process in 2022.

An audit of the accessibility of KCF's website was undertaken and improvements were made to make sure as many users as possible can now access the Foundation's online services.

There is still a way to go but significant progress has been made to increase awareness and promote EDI to the top of the agenda at KCF. The strategy's action plan is ongoing and continues into the new financial year, with regular reports being shared with the Board.

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Trustees' report (continued)
For the year ended 31 March 2022

The Kent Social Enterprise Loan Fund (KSELF)

Formally known as Kent Big Society Fund, KSELF was established with £1m of initial funding from Kent County Council in March 2012 followed by a further two donations of £1m in 2013 & 14 respectively. The Fund was boosted with an additional £500,000 from Big Lottery Fund in October, 2017 which is when it was rebranded as the Kent Social Enterprise Loan Fund. In 2021-22, £262,400 of funding was agreed and the fund released £268,700 in loans and £74,200 in grants. Due to the pandemic help was offered to eligible organisations in the form of coronavirus emergency bridging loans, these were a short-term facility and did not run into the 2021-22 financial year.

Quality Accreditation

UK Community Foundations runs a network wide Quality Accreditation programme which endorses and encourages best practice by community foundation members and has been held by Kent Community Foundation since 2007. In October 2021, Kent Community Foundation passed the fifth Quality Accreditation, which involved independent assessors reviewing KCF's internal processes across a set of standards relevant to Community Foundations which include five key performance areas:

- Strategy, governance, definitions and risk
- Financial and information management
- Philanthropy services and donor management
- Grant making and community participation
- Organisational and network development.

Achieving Quality Accreditation demonstrates that the Foundation is serious about quality and accountability and secures its position as part of a high performing network across the UK. Successful accreditation awarded in 2021 will last for three years.

c. Investment policy and performance

All investment decisions by the Foundation are considered by the Investment Committee and ratified by a quorum of trustees. The Foundation's Investment Policy is reviewed from time to time by the Board of Trustees. The Foundation aims to meet a balance between current needs and developing the endowment to meet the needs of future generations. Therefore, investment of endowed funds should achieve a balance between capital growth and income.

The Foundation seeks to produce the best financial return within an acceptable level of risk. The aim is to distribute 5% of fund value annually to cover both grant making in the community and the contribution to KCF's own costs, while maintaining the long-term value of the Foundation's endowment funds. The Foundation adopts a total return approach with the aim of optimising the return generated, regardless of whether this is obtained from dividends, interest or capital gain and the Investment Committee monitors this balance.

The Foundation regularly reviews the real value of its investment funds and may take action, including reducing the annual drawdown, if the long-term endowment of the Foundation is at risk. However, the Foundation takes a long-term view and recognises the context of its overall strategy to continually raise new funds to add to the overall endowment. In this regard, the Foundation treats its investment funds as expendable, rather than permanent, endowment.

The Investment Committee meet twice during each year to review performance of the investments as well as meeting face to face with the Relationship Managers from both investment houses the charity work with.

The value of KCF's investments at 31 March 2022 was £27,856,676; having started the year at 31 March 2021 at £26,651,903.

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Trustees' report (continued)
For the year ended 31 March 2022

Financial review

a. Going concern

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

b. Reserves policy

The aim of Kent Community Foundation is to benefit the local communities of Kent and Medway. An important way it does this is by encouraging individuals, businesses and funders to establish donor advised funds. Generally, these funds are restricted for specific community grant making with a portion given over as a contribution towards the core running costs of the Foundation itself. This gives Kent Community Foundation a level of security in terms of regular income, but there are still some uncertainties as flow through funds and the value of endowed funds fluctuate from year to year.

Kent Community Foundation's income tends to arise from a modest number of significant donations, rather than a large number of smaller donations. Given the amounts involved and the long-term nature of these funds, the trustees are mindful of the need to give stakeholders, particularly existing and potential donors, confidence that the charity has sufficient reserves to carry on its activities in the face of a shortfall of income or fluctuations in investment performance.

The trustees have considered the above and have agreed that the charity will retain a minimum of six months' anticipated running costs as reserves. In addition, where possible, the trustees plan to hold a margin above this level of reserves to ensure KCF is in a position to respond quickly to, and invest in, new opportunities as and when they arise.

The level of unrestricted funds at the end of the year was considerably higher than the reserves policy level and was equivalent to 10 months running costs. The trustees decided to designate £150,000 of these reserves to set aside funding for significant IT upgrades which need to take place over the next one to two years. The Foundation's database is at the end of its life and in need of replacement, so the opportunity will be used to also assess and improve on the associated technology used to process grants, finances and interact with applicants and supporters. The objective is that these improvements will increase the efficiency of the Foundation without needing to increase staff costs and create a better user experience for all stakeholders and staff; improving productivity, long term cost savings and an increase in voluntary income.

Taking this into account, the level of free reserves at 31st March 2022 was £440,180 which was the equivalent of 7 months operating costs. The trustees considered this level of reserve and agreed it was appropriate given the above policy.

c. Principal funding

The principal sources of funding are individuals, companies, charitable trusts and other organisations with an interest in the communities of Kent and Medway. Significant donations were received during the period from a number of charitable trusts, individuals, statutory bodies and corporations including: The Rooney Family Foundation at £747,366; Kent County Council giving a total of £992,400; and other significant trust donations from the Arts Council, The John Swire 1989 Charitable Trust, The Brook Trust and Frank Brake Charitable Trust.

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Trustees' report (continued)
For the year ended 31 March 2022

d. Material investments policy

The Foundation's assets can be invested widely and diversified by asset class. Asset classes can include cash, bonds, UK and overseas equities, property, hedge funds, structured products, private equity, commodities and any other asset class deemed suitable for the Foundation.

The Foundation's Investment committee agree a suitable asset allocation strategy with each investment manager. Ranges for tactical asset allocation and benchmarks are reviewed and agreed by the Investment committee with the Investment Managers from time to time.

The Foundation's Investment Managers concentrate on what they regard as good quality securities that can be invested in for the medium to long term. In order to pass their quality threshold they take into account a number of factors and risks which may include environmental factors. They also meet, where possible, with the management of the companies they invest in, engage with them and vote on issues that they regard as material. The scheduled review of investment managers was postponed due to the pandemic, as the Committee decided to wait until markets were more stable and restrictions had been lifted sufficiently to enable face to face meetings with prospective managers. This process began in February 2022, with the initial proposals from shortlisted investment houses received by the end of March. Decisions regarding the final placement of the investments will take place in May 2022.

During the year the Board of Trustees reviewed the Foundation's Investment Policy with the primary intention of strengthening its approach to responsible and sustainable investment. Environmental, social and governance (ESG) factors were reviewed and more explicitly written into the policy and subsequently discussed with the incumbent investment managers as to their ability to deliver these new objectives. These policy changes were also the focal point of the investment manager review and ESG was a significant area of the Investment Committee's considerations.

According to the revised Investment Policy, KCF will actively avoid or minimise its exposure to areas considered by the trustees to be in conflict with KCF's objectives and values, specifically:

- Armaments: will not invest in companies involved in producing or providing core systems of controversial weapons (eg anti-personnel mines, cluster weapons, nuclear, chemical or biological weapon systems); will not invest in companies deriving more than 10% of revenues from military armaments
- Adult Entertainment: will not invest in companies deriving more than 10% of revenues from production of adult entertainment
- Alcoholic beverages: will not invest in companies deriving more than 10% of revenues from manufacturing alcoholic beverages
- Tobacco: will not invest in companies involved in the production of tobacco products
- Gambling: will not invest in companies deriving more than 10% of revenues from owning or operating gambling establishments or online gambling enterprises
- Predatory lending: will not invest in companies engaged in predatory lending
- Fossil fuels: will not invest in companies deriving more than 10% of revenues from exploration for and extraction of fossil fuels, including oil, gas and thermal coal

Further stipulations as to the ESG requirements include supporting net zero carbon policies, limiting negative environmental impact, expecting stakeholder engagement and exercising shareholder voting rights, the monitoring of human rights records and other social reputational issues, avoiding high risk companies and the prioritising of good quality, ethical stock.

In July of 2021, the trustees agreed to switch all investments with CCLA to their COIF Ethical Fund from the COIF Investment Fund, (with the exception of a small number of Fund-holders who wished their Funds to remain in the original COIF Fund).

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Trustees' report (continued)
For the year ended 31 March 2022

Main restrictions of the Fund include:

- Excludes companies with involvement in supporting oppressive regimes, or the production of landmines, cluster bombs or nuclear weapons
- Excludes companies with significant involvement (>5% of turnover) in energy coal or oil sands extraction
- Excludes companies with significant involvement (>10% of turnover) in alcohol, gambling, pornography, tobacco, high interest rate lending, strategic military sales or civilian firearms.
- No investment in companies that cannot align with the Paris Nationally Determined Contributions (NDCs)

The Foundation regularly reviews all ethical restrictions as part of its investment policy and ensures investments do not conflict with the Foundation's charitable purposes. The trustees take a measured and objective approach to this process with advice from their investment managers and are maintaining transparent communication with donors and stakeholders about decisions made.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed on 20 October 2000. The Company is a registered Charity (number 1084361), registered on 5 January 2001. Operations commenced during April 2001.

b. Method of appointment or election of Trustees

Trustees are appointed by the Board of Trustees in their capacities as members. Following an equality, diversity and inclusion audit, the trustees decided to engage a process of open recruitment to appoint three trustees in 2021 to encourage more diversity. Role descriptions and adverts were disseminated across social media platforms and job sites and promising applicants were interviewed. The trustees were pleased with the outcome of this new recruitment process and are planning to do the same in Autumn 2022 to recruit two more board members.

c. Policies adopted for the induction and training of Trustees

New trustees undergo an initial induction to brief on the role of a trustee, Kent Community Foundation's charitable purpose, strategy and priorities, finances, staffing and operations and any current issues. Thereafter, there is an annual trustee away day and other training is arranged as appropriate.

d. Pay policy for senior staff

A committee of trustees has been set up which considers and assesses pay levels for all staff taking into account market conditions as well as individual roles and responsibilities. All decisions of the Staffing and Remuneration Committee are ratified by the Board of Trustees.

The trustees consider the Board of Trustees, the Chief Executive and the Director of Grants and Impact as the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee remuneration was paid in the year. Details of the trustee expenses and related party transactions are disclosed in note 8 of the accounts.

