

**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](http://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**  
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**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**  
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**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.

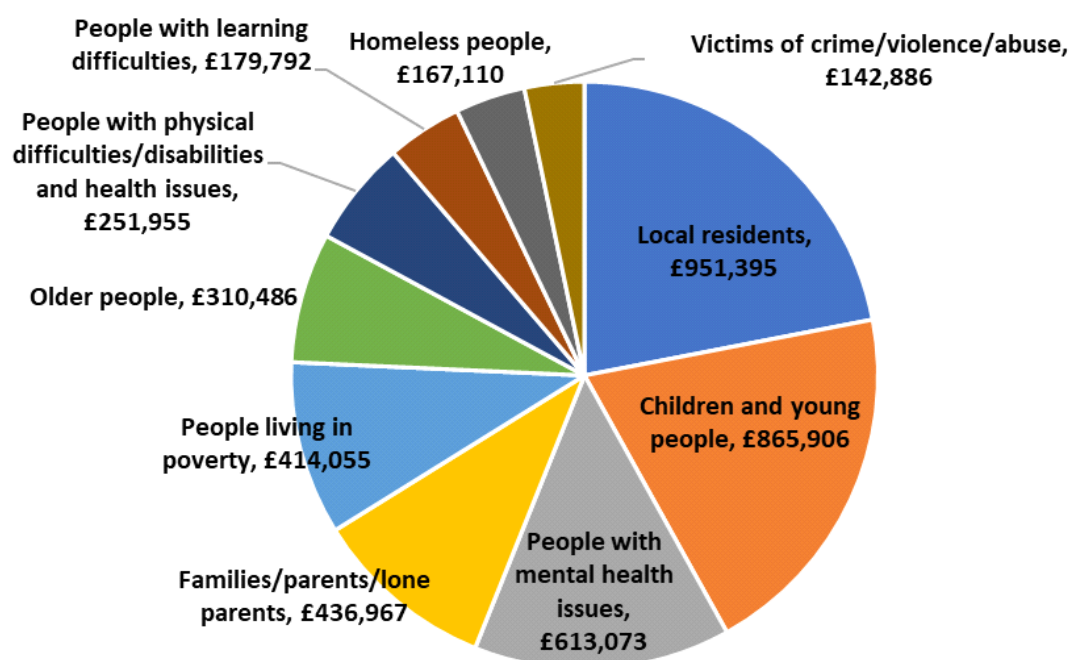
During the year across all funds a total of 1556 grants were made (an increase on the previous year of 259%); 990 to organisations and 566 to individuals. Nearly half of the organisations supported (45%) had income of less than £100k, with only 1 in 10 organisations funded having over £1m turnovers, 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

