

ASSOCIATION OF CHARITABLE FOUNDATIONS

England & Wales · Charity number 1105412

Details

Status Registered

Legal form Charitable company

Company number [05190466](#)

Registered 2004-08-10

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

Contact

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Activities

Objects: TO FURTHER THE WORK OF CHARITABLE GRANT MAKING TRUSTS AND INSTITUTIONS FOR THE PUBLIC BENEFIT BY:-(A) ADVANCING THE EDUCATION OF THE PUBLIC IN SUCH TRUSTS AND INSTITUTIONS AND CARRYING OUT RESEARCH AND PUBLISHING THE RESULTS OF SUCH RESEARCH;(B) PROMOTING THE COLLECTIVE AND INDIVIDUAL EFFECTIVENESS OF SUCH TRUSTS AND INSTITUTIONS AND BETTER METHODS OF ADMINISTRATION AND MANAGEMENT OF THEIR RESOURCES..

Activities: A membership association which supports the work of foundations and independent grant-making trusts in the UK

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,649,636	£1,688,561	£902,110	19
2023-12-31	£1,535,208	£1,458,827	£948,913	17
2022-12-31	£1,604,883	£1,454,782	£872,526	16
2021-12-31	£1,441,672	£1,319,290	£722,163	17
2020-12-31	£1,288,443	£1,273,156	£573,731	16

Trustees

Name	Role	Appointed
Karen Everett	Chair	2025-04-28
Anand Shukla		2025-06-26
Dr Daniela Marie Imogen LLOYD-WILLIAMS		2022-06-15
Emily Rose Crawford		2023-06-13
Hannan Ali		2025-06-26
John Hollingsworth		2024-07-04
Jonathon Hugh Christopher Saxton		2025-06-26
Louise Pauline Winterburn		2025-06-26
Rachel Sarah CAMPBELL		2022-06-15
Rahima Do Nascimento Aziz BEM		2025-06-26
Robin Moray Melvin McConnachie		2024-02-21
Rosario Guimba-Stewart		2024-07-04
Sarah Catherine Benioff		2020-09-23
Siofra Marie Healy		2020-09-23
Sufina Ahmad		2020-09-23

ASSOCIATION OF CHARITABLE FOUNDATIONS

England & Wales - Charity number 1105412

Accounts

Year ended

31 December 2024



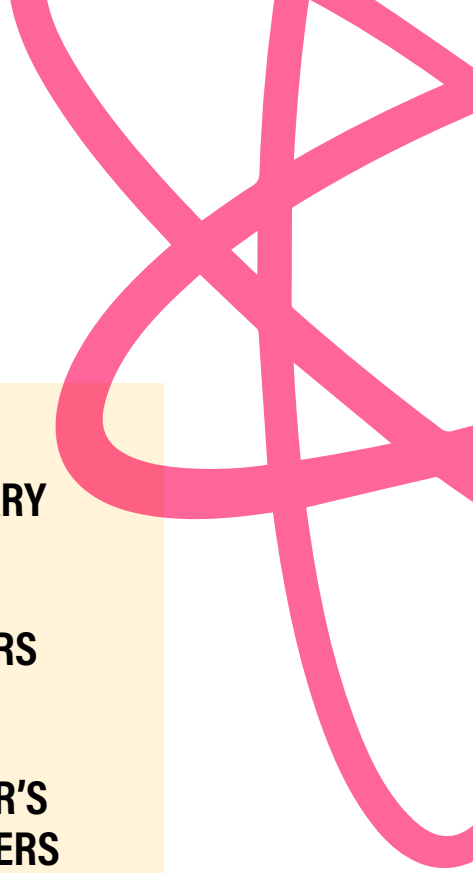
ASSOCIATION OF CHARITABLE FOUNDATIONS

Trustees' Annual Report
and Financial Statements

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FOR MORE INFORMATION
PLEASE VISIT OUR WEBSITE:
WWW.ACF.ORG.UK

CHAIR AND CHIEF EXECUTIVE'S INTRODUCTION

RIISING TO THE CHALLENGES OF 2024 WITH RESILIENCE, ACTION, AND UNITY

2024 was a year of immense pressure for the charitable sector. Many charities faced heartbreaking closures, and the summer's racist and Islamophobic riots further revealed persistent systemic challenges. Yet through these challenges, the resilience, compassion, and dedication within our sector have been truly inspiring.

Members of the Association of Charitable Foundations (ACF) are part of a community that stands united in the face of adversity, supporting one another to respond with empathy and impactful action. Our network is not just a resource, but a vital infrastructure – helping funders stay strong, connected, and effective.

We navigated significant challenges together, including responding to rising demand for funding. We strengthened the voice of our sector with government, through engaging directly with Number 10 to foster collaboration on issues of mutual concern with the new Labour government in Westminster. In response to racial injustice, we highlighted the bold actions taken by our members following the summer's riots. We also addressed the climate and nature emergency, with over 100 senior leaders joining our leaders forum for action-focused discussions.

And, as this report makes abundantly clear, we continued to support foundations on a wide range of issues relating directly to their daily work.

As we reflect on 2024, we carry forward the lessons learned, the challenges faced, and the collective resilience that has defined our work. We will continue to stand by you—because together, we can rise to the challenges of our time.



JESSICA BROWN
Chair



CAROL MACK OBE
Chief executive

WE ARE PROUD TO SHARE SOME OF OUR MILESTONES IN 2024:



SUPPORTED MEMBERS THROUGH THRIVING NETWORKS AND EVENTS

More than 50% of our members engaged with our member-led networks and learning events. ACF's knowledge sharing platform- **Funder Network** - provided a space for members to connect and share experiences, while also providing a **unique insight** into how funders are responding to the challenge of increased demand.



STRENGTHENED OUR VOICE WITH GOVERNMENT

Our CEO, Carol Mack, visited Number 10 to ensure our members' voices were heard and opened doors for impactful **collaboration with the new Labour government** on shared priorities.



NAVIGATED RISING DEMAND FOR GRANTS

We convened over 100 members to share **strategies and insights** on meeting surging demand for grant funding and published **practical resources** to support members in their response.



STEPPED UP TO THE CHALLENGE OF THE CLIMATE AND NATURE EMERGENCY

Over 100 senior leaders joined our conference, sparking **action-orientated discussions and collaborations.**



RESPONDED TO RACIAL INJUSTICE

In the wake of the summer's racist riots, we shared how members have taken bold and meaningful action on **equity and justice.**



BUILT BENCHMARKING DATA TO GUIDE STRATEGIC DECISIONS

144 foundations shared data on their staff **salaries, benefits and operational practice**, helping members balance their operational needs against today's economic realities.

TRUSTEES' ANNUAL REPORT 2024

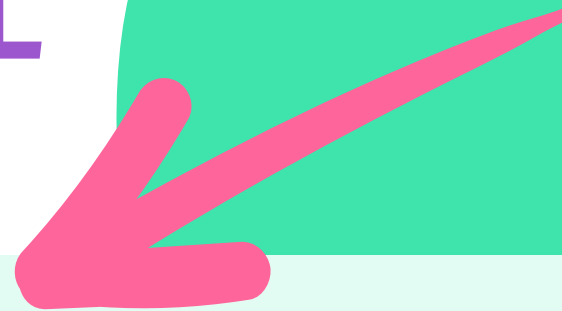
WE ARE PLEASED TO PRESENT OUR 2024 ANNUAL REPORT AND ACCOUNTS.

These demonstrate how we as trustees have stewarded the charity and its resources in delivering ACF's purpose of strengthening foundations to rise to the challenges of our time.

ACF is the leading membership association for foundations and independent grant-makers in the UK.

We have over 440 members* who together hold one third of the assets of the charity sector and make over 40% of the grants given by UK foundations. Between them they cover the full range of foundations, from small to large and operating in many different fields of grant-making and social investment, including social change, the environment, research, education, across the UK and overseas. Our work builds common understanding of the role of foundations, including with government, and enables our members to be more than the sum of their parts, to collaborate and develop their practice and to navigate complexity in the challenges they face.

*441 members at 31 December 2024



RIISING TO THE CHALLENGES OF OUR TIME

We are at the mid-way point through our five year strategy. When we developed our strategy back in 2022, we listened to members, to civil society organisations and the infrastructure bodies that represent them, funders more broadly and ACF's peers about the key challenges for foundations. We identified these as:

- The cost of living crisis and rising inequalities
- Responding to the climate crisis
- Diversity, equity and inclusion
- Grant-making and investment practice

We continue to support members to respond to these challenges by providing a platform for collective action and shared learning. We also recognise a changing landscape, with emerging challenges such as **Artificial Intelligence (AI), digital technology and increased demand for funding** creating additional uncertainty to navigate. We have given members practical tools, resources and guidance to enhance their practice to meet these emerging challenges.

ARTIFICIAL INTELLIGENCE (AI)

We have responded to growing interest in AI and its implications for grant-making by providing insights into its potential applications. We hosted two events that attracted many member organisations seeking to build their understanding of what AI is and explore how it is being used within grant-making organisations.

Our **salary and operations benchmarking survey** revealed that while 18% of members are already using AI, 40% are exploring its possibilities, particularly as a tool to increase operational efficiency. We published a summary of the results in a **blog** on foundations' cautious optimism towards AI. Despite concerns over ethical risks, such as bias and data privacy, many members maintain a positive attitude towards AI and are focused on developing their data readiness.

RISING DEMAND FOR FUNDING

We provided practical resources, facilitated discussions, and highlighted the role of philanthropy in addressing financial hardship. Representatives of more than 100 of our members came together in November to share **strategies and insights** on meeting surging demand for funding. We published a **resource** after the event summarising the approaches shared by our members, alongside a guide outlining practical next steps. In April, ACF's **Social Impact Investors Group (SIIG)** facilitated a discussion on the role of social impact investors in enabling access to fair finance.

WE WILL CONTINUE TO SUPPORT MEMBERS TO NAVIGATE NEW AND EXISTING CHALLENGES BY MONITORING THE OPERATING ENVIRONMENT FOR FOUNDATIONS. WE WILL CONTINUE SHARING INSIGHTS AND RESOURCES, AND FACILITATING MEMBER DISCUSSION THROUGH OUR EVENTS AND MEMBER-LED NETWORKS.

ABOUT ACF

ACF IS THE LEADING MEMBERSHIP ASSOCIATION FOR FOUNDATIONS AND INDEPENDENT GRANT-MAKERS IN THE UK.

VISION

Diverse, vibrant, and effective foundations, working together for social good

PURPOSE

We strengthen trusts and foundations so they can rise to the challenges of our times

VALUES

We care
We are open
We are evidence-based
We are ambitious

OUR STRATEGIC OBJECTIVES

This report covers our work in 2024 under our four objectives for the strategy period 2023-27:



Support foundations to aspire to and achieve excellent practice



Advance diversity, equity and inclusion for our sector and for ACF



Strengthen connections across and beyond the sector



Sustain a landscape where foundations can continue to thrive

A COMPELLING MEMBER OFFER

BEING A MEMBER OF ACF OFFERS CONNECTION, COLLABORATION AND LEARNING FROM PEERS AND EXPERTS.

We build a member community through our networks, run a wide-ranging programme of events and provide research and resources for trustees and professionals in foundations and grant-making charities across the UK.

More than 440 organisations are proud to be part of the ACF community. Our membership is inclusive and welcomes family trusts, corporate foundations, livery companies, broadcasting appeals and other grant-makers and social impact investors.

A compelling member offer means:

- Ensuring our membership offer represents great value for foundations, regardless of size, area of interest, and location in the UK
- Growing and strengthening our membership community
- Elevating our offer through strategic commercial relationships that diversify our income and give members access to knowledge, skills and information.

In 2024, we had clear feedback from our members and ex-members about the importance of ensuring that our offering remains relevant, impactful, and responsive to their evolving needs.

We took this on board and began refocusing our efforts to enhance the benefits of membership, strengthen engagement, and create more opportunities for meaningful connections. By listening to our members and acting on their insights, we are committed to continuously improving our support for foundations.

DELIVERING VALUE FOR OUR MEMBERS

Membership keeps foundations up to date and connected with the wider foundation sector through events and networking, information and guidance, and policy and advocacy. ACF members can take advantage of:

- Digital newsletters packed with sector news and information
- Access to our framework of excellent practice, Stronger Foundations and supporting tools and resources
- Briefings on key policy issues affecting trusts and foundations
- Free copies of our publications
- Discounted fees for our training, events and conferences
- Exclusive access to member-led peer networks



**ACF IS GOOD AT ENGAGING WITH FOUNDATIONS,
THE MESSAGING IS UP BEAT AND INCLUSIVE**

The Colt Foundation

IN 2024, WE FOCUSED ON BUILDING:

A THRIVING MEMBER COMMUNITY

- More than half of our members engaged in ACF's member-led networks, sharing knowledge and support
- 36 member-led network meetings provided spaces for funders to collaborate on shared challenges
- Our leaders forum event brought together over 100 senior leaders to drive action on climate change.

PRACTICAL TOOLS AND INSIGHTS

- 849 individuals registered to join our learning events to develop their expertise
- Over 1,600 downloads of our Stronger Foundations resources helped funders improve their practice
- Our salary and operations benchmarking survey report collated data from 144 foundations to support fair and sustainable decision-making.

ADVOCACY AND INFLUENCE ON BEHALF OF MEMBERS

- We took our members' voices to 10 Downing Street, ensuring philanthropy was on the Labour government's agenda
- Our election resources and events helped members navigate political change
- Members' case studies and insights showcased sector-wide action on diversity, equity and inclusion (DEI), climate change, and funding practice.



30

new members joined our community in 2024



90%

member retention rate



3,300

subscribers to Funders' News, our member e-newsletter



86%

of ACF members would recommend us to other trusts and foundations (2024 member survey)



ACF IS INVALUABLE TO ME PERSONALLY, AS A PROFESSIONAL GRANT MAKER, AS WELL AS TO MY ORGANISATION

Carol Stone, Director - Grants
Armed Forces Covenant Fund Trust

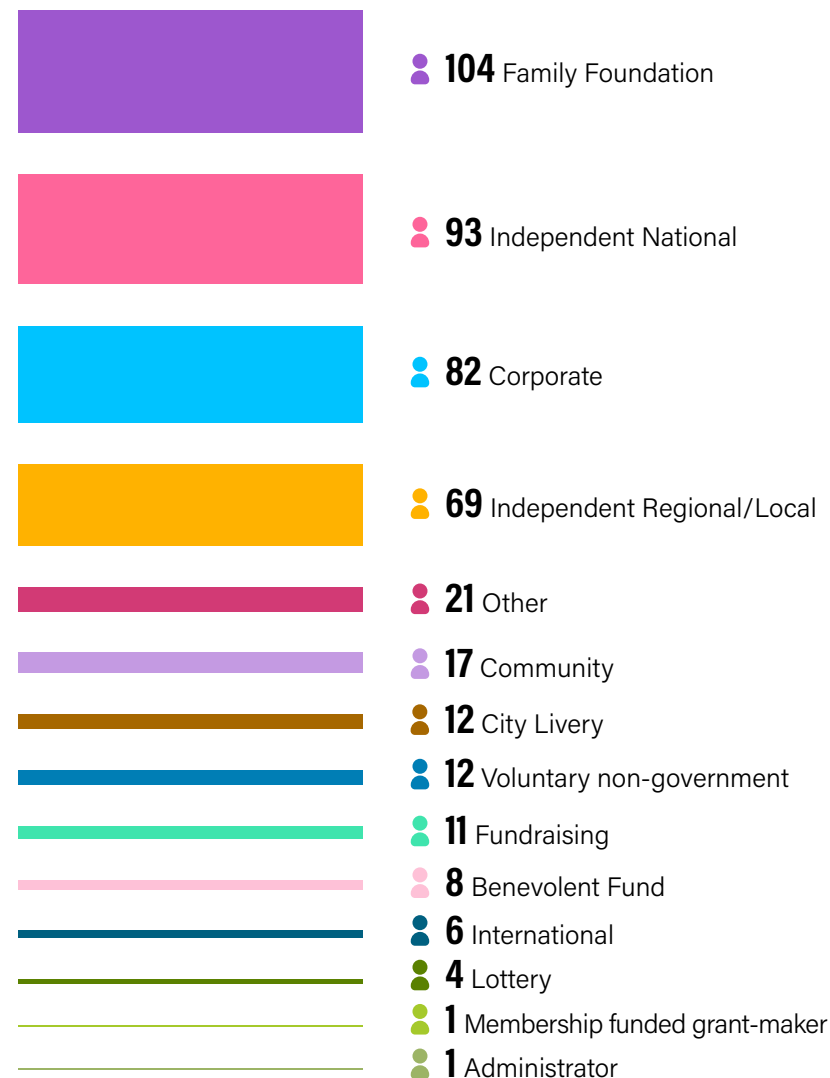
MEMBERS BY REGION



Data correct as of 31/12/2024

TOTAL OF
441

MEMBERS BY FOUNDATION TYPE





SUPPORT FOUNDATIONS TO ASPIRE TO AND ACHIEVE EXCELLENT PRACTICE

**WE WANT MEMBERS TO FEEL SUPPORTED AS THEY
ASPIRE TO AND DELIVER EXCELLENT PRACTICE.**

THIS MEANS IN 2024 WE WERE WORKING TO:

- Curate inspiring, practical and accessible learning and support
- Be the 'go to' place for advice and information tailored to foundations
- Share practical tools and resources to enable and empower Stronger Foundations



SIGNPOSTING TO PRACTICAL RESOURCES

Stronger Foundations continues to provide an **underpinning framework for foundations** to work towards excellent practice. Launched in 2017, it is ACF's flagship initiative supporting members to pursue ambitious and effective practice. More than 100 foundations were involved in establishing the Stronger Foundations framework, which sets out 40 'pillars of practice' that will enable foundations to be ambitious and effective in using all their resources for public good.

In 2024 we published 20 **case studies**, showing how and when members are applying the pillars of Stronger Foundations in their work.

Collaboration is playing an increasingly important role in foundations' responses to the challenges of our time. In October, we invited chairs of ACF members to explore how, faced with growing pressure on their resources, foundations can better understand their role as part of an ecosystem, and collaborate with others who share similar goals. The insights shared in the course of these discussions, together with learning from the first three years of the **Funders Collaborative Hub**, informed a new guide to **funder collaboration for foundation staff and trustees**.

Our members bring unparalleled expertise in foundation practice. We are grateful to all those members who shared their practice with us in 2024.

ORIGINS OF WEALTH TOOLKIT

In spring 2024 we produced a **practical toolkit** to support foundation boards to explore the links between the origins of their wealth and money from enslavement. This was driven by member interest in this topic amidst a growing number of institutions choosing to research and publish such connections. The toolkit was downloaded more than 300 times and was generously supported by funding from Barrow Cadbury Trust.

FUNDER COMMITMENT ON CLIMATE CHANGE

The **Funder Commitment on Climate Change (FCCC)** is a framework for all foundations to identify actions and make progress to play their part in tackling the causes and impact of climate change, whatever their charitable mission. We are delighted to have reached the milestone of **136 signatories** of the Commitment in 2024. In June we published our **fourth report** detailing the progress, activities and action of foundation signatories to the Commitment. 100% of long-standing signatories (who signed in 2019 and 2020) are taking action on committing resources to responding to climate change. While some signatories are just getting started, over half report having made progress and a significant proportion are at an advanced stage. Globally the #PhilanthropyForClimate commitment, inspired by the ACF FCCC example, reached a total of 819 signatories.

INVESTMENT

For many foundations, an endowment remains a powerful tool, providing financial independence and a long-term perspective to drive impact. In 2024, we were part of the steering group to develop the **Charities' Investment Governance Principles**, ensuring foundation perspectives were reflected in this practical guide to implementing new investment guidance (CC14) from the Charity Commission for England and Wales.

Our successful investment seminars for trustees and senior decision makers became more interactive in 2024. Delivered with the support of our **Official Partners**, these free seminars run twice a year and are often an essential part of induction for those new to investment strategy for endowments.

We published six new investment **case studies** and refreshed our introductory course to impact investing in the main endowment with **Better Society Capital** and **Impact Investing Institute**, responding to growing interest in impact investing. We also welcomed five new members to our **Social Impact Investors Group (SIIG)**. As more foundations explore this approach, we remain committed to supporting them on their journey.

PLANS FOR 2025

- A rich programme of learning events, including investment learning
- New practice resources
- Updated and improved Stronger Foundations resources
- Improvements to our website and digital communication channels



83%

of ACF members said ACF helps their organisation aspire to and achieve excellence in practice (2024 member survey)



51%

of our members registered to attend at least one learning event



28

member case studies on our website, viewed more than **400** times



THE ACF [SALARY AND BENCHMARKING] REPORT HAS TRANSFORMED OUR COLLECTIVE UNDERSTANDING OF REMUNERATION AND OTHER HR PRACTICES ACROSS THE SECTOR

Treebeard Trust



ADVANCE DIVERSITY, EQUITY AND INCLUSION FOR OUR SECTOR AND FOR ACF

**WE WANT TO PLAY AN ACTIVE ROLE IN MAKING PROGRESS ON
DIVERSITY, EQUITY AND INCLUSION.**

THIS MEANS IN 2024 WE WERE STRIVING TO:

- Build and sustain a diverse and inclusive membership
- Champion and celebrate practice which addresses systemic inequities
- Gather and share data to deepen our understanding of barriers to, and support progress towards, diversity, equity and inclusion

As a membership association we have a responsibility to represent diversity in our practice and across our programme of work. We have the opportunity to share our platforms with others, exposing ourselves and our members to different ideas, voices and approaches.