The pay of the Chief Executive and Director of Grants and Impact is reviewed annually by the Staffing and Remuneration Committee to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

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Trustees' report (continued)

For the year ended 31 March 2022

e. Organisational structure and decision making

The Board of Trustees governs the Charity. The Chief Executive, supported by a team of (on average during the year) 14 paid staff, conducts the day-to-day business of the Charity, reporting to the board.

The Board appointed Munyaradzi Badze, Samantha Cooper-Gray and Kruti Shrotri as trustees and directors in August 2021. Peter Williams MBE and Georgie Warner DL retired in November 2021 after nine years of valued service to the Foundation. Timothy Bull DL resigned as trustee and Chair of Trustees on 31st December 2021, after ten years of service, with Robert Sackville-West taking over the position from the new year. Tim's contribution to the board has been an invaluable asset to Kent Community Foundation and his skills in leading the organisation as its Chair have steered the Foundation towards significant strategic goals. Everyone at KCF is truly grateful for Tim's contribution and leadership.

As of March 2022 the board consisted of 10 trustees and directors including the Chair.

The Board of Trustees delegate responsibility to sub-committees in some areas such as:

- Finance and Audit
- Investments
- Staffing and Remuneration
- Grants
- Technology
- Environmental strategy

All sub-committees have trustee membership and terms of reference which are regularly reviewed. Some committees have trusted advisers who specialise in certain areas to add to the trustees' skills and experience. All decisions are reported back to the board at its quarterly meetings through the sharing of minutes.

Trustees' report (continued)
For the year ended 31 March 2022

f. Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Significant risks identified by the trustees are as follows:

- Insufficient unrestricted funds/reserves to cover operations, mitigated by prudent management of reserves which do not fall below 6 months' running costs in accordance with the Charity's reserves policy and careful monitoring of financial position on a regular basis by trustees.
- Challenges recruiting new donors/Fund-holders affecting fund development especially endowment growth, mitigated by priority focus on fund development activities by staff and trustees.
- Reputational risk if the Foundation fails to meet expectations of funders, donors, grantees and other stakeholders, mitigated by proactive client care strategies and high level of engagement.
- Key person risk, mitigated by continuing development of structure/operations and capacity of the Foundation to avoid over reliance on one or two key individuals.
- Loss in value of endowments, mitigated by close supervision and scrutiny of external Investment Fund Managers by trustee Investment Committee.
- Loss of funds due to fraud (including improper use or misdirection of grant making funds) mitigated by a robust financial procedures policy, anti-bribery policy and grant making policy reviewed and ratified regularly by the Board of Trustees.
- Risk to data security (including personal data), by cyber-attack or accidental data leak. This is mitigated by our IT provider maintaining up to date security software, and data protection procedures implemented from KCF's data protection policy, recently reviewed by the board, to ensure compliance with GDPR. Cyber Essentials accreditation being applied for in 2022 to increase security.
- Failure to comply with Charity and Company law or regulatory requirements of Charity Commission and Companies House, mitigated by regular compliance activities scheduled and monitored by Company Secretary. Support is provided by auditors regarding reporting requirements. Regular board agenda items in place to adhere to trustees responsibilities.

In all these areas the board is satisfied it has identified appropriate mitigating actions and is regularly reviewing its risk register at quarterly meetings of the board.

Trustees' report (continued)
For the year ended 31 March 2022

Future developments and Business Plan Objectives for 2022/23

This new business plan period to 2025 will be our most ambitious yet, not just in terms of financial targets but also in terms of our commitment to becoming a more inclusive and diverse organisation as well as a responsible one in relation to our impact on the environment. This must become part of our organisations DNA and not just a strategy. Our plans have been written and it is now the role of the team and our trustees to make this happen.

As a Community Foundation, our core business is finding and funding small, grass-roots organisations across Kent and Medway and that continues to be the focus of our activity here at KCF. That is why we have invested in an in-depth needs analysis across the county which has identified the priority needs that must be addressed, right down to district council level detail. We will embed the learning from this analysis to continue to inform or grant making strategy which will also help us identify gaps across our grant making activities. We will continue to focus our efforts on generating new Fund-holders which will ensure we continue to operate in a sustainable way and fund these areas of need.

Trustees have agreed to invest in a review of our current operating practices in order to ensure our processes and IT infrastructure are fit for purpose and future proofed for at least the next 10 years of growth. The hope is that this review will identify more cost-effective ways of delivering our plans whilst at the same time not compromising on our own high standards of customer service. The plan is to carry out this review by May 2022 with implementation to be delivered over a two-year period to May, 2024. The Trustees have agreed to invest in the final recommendations by ringfencing reserves to the value of £150k.

Objectives for 2022/23

- Donation target - £2.715m – March, 2023
- Distribute grants of £3m – March, 2023
- Complete review of processes and IT requirements - May, 2022
- Deliver Needs Analysis Conference – June/July, 2022
- Complete review of investment managers – May, 2022
- Secure new million pound endowment match partner – Dec, 2022
- Implement second stage of Environmental Strategy – Sept, 2022
- Recruit new Trustees and sub-committee external advisers, Nov, 2022
- Complete review of existing Fund-holder relationships – August, 2022

Disclosure of information to auditor

Each of the persons who are trustees (who are also directors of the charity for the purposes of the Companies Act) at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

Robert Sackville-West DL
(Chair of Trustees)
Date: 12 August 2022

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Statement of trustees' responsibilities

For the year ended 31 March 2022

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 (FRS 102);
- make judgments 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 business.

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.

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

KENT COMMUNITY FOUNDATION
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Independent auditor's report to the Trustees of Kent Community Foundation

Opinion

We have audited the financial statements of Kent Community Foundation (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

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Independent auditor's report to the Trustees of Kent Community Foundation (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Trustees' 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.

Independent auditor's report to the Trustees of Kent Community Foundation (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety and fundraising practices) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

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Independent auditor's report to the Trustees of Kent Community Foundation (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in my Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of my Auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Robinson BA FCA FCIE DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Chatham Maritime

12 August 2022

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2022

	Note	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income and endowments from:						
Donations and legacies:	3					
Donations and grants	3	76,134	4,262,508	23,287	4,361,929	5,258,879
Operational contribution (internal cross-charging)	3	-	-	701,238	701,238	695,876
Fees from external funds	3	-	-	33,320	33,320	37,713
Investments	4	-	991,721	5,859	997,580	919,919
Total income and endowments		76,134	5,254,229	763,704	6,094,067	6,912,387
Expenditure on:						
Raising funds	5	-	-	131,287	131,287	116,408
Charitable activities	7	9,767	4,791,153	583,094	5,384,014	6,264,257
Total expenditure		9,767	4,791,153	714,381	5,515,301	6,380,665
Net income before net gains on investments		66,367	463,076	49,323	578,766	531,722
Net gains on investments		1,557,483	-	-	1,557,483	4,143,419
Net income/ (expenditure)		1,623,850	463,076	49,323	2,136,249	4,675,141
Transfers between funds	16	(427,843)	427,843	-	-	-
Net movement in funds		1,196,007	890,919	49,323	2,136,249	4,675,141
Reconciliation of funds:						
Total funds brought forward		26,090,257	4,407,230	540,857	31,038,344	26,363,203
Net movement in funds		1,196,007	890,919	49,323	2,136,249	4,675,141
Total funds carried forward		27,286,264	5,298,149	590,180	33,174,593	31,038,344

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 25 to 43 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)
Registered number: 04088589

Balance sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	-	-
Investments	12	27,856,676	26,651,903
		27,856,676	26,651,903
Current assets			
Debtors due after more than 1 year	13	336,064	255,909
Debtors due within 1 year	13	199,456	202,084
Investments	14	1,037,256	1,012,526
Cash at bank and in hand		4,533,851	3,651,401
		6,106,627	5,121,920
Creditors: amounts falling due within one year	15	(788,710)	(735,479)
Net current assets		5,317,917	4,386,441
Total assets less current liabilities		33,174,593	31,038,344
Total net assets		33,174,593	31,038,344
Charity funds			
Endowment funds	16	27,286,264	26,090,257
Restricted funds	16	5,298,149	4,407,230
Unrestricted funds	16	590,180	540,857
Total funds		33,174,593	31,038,344

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:

Robert Sackville-West DL
(Trustee)
Date: 12 August 2022

The notes on pages 25 to 43 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2022

	2022	2021
	£	£
Cash flows from operating activities		
Net cash used in operating activities	(476,606)	(117,397)
Cash flows from investing activities		
Dividends, interests and rents from investments	997,580	919,919
Proceeds from sale of investments	437,610	173,087
Purchase of investments	(76,134)	(458,750)
Net cash provided by investing activities	1,359,056	634,256
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	882,450	516,859
Cash and cash equivalents at the beginning of the year	3,651,401	3,134,542
Cash and cash equivalents at the end of the year	4,533,851	3,651,401

The notes on pages 25 to 43 form part of these financial statements

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

1. General information

Kent Community Foundation is a charitable company, limited by guarantee, domiciled in England and Wales, registration number 04088589. The registered office is Evegate Park Barn, Evegate, Smeeth, Ashford, Kent, TN25 6SX.

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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Kent 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 charity's functional and presentational currency is in Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

2.3 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.4 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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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.

Endowment funds represent those assets held in the long term by the charity, principally investments. In accordance with the trust deed and donors' wishes the capital is expendable, that is the capital can be converted into income at the discretion of the trustees in the furtherance of the charitable objectives. Income arising on endowment fund can be used in accordance with the objectives of the charity and included in restricted income. Any capital gains and losses arising and the investment management charges and legal advice relating to the fund are charged against the fund.

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

2.5 Income

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

For donations received subject to match funding arrangements the additional funding received is recognised at the time of the initial donation, unless any conditions are attached.

Donations other than in the form of cash are recorded at fair value as at the date of the donation.

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.6 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Head office. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.7 Tangible fixed assets and depreciation

All assets over £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	33.3% straight line
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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.

Current asset investments include cash or other short-term liquid investments with a short maturity of more than three months but less than one year, held for investment purposes.

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

2.9 Operating leases

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

2.10 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.

2.11 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.

2.12 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 within interest payable and similar charges.

2.13 Financial instruments

The charity enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

2. Accounting policies (continued)

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.

2.15 Value Added Tax

Value Added Tax (VAT) is not recoverable by Kent Community Foundation, and as such is included in the relevant costs in the statement of financial activities.

2.16 Social investments

The objective of the Kent Social Enterprise Loan Fund is to support existing and emerging enterprises through the making of grants and concessionary loans. These loans are made or received by the charity to further its purposes and any interest charged is below prevailing market rates.