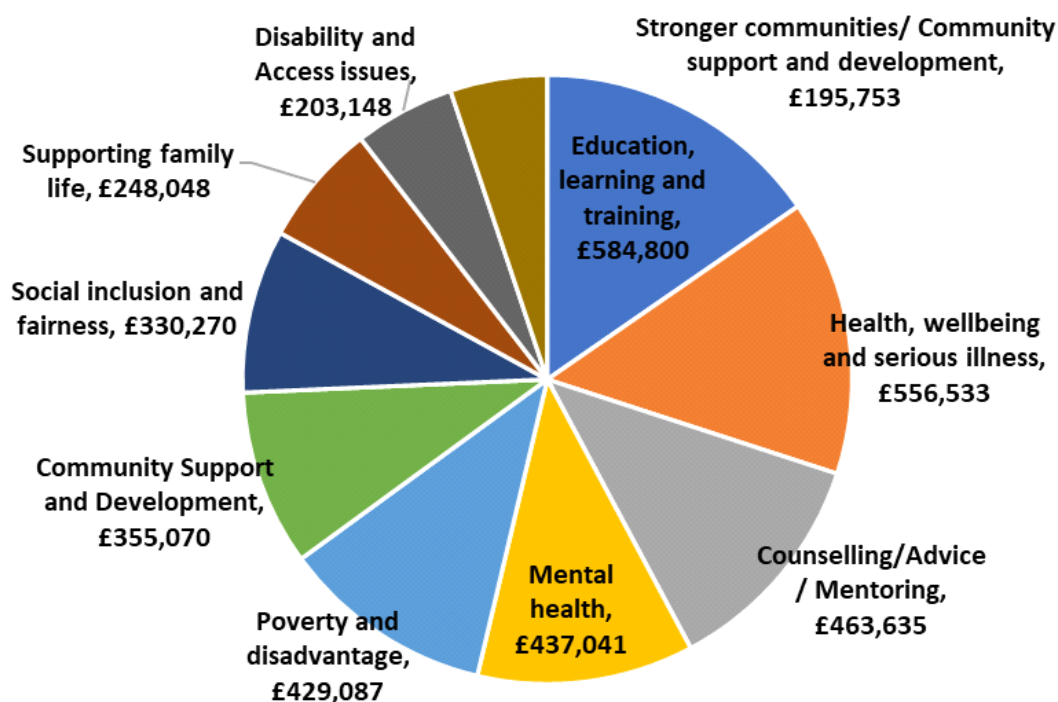
**Achievements and performance (continued)**

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**



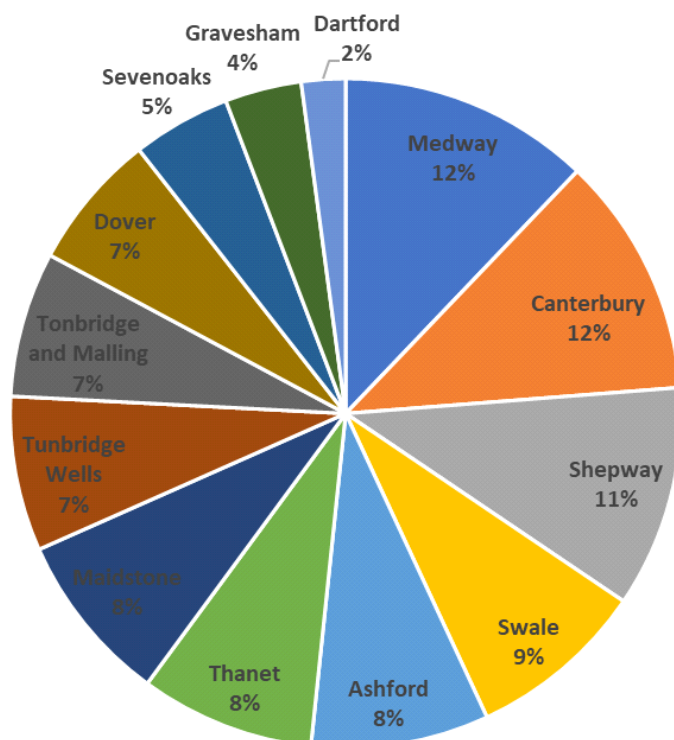


**KENT COMMUNITY FOUNDATION**  
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**Trustees' report (continued)**  
**For the year ended 31 March 2021**