EVENTS

We focused on developing and implementing an inclusive event editorial policy and rethinking our event formats and speaker approaches. Our leaders forum – an experimental reimagining of our annual conference – took place in September and brought together senior leaders from across our membership. It created an opportunity to put these policies into practice: we developed an inclusion statement for the event, created inclusive principles for our peer connection circles and supported our members to create inclusive breakout sessions. **80%** of respondents to the attendee feedback survey agreed or strongly agreed that the leaders forum showcased a diverse range of speakers and **80%** of respondents agreed or strongly agreed that it was an inclusive event.

A new series of interactive learning events supported members to work towards advancing diversity, equity and inclusion (DEI) through funding practices, transparency and engagement, and strategy and governance. Six DEI learning events took place in 2024, with 116 delegates registered to attend from 56 members.

NEW RESOURCES FOR MEMBERS

In the wake of the summer's racist riots, we gathered and shared information on foundations' responses, connecting members to existing and emerging collaborative discussions and highlighting recommendations for funders from key civil society leaders. This was summarised in a two-part blog ([part one](#) / [part two](#)) which has been well-received in the sector.

We also published a selection of **member case studies** with examples of how members are putting the DEI pillars of **Stronger Foundations** into action.



80%

of respondents to our leaders forum feedback survey agreed or strongly agreed that the event showcased a diverse range of speakers



80%

of survey respondents agreed or strongly agreed that the leaders forum was an inclusive event

PLANS FOR 2025

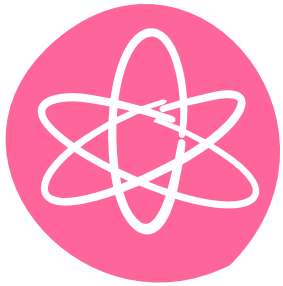
We recognise that ACF is on a journey to improve its own practice in this important area. We have made a start, but we have a long way to go. In 2025, we plan to:

- Apply a DEI lens to our external activity and internal processes
- Work with network convenors to roll out principles of engagements across our network events
- Improve our diversity monitoring data and reporting
- Re-run a popular series of interactive learning events to support foundations with advancing diversity, equity and inclusion



IN 2024, HENRY SMITH CHARITY INTRODUCED A NEW SET OF DEI DEFINITIONS THAT SERVE AS A FOUNDATION FOR EMBEDDING DEI PRINCIPLES INTO ALL OUR POLICIES, PROCESSES AND GUIDELINES. IN DOING THIS WORK, WE DREW FROM ACF'S STRONGER FOUNDATIONS FRAMEWORK, WHICH CONTINUES TO SUPPORT AND ENCOURAGE OUR ORGANISATION TO EVOLVE WITH SOCIETAL NEEDS.

Henry Smith Charity



STRENGTHEN CONNECTIONS

ACROSS AND BEYOND THE SECTOR

WE ARE AT THE HEART OF A REMARKABLE COMMUNITY OF FOUNDATIONS.

WE WANT TO BROADEN AND DEEPEN CONNECTION BETWEEN FOUNDATIONS SO IN 2024 WE ENDEAVoured TO:

- Catalyse collaborations between foundations and with others to achieve greater impact
- Cultivate vibrant communities of practice and build brave spaces to share knowledge and ideas
- Seize and create opportunities to connect with partners to advance our common goals

MEMBER-LED NETWORKS

ACF isn't just a resource; it's a vital infrastructure helping members stay strong, connected, and effective. Our 15 member-led networks are a key mechanism for this, enabling members to share knowledge and engage in reflection, and challenge and support one another with respect and empathy.

Member-led networks focus on areas related to funding, operations and grant-making practice as well as cross-cutting themes and issues informing foundation practice. Network convenors programmed 36 events in 2024. Feedback from members about our networks highlighted the value of our updates, resources and news in the field, the importance of opportunities to build relationships with funders and the invaluable insights from speakers and experts presenting at events.

Reflections from members about our networks in 2024:

- "Excellent opportunities to do some blue sky thinking away from the functions of the day job"
- "External speakers are always excellent"
- "... an environment where it can feel easier and safer to share perspectives and experiences"



I WAS ENCOURAGED BY THE LEVEL AND DEPTH OF AMBITION AND DISCUSSION AND THE INTENT OF PEOPLE TO WORK IN MORE TRUST BASED WAYS TO TACKLE BIG ISSUES TOGETHER.



OFFICIAL PARTNERS

The invaluable expertise and insights from our **Official Partners** (CCLA, Cazenove, Mercer and Ruffer) have continued to support our members amidst challenging times. 163 members registered to attend events supported by our Official Partners in 2024. The popular investment seminar series continued in 2024, attracting 40 senior leaders from 29 members across four sessions.

2024 NETWORKS AT A GLANCE

Grant-making themes

- Asylum, refugee and migration
- Children and young people
- Criminal justice
- Economic justice
- Housing and homelessness
- Mental health
- Northern Ireland
- Tackling poverty
- Violence against women and girls

Aspects of being a funder

- Evidence and learning (formerly Monitoring and evaluation)
- Place based funding

Foundation type

- Corporate foundations
- Family foundations
- International funders
- Smaller funders

ACF also convened and administered three special interest networks with their own steering groups. 20 meetings and events across these three networks took place in 2024:

- Foundations for Social Justice (FSJ)
- Finance, investment, resources management group for large foundations (FIRM)
- Social Impact Investors Group (SIIG)

LEADERS FORUM

The leaders forum, an experimental reimagining of our annual conference, took place in person in September. More than 100 senior leaders and decision makers from 89 members joined us for a day of thought-provoking discussions about how trusts and foundations can rise to the challenge of the climate and nature emergency.

Delegates had the choice of 12 focused breakaway sessions hosted by members and Official Partners, which explored a range of topics such as the unique role for trusts and foundations, investing for climate, and how to talk to your board about climate and nature.

Our keynote speaker was Julia King, Baroness Brown of Cambridge, and chair of the Adaption Committee, which advises the UK government on adjusting to climate change. In her powerful keynote address, she **discussed the current and future impacts of climate change** and the unique role and specific actions trusts and foundations can take to address these.

Of those respondents to the conference evaluation survey:

- More than 80% reported that the event helped to catalyse collaboration by foundations, within and beyond the sector
- 93% agreed or strongly agreed that the content was timely and relevant to them
- 100% reported that the leaders forum met their expectations, 33% said it exceeded expectations

While the forum generated valuable insights and connections for senior leaders, we are evaluating different approaches for a conference in 2025. This reflection encompasses considerations of audience reach, format, and content delivery to ensure we create the most impactful and inclusive experience for members.



THE KEYNOTE SPEAKER WAS GOBSMACKINGLY BRILLIANT AND SET THE TONE FOR THE DAY FROM THE OFF... THE WHOLE DAY WAS FRIENDLY, WELCOMING AND COLLEGIATE. MY BRAIN IS FIZZING!



AN EXCELLENT CONFERENCE, GOOD VENUE, IMPECCABLE ORGANISATION AND INSPIRING SPEAKERS - WELL DONE ACF

FUNDERS COLLABORATIVE HUB

The Funders Collaborative Hub catalyses collaboration among funders and supports them in developing stronger practice. The **Hub website** hosts opportunities for funders to connect and work together on shared issues. In 2024, 188 collaboration opportunities were hosted on the site – from every UK nation and region – attracting 39,890 views. We strengthened our support for collaboration leaders by introducing new ways to highlight their initiatives. 23 ACF members used this enhanced service to expand the reach of their opportunities to collaborate, or receive more personalised introductions and advice from our team.

Additional financial support for the Funders Collaborative Hub is provided by Lloyds Bank Foundation for England and Wales and Esmée Fairbairn Foundation.

CONNECTING ACROSS THE UK

We met with members from across the UK, attending Scottish Grantmakers events, meetings of both the Wales and Northern Ireland Funders Forums, and sector events in Belfast, Cardiff, Edinburgh and Stirling.

PLANS FOR 2025

- Strengthening our member networks and their infrastructure
- New partnerships with companies to share knowledge and expertise from their sectors with our members
- A vibrant and inclusive member conference



75%

of members agree that ACF strengthens the voice of foundations (2024 member survey)



MEMBER-LED

networks are ranked as the 2nd most valued benefit of being an ACF member (2024 member survey)



54%

of membership engaged with our network offer



5%

of our membership were involved in leading member-led networks



SUSTAIN A LANDSCAPE

WHERE FOUNDATIONS CAN CONTINUE TO THRIVE

DURING A TUMULTUOUS TIME, WE WANT TO SUSTAIN A POSITIVE OPERATING ENVIRONMENT FOR TRUSTS AND FOUNDATIONS.

IN 2024 WE WORKED TO:

- Represent foundations and amplify their voices to influence policy and ensure a supportive legal and regulatory framework in the UK
- Share evidence and stories that demonstrate the positive impact of foundations
- Support the growth of the sector, including by advocating for the foundation model of philanthropy and the evolution of the sector

GENERAL ELECTION

During a pivotal general election year, we provided robust support to our members, advocating for their interests and empowering them to directly engage on key issues.

In March we held an event for members with speakers from the Charity Commission for England and Wales and law firm Bates Wells on the key legal principles for engaging in campaigning and political activity. We also brought members together to discuss foundation influencing approaches ahead of the election, spotlighting member examples and successes. We were also delighted to hold a post-election event with political advisory firm **Flint Global**, followed by a **new member briefing** on navigating political change. This series of 'election ready' events attracted 80 registered delegates from 43 members.



More than

6,000

views of our website research page



Over

1,700

downloads of our research reports

ENGAGING WITH THE NEW LABOUR GOVERNMENT

We continued to strengthen our voice with the Westminster government following the election:

- We highlighted the power and potential of foundations by showcasing examples of 28 ACF members' work within the **government's five mission areas**, through a **short briefing document**, which we shared with Number 10 and DCMS (Department for Culture, Media and Sport).
- We met with Stephanie Peacock, the Minister for Civil Society, to discuss approaches to place-based philanthropy, drawing on insights from ACF's place-based funding network.
- We wrote to Secretary of State for Culture, Media and Sport Lisa Nandy following the summer's racist riots, outlining the immediate and long-term actions taken by foundations and reaffirming our commitment to working together.
- We signed an **open letter to the Chancellor** on the impact of the increased National Insurance Contributions on charities and continued to raise this issue with government.
- Our CEO, Carol Mack, visited Number 10 to ensure our members' voices were heard and opened doors for impactful **collaboration with the new Labour government** on shared priorities.
- We created a new **infographic guide**, highlighting key facts, figures, and notable achievements by UK foundations. This was shared with the Prime Minister's office and key government departments, where it was well-received.
- We maintained an active role in the **Civil Society Group**, a coalition of sector infrastructure bodies, including serving on its steering group. As a key contributor, we played a significant part in shaping the group's submissions for the Budget and Spending Review.
- We worked closely with sector partners calling for government to develop a national philanthropy strategy to unlock more and better giving.

FOUNDATIONS IN FOCUS RESEARCH

We launched **Foundations in Focus** in July – a companion report providing rich contextualisation to **UKGrantmaking** quantitative data. The report explores how foundations navigated the challenges of 2022–23, offering insights to complement published data on foundation giving from UKGrantmaking. Drawing on contributions from 37 diverse foundations, as well as insights from ACF's membership and sector-wide engagement, the report captures the breadth of perspectives across our membership. The report launch generated the highest level of engagement on our social media channels to date, with positive feedback from members.

We were delighted to be a key partner to 360Giving for the development of the new UKGrantmaking platform, publishing quantitative data on grant funding in the UK on an annual basis. *We value the ongoing partnership and support of Pears Foundation that has enabled this research.*

MEMBERS' POLICY FORUM

The **Members' Policy Forum (MPF)** is an established initiative that aims to increase opportunities for all our members to engage directly with ACF's policy work, raise issues of interest and concern, and regularly engage with policy-makers and key external stakeholders. There were 245 individual subscribers to the MPF by the end of 2024, who received a monthly email with key policy updates and invitations to events. 61 members registered to attend MPF events, which included opportunities to prepare for the general election and engage directly with policy makers.

We are grateful to Paul Hamlyn Foundation for additional financial support for our Members' Policy Forum from April 2022 to March 2024.

SPRING RECEPTION FOR TRUSTEES

A Spring reception for trustees took place in March, providing an important opportunity for trustees of ACF member organisations to connect, learn, and share insights. The event attracted 55 registered delegates from 42 member organisations and featured a keynote address from Rory Brooks CBE, board member of the Charity Commission for England and Wales, who champions their work on promoting philanthropy. The reception also welcomed contributions from ACF members who shared their experiences and reflections on the vital role foundations play in the wider philanthropic sector, making the event a rare opportunity for foundation trustees to connect with their peers.

KEY SUCCESSES



WE EFFECTIVELY INFLUENCED NEW AND UPDATED CHARITY COMMISSION GUIDANCE

including on improving charity finances.



WE RESPONDED TO THE CONSULTATION

on a new Civil Society Covenant, a new agreement to improve and reset the relationship between civil society and government.



WE REMAINED PROACTIVE

in our media approach, leveraging opportunities to promote the foundation model to key external audiences. ACF was mentioned 13 times in sector media.



WE DEVELOPED A SET OF POSITION STATEMENTS

outlining our views on key issues including mandatory payout rates, match funding, and rising demand for funding and tested them with a group of members.



WE REMAINED ACTIVELY ENGAGED

as a member of the SORP Committee, contributing to the development of the new draft charity accounting rules.



PLANS FOR 2025

- Implementing our external relations strategy
- Continuing to advocate for the interests of our members through responding to government consultations and meeting key external stakeholders
- Developing new flagship research

CRITICAL SUCCESS FACTORS

WE REMAIN COMMITTED TO GROWING OUR MEMBERSHIP AND STRENGTHENING OUR COMMUNITY, ENSURING THAT WE DELIVER REAL VALUE TO BOTH CURRENT AND FUTURE MEMBERS.

While 2024 presented challenges, it also reinforced the importance of listening to our members and adapting to their needs.

IN OUR STRATEGY, WE OUTLINE CRITICAL SUCCESS FACTORS FOR ACHIEVING OUR GOALS. THESE INCLUDE PLANS TO:

- Ensure a compelling member offer
- Develop ACF so that we are well-networked across the organisation
- Ensure ACF has the capacity, knowledge and skills to deliver the strategy
- Improve our culture and approach
- Bring clarity to our communication and impact.

We want to be a great place to work, where colleagues are trusted, celebrated and belong. In 2024 we enhanced our support to staff through the appointment of a part-time HR manager who introduced a new staff handbook with clearer policies, procedures and templates on areas including health and safety, induction and probation. In our staff wellbeing survey, 94% of staff rated their wellbeing at work as very good, good or fine.

At the end of 2024 we recruited an interim director of IT and digital to help us build a digital roadmap outlining the digital skills and technology we need to deliver our strategy.

ADDITIONALLY IN 2024 WE:

- Conducted user journey research with members to gather feedback on the ACF website and prototypes for improved designs
- Opened discussions with potential partners, paving the way for new relationships and services for members to begin in 2025.
- We have grown the potential member pipeline increasing the number of foundations engaging with our work and gained valuable insights from the wider market to better understand who we can bring into membership

PLANS FOR 2025

- New commercial partnerships that bring knowledge, skills and expertise into our membership offer
- A focus on improving our digital platforms.

KEY PERFORMANCE INDICATORS

NINE KEY PERFORMANCE INDICATORS WERE AGREED IN LINE WITH OUR 2023-2027 STRATEGY, WHICH ARE MEASURABLE ON AN ANNUAL BASIS.

Eight indicators were measured for the first time in 2024 through our annual member survey (170 responses received) and staff engagement survey.

1

ACF MEMBERS AGREE THAT ACF HAS HELPED THEIR FOUNDATION TO RISE TO THE CHALLENGES OF OUR TIME

2

ACF MEMBERS AGREE THAT ACF HAS SUPPORTED THEIR FOUNDATION TO ASPIRE TO AND DELIVER EXCELLENT PRACTICE

3

ACF MEMBERS AGREE THAT ACF HAD ADVANCED DIVERSITY, EQUITY AND INCLUSION IN OUR SECTOR

4

ACF MEMBERS AGREE THAT ACF HAS HELPED SUSTAIN A LANDSCAPE FOR THE SECTOR WHERE FOUNDATIONS CAN CONTINUE TO THRIVE

5

ACF MEMBERS AGREE THEY CAN EASILY ACCESS THEIR MEMBER OFFER ONLINE

6

COLLEAGUES AGREE THAT ACF IS A GREAT PLACE TO WORK, WHERE COLLEAGUES ARE TRUSTED, CELEBRATED, AND BELONG

7

COLLEAGUES AGREE ACF HAS THE DIGITAL SKILLS TO DELIVER OUR STRATEGY

8

COLLEAGUES AGREE ACF HAS THE TECHNOLOGY (SOFTWARE AND HARDWARE) TO DELIVER OUR STRATEGY

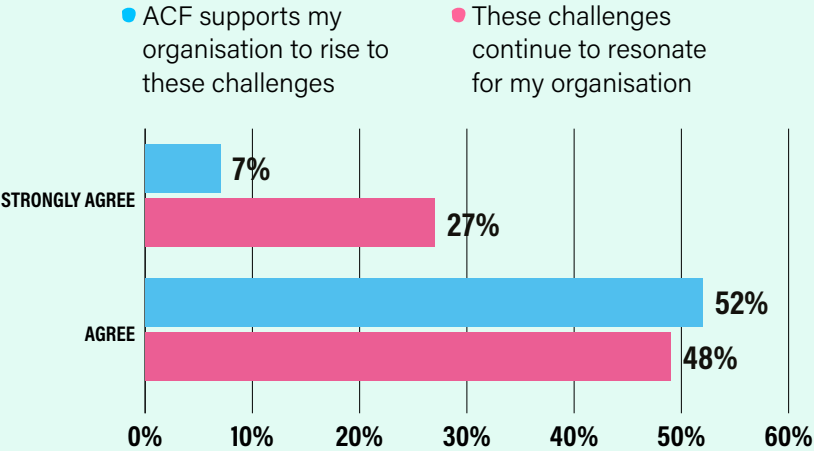
9

ACF ACHIEVES 550 MEMBERS BY THE END OF 2027

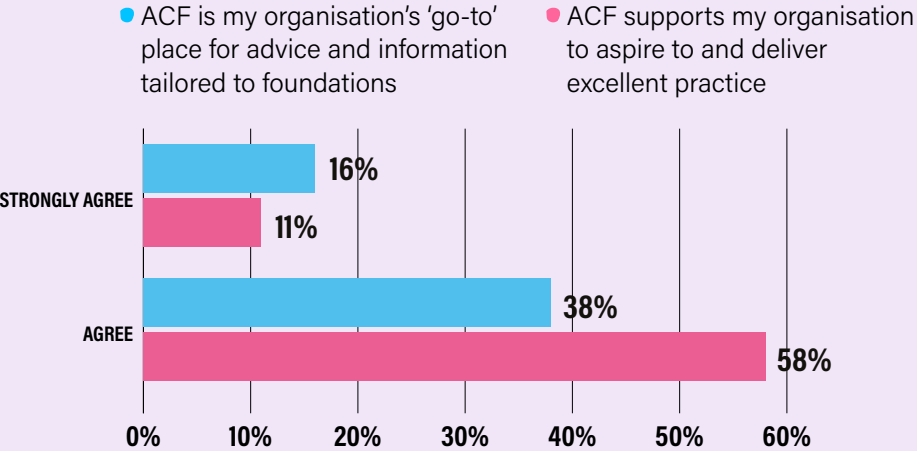
KEY PERFORMANCE INDICATORS

As this is our first time collecting this data, it establishes an initial benchmark for tracking future progress. It also provides insight into members' perceptions of our offer in relation to our strategic objectives.