Kent Community Foundation has opted to initially recognise and measure the loans at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. Fees and interest are deemed to be restricted income, to be utilised in the making of future loans in accordance with the fund objectives.

If Kent Community Fund consider that there is an objective evidence of impairment, for example a default on repayments due or evidence of significant financial difficulty in the entity in which the investment has been made, then an immediate impairment loss is recognised in the statement of financial activities as a cost within expenditure on charitable activities. The impairment is measured on the same basis as other investments or financial assets.

Amounts due for repayment after more than 12 months from the balance sheet date are shown as long-term debtors within current assets.

2.17 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The material judgements, estimates or assumptions that have had significant impact on amounts recognised in the financial statements are:

Investment valuations

Investment valuations are obtained by trustees from the investment managers, who utilise the closing quoted market price information available at the balance sheet date.

Impairment of social investment debtors

The charity makes an estimate of the recoverable value of social investment debtors. When assessing the impairment of the social investment debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 14 for the net carrying amount of social investment debtors.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

3. Income from donations and legacies

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Donations					
Donations and grants	76,134	4,262,508	23,287	4,361,929	5,258,879
Operational contribution (internal cross-charging)	-	-	701,238	701,238	695,876
Fees from external funds	-	-	33,320	33,320	37,713
	<u>76,134</u>	<u>4,262,508</u>	<u>757,845</u>	<u>5,096,487</u>	<u>5,992,468</u>
<i>Total 2021</i>	<u><u>458,750</u></u>	<u><u>4,783,693</u></u>	<u><u>750,025</u></u>	<u><u>5,992,468</u></u>	

From time to time, Kent Community Foundation receives substantial one-off donations to set up donor advised funds. This can mean that income from donations and grants is subject to fluctuations from year to year.

4. Investment income

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Investment income	983,831	5,859	989,690	915,197
KSELF Income	7,890	-	7,890	4,722
	<u>991,721</u>	<u>5,859</u>	<u>997,580</u>	<u>919,919</u>
<i>Total 2021</i>	<u><u>905,667</u></u>	<u><u>14,252</u></u>	<u><u>919,919</u></u>	

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Other staff costs	67	67	83
Rent & rates	8,243	8,243	8,185
Marketing & advertising	4,999	4,999	5,559
Sundries	1,100	1,100	299
Office costs	2,920	2,920	2,587
IT support	4,651	4,651	3,778
Insurance	226	226	212
Bank charges	172	172	170
Subscriptions	3,706	3,706	3,383
Book keeping	4,188	4,188	3,811
Legal & professional	3,594	3,594	3,337
Travel	546	546	21
Wages and salaries	83,093	83,093	72,438
Employer's NI	7,783	7,783	6,958
Pensions	5,610	5,610	5,491
Staff Training	389	389	96
	131,287	131,287	116,408
<i>Total 2021</i>	116,408	116,408	

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

6. Analysis of grants

	Grants to Institutions 2022 £	Grants to Individuals 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Community First Grant-making	211,892	-	211,892	121,963
Grants	3,572,317	287,117	3,859,434	4,886,016
	<u>3,784,209</u>	<u>287,117</u>	<u>4,071,326</u>	<u>5,007,979</u>
<i>Total 2021</i>	<u><u>4,661,315</u></u>	<u><u>346,664</u></u>	<u><u>5,007,979</u></u>	

From time to time, Kent Community Foundation makes large one-off donations from donor-advised funds which can mean Grants payable is subject to significant fluctuation from year to year.

A list of the recipients of significant grants made to institutions is available on request from the charity's registered office and is available on the charity's website: www.kentcf.org.uk

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

7. Costs of charitable activities

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
Grants payable (See note 6)	-	4,071,326	-	4,071,326	5,007,979
Operational contribution	9,767	628,438	-	638,205	643,806
KSELF operational contribution	-	91,389	-	91,389	89,597
Other staff costs	-	-	268	268	333
Rent & Rates	-	-	32,970	32,970	32,738
Marketing & advertising	-	-	19,998	19,998	22,238
Sundries	-	-	4,400	4,400	1,198
Office costs	-	-	11,678	11,678	10,346
IT support	-	-	18,606	18,606	15,111
Insurance	-	-	906	906	849
Bank charges	-	-	689	689	680
Subscriptions	-	-	14,826	14,826	13,534
Book keeping	-	-	16,754	16,754	15,244
Travel	-	-	2,183	2,183	86
Events	-	-	14,931	14,931	-
Legal & professional	-	-	16,478	16,478	13,346
Salaries and pensions	-	-	416,052	416,052	386,280
Staff training	-	-	1,555	1,555	392
Audit fees	-	-	10,800	10,800	10,500
	<u>9,767</u>	<u>4,791,153</u>	<u>583,094</u>	<u>5,384,014</u>	<u>6,264,257</u>
<i>Total 2021</i>	<u><u>12,858</u></u>	<u><u>5,728,524</u></u>	<u><u>552,875</u></u>	<u><u>6,294,257</u></u>	

8. Auditor's remuneration

	2022 £	<i>2021 £</i>
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	<u>10,800</u>	<u>10,500</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

9. Staff costs

	2022 £	<i>2021</i> £
Wages and salaries	436,138	396,192
Social security costs	38,680	35,161
Pension costs	37,720	35,305
	<u>512,538</u>	<u>466,658</u>

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

	2022 No.	<i>2021</i> No.
Employees	15	14

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	<i>2021</i> No.
In the band £70,001 - £80,000	1	1

The total salaries received by key management personnel was £127,347 (2021: £124,775). Employer pension contributions were a total of £11,174 (2021: £10,797) and employer national insurance contributions were a total of £15,131 (2021: £14,795).

10. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no trustee expenses have been incurred (2021 - £NIL).

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

11. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2021	11,363
At 31 March 2022	<u>11,363</u>
Depreciation	
At 1 April 2021	11,363
At 31 March 2022	<u>11,363</u>
Net book value	
At 31 March 2022	<u>-</u>
<i>At 31 March 2021</i>	<u>-</u>

12. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2021	26,651,903
Additions	76,134
Disposals	(437,610)
Revaluations	1,566,249
At 31 March 2022	<u>27,856,676</u>
Net book value	
At 31 March 2022	<u>27,856,676</u>
<i>At 31 March 2021</i>	<u>26,651,903</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

12. Fixed asset investments (continued)

The total increase of revaluations of £1,566,249 disclosed above includes £1,557,483 attributable to the charity and £8,766 attributable to client money held.

Investments at market value comprise of listed investments at £27,856,676 (2021: £26,651,903).

The market continues to demonstrate volatility post the year end.

13. Debtors

	2022 £	2021 £
Due after more than one year		
Loans	336,064	255,909
	<u>336,064</u>	<u>255,909</u>
Due within one year		
Loans	172,256	200,009
Other debtors	27,200	2,075
	<u>535,520</u>	<u>457,993</u>

Loans consist of loans to borrowers issued through the Kent Social Enterprise Loan Fund.

14. Current asset investments

	2022 £	2021 £
Unlisted investments	1,037,256	1,012,526
	<u>1,037,256</u>	<u>1,012,526</u>

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,581	5,625
Other taxation and social security	11,426	10,683
Client money held	682,664	649,171
Other creditors	84,039	70,000
	<u>788,710</u>	<u>735,479</u>

The Kent Community Fund Foundation holds funds of £682,664 (2021: £649,171) in respect of the Spires Academy.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Unrestricted funds						
Designated funds						
IT Strategy	-	-	-	150,000	-	150,000
General funds						
General Funds	540,857	763,704	(714,381)	(150,000)	-	440,180
Total Unrestricted funds	540,857	763,704	(714,381)	-	-	590,180
Endowment funds						
Grassroots Funds Endowment Funds	5,595,268	-	(9,767)	(105,000)	91,466	5,571,967
Other Endowment Funds	12,218,033	70,313	-	(145,386)	758,205	12,901,165
Community First Endowment Funds for Kent	8,276,956	5,821	-	(177,457)	707,812	8,813,132
	26,090,257	76,134	(9,767)	(427,843)	1,557,483	27,286,264

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

16. Statement of funds (continued)

Restricted funds

Donor Advised Funds - Individuals and Trusts	1,245,801	2,914,948	(2,280,379)	(328,226)	-	1,552,144
Donor Advised Funds - Corporate	593,968	561,339	(595,371)	342,467	-	902,403
Miscellaneous Funds	722,635	1,682,524	(1,738,801)	414,279	-	1,080,637
Community Cash Fund	677	-	-	(677)	-	-
Kent Social Enterprise Loan Fund	1,306,473	8,730	(94,402)	(157,650)	-	1,063,151
Big Lottery Fund	537,676	86,688	(82,200)	157,650	-	699,814
	<u>4,407,230</u>	<u>5,254,229</u>	<u>(4,791,153)</u>	<u>427,843</u>	<u>-</u>	<u>5,298,149</u>
Total of funds	<u><u>31,038,344</u></u>	<u><u>6,094,067</u></u>	<u><u>(5,515,301)</u></u>	<u><u>-</u></u>	<u><u>1,557,483</u></u>	<u><u>33,174,593</u></u>

The trustees agreed to ring fence £150k from free reserves in order to carry out a full review of KCF's IT infrastructure which will include the replacement of the current database which is coming to the end of its serviceable life.

Endowment funds relate to amounts received from philanthropists who want to provide a lasting legacy for their local community. The income received on endowment funds is treated as restricted income, to be expended in accordance with the criteria of each fund as agreed by the donors.

In addition the charity receives donations from donors which are treated as restricted funds to be expended in accordance with the wishes of the donor concerned. Details of the grant-making criteria for funds available for application from the community are publicised on the Kent Community Foundation website. Timing differences between receiving restricted donations and making grants can result in variances in net incoming resources from year to year.