**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](http://www.kentcf.org.uk)).

**KENT COMMUNITY FOUNDATION**  
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**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**  
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**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**  
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**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](http://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 £
<b>Income and endowments from:</b>						
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
<b>Total income and endowments</b>		<b>458,750</b>	<b>5,689,360</b>	<b>764,277</b>	<b>6,912,387</b>	<b>8,669,116</b>
<b>Expenditure on:</b>						
Raising funds	5	-	-	116,408	116,408	121,632
Charitable activities		12,858	5,728,524	522,875	6,264,257	4,396,864
<b>Total expenditure</b>		<b>12,858</b>	<b>5,728,524</b>	<b>639,283</b>	<b>6,380,665</b>	<b>4,518,496</b>
Net gains/(losses) on investments		4,143,419	-	-	4,143,419	(2,019,177)
<b>Net income/ (expenditure)</b>		<b>4,589,311</b>	<b>(39,164)</b>	<b>124,994</b>	<b>4,675,141</b>	<b>2,131,443</b>
Transfers between funds	18	(160,229)	160,229	-	-	-
<b>Net movement in funds</b>		<b>4,429,082</b>	<b>121,065</b>	<b>124,994</b>	<b>4,675,141</b>	<b>2,131,443</b>
<b>Reconciliation of funds:</b>						
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
<b>Total funds carried forward</b>		<b>26,090,257</b>	<b>4,407,230</b>	<b>540,857</b>	<b>31,038,344</b>	<b>26,363,203</b>

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**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Fixed assets</b>			
Tangible assets	12	-	-
Investments	13	<b>26,651,903</b>	<b>22,142,239</b>
		<b>26,651,903</b>	<b>22,142,239</b>
<b>Current assets</b>			
Debtors due after more than 1 year	14	<b>255,909</b>	<b>224,197</b>
Debtors due within 1 year	14	<b>202,084</b>	<b>141,323</b>
Investments	15	<b>1,012,526</b>	<b>1,350,395</b>
Cash at bank and in hand		<b>3,651,401</b>	<b>3,134,542</b>
		<b>5,121,920</b>	<b>4,850,457</b>
Creditors: amounts falling due within one year	16	<b>(735,479)</b>	<b>(629,493)</b>
<b>Net current assets</b>		<b>4,386,441</b>	<b>4,220,964</b>
<b>Total assets less current liabilities</b>		<b>31,038,344</b>	<b>26,363,203</b>
<b>Total net assets</b>		<b>31,038,344</b>	<b>26,363,203</b>
<b>Charity funds</b>			
Endowment funds	18	<b>26,090,257</b>	<b>21,661,175</b>
Restricted funds	18	<b>4,407,230</b>	<b>4,286,165</b>
Unrestricted funds	18	<b>540,857</b>	<b>415,863</b>
<b>Total funds</b>		<b>31,038,344</b>	<b>26,363,203</b>

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**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	<b>(117,397)</b>	<b>3,244,148</b>
<b>Cash flows from investing activities</b>		
Dividends, interests and rents from investments	<b>919,919</b>	<b>903,473</b>
Proceeds from sale of investments	<b>173,087</b>	<b>205,891</b>
Purchase of investments	<b>(458,750)</b>	<b>(3,318,477)</b>
<b>Net cash provided by/(used in) investing activities</b>	<b>634,256</b>	<b>(2,209,113)</b>
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents in the year</b>	<b>516,859</b>	<b>1,035,035</b>
Cash and cash equivalents at the beginning of the year	<b>3,134,542</b>	<b>2,099,507</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,651,401</b>	<b>3,134,542</b>

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.

**KENT COMMUNITY FOUNDATION**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the year ended 31 March 2021**

**3. Income from donations and legacies**

	<b>Endowment funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
<b>Donations</b>					
Donations and grants	458,750	4,783,693	16,436	<b>5,258,879</b>	7,147,757
Operational contribution (internal cross-charging)	-	-	695,876	<b>695,876</b>	573,789
Fees from external funds	-	-	37,713	<b>37,713</b>	44,097
<b>Subtotal detailed disclosure</b>	<u>458,750</u>	<u>4,783,693</u>	<u>750,025</u>	<u><b>5,992,468</b></u>	<u>7,765,643</u>
	<u>458,750</u>	<u>4,783,693</u>	<u>750,025</u>	<u><b>5,992,468</b></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**

	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Investment income	900,945	14,252	<b>915,197</b>	891,822
KSELF Income	4,722	-	<b>4,722</b>	11,651
	<u>905,667</u>	<u>14,252</u>	<u><b>919,919</b></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>	