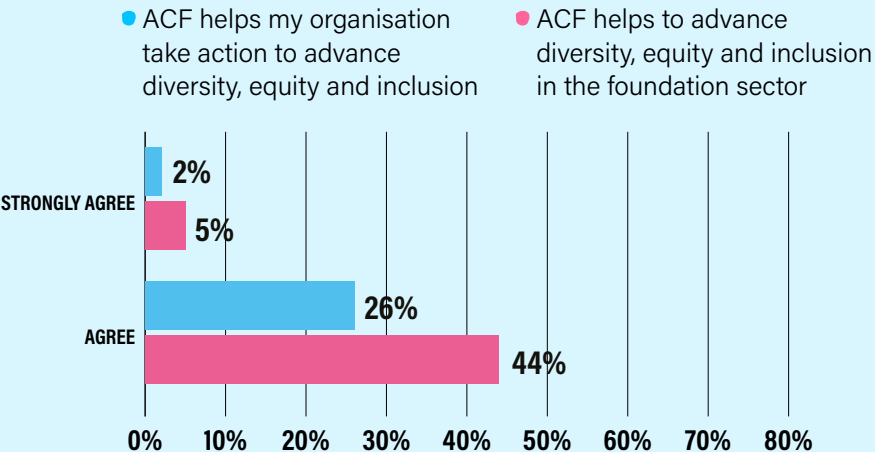
1 ACF MEMBERS AGREE THAT ACF HAS HELPED THEIR FOUNDATION TO RISE TO THE CHALLENGES OF OUR TIME



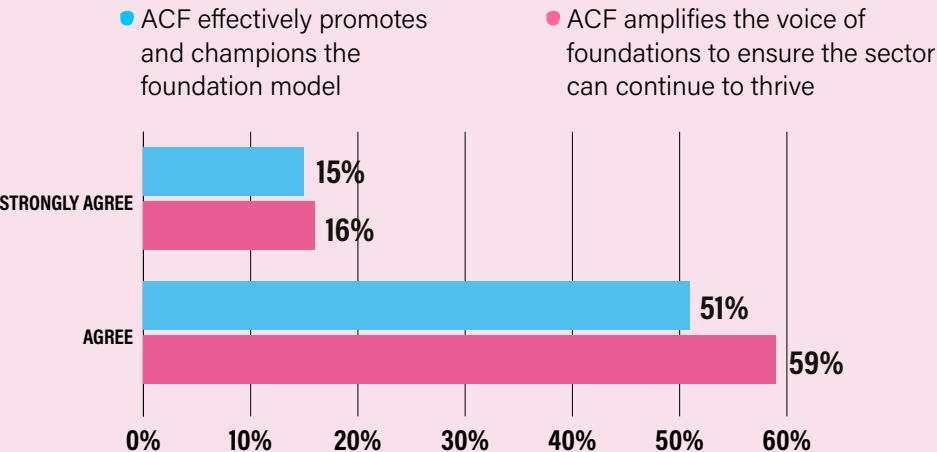
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3 ACF MEMBERS AGREE THAT ACF HAD ADVANCED DIVERSITY, EQUITY AND INCLUSION IN OUR SECTOR

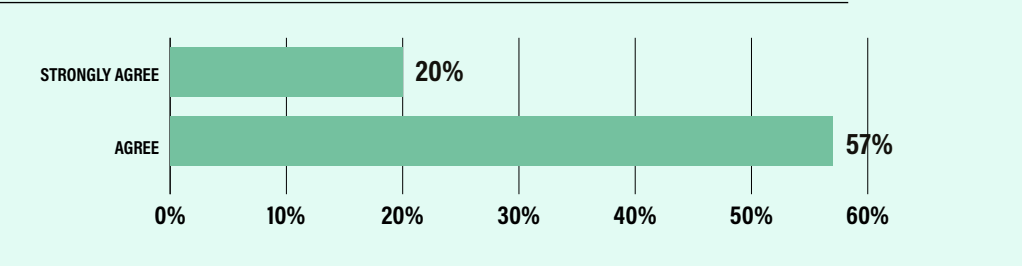


4 ACF MEMBERS AGREE THAT ACF HAS HELPED SUSTAIN A LANDSCAPE FOR THE SECTOR WHERE FOUNDATIONS CAN CONTINUE TO THRIVE

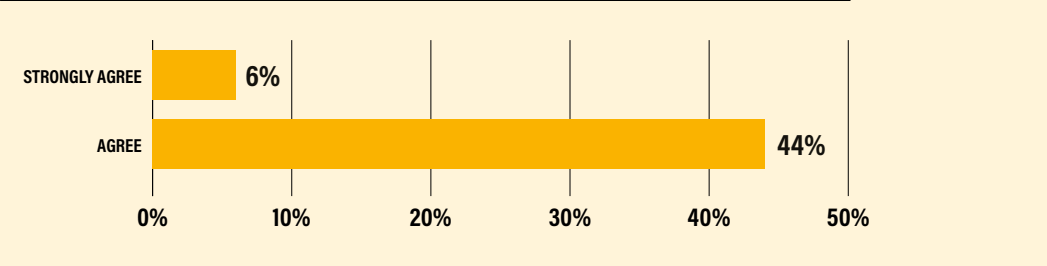


KEY PERFORMANCE INDICATORS

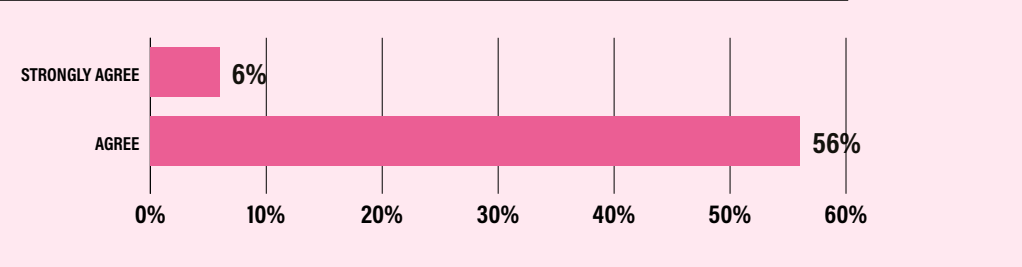
5 ACF MEMBERS AGREE THEY CAN EASILY ACCESS THEIR MEMBER OFFER ONLINE



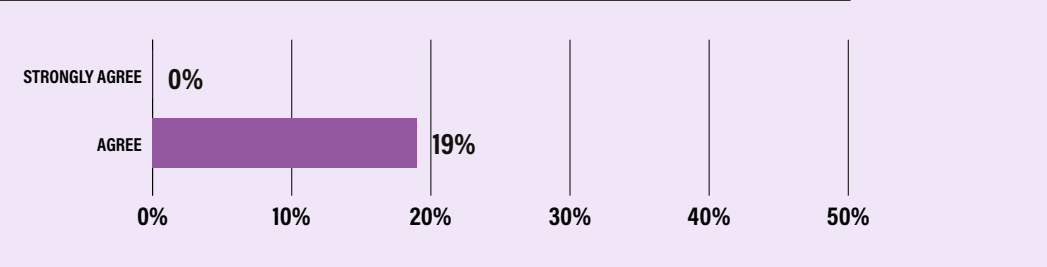
7 COLLEAGUES AGREE ACF HAS THE DIGITAL SKILLS TO DELIVER OUR STRATEGY



6 COLLEAGUES AGREE THAT ACF IS A GREAT PLACE TO WORK, WHERE COLLEAGUES ARE TRUSTED, CELEBRATED, AND BELONG



8 ACF HAS THE TECHNOLOGY (SOFTWARE AND HARDWARE) TO DELIVER OUR STRATEGY



9 ACF ACHIEVES 550 MEMBERS BY THE END OF 2027

	2024 TARGET	2024 TOTAL	PERFORMANCE
NUMBER OF MEMBERS AT YEAR END	482	441	91%

100%

Our member retention rate fell in 2024 and we recruited fewer new members than planned. This reflects the wider economic context and additional financial demands faced by our members.

FINANCIAL COMMENTARY

WE REMAIN EXTREMELY GRATEFUL FOR THE CONTINUED SUPPORT OF OUR MEMBERS, INCLUDING THOSE WHO PROVIDED ADDITIONAL GRANTS IN 2024 TO ENABLE ACF TO MAINTAIN PROGRESS ON KEY ACTIVITIES, SUCH AS THE FUNDERS COLLABORATIVE HUB, PROMOTING THE FOUNDATION MODEL, AND UKGRANTMAKING RESEARCH.

Our financial position at the end of 2024 remains comfortable, closing the year with a planned deficit smaller than originally budgeted, in this year of deliberate investment in implementing our new strategy.

On a more challenging note, we also saw reduced membership income in the year compared to the budget. As seen on the previous page, we ended the year with fewer members than our target, as a result of both slower growth and higher attrition than hoped. This reflects the wider economic context and additional financial demands faced by our members. Thanks however to additional grant funding received in the year, and as a result of some deferred activity, the audited financial position for 2024 shows an unrestricted deficit of £57,661 (a surplus of £178,537 in 2023) which is a significantly smaller deficit than originally expected. Recognising however the ongoing impact of reduced membership income, and in anticipation of a significant operating deficit in 2025 as a result, the trustees have revised and approved a multi-year budget which reorients us to ensure financial sustainability in the longer term strategy period (2025-27). Simultaneously, we are prioritising ensuring that our member offer is truly compelling, as a basis for longer term membership stability and growth.

The trustees have considered the unrestricted reserves that ACF requires to sustain its operations with reference to the Charity

Commission for England and Wales' guidance on charity reserves as set out in CC19.

Trustees have agreed a long-term aim of balancing income and expenditure to deliver a level of free reserves that is between four and six months' operating expenditure. The total general fund at the end of 2024 was £797,353, of which £69,776 represents fixed assets, leaving free reserves of £727,577. This reserves balance at the end of 2024 sees us comfortably in the middle of the target range based on 2025 expenditure. However given the anticipated operating deficit ahead, trustees have agreed a temporary amendment to the reserves policy, of reducing the lower limit to 3.5 months' operating expenditure in 2025 and 2026 if needed. This enables us to invest further in stabilising our financial position and membership offer where needed, without compromising our overall financial sustainability. The long-term budget has been approved on this basis and still sees us balancing income and expenditure and maintaining reserves in the usual range in the longer term. Income and expenditure forecasts for the strategy period are reviewed annually and in-year performance is monitored at each trustee meeting to ensure that any adverse changes are managed proactively.

It is the view of the ACF board at the time of signing this annual report and the annual accounts that both ACF and ACF Conferences and Seminars Limited are going concerns.

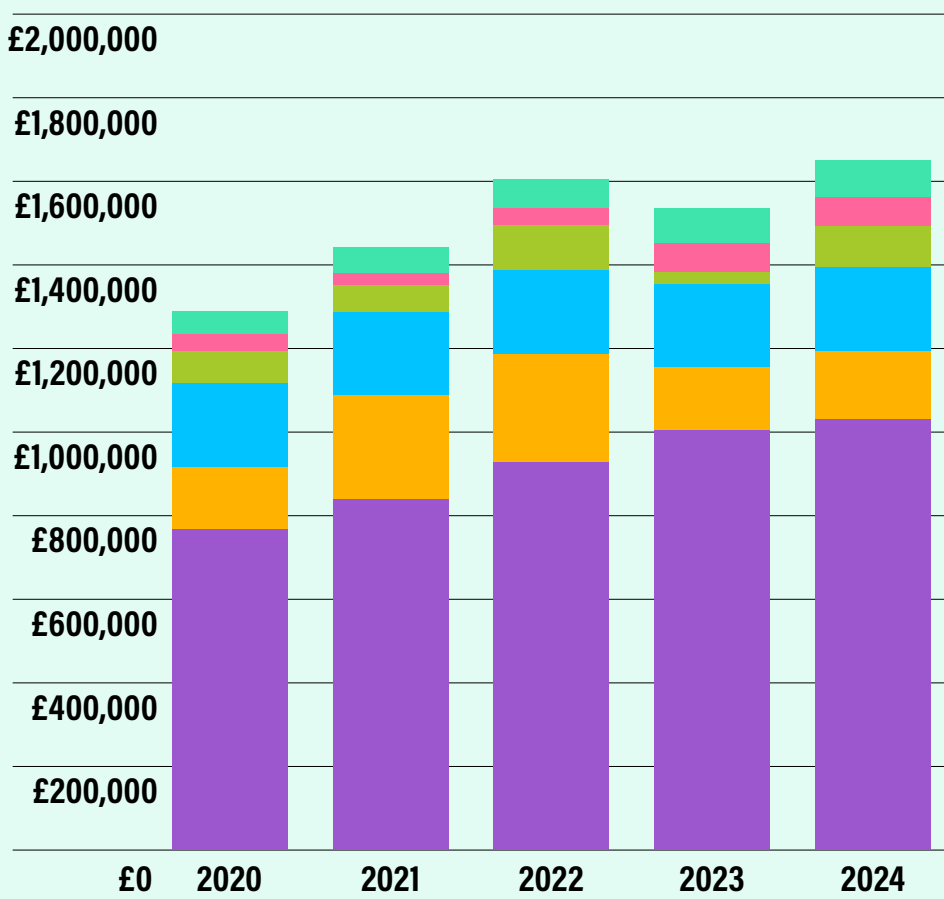
INCOME TO SUPPORT OUR SERVICES TO MEMBERS

ACF's principal sources of funding are membership subscriptions, commercial income from its Official Partner Programme, and fees and grants to assist in delivering its charitable activities. Members pay an annual subscription on a sliding scale, which is based on their grant expenditure in their previous financial year. For 2025 the board has decided to freeze standard membership fees for one year, to reflect the challenges faced by members.

In 2024, ACF received a number of restricted grants, further detailed in Note 5 to the financial statements. All investment income is in relation to interest earned on cash deposits. ACF does not have an investment policy, but sets a budget expectation each year for interest income raised from cash reserves. This is based on estimated levels of cash throughout the year and approximate interest rates.

GROUP INCOME TRENDS 2020-2024

- Members subscriptions
- Partnership income
- Earned income
- Fees and grants
- Conferences and events
- Networks



Overall income in 2024 was higher than in the prior year, due primarily to a return to hosting an annual flagship event after a pause in 2023.

ACF'S APPROACH TO FUNDRAISING FROM THE PUBLIC

ACF does not seek funds directly from the public, nor do we use commercial or professional fundraisers. As a result we are not signed up to a voluntary fundraising regulation scheme or standard. ACF has complaints, whistleblowing and anti-bribery policies and these can be found on our website. We have received no fundraising-related complaints.

REMUNERATION POLICY

All trustees give of their time freely and no trustee remuneration was paid in the year.

ACF provides a competitive employment offer under a transparent pay policy for staff. The pay policy enables us to attract, retain and motivate our talented staff team, while providing clarity and transparency about pay differentials between staff. Budgetary constraints, external environment, wider job market, values of the organisation and the morale of staff will all be factors in deciding any employment offer. ACF is a London Living Wage employer.

The current full-time equivalent salary differential between the highest and lowest paid staff member is 4.1 (2024: 3.3).

We track both gender and ethnicity pay gap data, but in line with government guidance for organisations of our relatively small size, we do not (and are

not required to) publish this data, in order to eliminate the risk of individual staff members being identifiable.

BALANCE SHEET LIABILITIES

ACF is carrying a TPT Retirement Solutions (formerly Pensions Trust) Growth Plan liability on its balance sheet, which represents the net present value of the deficit reduction contributions payable by ACF. This year has seen a slight increase in ACF's liability leaving the balance at £8,188 (£2023: £3,797). TPT has put in place arrangements to assist Plan members who have difficult meeting deficit payments as a result of the pandemic. ACF has not needed, and does not expect to need, this assistance.

The Plan invests for the long term and monitors its investment strategy and funding position. A triennial review was completed in 2023, with a reduction in deficit funding per annum required by each scheme employer.

ACF holds no funds as a trustee on behalf of others.

RISK MANAGEMENT

ACF actively manages the risks it faces.

Key risks are identified by management and reviewed quarterly by the Finance and Risk Committee and annually by the board. Key risk areas and mitigations are being actively managed as follows:



Key risk area	Risk	Implications	Mitigations	Impact	Likelihood
1. Member offer and engagement	Failing to provide a compelling member offer, an issue with key delivery systems or skills, or external issue affecting members' capacity to engage.	Members are less engaged with ACF, or membership is not appealing to potential members. Threat to delivery of strategy if we do not have an engaged membership base. And if attrition increases or growth reduces, the financial impact exacerbates the implications of risk 2.	Responsive to requests for relevant content, and work underway to prioritise our efforts on enhancing a compelling member offer, including engagement scoring to identify where improvements can be made. Interim Director of Digital in place to improve management of our CRM/CMS and ensure we have the right digital skills in place.	High	Medium
2. Finance	Financial unsustainability, particularly in light of membership attrition/ reduced growth, or failing to diversify income through new or retained commercial partnerships.	Failure to develop a sustainable long-term budget, or breach of reserves threatening financial sustainability and compromising ability to deliver work plan and core services.	Cautious budgeting around future income assumptions, and 2025-27 budget prioritising financial sustainability, with work on compelling member offer intended to support membership growth and retention. Framework for commercial partnerships developed with specialist support, and market testing indicates strong interest in partnering with ACF.	High	Medium
3. Staffing	Loss of key staff or reduced wellbeing, incorrect staff structure or failing to recruit well, skills gaps.	Capacity and capability-building adversely impacted. ACF may lack the resources to provide a compelling member offer or stay abreast of developments in the sector, losing relevance and membership numbers, or being unable to thrive operationally.	Work underway to identify the required staffing structure. Workplan includes prioritisation and flexibility if needed. Regular wellbeing and engagement surveys undertaken and regular discussion of priorities, progress and wellbeing and 121s.	Medium	Medium

Key risk area	Risk	Implications	Mitigations	Impact	Likelihood
4. Reputation	Reputational damage as a result of ACF's actions (from dissonance between actions and message on good practice, inappropriate external media comments, cybersecurity breach or compliance issues) or from (perception of) actions by members or wider sector.	Negative perceptions or a key compliance issue could cast doubt on the integrity of ACF or the foundation sector, eroding ACF's public reputation and undermining members' or stakeholders' confidence in ACF. This could exacerbate risk 2 if it results in loss of members or commercial relationships.	Continue to execute the environmental, social media, and DEI policies through 2025, including training, support, and inclusive recruitment practices. All staff undertake GDPR and cyber security training, and a comprehensive HR handbook has been completed. Externally, continuing to promote excellent practice to members, and work underway to promote the foundation model to increase positive understanding by the media/public.	Medium	Low

GOVERNANCE

BOARD OF TRUSTEES OF THE CHARITY

Name	Position	Committee membership(s) during the year	Changes in 2024 or since	Member
Jessica Brown	Chair	Officers, Nomination and Remuneration Committee (NRC)		Trusthouse Charitable Foundation
Karen Everett	Vice-chair		Appointed 28.04.25	The Sainsbury Family Charitable Trusts
Síofra Healy	Vice-chair	Officers, Finance and Risk Committee (FRC)		Community Foundation Northern Ireland*
Moray McConnachie	Chair of Finance and Risk Committee	Officers, FRC (chair)	Appointed 21.02.24	Guy's & St Thomas' Foundation
Rupert Abbott	Trustee	DEI Committee		GiveOut
Sufina Ahmad MBE	Trustee	DEI Committee	Re-elected 04.07.24	John Ellerman Foundation
Sarah Benioff	Trustee	DEI Committee, NRC		Cripplegate Foundation
Rachel Campbell	Trustee	NRC	Re-elected 04.07.24	The RS Macdonald Charitable Trust
Emily Crawford	Trustee	NRC, FRC		Glasspool Charity Trust*
Stephen Fenning	Trustee	DEI Committee	Resigned 04.07.24	Colyer-Fergusson Charitable Trust
Rosario Guimba-Stewart	Trustee		Appointed 04.07.24	London Catalyst
John Hollingsworth	Trustee	FRC	Appointed 04.07.24	Community Foundation serving Tyne and Wear and Northumberland

Name	Position	Committee membership(s) during the year	Changes in 2024 or since	Member
Daniela Lloyd-Williams	Trustee	NRC (chair)		JAC Trust
Michelle Molyneux	Trustee	FRC	Resigned 04.07.24	The Worshipful Company of Grocers' Charity
Klara Skrivankova	Trustee	FRC		Trust for London
Edward Walden	Trustee	DEI Committee (chair)		Turn2Us
Jamie Ward-Smith MBE	Trustee	FRC (interim chair), Diversity Equity and Inclusion (DEI) Committee		The Co-op Foundation*

*Trustee was linked to this member at the time that they were appointed to the board

Two trustees served as directors of ACF Conferences and Seminars Ltd, our subsidiary trading company: Moray McConnachie, and Klara Skrivankova.

THE TRUSTEE BOARD

The board is responsible for the general management and supervision of the work of ACF. The trustees of ACF meet quarterly to set the strategic direction of the charity and monitor its effectiveness.

ACF's trustees are elected by members at an AGM for an initial term of three years. Trustees retire by rotation at the end of their initial term, and may offer themselves for re-election, but cannot serve for more than six successive years. All elected trustees must at the time of their appointment be connected to a member of ACF, for example as a trustee or as a member of staff. If they subsequently leave the foundation sector, they may complete their term of office providing a majority of trustees so agree. In addition, the board may co-opt a further five people to the board who must be connected

with an ACF member. ACF's members are non-governmental organisations in the UK, whose functions or activities include grant-making for charitable purposes, and endowed charitable foundations.

TRUSTEE INDUCTION

New trustees are invited to a half day induction where they meet key ACF staff and discuss ACF's strategy, objectives, activities and budgets. They normally receive an information pack as part of their induction which includes the relevant guidance for trustees from the Charity Commission for England and Wales, together with papers from recent board meetings. Trustees individually also attend some of ACF's member events and thereby widen their awareness of current issues and concerns amongst ACF's membership.