The object of KSELF and the Big Lottery Fund is to support existing and emerging social enterprises with grants and loans.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

16. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds						
General Funds	415,863	764,277	(639,283)	-	-	540,857
Endowment funds						
Grassroots Funds						
Endowment Funds	4,800,309	-	(8,483)	-	803,442	5,595,268
Other Endowment Funds	9,928,073	446,250	(4,375)	(69,725)	1,917,810	12,218,033
Community First Endowment Funds for Kent	6,932,793	12,500	-	(90,504)	1,422,167	8,276,956
	<u>21,661,175</u>	<u>458,750</u>	<u>(12,858)</u>	<u>(160,229)</u>	<u>4,143,419</u>	<u>26,090,257</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

16. Statement of funds (continued)

Restricted funds

Donor Advised Funds - Individuals and Trusts	979,557	1,939,372	(1,518,828)	(154,300)	-	1,245,801
Donor Advised Funds - Corporate	506,262	791,943	(608,978)	(95,259)	-	593,968
Miscellaneous Funds	976,203	2,767,884	(3,431,240)	409,788	-	722,635
Community Cash Fund	677	-	-	-	-	677
Kent Social Enterprise Loan Fund	1,531,807	6,042	(96,638)	(134,738)	-	1,306,473
Big Lottery Fund	291,659	184,119	(72,840)	134,738	-	537,676
	<u>4,286,165</u>	<u>5,689,360</u>	<u>(5,728,524)</u>	<u>160,229</u>	<u>-</u>	<u>4,407,230</u>
Total of funds	<u>26,363,203</u>	<u>6,912,387</u>	<u>(6,380,665)</u>	<u>-</u>	<u>4,143,419</u>	<u>31,038,344</u>

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	-	-	-	150,000	-	150,000
General funds	540,857	763,704	(714,381)	(150,000)	-	440,180
Endowment funds	26,090,257	76,134	(9,767)	(427,843)	1,557,483	27,286,264
Restricted funds	4,407,230	5,254,229	(4,791,153)	427,843	-	5,298,149
	<u>31,038,344</u>	<u>6,094,067</u>	<u>(5,515,301)</u>	<u>-</u>	<u>1,557,483</u>	<u>33,174,593</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

17. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2021 £</i>
General funds	415,863	764,277	(639,283)	-	-	540,857
Endowment funds	21,661,175	458,750	(12,858)	(160,229)	4,143,419	26,090,257
Restricted funds	4,286,165	5,689,360	(5,728,524)	160,229	-	4,407,230
	<u>26,363,203</u>	<u>6,912,387</u>	<u>(6,380,665)</u>	<u>-</u>	<u>4,143,419</u>	<u>31,038,344</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2022 £	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Fixed asset investments	27,286,264	570,412	-	27,856,676
Debtors due after more than one year	-	336,064	-	336,064
Current assets	-	5,074,303	696,260	5,770,563
Creditors due within one year	-	(682,630)	(106,080)	(788,710)
Total	<u>27,286,264</u>	<u>5,298,149</u>	<u>590,180</u>	<u>33,174,593</u>

Analysis of net assets between funds - prior year

	<i>Endowment funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Fixed asset investments	26,090,257	561,646	-	26,651,903
Debtors due after more than one year	-	255,909	-	255,909
Current assets	-	4,238,846	627,165	4,866,011
Creditors due within one year	-	(649,171)	(86,308)	(735,479)
Total	<u>26,090,257</u>	<u>4,407,230</u>	<u>540,857</u>	<u>31,038,344</u>

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

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

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	2,136,249	4,675,141
Adjustments for:		
(Gains)/losses on investments	(1,590,979)	(3,886,132)
Dividends, interests and rents from investments	(997,580)	(919,919)
(Increase)/decrease in debtors	(77,527)	(92,473)
Increase in creditors	53,231	105,986
Net cash used in operating activities	(476,606)	(117,397)

20. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	4,533,851	3,651,401
Total cash and cash equivalents	4,533,851	3,651,401

21. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	3,651,401	882,450	4,533,851
Liquid investments	1,012,526	24,730	1,037,256
	4,663,927	907,180	5,571,107

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2022

22. Operating lease commitments

At 31 March 2022 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022	<i>As restated</i>
	£	2021
		£
Not later than 1 year	34,980	38,160
Later than 1 year and not later than 5 years	-	34,980
	34,980	73,140

23. Related party transactions

During the year the Kent Community Foundation supported a number of other charities and social enterprises which have one or more trustees in common with the Foundation. All such donations, grants or loans have been made in accordance with the same eligibility criteria as all other similar applications for support received.

Conversely, from time to time, Kent Community Foundation receives donations from charities which have one or more trustees who are also trustees of the Foundation or who are related to a trustee of the Foundation.

During the year the trustees donated £220,000 (2021: £6,300) to the charity.

See note 10 of the financial statements for details of the key management personnel remuneration.

24. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the trustees.

Accounts

Registered number: 04088589
Charity number: 1084361

Kent Community Foundation
(A company limited by guarantee)

Trustees' report and financial statements

For the year ended 31 March 2021

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

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KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Reference and administrative details of the charitable company, its Trustees and advisers For the year ended 31 March 2021

Trustees

Tim Bull DL
Ann West MBE JP DL (retired 20 November 2020)
Georgina Warner DL
Peter Williams MBE
Sarah Hohler
Hugo Fenwick
Robert Sackville-West DL
Melissa Murdoch DL
Emilia Falcetti Boscawen
Gail Hall
Russell Race JP DL (appointed 11 September 2020)

Company registered number

04088589

Charity registered number

1084361

Registered office

Evegate Park Barn
Evegate
Smeeth
Ashford
Kent
TN25 6SX

Company secretary

Sarah Osborne

Chief executive officer

Josephine McCartney

Independent auditor

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
Montague Place
Quayside
Chatham Maritime
Chatham
Kent
ME4 4QU

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Reference and administrative details of the charitable company, its Trustees and advisers (continued)
For the year ended 31 March 2021

Bankers

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Metro Bank
One Southampton Row
London
WC1B 5HA

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London
EC4R 1BE

Patron

Viscount De L'Isle, The Lord Lieutenant of Kent (retired 21 April 2020)

The Lady Colgrain, Lord-Lieutenant of Kent (appointed 22 April 2020)

Vice Presidents

Lady Nelson
Simon MacLachlan
The Right Reverend James Langstaff, The Bishop of Rochester

Investment Managers

Investec Wealth and Investment Limited
30 Gresham Street
London
EC2V 7QN

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Website

www.kentcf.org.uk

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report
For the year ended 31 March 2021

The trustees (who are also directors of the charity for the purposes of the Companies Act 2006) present their annual report together with the audited financial statements of Kent Community Foundation (the company) for the year ended 31 March 2021. The trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) as amended by Update Bulletin 1 (effective 1 January 2015).

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

Objectives and activities

a. Policies and objectives

The Foundation's objectives are the promotion of any charitable purpose for the benefit of the community in the County of Kent and the Medway Unitary Authority and in particular the advancement of education, the protection of good health, both mental and physical, and the relief of poverty and sickness. The Foundation's objectives also include other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the trustees, beneficial to the community including those in the area of benefit.

The trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The charitable purpose of Kent Community Foundation is stated in its 'Objectives and Activities' and the trustees ensure that this purpose is carried out for the public benefit by working to the Mission Statement.

Kent Community Foundation meets its charitable objectives by encouraging and facilitating financial and other support to a wide range of charitable causes, with a particular focus on assisting and enabling local community action in Kent and Medway. This means that the majority of the Foundation's grants are made to local community organisations in Kent and Medway, often reliant on volunteers. The trustees have identified four priority areas of need to inform local community grant making over the coming years:

- Children Young People and Families: Enabling young people and families to overcome disadvantage and achieve their potential
- Vulnerable Adults: Promoting the safety, well being and independence of vulnerable adults.
- The Elderly and Isolated: Addressing the challenges faced by elderly adults; most importantly, social isolation. Enabling the elderly to stay well, healthy and independent.
- Employability, Skills and Enterprise: Raising the aspirations and increasing the skills and opportunities of people who are far from the labour market due to a range of circumstances that can present barriers to employment and training.

Plans to expand these priority areas to include a 'Fund For The Environment' and organisation-wide environmental strategy are underway, with the official launch of this strategy in April 2021. The aim of this new fund will be to embody the 'think global, act local' sentiment and facilitate dynamic change by supporting projects which enrich nature, connect people with green spaces and enable more sustainable and healthier ways of living in Kent and Medway.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Objectives and activities (continued)

b. Strategies for achieving objectives

Kent Community Foundation encourages and enables a culture of local charitable giving, primarily for the benefit of the communities of Kent and Medway. The Foundation aims to improve the lives of local people, particularly the most disadvantaged and vulnerable, through the raising and distribution of funds given by individuals and private families, companies and other charitable trusts with the means and commitment to support their local community.

Kent Community Foundation proactively raises and develops new funds for Kent and Medway, typically through donor advised funds. Establishing permanent resources to benefit the local community is at the heart of the Foundation, so raising endowment funds is a particular focus of fund development strategies.

Kent Community Foundation has a sophisticated grant making and outreach infrastructure to distribute funds to local causes. Funds can operate within the Foundation's priority areas of need, or bespoke grant making criteria can be developed for individual Funds. This year KCF commissioned a research project into the emerging areas of need in Kent and Medway in order to reinforce and enhance its knowledge. This data will hopefully make the Foundation's grant making more targeted and enable the team to advise donors and stakeholders more robustly, giving KCF a more authoritative voice in the community.

UK Community Foundations runs a network wide Quality Accreditation programme which endorses and encourages best practice by community foundation members and has been held by Kent Community Foundation since 2007. In October 2017, Kent Community Foundation passed the fourth Quality Accreditation and is in the process of completing the fifth round in 2021. Achieving Quality Accreditation demonstrates that the Foundation is serious about quality and accountability and secures its position as part of a high performing network across the UK. Successful accreditation awarded later in 2021 will last for three years, during which time any identified areas for development will be addressed.

c. Fundraising Practices

Kent Community Foundation is a registered member of the Fundraising Regulator which is the independent regulator of charitable fundraising, established to strengthen the system of charity regulation and restore public trust in fundraising. The Foundation is therefore committed to following The Code of Fundraising Practice. Kent Community Foundation has a complaints procedure to deal with any issues raised by stakeholders. No complaints regarding fundraising have been received during the year. The Foundation takes a responsible approach to its fundraising, ensuring its donors and potential donors are treated with respect and has a vulnerable adults policy that its trustees regularly review. The Foundation has not used any commercial fundraising partners or outsourced any of its fundraising activity and does not intend to do so in the future.

Achievements and performance

a. Key performance indicators

Over this year, new funds of £5,992,468 were raised including £458,750 of endowment funds and £5,007,979 was distributed in grants.

During the year £458,750 was donated to the endowment funds from existing and new donors. This financial year marked the end of a three-year business plan, with an objective to grow the value of the endowment from £18m to £25m, which, with thanks to our incredibly generous Fund-holders, was exceeded by over a million pounds. At 31st March the Foundation held endowment funds of £26,090,257.