**KENT COMMUNITY FOUNDATION**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2021**

**5. Expenditure on raising funds**

**Costs of raising voluntary income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Other staff costs	83	<b>83</b>	81
Rent & rates	8,185	<b>8,185</b>	7,484
Marketing & advertising	5,559	<b>5,559</b>	7,314
Sundries	299	<b>299</b>	659
Office costs	2,587	<b>2,587</b>	3,484
IT support	3,778	<b>3,778</b>	4,182
Insurance	212	<b>212</b>	205
Bank charges	170	<b>170</b>	174
Subscriptions	3,383	<b>3,383</b>	3,894
Book keeping	3,811	<b>3,811</b>	3,526
Legal & professional	3,337	<b>3,337</b>	391
Travel	21	<b>21</b>	1,040
Panel expenses	-	-	40
Wages and salaries	72,438	<b>72,438</b>	76,421
Employer's NI	6,958	<b>6,958</b>	7,381
Pensions	5,491	<b>5,491</b>	5,356
Staff Training	96	<b>96</b>	-
	<b>116,408</b>	<b>116,408</b>	121,632
<i>Total 2020</i>	<i>121,632</i>	<i>121,632</i>	

**KENT COMMUNITY FOUNDATION**  
(A company limited by guarantee)

**Notes to the financial statements**  
**For the year ended 31 March 2021**

**6. Analysis of grants**

	<b>Grants to Institutions 2021 £</b>	<b>Grants to Individuals 2021 £</b>	<b>Total funds 2021 £</b>	<i>Total funds 2020 £</i>
Community First Grant-making	121,963	-	<b>121,963</b>	190,450
Grants	4,539,352	346,664	<b>4,886,016</b>	3,091,190
	<u>4,661,315</u>	<u>346,664</u>	<u><b>5,007,979</b></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](http://www.kentcf.org.uk)



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**7. Costs of charitable activities**

	<b>2021</b> £	<b>2020</b> £
Grants payable (see Note 6)	<b>5,007,979</b>	3,281,640
Operational contribution	<b>643,806</b>	512,800
KSELF operational contribution	<b>89,597</b>	87,841
Other staff costs	<b>333</b>	323
Rent & rates	<b>32,738</b>	29,938
Marketing & advertising	<b>22,238</b>	29,254
Sundries	<b>1,198</b>	2,636
Office costs	<b>10,346</b>	13,931
IT support	<b>15,111</b>	16,729
Insurance	<b>849</b>	819
Bank charges	<b>680</b>	696
Subscriptions	<b>13,534</b>	15,576
Book keeping	<b>15,244</b>	14,104
Travel	<b>86</b>	4,158
Panel expenses	-	162
Events	-	6,950
Legal & professional	<b>13,346</b>	1,836
Salaries and pensions	<b>386,280</b>	363,135
Staff training	<b>392</b>	3,836
Audit fees	<b>10,500</b>	10,500
	<b>6,264,257</b>	4,396,864

**8. Charitable expenditure summary by fund type**

	<b>2021</b> £	<b>2020</b> £
Endowment funds	<b>12,858</b>	33,005
Restricted funds	<b>5,728,524</b>	3,849,276
Unrestricted funds	<b>552,875</b>	514,583
	<b>6,294,257</b>	4,396,864

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**Notes to the financial statements**  
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**9. Auditor's remuneration**

	<b>2021</b> £	2020 £
Fees payable to the charitable company's auditor for the audit of the charitable company's annual accounts	<b>10,500</b>	10,500

**10. Staff costs**

	<b>2021</b> £	2020 £
Wages and salaries	<b>396,192</b>	380,560
Social security costs	<b>35,161</b>	34,552
Pension costs	<b>35,305</b>	29,983
	<b>466,658</b>	445,095