ACF'S STRUCTURE

ACF is both a registered charity, registration number 1105412, and a company limited by guarantee incorporated on 27 July 2004 and registered in England and Wales, registration number 5190466.

ACF has a wholly owned trading subsidiary, ACF Conferences and Seminars Limited. This is a company incorporated on 5 January 2000, registration number 3902450, and limited by a single share held by ACF. The directors of the trading company are listed at the end of this report.

ACF manages its commercial relationships which generate trading income via ACF Conferences and Seminars Ltd. This includes the Official Partner Programme and commercial activities linked to the annual conference. The company has agreed a deed of covenant that

obligates it to pass all its profits to the charity at the end of each financial year. The accounts that accompany this report show the consolidated financial information for ACF and ACF Conferences and Seminars Limited. The narrative in this report covers the operations of the charity and the subsidiary company.

The charity's governing document is a Memorandum and Articles of Association and our registered office is Fourth Floor, 28 Commercial Street, London E1 6LS.

ACF'S OBJECTS AND PUBLIC BENEFIT

ACF's objects are to further the work of charitable grant-making trusts and institutions for the public benefit by:

- Advancing the education of the public in such trusts and institutions and carrying out research and publishing the results of such research
- Promoting the collective and individual effectiveness of such trusts and institutions and better methods of administration and management of their resources.

These objects are delivered through our strategic objectives, as outlined in this report. Our membership model is at the heart of what we do, delivering public benefit through more effective and ambitious member foundations and supporting the costs of the delivery of this through membership fees. In addition, the direct benefits from our work extend beyond our membership. For example:

- Our policy and research work provides public benefit by increasing the quality of information available about the foundation sector to policymakers and others
- ACF provides information to the general public via our website and published reports (e.g. our blogs)
- The Funders Collaborative Hub, the Funder Commitment on Climate Change and our Funder Network knowledge sharing website are all open to non-members and have seen notable activity this year
- Many of our events are open to non-members, with members receiving a discount on the cost of attending

→ A number of our publications are openly available on our website, including our Stronger Foundations reports.

Under the Companies Act, ACF is limited by guarantee and does not have share capital. Its memorandum and articles of association were fully reviewed and revised in 2004 and amended in 2018, 2020 and 2024. The trustees have had regard to the Charity Commission for England and Wales' guidance on public benefit in considering what work the charity should undertake and in the performance of their duties. The chief executive, the directors, and heads of departments are the key managers in charge of directing and controlling the charity on a day-to-day basis operating under a trustee-approved scheme of delegation. The trustees (who are also directors of the Association of Charitable Foundations 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

→ Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

ACF CONFERENCES AND SEMINARS LIMITED

Directors

Gemma Instrall

Carol Mack OBE

Moray McConnachie

Klara Skrivankova

Company Secretary

Natasha Kousseff

ADVISERS AND BANKERS

Bankers	Solicitors	Auditors
Cater Allen Private Bank 2 Triton Square Regent's Place London, NW1 3AN	Stone King Boundary House 91 Charterhouse Street London, EC1M 6HR	Moore Kingston Smith 9 Appold Street London, EC2A 2AP
Unity Trust Bank Four Brindley Place Birmingham, B1 2JB	Russell-Cooke 2 Putney Hill London, SW15 6AB	
CCLA Investment Management Limited COIF Charity Funds 85 Queen Victoria Street London, EC4V 4ET		

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

Approved by the Board and signed on its behalf by:



Jessica Brown,
Chair

Date: 14 May 2025



Moray McConnachie,
Chair of Finance and
Risk Committee

Date: 14 May 2025

OUR THANKS

ACF'S WORK WOULD NOT BE POSSIBLE WITHOUT SUPPORT AND ENCOURAGEMENT FROM MANY MEMBERS AND OTHER SUPPORTERS. WE WOULD LIKE TO EXPRESS OUR PARTICULAR THANKS FOR THESE AS FOLLOWS:

ACF'S OFFICIAL PARTNERS

- Cazenove
- CCLA
- Mercer
- Ruffer

For additional core support of ACF's activities:

- C S Mott Foundation
- Tudor Trust

FOR ADDITIONAL FINANCIAL SUPPORT FOR:

A guide for foundations interested in exploring the origins of their wealth – Barrow Cadbury Trust

Conference scholarship – United Philanthropy Forum

Funders Collaborative Hub – Esmée Fairbairn Foundation, Lloyds Bank Foundation for England & Wales, Corra Foundation, and Joseph Rowntree Foundation

Funder Commitment on Climate Change – John Ellerman Foundation

Foundations in Focus – Pears Foundation

Members' Policy Forum – Paul Hamlyn Foundation

Securing philanthropic sustainability: promoting the foundation model of giving – Garfield Weston Foundation

FOR SERVING ON THE FIRM STEERING GROUP:

- Moray McConnachie, Guy's & St Thomas' Foundation
- Elizabeth Dymond, Leverhulme Trust
- Lisa Kiew, Maudsley Charity
- Caroline Bee, St John's Foundation
- Heather Taylor, Trust for London

FOR PARTICIPATING IN THE STEERING GROUP OF THE SOCIAL IMPACT INVESTORS GROUP (SIIG):

- Denise Holle, Joseph Rowntree Foundation (co-chair)
- Jonny Page, Esmée Fairbairn Foundation (co-chair)
- Nicola Mosely, Barnwood Trust
- Mark O’Kelly/Kumar Ghosh, Barrow Cadbury Trust
- Ismat Imaan, Big Society Capital
- Vanessa Morphet, Church of England
- Tim Wilson/Nkechi Adeboye, City Bridge Trust
- Shishir Malhotra, Treebeard Trust
- Luke Kavanagh, Trust for London

FOR SERVING ON THE FUNDERS COLLABORATIVE HUB IMPACT AND LEARNING ADVISORY GROUP:

- Anne Fox, Clinks
- Elaine Wilson, Corra Foundation
- Josh Cockcroft, Esmée Fairbairn Foundation
- Samantha Stewart, Nationwide Foundation
- Katherine Sellar, People’s Postcode Lottery / Edinburgh and Lothian Trust Fund
- Lisa Raftery, Social Investment Business
- Yu-Shan Chiu, The Social Investment Consultancy

FOR CONVENING NETWORKS

Our thanks to members who have generously given their time to convene our networks

- Laura Dalton, AB Charitable Trust
- Caroline Marks, AIM Foundation
- Gill Aconley, Allen Lane Foundation
- Richard Graham, Barnardo’s
- Debbie Pippard, Barrow Cadbury Trust
- Fozia Irfan OBE, BBC Children in Need
- Barbara Wallace, BBC Children in Need
- Danielle Walker Palmour, Friends Provident
- Brenda McMullan, Halifax Foundation Northern Ireland
- Hazel Williams, Justice Together
- Aisling Johnston, LFT Charitable Trust
- Carrina Gaffney, Lankelly Chase
- Harriet Ballance, Lloyds Bank Foundation for England & Wales
- Helen Underwood, Lloyds Bank Foundation for England & Wales
- Kelly Huxley-Roberts, Lloyds Bank Foundation for England & Wales
- Marc Francis, Lloyds Bank Foundation for England & Wales
- Duncan Shrubsole, Lloyds Bank Foundation for England & Wales
- Chris White, Lloyd’s Register Foundation
- Cullagh Warnock, Millfield House Foundation
- Joe Rich, National Lottery Community Fund
- Nina George, Oak Foundation
- Hannah Howard, OVO Foundation
- Andrew Curtis, Paul Hamlyn Foundation
- Ruth Pryce, Paul Hamlyn Foundation
- Louise Telford, Rosa
- Johanna Tompsett, Shaftesbury
- Hazel Capper, St Giles & St George
- Rebecca Roberts, Trust for London
- Louise Winterburn, World Habitat

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OPINION

We have audited the financial statements of Association of Charitable Foundations (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 December 2024 and of the group's 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 and the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

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 there is 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- trustees' annual report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the **trustees' responsibilities statement set out on page 32**, 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 group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement 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 purposes of expressing an opinion on the effectiveness of the group and parent 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.
- 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 group and parent 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 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 our auditor's report. However, future events or conditions may cause the group or parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However,

the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

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 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Date: 3 July 2025

Moore Kingston Smith LLP

.....
Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

Devonshire House
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS

Association of Charitable Foundations
Group statement of financial activities
 (incorporating an income and expenditure account)
 For the year ended 31 December 2024

		2024			2023
		Unrestricted	Restricted	Total	Total
	Note	£	£	£	£
Income from:					
Charitable activities:					
Members' subscriptions		1,030,927	-	1,030,927	1,004,000
Network subscriptions		86,280	-	86,280	84,566
Conferences and events		98,298	-	98,298	28,853
Fees and grants	5	31,279	131,663	162,942	150,714
Earned income		5,200	-	5,200	8,000
Other trading activities	2	200,000	-	200,000	200,000
Investment income		37,579	-	37,579	33,484
Other income		28,410	-	28,410	25,591
Total income		1,517,973	131,663	1,649,636	1,535,208
Expenditure on:					
Charitable activities:					
Members' services	4	1,439,887	-	1,439,887	1,237,251
Conferences and events	4	127,866	-	127,866	14,965
Project expenditure	4, 5	-	120,808	120,808	206,611
Total expenditure		1,567,753	120,808	1,688,561	1,458,827
Net income/(expenditure)		(49,780)	10,855	(38,925)	76,381
Actuarial gains/(losses) on defined benefit pension schemes	12, 13a	(7,881)	-	(7,881)	6
Net movement in funds	13	(57,661)	10,855	(46,806)	76,387
Reconciliation of funds:					
Total funds brought forward	13	935,323	13,590	948,913	872,526
Total funds carried forward	13	877,662	24,445	902,107	948,913

All of the above results are derived from continuing activities.
 There were no other recognised gains or losses other than those stated above.
 The attached notes form part of these financial statements.

As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities for the charity alone has been presented. The net expenditure of the standalone charity for the year was £46,806 (2023: net income of £76,387) before transfers between funds.

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

The attached notes form part of the financial statements.

Approved by the trustees and authorised for use on 14 May 2025 and signed on their behalf by:



.....
Jessica Brown (Chair)



.....
Moray McConnachie (Chair of Finance and Risk Committee)

Company registration no. 5190466

		2024	2024	2023	2023
		Group	Charity	Group	Charity
	Note	£	£	£	£
Fixed assets:					
Tangible and intangible assets	7	69,776	69,776	100,997	100,997
Investments	8	-	2	-	2
		69,776	69,778	100,997	100,999
Current assets:					
Debtors	9	118,795	323,152	128,276	332,227
Cash at bank and in hand		365,428	158,301	334,463	125,476
Short term deposits		483,600	483,600	531,469	531,469
		967,823	965,053	994,208	989,172
Liabilities:					
Creditors: amounts falling due within one year	10	(105,301)	(102,533)	(124,495)	(119,461)
		862,522	862,520	869,713	869,711
Net current assets					
Total assets less current liabilities		932,298	932,298	970,710	970,710
Creditors: amounts falling due after one year	10a	(22,000)	(22,000)	(18,000)	(18,000)
Net assets excluding pension liability		910,298	910,298	952,710	952,710
Defined benefit pension scheme liability	12	(8,188)	(8,188)	(3,797)	(3,797)
Total net assets		902,110	902,110	948,913	948,913
Funds					
Restricted funds	13	24,445	24,445	13,590	13,590
Unrestricted funds:					
Designated funds					
Pension Trust deficit reduction fund	13	88,500	88,500	90,000	90,000
Pension liability reserve	13	(8,188)	(8,188)	(3,797)	(3,797)
General fund	13	797,353	797,353	849,120	849,120
Total unrestricted funds		877,665	877,665	935,323	935,323
Total funds		902,110	902,110	948,913	948,913

		2024	2024	2023	2023
	Note	£	£	£	£
Net cash (used in)/provided by operating activities	14		(48,655)		18,455
Cash flows from investing activities:					
Purchase of fixed assets		(5,829)		(31,056)	
Purchase of investments		-		-	
Interest income		37,579		33,484	
Cash provided by investing activities			31,750		2,428
			(16,905)		20,883
Cash flows from financing activities			-		-
Change in cash and cash equivalents in the year	15		(16,905)		20,883
Cash and cash equivalents at the beginning of the year			865,932		845,049
Cash and cash equivalents at the end of the year	15		849,027		865,932

1A. ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied in preparing the financial statements.

Group accounts

The financial statements present the group Statement of Financial Activities (SOFA), group Statement of Cash Flows and the group and Charity Balance Sheets comprising of the consolidation of the Charity with its wholly owned subsidiary ACF Conferences & Seminars Limited (company registration number 03902450).

Basis of preparation

These financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 March 2018), Charities SORP (FRS102) and the Companies Act 2006. The functional currency of the charity is sterling and the financial statements have been rounded to the nearest £.

Public benefit entity

The Association of Charitable Foundations ('the Association') meets the definition of a public benefit entity under FRS102.

Critical estimates and areas of judgement

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the Association makes assumptions concerning the future. The Trustees do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year. Key

estimates include the useful economic life of fixed assets, the recoverability of debtors and the assumptions made by the actuary in valuing the pension liability.

Fund accounting

Unrestricted funds comprise both the General Fund and any Designated Funds. The General Fund comprises membership subscriptions and other incoming resources received or generated for the objects of the Association without further specified purpose.

Going into 2024, trustees had designated two funds, the Pensions Deficit Reduction Fund, and the Pension Liability Reserve Fund. Both represent funds that the trustees have put aside from General Funds to fund particular expenditure and are restricted in an administrative rather than a legal sense. For further details of designated funds, see note 13.

Restricted funds are to be used for specified purposes as expressed in grant agreements. Restricted grants are recognised in full in the SOFA in the period in which they are received or receivable, whichever is the earlier, unless they are for a specified period in which case they are deferred. These funds and movements in them are described in note 5.

Tangible and intangible fixed assets

Expenditure on office equipment of less than £500 is charged to the SOFA when incurred. Expenditure greater than £500 is capitalised and depreciated. Depreciation is provided on capitalised fixed assets at rates calculated to write off the cost of each asset over their expected useful lives as follows (less estimated residual value where this is readily available):

Office Furniture, IT and telecommunications equipment
Three years

Software development
Five years

Leasehold improvements
Three years

Leasehold improvements depreciation is charged on a monthly basis from November 2019 (the commencement of occupation) in the case of initial leasehold improvements work, or from the date of works, in the case of more recent leasehold developments. For software development or office equipment, depreciation is charged on a monthly basis from the month in which the asset is usable, with ongoing expenses such as licences and maintenance to be expensed when incurred.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to receipt, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably. Deferred income is income received or recorded before it is earned, and shown in the income statement only when it can be matched with the period in which it is earned.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned using a suitable basis.

Allocation of support costs

Indirect costs are those costs incurred in support of the charitable objectives and governance of the Association. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

Financial assets/liabilities

The charity has financial assets/liabilities of a kind that qualify as basic financial instruments only. Basic financial instruments are initially recognised at transaction value, unless otherwise stated in the relevant account policy note(s), and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The investment in the subsidiary is stated at cost.

Going concern

The trustees consider that there are no material uncertainties about the Association's ability to continue as a going concern.

Our reserves are more than sufficient to accommodate the anticipated operating deficit in 2025 (detailed in the financial commentary). Our multi-year budget has been comprehensively revised to ensure financial sustainability in the longer term of our strategy period (2025-27), and overall our income and outgoings remain relatively predictable.

Pension arrangements

Aviva

Effective from 1 January 2023, ACF participates in a defined contribution pension scheme, Aviva. The amounts charged to the SOFA for the defined contribution scheme represent the contributions payable in the period.

TPT Retirement Solutions

ACF also participates in the TPT Retirement Solutions (formerly Pensions Trust) Growth Plan Scheme. This is a multi-employer scheme where ACF's share of the underlying assets and liabilities cannot be identified on a consistent and reasonable basis. In accordance with FRS 102, it is therefore accounted for as a defined contribution scheme. A deficit funding arrangement is in place for the scheme. A liability is recognised for the net present value of the deficit reduction contributions payable by ACF. Actuarial gains/losses are separately classified on the SOFA.

1B. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2023 INCLUDED FOR COMPARATIVE PURPOSES

				2023
		Unrestricted	Restricted	Total
	Note	£	£	£
Income from:				
Charitable activities:				
Members' subscriptions		1,004,000	-	1,004,000
Network subscriptions		84,566	-	84,566
Conferences and events		28,853	-	28,853
Fees and grants	5	46,253	104,461	150,714
Earned income		8,000		8,000
Other trading activities	2	200,000	-	200,000
Investment income		33,484	-	33,484
Other income		25,591	-	25,591
Total income		1,430,747	104,461	1,535,208
Expenditure on:				
Charitable activities:				
Members' services	4	1,237,251	-	1,237,251
Conferences and events	4	14,965	-	14,965
Project expenditure	4, 5	-	206,611	206,611
Total expenditure		1,252,216	206,611	1,458,827
Net (expenditure)/income for the year		178,531	(102,150)	76,381
Actuarial gains/(losses) on defined benefit pension schemes	12	6	-	6
Net movement in funds		178,537	(102,150)	76,387
Reconciliation of funds:				
Total funds brought forward	13	756,788	115,738	872,526
Total funds carried forward	13	935,325	13,588	948,913

2. ANALYSIS OF OTHER TRADING INCOME

	2024	2023
	£	£
Official Partnership Programme fees	200,000	200,000

3. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

	2024	2023
	£	£
Salaries and wages	933,826	780,545
Social security costs	99,913	80,431
Pension contributions	93,494	77,814
Pension Trust finance cost	107	258
Recruitment and training	38,288	42,476
Temporary staff, consultancy and all other staff costs	39,947	64,560
	1,205,575	1,046,084

Staff costs were incurred in the following way:

	2024	2023
	£	£
Unrestricted funds		
Members' services	1,094,349	896,351
Restricted funds		
Funders Collaborative Hub	67,493	103,113
Members' Policy Forum	3,350	25,000
Funder Commitment on Climate Change	8,840	18,160
United Philanthropy Forum	210	-
Promoting the foundation model	23,333	-
Impact investing	-	3,460
UKGrantmaking	8,000	-
	111,226	149,733
Total	1,205,575	1,046,084

The highest paid member of staff was the chief executive, receiving a salary in the year of £109,812 (2023: £98,600 plus a non-consolidated performance-related payment of £5,000). The total financial benefit (including employer pension) awarded to the chief executive was £120,793 (2023: £113,460). The total employee benefits including pension contributions of key management personnel (five people) were £421,854 (2023: £365,426, five people).

The average number of staff employed in the delivery of charitable activities in the year was 19.1 (2023: 16.5); FTE 17.2 (2023: 14.2).

The following number of employees received benefits (excluding employer pension) during the year between:

	2024	2023
£100,000 and £109,999	1	1
£70,000 and £79,999	2	-
£60,000 and £69,999	1	1

4. RESOURCES EXPENDED – ANALYSIS OF TOTAL RESOURCES EXPENDED

4.1 Current year

	Staff Costs	Indirect Costs	Governance Costs	2024
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' services	1,094,349	323,462	22,076	1,439,887
Conferences and events	-	126,457	1,409	127,866
Total Unrestricted Resources Expended	1,094,349	449,919	23,485	1,567,753
<u>Restricted Funds</u>				
Project Expenditure	111,226	9,582	-	120,808
Total Restricted Resources Expended	111,226	9,582	-	120,808
Total Resources Expended	1,205,575	459,501	23,485	1,688,561
	(Note 3 and 4b)	(Note 4a)	(Note 4c)	

4.2 Prior year

	Staff Costs	Indirect Costs	Governance Costs	2023
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' services	896,351	314,476	26,424	1,237,251
Conferences and events	-	14,426	539	14,965
Total Unrestricted Resources Expended	896,351	328,902	26,963	1,252,216
<u>Restricted Funds</u>				
Project Expenditure	149,733	56,878	-	206,611
Total Restricted Resources Expended	149,733	56,878	-	206,611
Total Resources Expended	1,046,084	385,780	26,963	1,458,827
	(Note 3 and 4b)	(Note 4a)	(Note 4c)	

4A. ANALYSIS OF INDIRECT COSTS

Indirect costs, where relevant, have been allocated based on actual expenditure. IT, property, and irrecoverable VAT costs have been apportioned between Members' Services and Conferences and events based on income percentages.