In an extraordinary year, key performance targets were surpassed, with donations of nearly £5m compared to an initial budgeted forecast of £2.3m and grants of over £5m made, nearly twice as much as expected. Over half of the total donations made to the Foundation were for Coronavirus emergency and recovery funding.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Achievements and performance (continued)

b. Review of activities

This year has been a year of unprecedented activity in the Foundation. Business as usual has continued with virtual meetings in place of face-to-face meetings and all staff working at home unless they had a necessity to use the office, as per government guidelines. Alongside its usual grant making, KCF has run a number of Covid-19 response funds and processed more grants than ever before. The Foundation has had to respond to a huge amount of change, and the staff team has been flexible and adaptable whilst maintaining their usual high levels of customer service and accuracy.

In the last week of March 2020, KCF set up two emergency funds; one with funding from the National Emergencies Trust (NET) and the other with donations from KCF's own supporters. Between them, these funds went on to make nearly £1.9m of grants to local voluntary and community organisations. Support through the pandemic also came from DCMS (making over £465k in grants) and in the form of Hardship Grants to individuals and families struggling to make ends meet, funded by Kent County Council and Wards Charitable Fund. All beneficiaries were referred by a professional case worker and grants were typically up to £500 each. By the end of March 2021, 469 hardship grants had been made totalling over £300k. Funding from Kent County Council also enabled KCF to set up a Strategic Recovery Fund, to help organisations pay for consultancy support to aid their strategic planning, digital resources and other areas required to build them back up from the effects of the pandemic. A Digital Inclusion Fund which made over £165,000 in grants to schools was also set up to make sure that children without access to digital devices were not left behind.

In December 2020, KCF published its 'Our Story So Far' telling of its response to the pandemic which can be accessed via the website at <https://kentcf.org.uk/coronavirus-case-studies>.

KCF did not cease its usual grant making and most funds continued as normal. In March 2019 the Foundation made its first three-year commitment to 13 local organisations through its new multiyear core funding programme and these organisations have received six-monthly injections of finance since then. This fund aims to respond to the needs of voluntary sector organisations by providing grants for their running costs, which are often hard to obtain. During the year, the original 13 organisations received their final payments, the second group received their second year's payments, and the next 13 3-year grants were agreed in April 2021.

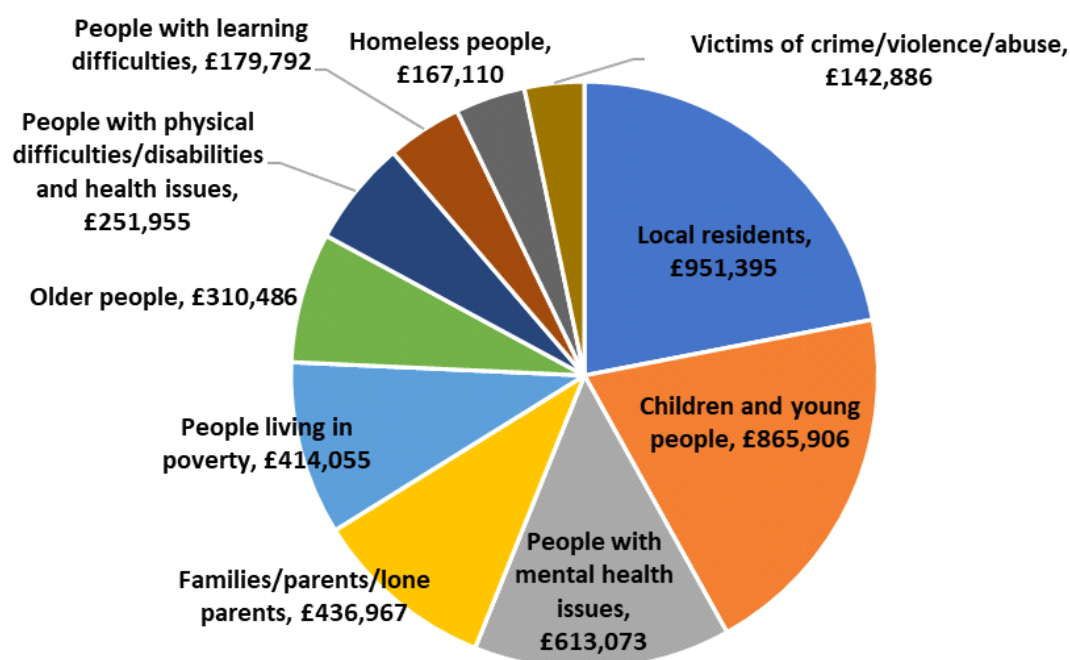
During the year across all funds a total of 1556 grants were made (an increase on the previous year of 259%); 990 to organisations and 566 to individuals. Nearly half of the organisations supported (45%) had income of less than £100k, with only 1 in 10 organisations funded having over £1m turnovers, demonstrating that the Foundation is staying true to its objective of funding small and local. A key KPI monitored by the trustees through the year was the number of organisations receiving a grant from KCF for the first time, and in 20-21 this number was 235, demonstrating a real and measurable increase in reach.

Trustees' report (continued)
For the year ended 31 March 2021

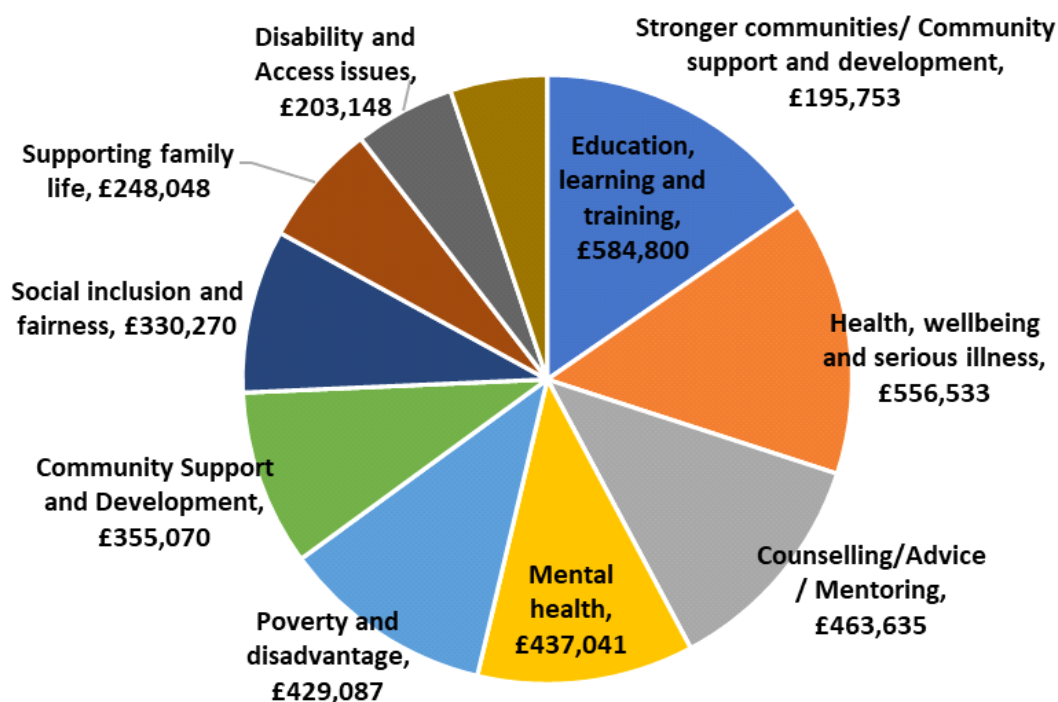
Achievements and performance (continued)

Organisational grants were made in the following areas:

Top 10 Beneficiary Categories for Organisational Grants 20-21



Top 10 Issue Categories for Organisational Grants 20-21

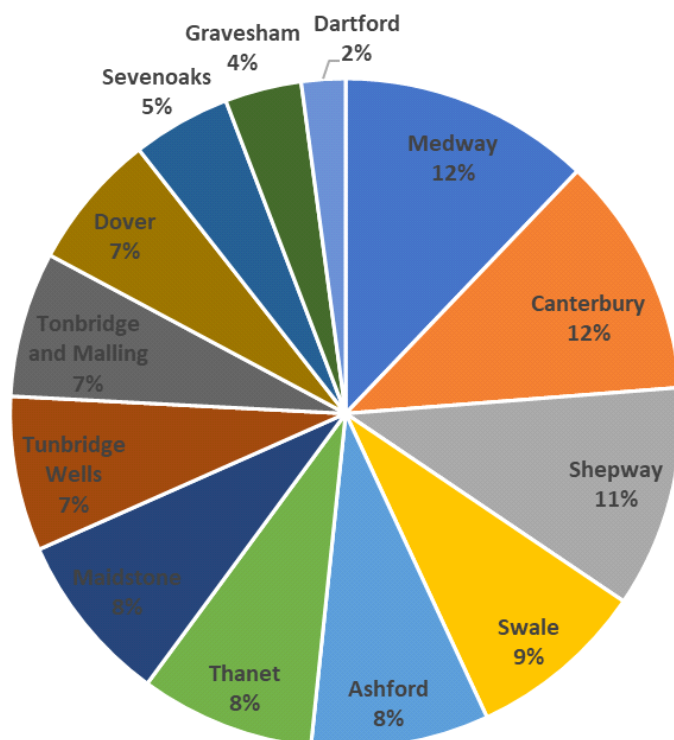


KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Achievements and performance (continued)

Grant distribution by district (measured in amount of funding awarded) was fairly even, with no areas receiving disproportionate levels of funding (in relation to population size):



The Kent Social Enterprise Loan Fund, formally known as Kent Big Society Fund, was established with £1m of initial funding from Kent County Council in March 2012 followed by a further two donations of £1m in 2013 & 14 respectively. This loan fund is now well established and has become a valuable source of investment for local Kent based charities and social enterprises who want to grow and develop for community benefit. With the capacity to consider loans of between £10,000 and £100,000 on bespoke, flexible terms, Kent Social Enterprise Loan Fund (KSELF) supports all sizes of social venture. Primarily a loan fund, there is also scope for an element of grant funding as well as providing applicants with investment support and advice. The Fund was boosted with an additional £500,000 from Big Lottery Fund in October, 2017 which is when it was rebranded as the Kent Social Enterprise Loan Fund. In 2020-21 £357,000 of funding was agreed and the fund released £251,650 in loans and £52,850 in grants. Due to the pandemic help was offered to eligible organisations in the form of coronavirus emergency bridging loans, and as a result £72,000 of the approved funds were for this purpose.

Kent Community Foundation welcomes applications that fit with the priorities of the Foundation's various grants and loan making Funds. To find out which Funds are open for applications, see Kent Community Foundation's website where the latest funding rounds are advertised (www.kentcf.org.uk).