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

	<b>2021</b> No.	2020 No.
Employees	<b>14</b>	13

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

	<b>2021</b> No.	2020 No.
In the band £70,001 - £80,000	<b>1</b>	1

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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**Notes to the financial statements**  
**For the year ended 31 March 2021**

**12. Tangible fixed assets**

	<b>Office equipment £</b>
<b>Cost or valuation</b>	
At 1 April 2020	11,363
At 31 March 2021	<u>11,363</u>
<b>Depreciation</b>	
At 1 April 2020	11,363
At 31 March 2021	<u>11,363</u>
<b>Net book value</b>	
At 31 March 2021	<u>-</u>
<i>At 31 March 2020</i>	<u>-</u>

**13. Fixed asset investments**

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 April 2020 (as restated)	22,142,239
Additions	458,750
Disposals	(173,087)
Revaluations	4,224,001
<b>At 31 March 2021</b>	<u>26,651,903</u>
<b>Net book value</b>	
<b>At 31 March 2021</b>	<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**  
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**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 £
<b>Due after more than one year</b>		
Loans	255,909	224,197
	<u>255,909</u>	<u>224,197</u>
<b>Due within one year</b>		
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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**17. Financial instruments**

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>26,651,903</b>	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 £
<b>Unrestricted funds</b>						
General Funds - all funds	415,863	764,277	(639,283)	-	-	540,857
<b>Endowment funds</b>						
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
	<b>21,661,175</b>	<b>458,750</b>	<b>(12,858)</b>	<b>(160,229)</b>	<b>4,143,419</b>	<b>26,090,257</b>

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**Notes to the financial statements**  
**For the year ended 31 March 2021**

**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>
<b>Total of funds</b>	<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.

**KENT COMMUNITY FOUNDATION**  
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**Notes to the financial statements**  
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**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>
<b>Unrestricted funds</b>						
General Funds - all funds	379,767	672,311	(636,215)	-	-	415,863
<b>Endowment funds</b>						
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>

**KENT COMMUNITY FOUNDATION**  
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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	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>
<b>Total of funds</b>	<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>



**KENT COMMUNITY FOUNDATION**  
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**Notes to the financial statements**  
**For the year ended 31 March 2021**

**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**

	<b>Endowment funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Fixed asset investments	26,090,257	561,646	-	<b>26,651,903</b>
Debtors due after more than one year	-	255,909	-	<b>255,909</b>
Current assets	-	4,238,846	627,165	<b>4,866,011</b>
Creditors due within one year	-	(649,171)	(86,308)	<b>(735,479)</b>
<b>Total</b>	<u>26,090,257</u>	<u>4,407,230</u>	<u>540,857</u>	<u><b>31,038,344</b></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)
<b>Total</b>	<u>21,661,175</u>	<u>4,286,165</u>	<u>415,863</u>	<u>26,363,203</u>

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**Notes to the financial statements**  
**For the year ended 31 March 2021**

**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)	<b>4,675,141</b>	2,131,443
<b>Adjustments for:</b>		
(Gains)/losses on investments	<b>(3,886,132)</b>	2,093,424
Dividends, interests and rents from investments	<b>(919,919)</b>	(903,873)
(Increase)/decrease in debtors	<b>(92,473)</b>	4,580
Increase/(decrease) in creditors	<b>105,986</b>	(81,435)
<b>Net cash provided by/(used in) operating activities</b>	<b>(117,397)</b>	3,244,139

**22. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	<b>3,651,401</b>	3,134,542
<b>Total cash and cash equivalents</b>	<b>3,651,401</b>	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
	<b>4,484,937</b>	<b>178,990</b>	<b>4,663,927</b>

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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:

	<b>2021</b> £	<i>2020</i> £
Not later than 1 year	<b>31,800</b>	<i>29,150</i>
Later than 1 year and not later than 5 years	<b>29,150</b>	<i>66,250</i>
	<hr/> <b>60,950</b> <hr/>	<hr/> <i>95,400</i> <hr/>

**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.