4a.1 Current year

	Members' Services	Conferences and events	Project Expenditure	2024
	£	£	£	£
ICT and communications	75,119	4,795	3,508	83,422
Publications and printed matter	13,287	-	2,000	15,287
Meetings and events	-	111,841	-	111,841
Other and staff expenses	81,196	-	2,424	83,620
Property-related expenditure	115,372	7,364	1,650	124,386
Irrecoverable VAT	38,488	2,457	-	40,945
	323,462	126,457	9,582	459,501

4a.2 Prior year

	Members' Services	Conferences and events	Project Expenditure	2023
	£	£	£	£
ICT and communications	76,790	1,567	14,100	92,457
Publications and printed matter	25,772	-	26,175	51,947
Meetings and events	-	9,886	-	9,886
Other and staff expenses	66,263	-	6,000	72,263
Property-related expenditure	103,480	2,112	10,603	116,195
Irrecoverable VAT	42,171	861	-	43,032
	314,476	14,426	56,878	385,780

4B. ANALYSIS OF STAFF COSTS

4b.1 Current year

	Members' Services	Project Expenditure	2024
	£	£	£
Salaries and wages	831,021	102,805	933,826
Social security costs	92,888	7,025	99,913
Pension contributions	92,098	1,396	93,494
Pension Trust deficit contributions	107	-	107
Recruitment and training	38,288	-	38,288
Temporary staff, consultancy and all other staff costs	39,947	-	39,947
	1,094,349	111,226	1,205,575

4b.2 Prior year

	Members' Services	Project Expenditure	2023
	£	£	£
Salaries and wages	642,785	137,760	780,545
Social security costs	73,958	6,473	80,431
Pension contributions	72,314	5,500	77,814
Pension Trust deficit contributions	258	-	258
Recruitment and training	42,476	-	42,476
Temporary staff, consultancy and all other staff costs	64,560	-	64,560
	896,351	149,733	1,046,084

4C. ANALYSIS OF GOVERNANCE COSTS

Governance cost apportioned based on income percentages.

	2024	2023
	£	£
Auditor remuneration - audit fee for current year	14,166	13,229
Auditor remuneration - tax compliance	1,370	2,650
TPT scheme exit	1,500	-
Internal & external meetings	4,998	7,478
Strategic review	-	1,800
Trustee expenses	1,404	1,780
Sundries	47	26
	23,485	26,963

5. RESTRICTED FUNDS - GROUP AND CHARITY

5.1 Current year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	UKGrantmaking	United Philanthropy Forum	Promoting the foundation model	Origins of wealth	Members' Policy Forum	Total 2024
	£	£	£	£	£	£	£	£
Grant income	78,779	-	10,000	2,634	40,000	250	-	131,663
Expenditure								
Staff and consultancy	67,493	8,840	8,000	210	23,333	-	3,350	111,226
Direct project costs	3,508	-	2,000	2,424	-	-	-	7,932
Overheads	-	-	-	-	-	-	1,650	1,650
Total Expenditure	71,001	8,840	10,000	2,634	23,333	-	5,000	120,808
Net Income/ (expenditure)	7,778	(8,840)	-	-	16,667	250	(5,000)	10,855
As at 1 January 2024	-	8,840	-	-	-	(250)	5,000	13,590
As at 31 December 2024	7,778	-	-	-	16,667	-	-	24,445

5. RESTRICTED FUNDS - GROUP AND CHARITY

5.2 Prior year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	Foundation Giving Trends	Catalytic Capital	Impact Investing in the Main Endowment	Origins of wealth	Members' Policy Forum	Total 2023
	£	£	£	£	£	£	£	£
Grant income	98,711	-	-	-	-	5,750	-	104,461
Expenditure								
Staff and consultancy	103,113	18,160	-	-	3,460	-	25,000	149,733
Direct project costs	14,099	-	22,174	4,000	-	6,000	-	46,273
Overheads	10,603	-	-	-	-	-	-	10,603
Total Expenditure	127,815	18,160	22,174	4,000	3,460	6,000	25,000	206,609
Net Income/ (expenditure)	(29,104)	(18,160)	(22,174)	(4,000)	(3,460)	(250)	(25,000)	(102,148)
As at 1 January 2023	29,104	27,000	22,174	4,000	3,460	-	30,000	115,738
As at 31 December 2023	-	8,840	-	-	-	(250)	5,000	13,590

Funders Collaborative Hub

Funding from Esmée Fairbairn Foundation, Corra Foundation, Joseph Rowntree Foundation, and Lloyds Bank Foundation for England and Wales (prior year only), to support the Funders Collaborative Hub, an initiative to enable increased understanding, closer alignment, and opportunities for funder collaboration.

UK Funders' Commitment on Climate Change

Funding from John Ellerman Foundation to support ACF's hosting of the UK Funder Commitment on Climate Change, to promote the commitment and support signatories to implement the pledges.

Origins of Wealth

Funding from the Barrow Cadbury Trust for the development of a toolkit to help foundations to explore the origins of their wealth in connection with colonialism and slavery.

Members' Policy Forum

Funding from Paul Hamlyn Foundation to support the work of the Members' Policy Forum, an initiative that increases opportunities for our members to engage directly with ACF's policy work, raise issues of concern, and regularly engage with policy-makers in government.

Promoting the foundation model

Funding from the Garfield Weston Foundation to support work securing philanthropic sustainability through promoting the foundation model of giving.

United Philanthropy Forum

A scholarship, provided through Philea and PEX, from the United Philanthropy Forum and the Charles Stewart Mott Foundation to attend the United Philanthropy Forum Annual Conference 2024 in the USA.

UKGrantmaking (previously Foundation Giving Trends)

Our ongoing partnership with Pears Foundation has seen funding and support for providing a foundation-specific digest of relevant UKGrantmaking data, and providing additional context for the data. This replaces the prior year funding and support (also from the Pears Foundation) which enabled research by Dr Catherine Walker resulting in the then-annual publication by ACF of Foundation Giving Trends.

Catalytic Capital research

Prior year only. A sector-led research project to identify the barriers to deploying catalytic capital: long-term, affordable and flexible repayable finance. Hosted by ACF on behalf of the Social Impact Investors Group (SIIG) and funded by Access – The Foundation for Social Investment and Better Society Capital.

Impact Investing in the Main Endowment

Prior year only. In collaboration with the Impact Investing Institute, Charities Responsible Investment Network and Better Society Capital, and funded by Esmée Fairbairn Foundation, Joseph Rowntree Foundation, City Bridge Trust - the funding arm of The City of London Corporation's charity, Bridge House Estates (1035628) - The Clothworkers' Foundation, Golden Bottle Trust, Guy's & St Thomas' Foundation, Treebeard Trust and the Barrow Cadbury Trust, this project focuses on providing an introductory learning series for foundations on mixed motive and financial return impact investing.

6. TRUSTEE BOARD EXPENSES AND RELATED PARTY TRANSACTIONS

Trustee board

The Trustee Board members received no remuneration in the current or prior year.

The amount of travel and other expenses reimbursed to, or paid on behalf of, four Trustee Board members was £1,404 (2023: six members at £1,822).

When they are appointed to the board all trustees must be a current trustee, employee or other representative of a member of the Association. Membership subscriptions with these members have been raised on an arms-length basis.

The Association is required to disclose the following related party transactions relating to 2024:

Licence fees totalling £12,480 (2023: £11,440) were paid by GiveOut (the employer of one of the Association's trustees) for use of desk space in ACF's office (including by the trustee employed by GiveOut).

Aggregate membership and event income in the year paid by trustees' organisations totalled £52,553 (2023: £52,593).

Trading subsidiary

The charity has a wholly owned subsidiary, ACF Conferences and Seminars Limited. For the year ended 31 December 2024 the subsidiary declared a gift aid distribution of £38,071 to the charity (2023: £155,134).

Recharges have also been made between the charity and the trading subsidiary relating to trading activities; the trading subsidiary was charged £174,626 [2023: £34,278] by the charity.

At the year end the subsidiary owed the charity a total of £217,697 (2023: £205,536) inclusive of gift aid, and the charity owed the trading subsidiary £272 (2023: £1,587).

There were no other related party transactions requiring disclosure in the year or in the prior year.

7. FIXED ASSETS

7A. TANGIBLE FIXED ASSETS

Group and charity	Leasehold Improvements	Office Furniture, IT and telecoms equipment	Total
	£	£	£
Cost			
At 1 January 2024	96,002	73,209	169,211
Additions in the year	-	5,829	5,829
Disposals in the year	-	(3,454)	(3,454)
At 31 December 2024	96,002	75,584	171,586
Depreciation			
At 1 January 2024	(94,977)	(45,133)	(140,110)
Disposals in the year	-	3,454	3,454
Charge for the year	(648)	(9,640)	(10,288)
At 31 December 2024	(95,624)	(51,319)	(146,943)
Net Book Value			
At 31 December 2024	378	24,265	24,643
At 31 December 2023	1,025	28,076	29,101

7B. INTANGIBLE FIXED ASSETS

All fixed assets are used for direct charitable purposes.

Group and charity	Software Development	Total
	£	£
Cost		
At 1 January 2024	134,944	134,944
Additions in the year	-	-
At 31 December 2024	134,944	134,944
Depreciation		
At 1 January 2024	(63,048)	(63,048)
Charge for the year	(26,764)	(26,764)
At 31 December 2024	(89,812)	(89,812)
Net Book Value		
At 31 December 2024	45,132	45,132
At 31 December 2023	71,896	71,896
Total Net Book Value of Tangible and Intangible Fixed Assets		
At 31 December 2024		69,776
At 31 December 2023		100,997

8. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2024	2023
	£	£
	2	2

The charity holds 100% of the issued ordinary share capital of the following company:

Subsidiary	ACF Conferences and Seminars Limited
Country of registration	England and Wales
Class	Ordinary
Shares held	100%

The aggregate amount of capital and reserves and result of this undertaking for the last relevant financial year were as follows:

Subsidiary	ACF Conferences and Seminars Limited
Principal activity	Conferences
Capital and reserves	£2
Profit for the year	£nil

	2024	2023
	£	£
Turnover for the period	227,500	200,000
Cost of sales	(189,429)	(44,866)
Gross profit	38,071	155,134
Profit on ordinary activities before taxation	38,071	155,134
Tax on profit on ordinary activities	-	-
Profit for the year, transferred to the charity at year end	38,071	155,134

9. DEBTORS

£5,000 of the total owed by ACF Conferences and Seminars Ltd is a loan and is repayable at the option of the charity and is non interest-bearing.

In both years, the prepayments total includes a long-term debtor of £19,200 relating to a rental security deposit for the premises at Toynbee Hall.

	Group	Charity	Group	Charity
	2024	2024	2023	2023
	£	£	£	£
Amounts due from subsidiary undertaking	-	217,697	-	203,951
Prepayments and accruals	96,206	96,206	113,039	113,039
Taxation	5,076	5,076	12,387	12,387
Other debtors	17,513	4,173	2,850	2,850
	118,795	323,152	128,276	332,227

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

In each year, meeting fees and subscriptions received in advance entirely relate to the next financial year.

	Group	Charity	Group	Charity
	2024	2024	2023	2023
	£	£	£	£
Accruals	18,159	16,741	25,847	23,197
Meeting fees received in advance	5,050	5,050	4,440	4,440
Subscriptions received in advance	-	-	7,914	7,914
Staff leave carried forward	22,406	22,406	20,126	20,126
Staff wages	-	-	3,756	3,756
Other taxation and social security	119	119	1,829	1,829
Other creditors	59,567	58,217	60,583	58,195
	105,301	102,533	124,495	119,457

10A. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

The trustees have adopted a dilapidations provision to reflect the estimated cost of future expenditure where the Association has contractual obligations for reinstatement relating to any property lease. The charge for the dilapidations provision in 2024 is £4,000 (2023: £0).

	Group	Charity	Group	Charity
	2024	2024	2023	2023
	£	£	£	£
Dilapidations provision	22,000	22,000	18,000	18,000

11. TAXATION

The Association is exempt from tax as all its income is charitable and is applied for charitable purposes.

12. PENSION LIABILITY

The Association participates in the TPT Retirement Solutions (formerly Pensions Trust) Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme is carried out every three years, the most recent of which was carried out at 30 September 2023. This valuation showed assets of £515m, liabilities of £531m and a deficit of £16m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Reconciliation of opening and closing liabilities

Group and charity	2024	2023
	£	£
Provision at 1 January	3,797	7,142
Unwinding of the discount factor	107	258
Deficit contribution paid in year to the Pensions Trust	(3,597)	(3,597)
Impact of changes in the Pensions Trust's fund valuation assumptions	51	(6)
Amendments to the contribution schedule	7,830	-
Provision at 31 December	8,188	3,797

Under the Association's recovery plan, £2,438 deficit contributions are due in the coming year, with the balance (subject to annual adjustments) to be paid in regular instalments ending 31 March 2028. £5,394 of plan expenses are due in the coming year.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Post-balance sheet event

It is the Association's intention to buy out from the defined benefit pension scheme. In December 2024, notice of intent was given to the provider, and a 12-month grace period was entered into, allowing ACF to await confirmation of the cost of the buy-out. This valuation is expected in mid-2025, and is currently estimated to fall between £60k-£85k. The balance sheet provision built up since 2015 is sufficient to meet this cost.

13A. UNRESTRICTED FUNDS - GROUP AND CHARITY

General Fund

The general fund is the value of unrestricted funds after future pension liabilities have been accounted for and comprises fixed assets, current assets and liabilities.

Pension Trust Deficit Reduction Fund

In 2015 trustees decided to create a designated fund to build a reserve fund to cover ACF's Pension Trust liability. The trustees have designated £10,000 into this fund every year from 2015-2023. ACF is now actively investigating a potential buyout from the scheme using this fund within the next 12 months. Spend of £1,500 has been incurred within the year from this fund on legal fees.

Pension Liability Reserve Fund

To reflect the very low probability that the liability is crystallised in one go a corresponding negative designated reserve fund has been created to show the true level of general funds.

Current year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2024
	£	£	£	£
Balances at 1 January 2024	849,120	90,000	(3,797)	935,323
Net income before transfers	(48,280)	(1,500)	-	(49,780)
Actuarial gains/(losses) on defined benefit pension schemes	-	-	(7,881)	(7,881)
Transfer from/(to) General Fund	(3,490)	-	3,490	-
Balance at 31 December 2024	<u>797,353</u>	<u>88,500</u>	<u>(8,188)</u>	<u>877,665</u>

Prior year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2023
	£	£	£	£
Balances at 1 January 2023	683,931	80,000	(7,143)	756,788
Net income before transfers	178,531	-	-	178,531
Actuarial gains/(losses) on defined benefit pension schemes	-	-	6	6
Transfer from/(to) General Fund	(13,340)	10,000	3,340	-
Balance at 31 December 2023	<u>849,122</u>	<u>90,000</u>	<u>(3,797)</u>	<u>935,323</u>

13B. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY

Current year	Fixed Assets and Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31.12.24
	£	£	£	£	£
Restricted Funds					
Project Funds	-	24,445	-	-	24,445
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	88,500	-	-	88,500
Pension Liability reserve	-	-	-	(8,188)	(8,188)
General Fund*	69,776	854,878	(127,301)	-	797,353
Total unrestricted funds	69,776	943,378	(127,301)	(8,188)	877,665
Total funds	69,776	967,823	(127,301)	(8,188)	902,110

*After fixed assets have been accounted for, The Association's general fund is £727,577 which forms The Association's free reserves. This is calculated as follows:

Total general fund	797,353	
Less fixed assets and investments	69,776	
	727,577	(£748,123 in 2023)

13B. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP AND CHARITY

Prior year	Fixed Assets and Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31.12.23
	£	£	£	£	£
Restricted Funds					
Project Funds	-	13,590	-	-	13,590
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	90,000	-	-	90,000
Pension Liability reserve	-	-	-	(3,797)	(3,797)
General Fund	100,997	890,618	(142,495)	-	849,120
Total unrestricted funds	100,997	980,618	(142,495)	(3,797)	935,323
Total funds	100,997	994,208	(142,495)	(3,797)	948,913

14. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
	£	£
Net (expenditure)/income for the reporting period as per the statement of financial activities	(38,925)	76,381
Depreciation charges	37,052	29,446
Interest income	(37,579)	(33,484)
(Increase)/decrease in debtors	9,481	(89,791)
Increase/(decrease) in creditors	(15,194)	39,243
Non-cash movement on defined benefit pension liability	(3,490)	(3,340)
Net cash provided by operating activities	(48,655)	18,455

15. ANALYSIS OF CHANGES IN NET CASH

	At 1 January 2024	Cash flows	At 31 December 2024
	£	£	£
Cash in hand	334,463	30,965	365,428
Notice deposits (less than three months)	531,469	(47,869)	483,600
Total cash and cash equivalents	<u>865,932</u>	<u>(16,905)</u>	<u>849,027</u>

16. OPERATING LEASE COMMITMENTS – GROUP AND CHARITY

All amounts above are subject to VAT, a portion of which will be recoverable under partial recovery.

Operating lease rental payments during the year were £87,167 (2023: £86,158).

	2024	2023
	£	£
	L&B	L&B
Within one year	88,000	87,167
Between 2 and 5 years	64,000	152,000
5 years +	-	-
	<u>152,000</u>	<u>239,167</u>



Association of Charitable Foundations is
a company limited by guarantee, registered
in England and Wales.

Registered Company No. 5190466

Registered Charity Number: 1105412

Registered Office: 28 Commercial Street,
London, E1 6LS

acf.org.uk

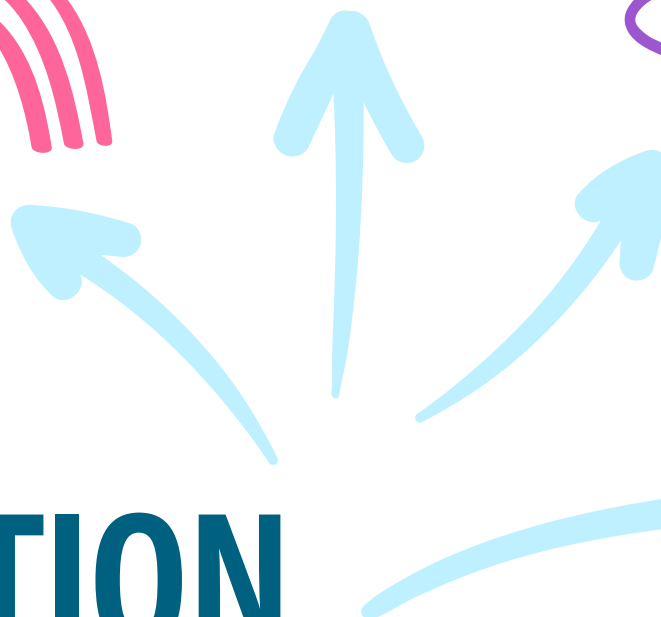
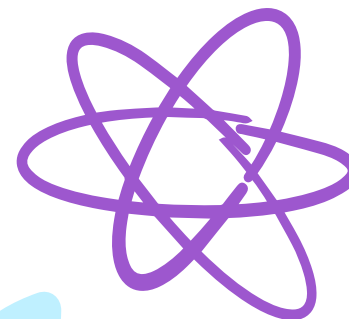
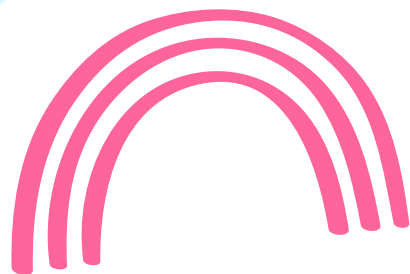
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ASSOCIATION OF CHARITABLE FOUNDATIONS

England & Wales - Charity number 1105412

Accounts

Year ended
31 December 2023



ASSOCIATION OF CHARITABLE FOUNDATIONS

Trustees' Annual Report
and Financial Statements



FOR MORE INFORMATION
PLEASE VISIT OUR WEBSITE:
WWW.ACF.ORG.UK

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CHAIR AND CHIEF EXECUTIVE'S INTRODUCTION

OUR MEMBERS AND OUR SECTOR FACED ACUTE SOCIAL AND ECONOMIC CHALLENGES IN 2023.



JESSICA BROWN
Chair



CAROL MACK OBE
Chief executive

The cost of living crisis affected every charity, whatever their size, location or cause. The impact of the climate crisis and inequalities in our society, and around the world became increasingly evident.

Foundations have a vital role to play in identifying and responding to need and using their resources wisely to make the biggest difference possible. Throughout 2023, we heard stories of inspiration and fortitude from foundation staff and trustees across the country as they piloted a new course for their grant-making or investments in the face of these challenges, despite rising demand and escalating operating costs. We saw foundation leaders caring deeply about meeting these challenges with compassion, transparency and fairness.

All of us at the Association of Charitable Foundations (ACF) are incredibly proud of the work that our members are doing – they are at the heart of all that we do. We are so grateful that they continue to support our work, investing time in building this remarkable community where foundation staff and trustees can connect, learn and share together.

Foundations embody the belief that things can be better.

At their best they are a transparent, intentional and efficient way of transforming private wealth into public benefit.

As we look back at 2023, we carry forward the lessons learned, challenges overcome and successes celebrated.

WE ARE DELIGHTED TO SHARE SOME OF OUR MILESTONES IN 2023:



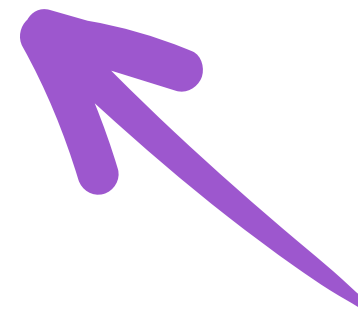
A NEW MISSION

We began the year by launching a **new five-year strategy (more on page 5)**. Our vision is for diverse, vibrant and effective foundations, working together for social good. Our mission is to strengthen trusts and foundations to rise to the challenges of our time: the cost of living crisis and rising inequalities, climate change and ensuring our sector and what foundations fund and what foundations fund is diverse, equitable and inclusive.