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Achievements and performance (continued)

c. Investment policy and performance

All investment decisions by the Foundation are considered by the Investment Committee and ratified by a quorum of trustees. The Foundation's Investment Policy is reviewed from time to time by the Board of Trustees. The Foundation aims to meet a balance between current needs and developing the endowment to meet the needs of future generations. Therefore, investment of endowed funds should achieve a balance between capital growth and income.

The Foundation seeks to produce the best financial return within an acceptable level of risk. The aim is to distribute 5% of fund value annually to cover both grant making in the community and the contribution to KCF's own costs, while maintaining the long-term value of the Foundation's endowment funds. The Foundation adopts a total return approach with the aim of optimising the return generated, regardless of whether this is obtained from dividends, interest or capital gain. However, the Foundation would generally expect c. 70% of its distribution to come from income.

The Foundation regularly reviews the real value of its investment funds and may take action, including reducing the annual drawdown, if the long-term endowment of the Foundation is at risk. However, the Foundation takes a long-term view and recognises the context of its overall strategy to continually raise new funds to add to the overall endowment. In this regard, the Foundation treats its investment funds as expendable, rather than permanent, endowment.

The Investment Committee meet twice during each year to review performance of the investments as well as meeting face to face with the Relationship Managers from both investment houses the charity work with. This year these meetings continued as usual albeit virtually by video call.

The value of KCF's investments at 31 March 2020 was £22,142,239; at the end of the year it was £26,651,903 after showing a healthy recovery from the impact of Covid-19 on world markets.

Financial review

a. Going concern

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

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Financial review (continued)

b. Reserves policy

The aim of Kent Community Foundation is to benefit the local communities of Kent and Medway. An important way it does this is by encouraging individuals, businesses and funders to establish donor advised funds with the Charity. Generally, these funds are restricted for specific community grant making with a portion given over as a contribution towards the core running costs of the Foundation itself. This gives Kent Community Foundation a level of security in terms of regular income, but there are still some uncertainties as flow through funds and the value of endowed funds fluctuate from year to year.

Kent Community Foundation's income tends to arise from a modest number of significant donations, rather than a large number of smaller donations. Given the amounts involved and the long-term nature of these funds, the trustees are mindful of the need to give stakeholders, particularly existing and potential donors, confidence that the Charity has sufficient reserves to carry on its activities in the face of a shortfall of income or fluctuations in investment performance.

The trustees have considered the above and have agreed that the Charity will retain a minimum of 6 months' anticipated running costs as reserves. In addition, where possible, the trustees plan to hold a margin above this level of reserves to ensure the Charity is in a position to respond quickly to, and invest in, new opportunities as and when they arise.

The level of free reserves at 31st March, 2021 was £540,857 which was the equivalent of 10 months operating costs. The trustees considered this level of reserve and agreed it was appropriate given the above policy.

c. Principal funding

The principal sources of funding are individuals, companies, charitable trusts and other organisations with an interest in the communities of Kent and Medway. Significant donations were received during the period from a number of charitable trusts, individuals and corporations; with UKCF facilitating £1.2m from the National Emergencies Trust and £490,479 from DCMS; The John Swire 1989 Charitable Trust donating £256,000; and Kent County Council providing a total of £445,000 during the year.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Financial review (continued)

d. Material investments policy

The Foundation's assets can be invested widely and diversified by asset class. Asset classes can include cash, bonds, UK and overseas equities, property, hedge funds, structured products, private equity, commodities and any other asset class deemed suitable for the Foundation.

The Foundation's Investment committee agree a suitable asset allocation strategy with each investment manager. Ranges for tactical asset allocation and benchmarks are reviewed and agreed by the Investment committee with the Investment Managers from time to time.

The Foundation's Investment Managers concentrate on what they regard as good quality securities that can be invested in for the medium to long term. In order to pass their quality threshold they take into account a number of factors and risks which may include environmental factors. They also meet, where possible, with the management of the companies they invest in and engage with them and vote on issues that they regard as material.

The principal managed funds the Foundation invests in have basic ethical restrictions, prohibiting or limiting investment in the following areas:

- Oil Sands extraction
- Energy coal extraction
- Landmines, cluster munitions
- Tobacco
- Pornography (Production)
- Gambling (Online)

For any donor advised funds with strong ethical investment requirements, the Foundation has the option of a multi asset pooled fund that specialises in charity ethical investing whose policies include:

- Excludes companies with involvement in supporting oppressive regimes, or the production of landmines, cluster bombs or nuclear weapons.
- Excludes companies with significant involvement (>5% of turnover) in energy coal or oil sands extraction
- Excludes companies with significant involvement (>10% of turnover) in alcohol, gambling, pornography, tobacco, high interest rate lending or strategic military sales.
- Careful consideration of ESG ratings, EIRIS' standard Burma screen and FTSE's Human & Labour Rights rating.

The Foundation regularly reviews these ethical restrictions as part of its investment policy and ensures investments do not conflict with the Foundation's charitable purposes. The Foundation's trustees are currently reviewing its responsible investment policies in line with the launch of KCF's environmental strategy and work to incorporate the United Nation's Sustainable Development Goals into its strategies. The trustees take a measured and objective approach to this process with advice from their investment managers and are maintaining transparent communication with donors and stakeholders about decisions made.

Structure, governance and management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Trust deed on 20 October 2000. The Company is a registered Charity (number 1084361), registered on 5 January 2001. Operations commenced during April 2001.

Trustees' report (continued)
For the year ended 31 March 2021

Structure, governance and management (continued)

b. Methods of appointment or election of trustees

Trustees are appointed by the Board of Trustees in their capacities as members. Potential new trustees are identified by a process of needs analysis and intelligence gathering through a robust network of contacts and referrals. Following an equality, diversity and inclusion audit, the trustees decided to engage a process of open recruitment for future trustee appointments, the first of which will take place in the second half of 2021. This strategy is expected to increase the diversity of the board and bring new skills and experience to the Foundation.

c. Policies adopted for the induction and training of trustees

New trustees undergo an initial induction to brief on the role of a trustee, Kent Community Foundation's charitable purpose, strategy and priorities, finances, staffing and operations and any current issues. Thereafter, there is an annual trustee away day and other training is arranged as appropriate.

d. Pay policy for senior staff

A committee of trustees has been set up which considers and assesses pay levels for all staff taking into account market conditions as well as individual roles and responsibilities. All decisions of the Staffing and Remuneration Committee are ratified by the Board of Trustees.

The trustees consider the Board of Trustees, the Chief Executive and the Director of Grants and Impact as the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give their time freely and no trustee remuneration was paid in the year. Details of the trustee expenses and related party transactions are disclosed in note 8 of the accounts.

The pay of the Chief Executive and Director of Grants and Impact is reviewed annually by the Staffing and Remuneration Committee to ensure that the remuneration is fair and not out of line with that generally paid for similar roles.

e. Organisational structure and decision making

The Board of Trustees governs the Charity. The Chief Executive, supported by a team of (on average during the year) 13 full time equivalent paid staff, conducts the day to day business of the Charity, reporting to the board.

The Board appointed Russell Race as trustee and director in September 2020, and Ann West retired in November 2020 after nine years of valued and passionate service to the Foundation. As of March 2021 the board consisted of 10 trustees and directors including the Chairman.

Trustees' report (continued)
For the year ended 31 March 2021

Structure, governance and management (continued)

f. Risk management

The trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Significant risks identified by the trustees are as follows:

- Insufficient unrestricted funds/reserves to cover operations, mitigated by prudent management of reserves which do not fall below 6 months' running costs in accordance with the Charity's reserves policy and careful monitoring of financial position on a regular basis by trustees.
- Challenges recruiting new donors/fund holders affecting fund development especially endowment growth, mitigated by priority focus on fund development activities by staff and trustees.
- Reputational risk if the Foundation fails to meet expectations of funders, donors, grantees and other stakeholders, mitigated by proactive client care strategies and high level of engagement.
- Key person risk, mitigated by continuing development of structure/operations and capacity of the Foundation to avoid over reliance on one or two key individuals.
- Loss in value of endowments, mitigated by close supervision and scrutiny of external Investment Fund Managers by Trustee Investment Committee.
- Loss of funds due to fraud (including improper use or misdirection of grant making funds) mitigated by a robust financial procedures policy, anti bribery policy and grant making policy reviewed and ratified regularly by the Board of Trustees.
- Risk to data security (including personal data), by cyber attack or accidental data leak. This is mitigated by our IT provider maintaining up to date security software and data protection procedures implemented from KCF's data protection policy recently reviewed by the board, to ensure compliance with GDPR.

The trustees have assessed the additional risks imposed by the Coronavirus pandemic; most significantly:

- loss of income due to restricted ability to raise funds
- fall in value of investments and subsequent loss of income
- risk to capacity of staff team if staff members become ill
- capacity of staff team to meet increased demand for grants
- limitations of homeworking

In all these areas the board is satisfied it has identified appropriate mitigating actions and is regularly reviewing its risk strategy. The Foundation is still able to operate at its usual efficiency and there are no serious concerns regarding its financial future.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Trustees' report (continued)
For the year ended 31 March 2021

Plans for future periods

a. Future developments and Business Plan Objectives for 2021/22

The Foundation's mission is to proactively create strong, local communities by connecting those who want to help with those seeking help. The strategy for the 2021/22 financial year is to focus on the cultivation of new fund-holders by rebuilding the pipeline to take KCF into the next business planning period to 2025. The Foundation will continue to build core endowment funds in order to ensure the long-term sustainability and financial health of the Foundation. A lot has been learnt in the last financial year due to the pandemic and this learning will be put into action through the development of the new grant strategy which will be in place by the Autumn. These priorities will allow the Foundation to continue to make a significant difference for local communities, in particular the most disadvantaged, vulnerable and socially excluded across Kent and Medway.

Following an independent review of KCF's equality, diversity and inclusion practices which took place early in 2020, an action plan has been drawn up to ensure improvements are made in weak areas of performance. A new EDI policy has been written and new practices around staff and trustee recruitment have been adopted as well as a number of objectives set around staff training, grants analysis and grant making strategy.

The objectives for the 2021/22 financial period are:

1. Secure donations of £2.822m
2. Distribute grants of £2.78m
3. Launch new environmental strategy
4. Carry out a Needs Analysis of the county
5. Create and implement a new grant making strategy in light of COVID
6. Recruit new trustees
7. Implement recommendations from the Equality, Diversity and Inclusion audit
8. Develop long term strategic partnerships with the county's other key funders

Disclosure of information to auditor

Each of the persons who are trustees (who are also directors of the charity for the purposes of the Companies Act) at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the trustees and signed on their behalf by:

Tim Bull
(Trustee)
Date: 6 August 2021

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Statement of trustees' responsibilities

For the year ended 31 March 2021

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 (FRS 102);
- make judgments 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 business.