A STRONGER VOICE

Foundations, like other institutions, have been under greater scrutiny, in a context where public opinion is increasingly polarised. In 2023 we hosted a workshop for members on navigating the media spotlight. Our Members' Policy Forum has enabled policymakers in England, Wales, Scotland and Northern Ireland to hear about priorities, challenges and insights from the foundation perspective. Throughout last year we have shared evidence and stories that demonstrate the positive impact of the work of foundations at every opportunity – at conferences, with government and with the media.



A COMPELLING MEMBER OFFER

We end the year with a thriving community of 450 members. We know how important it is that we continue to share stories of excellent practice from across our broad membership to support and inspire. This year we published the first set in a series of **case studies** which demonstrate how foundations of all shapes and sizes are putting the **Stronger Foundations** principles into practice. Our **Official Partners** – Ruffer, Mercer, CCLA and Cazenove – elevate our offer by giving members access to knowledge, skills and information on foundation investments.



CULTIVATING CONNECTIONS

Our **member-led networks**, including a new network for family foundations and those exploring economic justice, strengthened connections between peers across our sector. This was only possible because of the generosity of **our network convenors**. Our **Funders Collaborative Hub** now hosts more than 150 collaborations – with opportunities to connect on a huge variety of issues.



A CLEARER REGULATORY LANDSCAPE

This Summer we **welcomed the publication** of the Charity Commission for England and Wales' new guidance for trustees (CC14) which provided some much needed clarity on investing charity money. At every opportunity we have promoted the crucial role of trusts and foundations to a wide range of stakeholders.

TRUSTEES' ANNUAL REPORT 2023

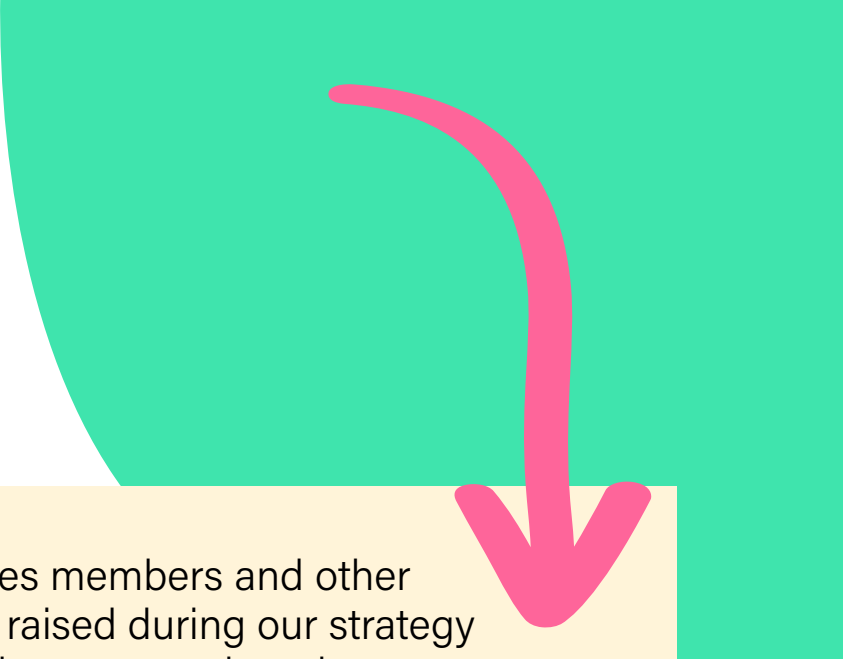
WE ARE PLEASED TO PRESENT OUR 2023 ANNUAL REPORT AND ACCOUNTS.

This demonstrates how we as trustees have stewarded the charity and its resources in delivering ACF's purpose of strengthening foundations to rise to the challenges of our time.

ACF is the leading membership association for foundations and independent grant-makers in the UK.

We have over 450 members who together hold one third of the assets of the charity sector and make over 40 per cent of the grants given by UK foundations. Together they cover the full range of foundations, from small to large and operating in many different fields of grant-making, including social change, the environment, research, education, across the UK and overseas. Our work builds common understanding of the role of foundations, including with government, and enables our members to be more than the sum of their parts, collaborate and develop their practice, navigating complexity in the challenges they face.

2023 was a significant year for us as we dived into the first year of our new strategy. Our strategy is focused on our role as a membership association and how we can effect positive change with and for our members.



The challenges members and other stakeholders raised during our strategy consultation in 2022 continued to resonate deeply in 2023:

- **The cost of living crisis and rising inequalities** dominated conversations in board meetings for foundations of all sizes, locations and causes.
- We observed an increasing number of foundations that wanted to respond to the **climate crisis** and act more on **diversity, equity and inclusion** (DEI).
- We saw foundations working together and **grant-making** and **investment practice** evolving in response to these challenges.



WE ARE PART OF A THRIVING CHARITABLE FUNDING ECOSYSTEM IN THE UK AND INTERNATIONALLY, THAT SUPPORTS INNOVATION AND GOOD PRACTICE IN FOUNDATIONS AND IN PHILANTHROPY MORE BROADLY. WE RECOGNISE THE UNIQUE ROLE WE HAVE AS A MEMBERSHIP ASSOCIATION IN SUPPORTING MEMBERS TO COLLECTIVELY RISE TO THESE CHALLENGES:

THE COST OF LIVING CRISIS AND RISING INEQUALITIES

In 2023, the cost of living crisis affected every charity, whatever their size, location or cause. Foundations have had a vital role to play in supporting charities which are facing falling donations from a hard-pressed public, rising costs and unprecedented demand for their services.

Foundations felt these pressures too, as well as concern about their falling income and asset values. We worked with other sector infrastructure bodies through our membership of the **Civil Society Group** to highlight the impact of rising costs on the charity sector and were delighted to see the Chancellor's announcement in the 2023 Spring Budget pledging £100m support for charities that need it most.

We saw foundations working together through the Funders Collaborative Hub to coordinate efforts including **exploring collaborative funding for warm spaces** and working with communities to **co-design local solutions to financial insecurity**.



THE COST OF LIVING CRISIS IS AFFECTING US ALL. PEOPLE ARE WORRIED ABOUT PUTTING FOOD ON THE TABLE, AFFORDING THE TRAIN TO WORK, AND PAYING FOR GAS AND ELECTRICITY. CHARITIES ARE FINDING THEMSELVES OVERWHELMED WITH ENQUIRIES, WHILE STAFF AND UTILITY COSTS HAVE SOARED AND VOLUNTEERS ARE STRUGGLING TO COMMIT THE TIME THEY USED TO BE ABLE TO GIVE.

National Lottery Community Fund, 2023

CLIMATE CHANGE

Speaking at the launch of the Synthesis Report of the Intergovernmental Panel on Climate Change, the UN Secretary-General, António Guterres highlighted the intersectional nature of climate change – it is a health issue, a gender equality issue, a racial equality issues, a cultural issue, an economic issue, a human rights issue and more.

UK charitable foundations, with their ability to take a long-term approach alongside taking risks and supporting emerging ideas, are well placed to support action to tackle the climate crisis.

It is four years since the launch of the **Funder Commitment on Climate Change**, a framework for foundations to identify actions and make progress to play their part in tackling the causes and impact of climate change, whatever their mission. We are delighted to have reached the milestone of 120 signatories of the Commitment in 2023.

Over 630 foundations have signed national commitments on climate change in Canada, France, Italy, Poland, Spain and the UK, or the International Philanthropy Commitment on Climate Change, hosted by **WINGS**, for foundations where a national commitment does not yet exist. These initiatives were all inspired by the UK commitment.



IN SHORT, OUR WORLD NEEDS CLIMATE ACTION ON ALL FRONTS – EVERYTHING, EVERYWHERE, ALL AT ONCE.

António Guterres,
UN Secretary-General, 20 March 2023

DIVERSITY, EQUITY, INCLUSION

Many groups face barriers to participate in and are under-represented at ACF, in the foundation sector and at ACF's events and networks. This includes but is not limited to communities experiencing racial inequity, disabled people, people from working class backgrounds and people from the LGBTQ+ community. These barriers are compounded when these identities intersect.

As a membership association we have a responsibility to represent diversity in our practice and across our programme of work and we have the opportunity to share our platforms with others, exposing ourselves and our members to different ideas, voices and approaches.

We are pleased to have a diverse board and our trustees have spent time together in 2023 to build inclusive approaches to our governance and find ways of working together differently so this becomes part of a long-lasting inclusive culture.

We continue to apply a diversity, equity and inclusion lens to our staff recruitment policies and in 2023 we welcomed several new members of the team. Our team brings with them a diversity of perspectives, skills and experiences, which in turn help ACF deliver richer creativity, better problem solving and greater impact for ourselves and our members.

Our journey has begun, but we still have a long way to go.



INCLUSIVE BOARD CULTURES ARE THOSE WHERE MEMBERS' PERSPECTIVES ARE REGULARLY ELICITED AND VALUED. FOR BOARDS TO BE EFFECTIVE, THEY NEED TO FOSTER AN EGALITARIAN AND INCLUSIVE CULTURE – ONE THAT ELEVATES DIFFERENT VOICES, VALUES CONTRASTING PERSPECTIVES, AND HOLDS SPACE FOR UNCOMFORTABLE CONVERSATIONS.

Anj Handa,
Charity Board Leadership
Programme Director, Getting
on Board, October 2023



AS FUNDERS, PERHAPS START BY ASSUMING YOUR FUNDING PRACTICES COULD BE IMPROVED AND WORK OUT WHAT EXCELLENCE IN FUNDING LOOKS LIKE. CHALLENGE YOUR TRADITIONAL STRUCTURES, PROCESSES AND HABITS. FIND OUT WHAT OTHER FUNDERS YOU ADMIRE DO, OR PERHAPS ASK THOSE YOU FUND ABOUT WHAT THEY CONSIDER TO BE HELPFUL GRANT-MAKING.

Debra Allcock Tyler,
chief executive, Directory of Social Change, May 2023

GRANT-MAKING AND INVESTMENT PRACTICE

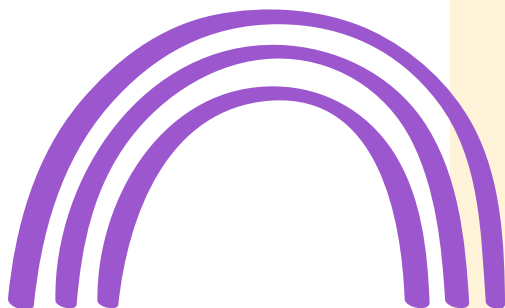
Now more than ever, foundations have a vital role to play in identifying and responding to need and using all their resources wisely to make the biggest difference possible. Foundation leaders continue to meet these challenges set out above with compassion, transparency and fairness and many ACF members have been piloting a new course for their grant-making or investments.

The overwhelming majority of our members work with – and fund – others in order to achieve their mission.

Funding practices really matter. For many of our closest stakeholders, funding practice is the issue that impacts on them the most and which shapes their view of foundations. In early 2023, we held an event for members to hear about the impact of grant reporting processes on grantees and the steps foundations are taking to reduce this burden.

For many foundations, an endowment is their 'super-power'. Financial independence and a long time horizon provide unique opportunities to work towards achieving the foundation's long-term impact, to effect change, and to withstand financial turbulence such as that we have experienced in recent times.

More foundations are more closely integrating their investment with their mission. With clearer **guidance from the Charity Commission in England and Wales** in 2023, our **investment seminars** have focussed on building foundation trustee knowledge and capability to contribute towards shaping both mission and money, and to consider them as a whole.



ABOUT ACF

ACF IS THE LEADING MEMBERSHIP ASSOCIATION FOR FOUNDATIONS AND INDEPENDENT GRANT-MAKERS IN THE UK.

VISION

Diverse, vibrant, and effective foundations, working together for social good

PURPOSE

We strengthen trusts and foundations so they can rise to the challenges of our times

VALUES

We care,
We are open,
We are evidence-based,
We are ambitious

OBJECTIVES



SUPPORT FOUNDATIONS TO ASPIRE TO AND ACHIEVE EXCELLENT PRACTICE

- Curate inspiring, practical and accessible learning and support
- Be the 'go to' place for advice and information tailored to foundations
- Share practical tools and resources to enable and empower Stronger Foundations



ADVANCE DIVERSITY, EQUITY AND INCLUSION FOR OUR SECTOR AND FOR ACF

- Build and sustain a diverse and inclusive membership
- Champion and celebrate practice which addresses systemic inequities
- Gather and share data to deepen our understanding of barriers to, and support progress towards, diversity, equity and inclusion



STRENGTHEN CONNECTIONS ACROSS AND BEYOND THE SECTOR

- Catalyse collaborations between foundations and with others to achieve greater impact
- Cultivate vibrant communities of practice and build brave spaces to share knowledge and ideas
- Seize and create opportunities to connect with partners to advance our common goals



SUSTAIN A LANDSCAPE WHERE FOUNDATIONS CAN CONTINUE TO THRIVE

- Represent foundations and amplify their voices to influence policy and ensure a supportive legal and regulatory framework in the UK
- Share evidence and stories that demonstrate the positive impact of foundations
- Support the growth of the sector, including by advocating for the foundation model of philanthropy and the evolution of the sector

CRITICAL SUCCESS FACTORS TO ACHIEVE THESE GOALS:



- Ensure a compelling membership offer
- Develop ACF so that we are well-networked across the organisation
- Ensure ACF has the capacity, knowledge and skills to deliver this strategy
- Improve our culture and approach
- Bring clarity to our communication and impact

ACF is both a registered charity, registration number 1105412, and a company limited by guarantee incorporated on 27 July 2004 and registered in England and Wales, registration number 5190466.

ACF has a wholly owned trading subsidiary, ACF Conferences and Seminars Limited. This is a company incorporated on 5 January 2000, registration number 3902450, and limited by a single share held by ACF. The directors of the trading company are listed at the end of this report.

ACF manages its commercial relationships which generate trading income via ACF Conferences and Seminars Ltd. This includes the Official Partner Programme and commercial activities linked to the annual conference. The company has agreed a deed of covenant that obligates it to pass all its profits to the charity at the end of each financial year. The accounts that accompany this report show the consolidated financial information for ACF and ACF Conferences and Seminars Limited. The narrative in this report covers the operations of the charity and the subsidiary company.

ACF's governing document is a Memorandum and Articles of Association and our registered office is Fourth Floor, 28 Commercial Street, London E1 6LS.



SUPPORT FOUNDATIONS

TO ASPIRE TO AND ACHIEVE EXCELLENT PRACTICE

WE WANT MEMBERS TO FEEL SUPPORTED AS THEIR FOUNDATION ASPIRES TO AND DELIVERS EXCELLENT PRACTICE.

THIS MEANS IN 2023 WE WERE WORKING TO:

- Curate inspiring, practical and accessible learning and support
- Be the 'go to' place for advice and information tailored to foundations
- Share practical tools and resources to enable and empower Stronger Foundations

STRONGER FOUNDATIONS CASE STUDIES

ACF's Stronger Foundations reports help grant-making charitable foundations identify and pursue ambitious practice, with 40 pillars of stronger foundation practice set out under six thematic areas.

In 2023 we developed eight case studies to provide examples of how and when members are putting the pillars of Stronger Foundations into practice. These case studies provide examples of ambitious practice in grant-making as well as in transparency and engagement. We hope that they inspire foundations to consider what stronger practice might look like in their organisation.

We are grateful to all members who have shared their practice with us.



665

delegates attended our learning events in 2023



44%

of our members attended at least one learning event



54 TIMES

our Stronger Foundations self-assessment tool was completed

FUNDER COMMITMENT ON CLIMATE CHANGE

The Funder Commitment on Climate Change (FCCC) was launched in 2019 and is a holistic, high-level framework supporting funders to play their part in tackling the causes and impacts of climate change, whatever their mission. In 2023 we reached the milestone of **120** signatories and released a year 3 report setting out the actions taken by signatories across six areas.

The launch of the Funder Commitment on Climate Change year 3 report was our highest attended event in 2023, with **110** registrations.

Additional financial support for the Funder Commitment on Climate Change is provided by John Ellerman Foundation.



40
foundations sent delegates to our Investment Seminars



56 TIMES
our grant reporting briefing was downloaded



850 TIMES
Stronger Foundations case studies were accessed

IMPACT INVESTING IN THE MAIN ENDOWMENT

In partnership with **the Impact Investing Institute**, **the Charities Responsible Investment Network** and **Big Society Capital** we developed a three-part learning series which ran for the first time in Spring 2023 and was attended by 18 foundations.

A growing number of foundations want to explore impact-driven investing within their main endowment. This approach seeks to balance the positive impact of the investment with a market-rate financial return.

Additional financial support to develop the Impact Investing in the Main Endowment series was provided by Barrow Cadbury Trust, City Bridge Trust, Esmée Fairbairn Foundation, Golden Bottle Trust, Guy's & St Thomas' Foundation, Joseph Rowntree Foundation, The Clothworkers' Foundation, and Treebeard Trust.

PLANS FOR 2024:

- New events to respond to emerging challenges including AI and the modern grant-making organisation
- A series of learning events on data and its role in grant-making
- New guidance for members who want to explore the origins of their wealth
- Developing and signposting to practical resources to support our members
- A series of investment seminars for foundation leaders, delivered with our Official Partners



ADVANCE DIVERSITY, EQUITY AND INCLUSION

FOR OUR SECTOR AND FOR ACF

WE WANT TO PLAY AN ACTIVE ROLE IN MAKING PROGRESS ON DIVERSITY,
EQUITY AND INCLUSION.

THIS MEANS IN 2023 WE WERE STRIVING TO:

- Build and sustain a diverse and inclusive membership
- Champion and celebrate practice which addresses systemic inequities
- Gather and share data to deepen our understanding of barriers to, and support progress towards, diversity, equity and inclusion

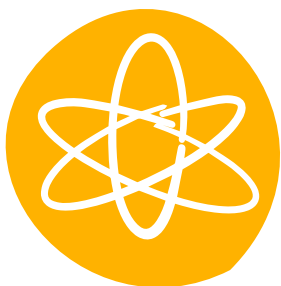


CHAIRS' EVENT ON INCLUSION

In October 2023, 35 chairs of ACF members came together for our annual evening for chairs of trusts and foundations. This year's theme was the importance of inclusive boards. We were delighted that Anj Handa of Getting on Board facilitated the session, joined by a panel of foundation trustees who shared their insights. We developed a **briefing for members** to support them in taking practical steps to foster an inclusive board culture.

PLANS FOR 2024

- A new series of interactive learning events to support foundations with advancing diversity, equity and inclusion through funding practices, transparency and engagement and their strategy and governance
- New case studies to support excellent diversity, equity and inclusion practice
- A greater focus on speaker diversity, equity and inclusion across our events and learning programming



STRENGTHEN CONNECTIONS

ACROSS AND BEYOND THE SECTOR

WE ARE AT THE HEART OF A REMARKABLE COMMUNITY OF FOUNDATIONS.

WE WANT TO BROADEN AND DEEPEN CONNECTION BETWEEN FOUNDATIONS SO IN 2023 WE ENDEAVOURED TO:

- Catalyse collaborations between foundations and with others to achieve greater impact
- Cultivate vibrant communities of practice and build brave spaces to share knowledge and ideas
- Seize and create opportunities to connect with partners to advance our common goals



BEING A MEMBER OF ACF FOR MANY YEARS HAS ENABLED US TO PARTICIPATE IN TRAINING, ATTEND NUMEROUS EVENTS AND NETWORK WITH PEERS, ALL OF WHICH HAS BEEN EXTREMELY VALUABLE IN GENERATING A RICH AMOUNT OF LEARNING AND COLLABORATION. WE HAVE PARTICULARLY BENEFITTED FROM THE MEMBERSHIP OF ACF'S SOCIAL IMPACT INVESTORS GROUP (SIIG) AS OUR SOCIAL INVESTMENT ACTIVITY HAS INCREASED

Luke Kavanagh,
Trust for London



54%

of membership registered to attend at least one member-led network meeting in 2023



914

registrants attended **40** member-led network meetings



10

special interest group meetings

NETWORKS

Our community and member networks are valued by our members.

In 2023 we welcomed a new network – Family Foundations – increasing the number from 14 to 15. These networks are led by a team of volunteer convenors from within ACF membership. Six convenors came to the end of their terms during the year and we are grateful to new convenors for stepping forward.

ACF networks typically focus on areas of funding, type of organisation or elements of grant-making practice. These networks primarily meet online at least twice a year. Meetings usually last two hours and are free for our members to attend.