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.

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

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Independent auditor's report to the Trustees of Kent Community Foundation

Opinion

We have audited the financial statements of Kent Community Foundation (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Independent auditor's report to the Trustees of Kent Community Foundation (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Trustees' 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.

Independent auditor's report to the Trustees of Kent Community Foundation (continued)

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety and fundraising practices) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

KENT COMMUNITY FOUNDATION

(A company limited by guarantee)

Independent auditor's report to the Trustees of Kent Community Foundation (continued)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Robinson BA FCA FCIE DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Statutory Auditor

Chartered Accountants

Chatham Maritime

6 August 2021

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 March 2021

	Note	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income and endowments from:						
Donations and legacies:	3					
Donations and grants	3	458,750	4,783,693	16,436	5,258,879	7,147,757
Operational contribution (internal cross-charging)	3	-	-	695,876	695,876	573,789
Fees from external funds	3	-	-	37,713	37,713	44,097
Investments	4	-	905,667	14,252	919,919	903,473
Total income and endowments		458,750	5,689,360	764,277	6,912,387	8,669,116
Expenditure on:						
Raising funds	5	-	-	116,408	116,408	121,632
Charitable activities		12,858	5,728,524	522,875	6,264,257	4,396,864
Total expenditure		12,858	5,728,524	639,283	6,380,665	4,518,496
Net gains/(losses) on investments		4,143,419	-	-	4,143,419	(2,019,177)
Net income/ (expenditure)		4,589,311	(39,164)	124,994	4,675,141	2,131,443
Transfers between funds	18	(160,229)	160,229	-	-	-
Net movement in funds		4,429,082	121,065	124,994	4,675,141	2,131,443
Reconciliation of funds:						
Total funds brought forward		21,661,175	4,286,165	415,863	26,363,203	24,231,760
Net movement in funds		4,429,082	121,065	124,994	4,675,141	2,131,443
Total funds carried forward		26,090,257	4,407,230	540,857	31,038,344	26,363,203

The notes on pages 22 to 41 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)
Registered number: 04088589

Balance sheet
As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	-	-
Investments	13	26,651,903	22,142,239
		26,651,903	22,142,239
Current assets			
Debtors due after more than 1 year	14	255,909	224,197
Debtors due within 1 year	14	202,084	141,323
Investments	15	1,012,526	1,350,395
Cash at bank and in hand		3,651,401	3,134,542
		5,121,920	4,850,457
Creditors: amounts falling due within one year	16	(735,479)	(629,493)
Net current assets		4,386,441	4,220,964
Total assets less current liabilities		31,038,344	26,363,203
Total net assets		31,038,344	26,363,203
Charity funds			
Endowment funds	18	26,090,257	21,661,175
Restricted funds	18	4,407,230	4,286,165
Unrestricted funds	18	540,857	415,863
Total funds		31,038,344	26,363,203

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:

Tim Bull
(Trustee)
Date: 6 August 2021

The notes on pages 22 to 41 form part of these financial statements.

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Statement of cash flows
For the year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(117,397)	3,244,148
Cash flows from investing activities		
Dividends, interests and rents from investments	919,919	903,473
Proceeds from sale of investments	173,087	205,891
Purchase of investments	(458,750)	(3,318,477)
Net cash provided by/(used in) investing activities	634,256	(2,209,113)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	516,859	1,035,035
Cash and cash equivalents at the beginning of the year	3,134,542	2,099,507
Cash and cash equivalents at the end of the year	3,651,401	3,134,542

The notes on pages 22 to 41 form part of these financial statements

KENT COMMUNITY FOUNDATION
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 March 2021

1. General information

Kent Community Foundation is a charitable company, limited by guarantee, domiciled in England and Wales, registration number 04088589. The registered office is Evegate Park Barn, Evegate, Smeeth, Ashford, Kent, TN25 6SX.

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 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Kent 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.

A number of the fixed asset investments and bank accounts have been restated to reclassify the deposit and cash equivalents with a maturity of less than one year held for investment purposes, to current asset investments.

The charity's functional and presentational currency is in Pounds Sterling.

The charity's financial statements are presented to the nearest pound.

2.2 Company status

The company is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

2.3 Going concern

The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.4 Fund accounting

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

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

Endowment funds represent those assets held in the long term by the charity, principally investments. In accordance with the trust deed and donors' wishes the capital is expendable, that is the capital can be converted into income at the discretion of the trustees in the furtherance of the charitable objectives. Income arising on endowment fund can be used in accordance with the objectives of the charity and included in restricted income. Any capital gains and losses arising and the investment management charges and legal advice relating to the fund are charged against the fund.

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

2.5 Income

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

For donations received subject to match funding arrangements, such as the Lawson match programme, the additional funding received is recognised at the time of the initial donation, unless any conditions are attached.

Donations other than in the form of cash are recorded at fair value as at the date of the donation.

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.6 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.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Head office. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's operations, including support costs and costs relating to governance of the company apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

All assets over £1,000 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the costs of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	33.3% straight line
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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.

Current asset investments include cash or other short-term liquid investments with a short maturity of more than three months but less than one year, held for investment purposes.

2.9 Operating leases

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

2.10 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.

2.11 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.

2.12 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 within interest payable and similar charges.

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.13 Financial instruments

The charity enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable in non-puttable ordinary shares.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the statement of financial activities and are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

2.15 Value Added Tax

Value Added Tax (VAT) is not recoverable by Kent Community Foundation, and as such is included in the relevant costs in the statement of financial activities.

Notes to the financial statements
For the year ended 31 March 2021

2. Accounting policies (continued)

2.16 Social investments

The objective of the Kent Social Enterprise Loan Fund is to support existing and emerging enterprises through the making of grants and concessionary loans. These loans are made or received by the charity to further its purposes and any interest charged is below prevailing market rates.

Kent Community Foundation has opted to initially recognise and measure the loans at the amount received or paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment. Fees and interest are deemed to be restricted income, to be utilised in the making of future loans in accordance with the fund objectives.

If Kent Community Fund consider that there is an objective evidence of impairment, for example a default on repayments due or evidence of significant financial difficulty in the entity in which the investment has been made, then an immediate impairment loss is recognised in the statement of financial activities as a cost within expenditure on charitable activities. The impairment is measured on the same basis as other investments or financial assets.

Amounts due for repayment after more than 12 months from the balance sheet date are shown as long-term debtors within current assets.

2.17 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The material judgements, estimates or assumptions that have had significant impact on amounts recognised in the financial statements are:

Investment valuations

Investment valuations are obtained by trustees from the investment managers, who utilise the closing quoted market price information available at the balance sheet date.

Impairment of social investment debtors

The charity makes an estimate of the recoverable value of social investment debtors. When assessing the impairment of the social investment debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 14 for the net carrying amount of social investment debtors.

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3. Income from donations and legacies

	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Donations					
Donations and grants	458,750	4,783,693	16,436	5,258,879	7,147,757
Operational contribution (internal cross-charging)	-	-	695,876	695,876	573,789
Fees from external funds	-	-	37,713	37,713	44,097
Subtotal detailed disclosure	<u>458,750</u>	<u>4,783,693</u>	<u>750,025</u>	<u>5,992,468</u>	<u>7,765,643</u>
	<u>458,750</u>	<u>4,783,693</u>	<u>750,025</u>	<u>5,992,468</u>	<u>7,765,643</u>
<i>Total 2020</i>	<u><u>3,318,476</u></u>	<u><u>3,793,137</u></u>	<u><u>654,030</u></u>	<u><u>7,765,643</u></u>	

From time to time, Kent Community Foundation receives substantial one-off donations to set up donor advised funds. This can mean that income from donations and grants is subject to fluctuations from year to year.

4. Investment income

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Investment income	900,945	14,252	915,197	891,822
KSELF Income	4,722	-	4,722	11,651
	<u>905,667</u>	<u>14,252</u>	<u>919,919</u>	<u>903,473</u>
<i>Total 2020</i>	<u><u>885,192</u></u>	<u><u>18,281</u></u>	<u><u>903,473</u></u>	

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5. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Other staff costs	83	83	81
Rent & rates	8,185	8,185	7,484
Marketing & advertising	5,559	5,559	7,314
Sundries	299	299	659
Office costs	2,587	2,587	3,484
IT support	3,778	3,778	4,182
Insurance	212	212	205
Bank charges	170	170	174
Subscriptions	3,383	3,383	3,894
Book keeping	3,811	3,811	3,526
Legal & professional	3,337	3,337	391
Travel	21	21	1,040
Panel expenses	-	-	40
Wages and salaries	72,438	72,438	76,421
Employer's NI	6,958	6,958	7,381
Pensions	5,491	5,491	5,356
Staff Training	96	96	-
	116,408	116,408	121,632
<i>Total 2020</i>	121,632	121,632	

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6. Analysis of grants

	Grants to Institutions 2021 £	Grants to Individuals 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Community First Grant-making	121,963	-	121,963	190,450
Grants	4,539,352	346,664	4,886,016	3,091,190
	<u>4,661,315</u>	<u>346,664</u>	<u>5,007,979</u>	<u>3,281,640</u>
<i>Total 2020</i>	<u><u>3,244,522</u></u>	<u><u>37,118</u></u>	<u><u>3,281,640</u></u>	

From time to time, Kent Community Foundation makes large one-off donations from donor-advised funds which can mean Grants payable is subject to significant fluctuation from year to year.