ACF also convened and administered three special interest networks with their own steering groups:

- Foundations for Social Justice (formerly known as the Woburn Place Collaborative)
- Finance, investment, resources management group (FIRM)
- Social Impact Investors Group (SIIG)

2023 NETWORKS AT A GLANCE

Grant-making themes

- Asylum, refugee and migration
- Children and young people
- Criminal justice
- Economic justice
- Housing and homelessness
- Mental health
- Northern Ireland
- Tackling poverty
- Violence against women and girls (VAWG)

Aspects of being a funder

- Evidence and learning (formerly Monitoring and evaluation)
- Place based funding

Foundation type

- Corporate foundations
- Family foundations
- International funders
- Smaller funders

FUNDERS COLLABORATIVE HUB

The Hub catalyses collaboration by funders and helps them work towards stronger practice, so that they can collectively rise to the challenges of our times. The Hub website provides:

- Shared information about existing and emerging collaboration opportunities
- Inspiration, highlighting the impact and learning generated through funder collaboration
- Practical guidance and tools that equip funders to collaborate effectively and to make the best use of the Hub.

In 2023, **160** opportunities to collaborate were hosted on the Funders Collaborative Hub website. These related to more than 40 issues and included work in every UK nation and region, as well as UK-wide and international opportunities. Together these were viewed **36,666 times, a 42% year-on-year increase.**

Additional financial support for the Funders Collaborative Hub is provided by Lloyds Bank Foundation for England and Wales and Esmée Fairbairn Foundation.

PLANS FOR 2024

- Our first ACF Leaders Forum 2024 will take place on 18 September 2024 which will bring together senior leaders and decision makers to explore how trusts and foundations can rise to the challenge of the climate crisis, whatever their mission
- A strong programme of member-led networks and special interest networks
- An enhanced Funders Collaborative Hub service offer for collaboration leaders (free to ACF members)



SUSTAIN A LANDSCAPE

WHERE FOUNDATIONS CAN CONTINUE TO THRIVE

DURING A TUMULTUOUS TIME, WE WANT TO SUSTAIN A STRONG ENVIRONMENT FOR TRUSTS AND FOUNDATIONS.

WE WORKED TO:

- Represent foundations and amplify their voices to influence policy and ensure a supportive legal and regulatory framework in the UK
- Share evidence and stories that demonstrate the positive impact of foundations
- Support the growth of the sector, including by advocating for the foundation model of philanthropy and the evolution of the sector

KEY SUCCESSES



DRAWING ON MEMBER VIEWS

influenced the updated CC14 guidance and fed into other guidance including the UK Government's dormant assets consultation and the Charity Commission's social media guidance for charities in England and Wales



CONTINUED EFFECTIVE ENGAGEMENT

with the UK Government and the official opposition in advance of the General Election



REPRESENTED FOUNDATIONS POSITIVELY IN THE MEDIA

and at conferences, meetings with key external stakeholders and sector events



SERVED AS A KEY MEMBER OF THE DEPARTMENT FOR CULTURE, MEDIA AND SPORT'S ADVISORY BOARD

for distribution of £100 million fund for supporting frontline charities



COLLABORATED EFFECTIVELY

with the Civil Society Group and with key sector organisations



20 MENTIONS OF ACF

in sector press, some in the mainstream media



HELD A BESPOKE EVENT

for members on navigating media and online critique

FOUNDATION GIVING TRENDS

Our Foundation Giving Trends (FGT) research provides a single, authoritative and reliable annual measure of the extra funding that private philanthropy contributes to public good through foundations, building transparency and an up-to-date evidence platform for practitioners, policymakers and researchers.

We have published the report annually since 2014 and the 2022 report is the 14th year of analysis of family foundations and the 9th year of analysis of the Top 300.

From 2024 we are shifting our focus to supporting 360Giving in the development of a new, interactive data product called UK Grantmaking. This decision stems from valuable feedback received from our members about their data needs.

ACF will be producing a narrative report to accompany UK Grantmaking. This report will aim to provide comprehensive context and insightful commentary from the perspective of UK foundations, enriching the understanding of the data provided.

Additional financial support for our Foundation Giving Trends research and analysis, and for our forthcoming report, is provided by Pears Family Charitable Foundation.

NEW GUIDANCE ON INVESTMENTS

In Summer 2023, we welcomed the **publication of the Charity Commission for England and Wales' new guidance for trustees (CC14)** that provided some much needed clarity on investing charity money. Based on member views and our pillars of Stronger Foundations practice, we engaged with the Charity Commission and fed into the redesign of the guidance. We were pleased to see a number of key changes introduced, including clearer, shorter and simpler guidance. We also welcome the clarification brought about by the Butler-Sloss judgment reflected in the guidance. In particular, the updated guidance sets out the need for trustees to undertake a balancing exercise when considering potential conflicts with charitable purposes against the risk of financial detriment.

MEMBERS' POLICY FORUM

Our Members' Policy Forum is an established initiative that aims to increase opportunities for all our members to engage directly with ACF's policy work, raise issues of interest and concern, and regularly engage with policy-makers and key external stakeholders. All ACF members can sign up to the Members' Policy Forum mailing list to receive monthly e-bulletins with the latest policy news.

In 2023, **26%** of ACF members attended a Members' Policy Forum event. We had **212** registrants for **7** events which included opportunities for members to engage directly with policymakers, charity regulators and other key stakeholders.

Additional financial support for our Members' Policy Forum is provided by Paul Hamlyn Foundation.

PLANS FOR 2024

- Support for members throughout the UK General Election including an event series covering campaigning during an election cycle and foundation influencing approaches
- A Spring reception for trustees of foundations with the Charity Commission for England and Wales
- A new narrative report on the collective contribution of UK charitable foundations

CRITICAL SUCCESS FACTORS



WE HAVE AN AMBITIOUS GOAL OF ACHIEVING NET GROWTH OF 100 MEMBERS BY THE END OF 2027.

A COMPELLING MEMBER OFFER

Being a member of ACF offers connection, collaboration and learning from peers and experts. We build a member community through our networks, run a wide-ranging programme of events and provide research and resources for trustees and professionals in foundations and grant-making charities across the UK.

More than 450 organisations are proud to be part of the ACF community. Our membership is inclusive and welcomes family trusts, corporate foundations, livery companies, broadcasting appeals and other grant-makers.

A COMPELLING MEMBER OFFER MEANS:

- Ensuring our membership offer represents value for foundations, regardless of size, area of interest, and location in the UK
- Elevating our offer through strategic commercial relationships that diversify our income and give members access to knowledge, skills and information.

Membership keeps foundations up to date and connected with the foundation sector through events and networking, information and guidance and policy and advocacy. ACF members can take advantage of:

- Digital newsletters packed with sector news and information
- Access to our framework of excellent practice, Stronger Foundations and supporting tools and resources
- Briefings on key policy issues affecting trusts and foundations
- Free copies of our publications
- Discounted fees for our training, events and conferences
- Exclusive access to member-led peer networks

MEMBERS BY REGION



TOTAL OF
458

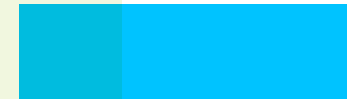
MEMBERS BY FOUNDATION TYPE



106 Family Foundation



98 Independent National



82 Corporate



75 Independent Regional/Local



22 Other



16 Community



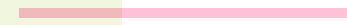
14 Voluntary grant-maker



13 Fundraising



12 City Livery



8 Benevolent Fund



5 Overseas



3 Lottery



2 Membership funder grant-maker



2 Administrator

Data correct as of October 2023



564

downloads of our salary and benefits research report



3,000

subscribers to our Funders' News monthly e-newsletter



90,000

unique visits to our website



458

members at the end of 2023. ACF's Official Partner Programme allows our members to benefit from a knowledge-led commercial partnership, enhancing our ability to support members in being ambitious and effective in the use of all their resources



92%

of our members in 2022 renewed in 2023



40

new members joined our community

PLANS FOR 2024

- New commercial partnerships that bring knowledge, skills and expertise into our membership offer
- Active recruitment of new members to strengthen the membership community
- A focus on improving our online member offer

OTHER CRITICAL SUCCESS FACTORS

ACF needs to be financially stable and have effective systems and processes to deliver on its mission.

We also want to be a great place to work, where colleagues are trusted, celebrated and belong. In 2023 we recruited three positions, including two director-level roles. We also introduced a winter flu vaccine programme as part of our employee benefits. We renewed our three-year lease agreement for our office.

We need the digital skills and technology to deliver our strategy. In 2023 we replaced laptops for the majority of colleagues to improve productivity.

In our strategy, we outline other critical success factors including plans to:

- Develop ACF so that we are well-networked across the organisation
- Ensure ACF has the capacity, knowledge and skills to deliver the strategy
- Improve our culture and approach
- Bring clarity to our communication and impact.

FINANCIAL COMMENTARY

WE REMAIN EXTREMELY GRATEFUL FOR THE CONTINUED SUPPORT OF OUR MEMBERS, INCLUDING THOSE WHO PROVIDED ADDITIONAL GRANTS IN 2023 TO ENABLE ACF TO MAINTAIN PROGRESS ON KEY ACTIVITIES, SUCH AS THE FUNDERS COLLABORATIVE HUB AND FOUNDATION GIVING TRENDS RESEARCH.

Our financial position remains strong as a result of membership retention in 2023 and the stability generated by the continuation of the Official Partner Programme. We also saw unplanned underspends in year resulting from some vacancies in the staff team, and consequent constraints on capacity for activities. The audited financial position therefore shows an unrestricted surplus of £178,537 (£66,509 in 2022). The trustees have approved a budget for the rest of the strategy period which includes the investment of this surplus in new or deferred activities to support the implementation of the strategy. These activities are outlined under each of our strategic objectives, above.

The trustees have considered the unrestricted reserves that ACF requires to sustain its operations with reference to the Charity Commission for England and Wales' guidance on charity reserves as set out in CC19.

Trustees have agreed a long-term aim of balancing income and expenditure to deliver a level of free reserves that is between four and six months' operating expenditure. The total general fund at the end of 2023 was £849,120, of which £100,997 represents fixed assets, leaving free reserves of

£748,123. This reserves balance at the end of 2023 sits towards the top end of the target range based on 2024 expenditure, and leaves us in a secure position to carry out planned investment to deliver our strategy over the coming years.

The board has determined that the current level of reserves is sufficient to mitigate any future operating deficits driven by strategic investment, with the goal of balancing income and expenditure over five years. Income and expenditure forecasts for the strategy period are reviewed annually and in-year performance is monitored at each trustee meeting to ensure that any adverse impacts are managed proactively.

It is the view of the ACF board at the time of signing this annual report and the annual accounts that both ACF and ACF Conferences and Seminars Limited are going concerns.

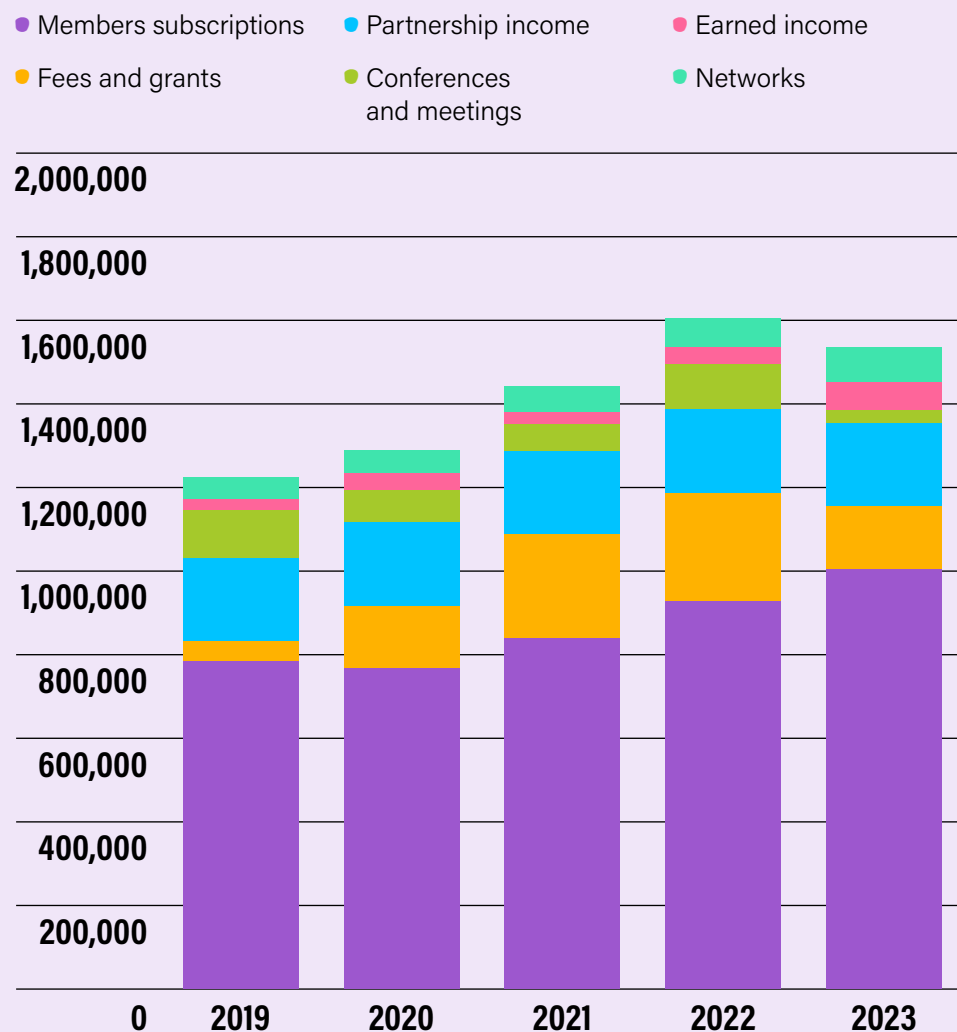
INCOME TO SUPPORT OUR SERVICES TO MEMBERS

ACF's principal sources of funding are membership subscriptions, commercial income from its Official Partner Programme, and fees and grants to assist in delivering its charitable activities. Members pay an annual subscription on a sliding scale, which is based on their grant expenditure in their previous financial year. In 2023 ACF received a number of restricted grants, further detailed in **Note 5** to the financial statements. All investment income is in relation to interest earned on cash deposits. ACF does not have an investment policy, but sets a budget expectation each year for interest income raised from cash reserves. This is based on estimated levels of cash throughout the year and approximate interest rates.

Overall income in 2023 was slightly lower than in the prior year, due both to a smaller level of restricted grant income in the year, and to having no annual conference (which accordingly also reduced expenditure).



GROUP INCOME TRENDS 2019-2023



Overall income in 2023 was slightly lower than in the prior year, due both to a smaller level of restricted grant income in the year, and to having no annual conference (which accordingly also reduced expenditure).

ACF'S APPROACH TO FUNDRAISING FROM THE PUBLIC

ACF does not seek funds directly from the public, nor do we use commercial or professional fundraisers. As a result, we are not signed up to a voluntary fundraising regulation scheme or standard. ACF has complaints, whistleblowing and anti-bribery policies and these can be found on our website. We have received no fundraising related complaints.

REMUNERATION POLICY

All trustees give of their time freely and no trustee remuneration was paid in the year.

ACF provides a competitive employment offer under a transparent pay policy for staff. The pay policy enables us to attract, retain and motivate our talented staff team, while providing clarity and transparency about pay differentials between staff. Budgetary constraints, external environment, wider job market, values of the organisation and the morale of staff will all be factors in deciding any employment offer. ACF is a London Living Wage employer.

The current full-time equivalent salary differential between the highest and lowest paid staff member is 3.0 (2023: 3.1).

We track both gender and ethnicity pay gap data, but in line with government guidance for organisations of our

relatively small size, we do not (and are not required to) publish this data, in order to eliminate the risk of any individual staff members being identifiable. We are pleased to report however that our gender pay gap has closed further over the past 12 months, particularly as a result of now having more male employees at a range of levels, and more females employed in higher pay bands. This is the first year we have captured data on ethnicity pay gaps, so cannot yet report on trends for this.

BALANCE SHEET LIABILITIES

ACF is carrying a Pensions Trust Growth Plan liability on its balance sheet, which represents the net present value of the deficit reduction contributions payable by ACF. This year has again seen a reduction in ACF's liability leaving the balance at £3,797 (2022: £7,143). The Pensions Trust Growth Plan has put in place arrangements to assist Plan members who have difficulty meeting deficit payments as a result of the pandemic. ACF has not, and does not expect to, need this assistance.

The Plan invests for the long term and monitors its investment strategy and funding position. A triennial review was completed in 2021, with a reduction in deficit funding per annum required by each scheme employer.

ACF holds no funds as a trustee on behalf of others.

RISK MANAGEMENT

ACF actively manages the risks it faces.

Key risks are identified and prepared by management and reviewed quarterly by the Finance and Risk Committee and annually by the board. Key risks and mitigations are being actively managed as follows:

OPERATIONAL RISK

Expected timeframe	Risk	Implications	Mitigations	Impact	Likelihood
Q1-2 2024	ACF capacity and capability building adversely impacted by loss of staff, skill gaps within the team, inability to fill positions, or reduced wellbeing.	ACF may lack the resources to meet member expectations or stay abreast of developments in the sector, losing relevance and membership numbers in the medium term.	2024 workplan to include business as usual as well as project work to improve capacity planning and ability to spot pinch points. - Ensure that workplan is prioritised based on impact, that resources are released for priority elements and that directors have flexibility to balance work output to personal circumstances. Workplan to continue to build teamwork across the organisation. - Restructured leadership team to include chief operating officer designate role to focus more on people and operations. - Develop a plan for succession in all roles with delivery plans to be executed should the need arise. - Increase staff engagement through consistent communication of priorities and progress against workplan elements, and discussion at one-to-one meetings. - Ensure cross-organisational projects have plans, success criteria and milestones. - Regular wellbeing surveys and report to the board.	Medium	Medium

STRATEGIC RISKS

Risks	Implications	Mitigations	Impact	Likelihood
Volatile external environment, upcoming general election, or difficult economic situation have a destabilising effect on ACF – including our finances (through member attrition, impeded growth, or members' reduced giving causing them to move down fee bands), the scope and shape of member activities, or on staff wellbeing and subsequent capacity for activity.	Members focus on their internal activities and programmes, leading to ACF programmes (Stronger Foundations, climate action, Funders collaborative hub, events, networks) losing relevance and/or showing lower event attendance, ACF income and member engagement.	1. Monitor member 'pulse' through each contact, documenting on CRM and discussing at leadership and staff meetings. 2. Discuss members' attitudes to inflationary pressures through surveys and ACF events. 3. Analyse events and member network attendance and be responsive to requests for new amended content. 4. Monitor engagement of core policy and practice initiatives, documenting member engagement trends over time. 5. External affairs strategy is engaging ACF more broadly across the political spectrum.	Medium	Low
Issue with use of website, CRM or other key systems, either via fault with infrastructure, or gaps in team skills.	System not fit for purpose, or staff not well equipped to use it adequately, could lead to benefits not realised and compromise key processes around member services, reporting, and financial processing, and a poor user experience for both staff and members.	1. Cross-organisational iMIS project underway to: support staff in use and engagement with the CRM, review and enhance processes, and to establish solid foundations from which to look at and prioritise future developments. 2. Ensure system remains robust via early reporting of any issues and thorough testing of all fixes or new processes, and ensuring all processes are thoroughly documented. 3. Create stronger induction process to ensure all new and returning staff understand the importance of the system to ACF's member delivery. 4. Track staff engagement monthly as one of ACF's KPIs.	Medium	Medium
Insufficient progress with ACF's own diversity, equity and inclusion and climate practices.	The business and operational benefits of a diverse team are well known and while we have made progress we need to do more. Our DEI and climate change work have the potential for reputational damage if there is a dissonance between ACF's DEI practice, our environmental actions, and our public work on this topic.	1. Continue to execute the DEI policy through 2024, including training and support. 2. Continue inclusive recruitment practices to advance diverse hires, tracking progress after each hire and modifying processes based on learning. 3. Environment policy adopted by board and progress reviewed at all staff awayday. 4. Creation of Chief Operating Officer role to increase focus on ACF's HR practice to support inclusion.	Medium	Low

Risks	Implications	Mitigations	Impact	Likelihood
Reputational damage to ACF as a result of actions by ACF.	Reputational and potential financial risk to ACF if serious compliance or other issue internally occurs or is claimed. Reputational risk to ACF if an internal stakeholder is involved in an issue on a personal capacity and ACF is named as an employer or an organisation in media or lawsuits. Reputational risk if ACF is seen as having a political affiliation through relationships formed and policies we are signatories to.	1. Ensure preventative plans in place to avoid serious internal issues, and ensure plan in place for a crisis response if it were needed. 2. Ensure that there are robust, clear and well-articulated policies and learning programs in place to raise awareness of internal stakeholders. 3. Train relevant managers to respond quickly and effectively if faced with a reputational scandal. 4. Formalising policy on lines taken and media response to allegations of party political bias.	High	Low
Reputational damage to ACF as a result of (perception of) actions by ACF member(s), or wider foundation sector.	This risk includes the potential for negative portrayals by traditional or social media suggesting that foundations (ACF members or not) are involved in activities that are not aligned with public expectation. These portrayals could cast doubt on the integrity of ACF or the foundation sector, eroding ACF's public reputation and undermine members or stakeholders confidence in ACF.	1. External affairs strategy in development, covering media and PR goals, to be considered by board in 2024. 2. Consider a proactive strategy of promoting the foundation model to increase positive understanding by media/public. 3. Consider cultivating positive relationships with media outlets to ensure fair and balanced reporting. 4. Continue to promote excellent practice to members. 5. Actively support members to navigate potential media interest and critique of their work. 6. Maintain transparent communication with members for awareness of actions of interest to the media.	Medium	Low

GOVERNANCE

BOARD OF TRUSTEES OF THE CHARITY

Name	Position	Committee membership(s) during the year	Appointed or resigned date	Member
Jessica Brown	Chair	Officers, Nomination and Remuneration Committee (NRC)		Trusthouse Charitable Foundation
Síofra Healy	Vice-chair	Officers, Finance and Risk Committee (FRC)	Re-elected 13.06.23	Community Foundation Northern Ireland*
David Renton	Treasurer	Officers, FRC (chair)	Resigned 13.06.23	Guy's & St Thomas' Foundation*
Moray McConnell	Chair of Finance and Risk Committee	N/A	Appointed 21.02.24	Guy's & St Thomas' Foundation
Jamie Ward-Smith MBE	Interim chair of Finance and Risk Committee	FRC (interim chair), Diversity Equity and Inclusion (DEI) Committee, Premises working group		The Co-op Foundation
Rupert Abbott	Trustee	DEI Committee		GiveOut
Nick Acland	Trustee	NRC (chair), Premises working group (chair)	Resigned 13.06.23	The Henry Smith Charity*
Sufina Ahmad MBE	Trustee	DEI Committee	Re-elected 13.06.23	John Ellerman Foundation
Sarah Benioff	Trustee	DEI Committee, Premises working group, NRC	Re-elected 13.06.23	Cripplegate Foundation
Rachel Campbell	Trustee	NRC		The RS Macdonald Charitable Trust
Stephen Fenning	Trustee	DEI Committee		Colyer Fergusson Charitable Trust

Name	Position	Committee membership(s) during the year	Appointed or resigned date	Member
Daniela Lloyd-Williams	Trustee	NRC (chair)		JAC Trust
Michelle Molyneux	Trustee	FRC, Premises working group		The Worshipful Company of Grocers' Charity
Klara Skrivankova	Trustee	FRC		Trust for London
Edward Walden	Trustee	DEI Committee (chair)		Power to Change*
Emily Crawford	Trustee	NRC	Appointed 13.06.23	Glasspool Charity Trust*

*Trustee was linked to this member at the time that they were appointed to the board

Three trustees served as directors of ACF Conferences and Seminars Ltd, our subsidiary trading company: David Renton (until 13 June 2023), Klara Skrivankova, and Moray McConnachie (from 13 May 2024)

THE TRUSTEE BOARD

The board is responsible for the general management and supervision of the work of ACF. The trustees of ACF meet quarterly to set the strategic direction of the charity and monitor its effectiveness.