A list of the recipients of significant grants made to institutions is available on request from the charity's registered office and is available on the charity's website: www.kentcf.org.uk

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7. Costs of charitable activities

	2021 £	2020 £
Grants payable (see Note 6)	5,007,979	3,281,640
Operational contribution	643,806	512,800
KSELF operational contribution	89,597	87,841
Other staff costs	333	323
Rent & rates	32,738	29,938
Marketing & advertising	22,238	29,254
Sundries	1,198	2,636
Office costs	10,346	13,931
IT support	15,111	16,729
Insurance	849	819
Bank charges	680	696
Subscriptions	13,534	15,576
Book keeping	15,244	14,104
Travel	86	4,158
Panel expenses	-	162
Events	-	6,950
Legal & professional	13,346	1,836
Salaries and pensions	386,280	363,135
Staff training	392	3,836
Audit fees	10,500	10,500
	6,264,257	4,396,864

8. Charitable expenditure summary by fund type

	2021 £	2020 £
Endowment funds	12,858	33,005
Restricted funds	5,728,524	3,849,276
Unrestricted funds	552,875	514,583
	6,294,257	4,396,864

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9. Auditor's remuneration

	2021 £	<i>2020</i> £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	10,500	<i>10,500</i>

10. Staff costs

	2021 £	<i>2020</i> £
Wages and salaries	396,192	<i>380,560</i>
Social security costs	35,161	<i>34,552</i>
Pension costs	35,305	<i>29,983</i>
	466,658	<i>445,095</i>

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

	2021 No.	<i>2020</i> No.
Employees	14	<i>13</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	<i>2020</i> No.
In the band £70,001 - £80,000	1	<i>1</i>

The total salaries received by key management personnel was £124,775 (2020: £119,770). Employer pension contributions were a total of £10,797 (2020: £10,468) and employer national insurance contributions were a total of £14,795 (2020: £14,147).

11. Trustees' remuneration and expenses

During the year, no trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no trustee expenses have been incurred (2020 - £NIL).

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12. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2020	11,363
At 31 March 2021	<u>11,363</u>
Depreciation	
At 1 April 2020	11,363
At 31 March 2021	<u>11,363</u>
Net book value	
At 31 March 2021	<u>-</u>
<i>At 31 March 2020</i>	<u>-</u>

13. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2020 (as restated)	22,142,239
Additions	458,750
Disposals	(173,087)
Revaluations	4,224,001
At 31 March 2021	<u>26,651,903</u>
Net book value	
At 31 March 2021	<u>26,651,903</u>
<i>At 31 March 2020</i>	<u>22,142,239</u>

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Notes to the financial statements
For the year ended 31 March 2021

13. Fixed asset investments (continued)

The total increase of revaluations of £4,224,001 disclosed above includes £4,143,419 attributable to the charity and £80,582 attributable to client money held.

Investments at market value comprise of listed investments at £26,651,903 (2020: £22,142,239).

14. Debtors

	2021 £	2020 £
Due after more than one year		
Loans	255,909	224,197
	<u>255,909</u>	<u>224,197</u>
Due within one year		
Loans	200,009	115,956
Other debtors	2,075	25,367
	<u>457,993</u>	<u>365,520</u>

Loans consist of loans to borrowers issued through the Kent Social Enterprise Loan Fund.

15. Current asset investments

	2021 £	2020 £
Unlisted investments	1,012,526	1,350,395

16. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	5,625	5,710
Other taxation and social security	10,683	6,718
Client money held	649,171	547,065
Other creditors	70,000	70,000
	<u>735,479</u>	<u>629,493</u>

The Kent Community Fund Foundation holds funds of £649,171 (2020: £547,065) in respect of the Spires Academy.

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Notes to the financial statements
For the year ended 31 March 2021

17. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through income and expenditure	26,651,903	22,142,239

Financial assets measured at fair value comprise of listed investments.

18. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
Unrestricted funds						
General Funds - all funds	415,863	764,277	(639,283)	-	-	540,857
Endowment funds						
Grassroots Funds Endowment Funds	4,800,309	-	(8,483)	-	803,442	5,595,268
Other Endowment Funds	9,928,073	446,250	(4,375)	(69,725)	1,917,810	12,218,033
Community First Endowment Funds for Kent	6,932,793	12,500	-	(90,504)	1,422,167	8,276,956
	21,661,175	458,750	(12,858)	(160,229)	4,143,419	26,090,257

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Notes to the financial statements
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18. Statement of funds (continued)

Restricted funds

Donor Advised Funds - Individuals and Trusts	979,557	1,939,372	(1,518,828)	(154,300)	-	1,245,801
Donor Advised Funds - Corporate	506,262	791,943	(608,978)	(95,259)	-	593,968
Miscellaneous Funds	976,203	2,767,884	(3,431,240)	409,788	-	722,635
Community Cash Fund	677	-	-	-	-	677
Kent Social Enterprise Loan Fund	1,531,807	6,042	(96,638)	(134,738)	-	1,306,473
Big Lottery Fund	291,659	184,119	(72,840)	134,738	-	537,676
	<u>4,286,165</u>	<u>5,689,360</u>	<u>(5,728,524)</u>	<u>160,229</u>	<u>-</u>	<u>4,407,230</u>
Total of funds	<u><u>26,363,203</u></u>	<u><u>6,912,387</u></u>	<u><u>(6,380,665)</u></u>	<u><u>-</u></u>	<u><u>4,143,419</u></u>	<u><u>31,038,344</u></u>

Endowment funds relate to amounts received from philanthropists who want to provide a lasting legacy for their local community. The income received on endowment funds is treated as restricted income, to be expended in accordance with the criteria of each fund as agreed by the donors.

In addition the charity receives donations from donors which are treated as restricted funds to be expended in accordance with the wishes of the donor concerned. Details of the grant-making criteria for funds available for application from the community are publicised on the Kent Community Foundation website. Timing differences between receiving restricted donations and making grants can result in variances in net incoming resources from year to year.

The object of the Comic Relief Fund is to empower local people, enabling them to create lasting change in their communities, with priority given to small, locally based groups or organisations in areas of disadvantage. At certain points in the year there is also an additional focus on sport-related projects. Comic Relief have a number of funding streams administered locally by KCF including Local Communities, Community Cash and Large Grants programmes.

The object of KSELF is to support existing and emerging social enterprises.

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Notes to the financial statements
For the year ended 31 March 2021

18. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds						
General Funds - all funds	379,767	672,311	(636,215)	-	-	415,863
Endowment funds						
Grassroots Funds Endowment Funds	5,550,828	-	(9,937)	-	(740,582)	4,800,309
Other Endowment Funds	7,760,342	3,307,193	(23,068)	(60,404)	(1,055,990)	9,928,073
Community First Endowment Funds for Kent	7,256,597	11,283	-	(112,482)	(222,605)	6,932,793
	<u>20,567,767</u>	<u>3,318,476</u>	<u>(33,005)</u>	<u>(172,886)</u>	<u>(2,019,177)</u>	<u>21,661,175</u>

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18. Statement of funds (continued)

Restricted funds

Donor Advised Funds - Individuals and Trusts	774,539	2,621,913	(2,352,481)	(64,414)	-	979,557
Donor Advised Funds - Corporate	455,150	859,933	(763,913)	(44,908)	-	506,262
Miscellaneous Funds	162,739	1,019,187	(487,931)	282,208	-	976,203
Community Cash Fund	677	-	-	-	-	677
Kent Social Enterprise Loan Fund	1,735,230	11,650	(98,823)	(116,250)	-	1,531,807
Big Lottery Fund	155,891	71,418	(51,900)	116,250	-	291,659
Tampon Tax Community Fund	-	94,228	(94,228)	-	-	-
	<u>3,284,226</u>	<u>4,678,329</u>	<u>(3,849,276)</u>	<u>172,886</u>	<u>-</u>	<u>4,286,165</u>
Total of funds	<u>24,231,760</u>	<u>7,996,805</u>	<u>(4,518,496)</u>	<u>-</u>	<u>(2,019,177)</u>	<u>26,363,203</u>

19. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	415,863	764,277	(639,283)	-	-	540,857
Endowment funds	21,661,175	458,750	(12,858)	(160,229)	4,143,419	26,090,257
Restricted funds	4,286,165	5,689,360	(5,728,524)	160,229	-	4,407,230
	<u>26,363,203</u>	<u>6,912,387</u>	<u>(6,380,665)</u>	<u>-</u>	<u>4,143,419</u>	<u>31,038,344</u>

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19. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
General funds	379,767	672,311	(636,215)	-	-	415,863
Endowment funds	20,567,767	3,318,476	(33,005)	(172,886)	(2,019,177)	21,661,175
Restricted funds	3,284,226	4,678,329	(3,849,276)	172,886	-	4,286,165
	<u>24,231,760</u>	<u>8,669,116</u>	<u>(4,518,496)</u>	<u>-</u>	<u>(2,019,177)</u>	<u>26,363,203</u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2021 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Fixed asset investments	26,090,257	561,646	-	26,651,903
Debtors due after more than one year	-	255,909	-	255,909
Current assets	-	4,238,846	627,165	4,866,011
Creditors due within one year	-	(649,171)	(86,308)	(735,479)
Total	<u>26,090,257</u>	<u>4,407,230</u>	<u>540,857</u>	<u>31,038,344</u>

Analysis of net assets between funds - prior year

	<i>Endowment funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Fixed asset investments	21,661,175	1,397,067	(916,003)	22,142,239
Debtors due after more than one year	-	224,197	-	224,197
Current assets	-	3,211,966	1,414,294	4,626,260
Creditors due within one year	-	(547,065)	(82,428)	(629,493)
Total	<u>21,661,175</u>	<u>4,286,165</u>	<u>415,863</u>	<u>26,363,203</u>

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

	2021 £	2020 £
Net income for the year (as per Statement of Financial Activities)	4,675,141	2,131,443
Adjustments for:		
(Gains)/losses on investments	(3,886,132)	2,093,424
Dividends, interests and rents from investments	(919,919)	(903,873)
(Increase)/decrease in debtors	(92,473)	4,580
Increase/(decrease) in creditors	105,986	(81,435)
Net cash provided by/(used in) operating activities	(117,397)	3,244,139

22. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	3,651,401	3,134,542
Total cash and cash equivalents	3,651,401	3,134,542

23. Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	3,134,542	516,859	3,651,401
Liquid investments	1,350,395	(337,869)	1,012,526
	4,484,937	178,990	4,663,927

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24. Operating lease commitments

At 31 March 2021 the charitable company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	<i>2020</i> £
Not later than 1 year	31,800	<i>29,150</i>
Later than 1 year and not later than 5 years	29,150	<i>66,250</i>
	60,950	<i>95,400</i>

25. Related party transactions

During the year the Kent Community Foundation supported a number of other charities and social enterprises which have one or more trustees in common with the Foundation. All such donations, grants or loans have been made in accordance with the same eligibility criteria as all other similar applications for support received.

Conversely, from time to time, Kent Community Foundation receives donations from charities which have one or more trustees who are also trustees of the Foundation or who are related to a trustee of the Foundation.

During the year the trustees donated £6,300 (2020: £180,000) to the charity.

See note 10 of the financial statements for details of the key management personnel remuneration.

26. Controlling party

The charity is a company limited by guarantee and was controlled throughout the year by the trustees.