ACF's trustees are elected by members at an AGM for an initial term of three years. Trustees retire by rotation at the end of their initial term, and may offer themselves for re-election, but cannot serve for more than six successive years. At least four trustees retire at each AGM. All elected trustees must at the time of their appointment be connected to a member of ACF, for example as a trustee or as a member of staff. If they subsequently leave the foundation sector, they may complete their term of office providing a majority of trustees so agree. In addition, the board may co-opt a further five people to the board who must be

connected with an ACF member. ACF's members are non-governmental organisations in the UK, whose functions or activities include grant-making for charitable purposes, and endowed charitable foundations.

TRUSTEE INDUCTION

New trustees are invited to a half day induction where they meet key ACF staff and discuss ACF's strategy, objectives, activities and budgets. They normally receive an information pack as part of their induction which includes the relevant guidance for trustees from the Charity Commission for England and Wales, together with papers from recent board meetings. Trustees individually also attend ACF's member events and thereby widen their awareness of current issues and concerns amongst ACF's membership.

ACF'S OBJECTS AND PUBLIC BENEFIT

ACF's objects are to further the work of charitable grant-making trusts and institutions for the public benefit by:

- Advancing the education of the public in such trusts and institutions and carrying out research and publishing the results of such research
- Promoting the collective and individual effectiveness of such trusts and institutions and better methods of administration and management of their resources.

These objects are delivered through our strategic objectives, as outlined in this report. Our membership model is at the heart of what we do, delivering public benefit through more effective and ambitious member foundations and supporting the costs of the delivery of this through membership fees. In addition, the direct benefits from our work extend beyond our membership.

For example:

- Our policy and research work provides public benefit by increasing the quality of information available about the foundation sector to policymakers and others
- ACF provides information to the general public via our website and published reports (e.g. our blogs)
- The Funders Collaborative Hub, the Funder Commitment on Climate Change and our Funder Network knowledge sharing website are all open to non-members and have seen notable activity this year
- Many of our events are open to non-members, with members receiving a discount on the cost of attending
- A number of our publications are openly available on our website, including our Stronger Foundations reports.

Under the Companies Act 2006, ACF is limited by guarantee and does not have share capital. Its memorandum and articles of association were fully reviewed and revised in 2004 and amended in 2018 and 2021. The trustees have had regard to the Charity Commission for England and Wales' guidance on public benefit in considering what work the charity should undertake and in the performance of their duties. The chief executive, chief operating officer-designate, the directors and heads of departments are the key managers in charge of directing and controlling the charity on a day-to-day basis operating under a trustee approved scheme of delegation. The trustees (who are also directors of the Association of Charitable Foundations 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

ACF CONFERENCES AND SEMINARS LIMITED

Directors

Gemma Instrall

Carol Mack OBE

Moray McConnachie

Klara Skrivankova

Company Secretary

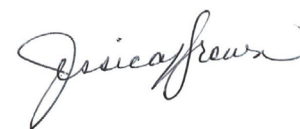
Natasha Kousseff

ADVISERS AND BANKERS

Bankers	Solicitors	Auditors
Cater Allen Private Bank 2 Triton Square Regent's Place London, NW1 3AN	Stone King Boundary House 91 Charterhouse Street London, EC1M 6HR	Moore Kingston Smith 9 Appold Street London, EC2A 2AP
Unity Trust Bank Four Brindley Place Birmingham, B1 2JB	Russell-Cooke 2 Putney Hill London, SW15 6AB	
CCLA Investment Management Limited 1 Angel Lane London, EC4R 3AB		

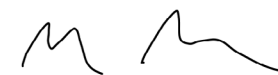
In preparing this report the trustees have taken advantage of the small companies exemption provided by section 415A of the Companies Act.

Approved by the Board and signed on its behalf by:



Jessica Brown,
Chair

Date: 15 May 2024



Moray McConnachie,
Chair of finance and
risk committee

Date: 15 May 2024

OUR THANKS

ACF'S WORK WOULD NOT BE POSSIBLE WITHOUT SUPPORT AND ENCOURAGEMENT FROM MANY MEMBERS AND OTHER SUPPORTERS. WE WOULD LIKE TO EXPRESS OUR PARTICULAR THANKS FOR THESE AS FOLLOWS:

ACF'S OFFICIAL PARTNERS

- Cazenove
- CCLA
- Mercer
- Ruffer

For additional core support of ACF's activities:

- C S Mott Foundation
- Garfield Weston Foundation
- Tudor Trust
- Esmée Fairbairn Foundation

FOR ADDITIONAL FINANCIAL SUPPORT FOR:

Foundation Giving Trends – Pears Foundation

Members' Policy Forum – Paul Hamlyn Foundation

Funders Collaborative Hub – Esmée Fairbairn Foundation, Lloyds Bank Foundation for England & Wales

Funder Commitment on Climate Change – John Ellerman Foundation

Catalytic Capital report – Access – The Foundation for Social Investment, Big Society Capital

Impact Investing in the Main Endowment – Barrow Cadbury Trust, City Bridge Trust, Esmée Fairbairn Foundation, Golden Bottle Trust, Guy's & St Thomas' Foundation, Joseph Rowntree Foundation, The Clothworkers' Foundation, and Treebeard Trust

Development of a toolkit to help foundations explore the origins of their wealth – Barrow Cadbury Trust

FOR SERVING ON THE FIRM STEERING GROUP:

- Anne-Laure Bedouet, Education Endowment Foundation
- Moray McConnachie, Guy's & St Thomas' Foundation
- Matthew Whittell, John Ellerman Foundation
- Elizabeth Dymond, Leverhulme Trust
- Lisa Kiew, Maudsley Charity
- Caroline Bee, St John's Foundation
- Heather Taylor, Trust for London

FOR PARTICIPATING IN THE STEERING GROUP OF THE SOCIAL IMPACT INVESTORS GROUP:

- Denise Holle, Joseph Rowntree Foundation (co-chair)
- Jonny Page, Esmée Fairbairn Foundation (co-chair)
- Douglas Gunn, Trust for London (outgoing co-chair)
- Ben Smith, Esmée Fairbairn Foundation (outgoing co-chair)
- Jessica Tyrrell, Bank Workers Charity
- Nicola Mosely, Barnwood Trust
- Amir Rizwan, Big Society Capital
- Mark O'Kelly/Kumar Ghosh, Barrow Cadbury Trust
- Vanessa Morphet, Church of England
- Tim Wilson, City Bridge Trust
- Hamesh Patel, The Clothworkers' Foundation
- Craig Pennington, Francis C Scott Charitable Trust
- Shishir Malhotra, Treebeard Trust
- Luke Kavanagh, Trust for London

FOR SERVING ON THE HUB STEERING GROUP:

- Elaine Wilson, Corra Foundation
- Josh Cockcroft, Esmée Fairbairn Foundation
- Duncan Shrubsole, Lloyds Bank Foundation for England & Wales
- Anna de Pulford, The Dulverton Trust
- Cassie Robinson, Joseph Rowntree Foundation
- Aleema Shivji, Oxfam
- Nick Stanhope, independent consultant

FOR CONVENING NETWORKS

Our thanks to members who have generously given their time to convene our networks

- Laura Dalton, AB Charitable Trust
- Caroline Marks, AIM Foundation
- Gill Aconley, Allen Lane Foundation
- Richard Graham, Barnardo's
- Debbie Pippard, Barrow Cadbury Trust
- Bel Crewe, BBC Children in Need
- Fozia Irfan OBE, BBC Children in Need
- Fionnuala Walsh, BBC Children in Need
- Chrissie Hirst, Corra Foundation
- Danielle Walker Palmour, Friends Provident Foundation
- Esther Hughes, Global Dialogue
- Hazel Williams, Justice Together
- Carrina Gaffney, Lankelly Chase
- Cathy Stancer, Lankelly Chase
- Steph Taylor, Leeds Community Foundation
- Aisling Johnston, LFT Charitable Trust
- Harriet Ballance, Lloyds Bank Foundation for England & Wales
- Caroline Gentile, Lloyds Bank Foundation for England & Wales
- Duncan Shrubsole, Lloyds Bank Foundation for England & Wales
- Cullagh Warnock, Millfield House Foundation
- Nina George, Oak Foundation
- Lucy Robson, Oak Foundation
- Hannah Howard, OVO Foundation
- Andrew Curtis, Paul Hamlyn Foundation
- Louise Telford, Rosa
- Johanna Tompsett, SYP Trust
- Helen Underwood-Savage, Lloyds Bank Foundation for England & Wales
- Hazel Capper, St Giles & St George
- Rebecca Roberts, Trust for London
- Patrick Duce, World Habitat

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OPINION

We have audited the financial statements of Association of Charitable Foundations (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 December 2023 and of the group's 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 and the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

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 there is 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.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- trustees' annual report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the **trustees' responsibilities statement set out on page 27**, 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 group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement 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 purposes of expressing an opinion on the effectiveness of the group and parent 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.
- 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 group and parent 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 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 our auditor's report. However, future events or conditions may cause the group or parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However,

the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

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 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Date: 15 May 2024

Moore Kingston Smith LLP

.....
Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

Devonshire House
9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS

Association of Charitable Foundations
Group statement of financial activities
 (incorporating an income and expenditure account)
 For the year ended 31 December 2023

		2023			2022
		Unrestricted	Restricted	Total	Total
	Note	£	£	£	£
Income from:					
Charitable activities:					
Members' subscriptions		1,004,000	-	1,004,000	927,923
Network subscriptions		84,566	-	84,566	68,927
Conferences and meetings		28,853	-	28,853	109,628
Fees and grants	5	46,253	104,461	150,714	258,811
Earned income		8,000	-	8,000	-
Other trading activities	2	200,000	-	200,000	200,000
Investment income		33,484	-	33,484	6,223
Other income		25,591	-	25,591	33,371
Total income		1,430,747	104,461	1,535,208	1,604,883
Expenditure on:					
Charitable activities:					
Members' services	4	1,237,251	-	1,237,251	1,244,512
Conferences and meetings	4	14,965	-	14,965	85,315
Project expenditure	4, 5	-	206,611	206,611	124,955
Total expenditure		1,252,216	206,611	1,458,827	1,454,782
Net income/(expenditure)		178,531	(102,150)	76,381	150,101
Actuarial gains/(losses) on defined benefit pension schemes	12, 13a	6	-	6	264
Net movement in funds	13	178,537	(102,150)	76,387	150,365
Reconciliation of funds:					
Total funds brought forward	13	756,788	115,738	872,526	722,161
Total funds carried forward	13	935,325	13,588	948,913	872,526

All of the above results are derived from continuing activities.
 There were no other recognised gains or losses other than those stated above.
 The attached notes form part of these financial statements.

As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities for the charity alone has been presented. The net income of the standalone charity for the year was £76,387 (2022: £150,365) before transfers between funds.

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

The attached notes form part of the financial statements.

Approved by the trustees and authorised for use on 15 May 2024 and signed on their behalf by:



.....
Jessica Brown (Chair)



.....
Moray McConnachie (Chair of Finance and Risk Committee)

Company registration no. 5190466

		2023	2023	2022	2022
		Group	Charity	Group	Charity
	Note	£	£	£	£
Fixed assets:					
Tangible and intangible assets	7	100,997	100,997	99,386	99,386
Investments	8	-	2	-	2
		100,997	100,999	99,386	99,388
Current assets:					
Debtors	9	128,276	332,227	38,485	253,408
Cash at bank and in hand		334,463	125,476	344,333	127,019
Short term deposits		531,469	531,469	500,713	500,713
		994,208	989,172	883,531	881,140
Liabilities:					
Creditors: amounts falling due within one year	10	(124,495)	(119,461)	(85,248)	(82,859)
		869,713	869,711	798,283	798,281
Net current assets		970,710	970,710	897,669	897,669
Total assets less current liabilities		970,710	970,710	897,669	897,669
Creditors: amounts falling due after one year	10a	(18,000)	(18,000)	(18,000)	(18,000)
Net assets excluding pension liability		952,710	952,710	879,669	879,669
Defined benefit pension scheme liability	12	(3,797)	(3,797)	(7,143)	(7,143)
Total net assets		948,913	948,913	872,526	872,526
Funds					
Restricted funds	13	13,590	13,590	115,738	115,738
Unrestricted funds:					
Designated funds					
Pension Trust deficit reduction fund	13	90,000	90,000	80,000	80,000
Pension liability reserve	13	(3,797)	(3,797)	(7,143)	(7,143)
General fund	13	849,120	849,120	683,931	683,931
Total unrestricted funds		935,323	935,323	756,788	756,788
Total funds		948,913	948,913	872,526	872,526

		2023	2023	2022	2022
	Note	£	£	£	£
Net cash provided by operating activities	14		18,455		222,595
Cash flows from investing activities:					
Purchase of fixed assets		(31,056)		(8,285)	
Purchase of investments		-		-	
Interest income		33,484		6,223	
Cash used in investing activities			2,428		(2,062)
			20,883		220,533
Cash flows from financing activities			-		-
Change in cash and cash equivalents in the year	15		20,883		220,533
Cash and cash equivalents at the beginning of the year			845,049		624,516
Cash and cash equivalents at the end of the year	15		865,932		845,049

1A. ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied in preparing the financial statements.

Group accounts

The financial statements present the group Statement of Financial Activities (SOFA), group Statement of Cash Flows and the group and Charity Balance Sheets comprising of the consolidation of the Charity with its wholly owned subsidiary ACF Conferences & Seminars Limited (company registration number 03902450).

Basis of preparation

These financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 March 2018), Charities SORP (FRS102) and the Companies Act 2006. The functional currency of the charity is sterling and the financial statements have been rounded to the nearest £.

Public benefit entity

The Association of Charitable Foundations ('the Association') meets the definition of a public benefit entity under FRS102.

Critical estimates and areas of judgement

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the Association makes assumptions concerning the future. The Trustees do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year.

Key estimates include the useful economic life of fixed assets, the recoverability of debtors and the assumptions made by the actuary in valuing the pension liability.

Fund accounting

Unrestricted funds comprise both the General Fund and any Designated Funds. The General Fund comprises membership subscriptions and other incoming resources received or generated for the objects of the Association without further specified purpose.

Going into 2023, trustees had designated two funds, the Pensions Deficit Reduction Fund, and the Pension Liability Reserve Fund. Both represent funds that the trustees have put aside from General Funds to fund particular expenditure and are restricted in an administrative rather than a legal sense. **For further details of designated funds, see note 13.**

Restricted funds are to be used for specified purposes as expressed in grant agreements. Restricted grants are recognised in full in the SOFA in the period in which they are received or receivable, whichever is the earlier, unless they are for a specified period in which case they are deferred. These funds and movements in them are described in **note 5.**

Tangible and intangible fixed assets

Expenditure on office equipment of less than £500 is charged to the SOFA when incurred. Expenditure greater than £500 is capitalised and depreciated. Depreciation is provided on capitalised fixed assets at rates calculated to write off the cost of each asset over their expected useful lives as follows (less estimated residual value where this is readily available):

Office Furniture, IT and telecommunications equipment

Three years

Software development

Five years

Leasehold improvements

Three years

Leasehold improvements depreciation is charged on a monthly basis from November 2019 (the commencement of occupation) in the case of initial leasehold improvements work, or from the date of works, in the case of more recent leasehold developments. For software development or office equipment, depreciation is charged on a monthly basis from the month in which the asset is usable, with ongoing expenses such as licences and maintenance to be expensed when incurred.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to receipt, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably. Deferred income is income received or recorded before it is earned, and shown in the income statement only when it can be matched with the period in which it is earned.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned using a suitable basis.

Allocation of support costs

Indirect costs are those costs incurred in support of the charitable objectives and governance of the Association. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

Financial assets/liabilities

The charity has financial assets/liabilities of a kind that qualify as basic financial instruments only. Basic financial instruments are initially recognised at transaction value, unless otherwise stated in the relevant account policy note(s), and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The investment in the subsidiary is stated at cost.

Going concern

The trustees consider that there are no material uncertainties about the Association's ability to continue as a going concern.

Pension arrangements

Aviva

Effective from 1 January 2023, ACF participates in a defined contribution pension scheme, Aviva. The amounts charged to the SOFA for the defined contribution scheme represent the contributions payable in the period. In the prior year, comparative contributions were made to the previous pension scheme, Now:Pensions.

TPT Retirement Solutions

ACF also participates in the TPT Retirement Solutions (formerly Pensions Trust) Growth Plan Scheme. This is a multi-employer scheme where ACF's share of the underlying assets and liabilities cannot be identified on a consistent and reasonable basis. In accordance with FRS 102, it is therefore accounted for as a defined contribution scheme. A deficit funding arrangement is in place for the scheme. A liability is recognised for the net present value of the deficit reduction contributions payable by ACF. Actuarial gains/losses are separately classified on the SOFA.

**1B. GROUP STATEMENT OF FINANCIAL
ACTIVITIES 2022 INCLUDED FOR
COMPARATIVE PURPOSES**

				2022
		Unrestricted	Restricted	Total
	Note	£	£	£
Income from:				
Charitable activities:				
Members' subscriptions		927,923	-	927,923
Network subscriptions		68,927	-	68,927
Conferences and meetings		109,628	-	109,628
Fees and grants	5	50,000	208,811	258,811
Earned income		-	-	-
Other trading activities	2	200,000	-	200,000
Investment income		6,223	-	6,223
Other income		33,371	-	33,371
Total income		1,396,072	208,811	1,604,883
Expenditure on:				
Charitable activities:				
Members' services	4	1,244,512	-	1,244,512
Conferences and meetings	4	85,315	-	85,315
Project expenditure	4, 5	-	124,955	124,955
Total expenditure		1,329,827	124,955	1,454,782
Net (expenditure)/income for the year		66,245	83,856	150,101
Actuarial gains/(losses) on defined benefit pension schemes	12	264	-	264
Net movement in funds		66,509	83,856	150,365
Reconciliation of funds:				
Total funds brought forward	13	690,279	31,882	722,161
Total funds carried forward	13	756,788	115,738	872,526

2. ANALYSIS OF OTHER TRADING INCOME

	2023	2022
	£	£
Official Partnership Programme fees	200,000	200,000

3. ANALYSIS OF STAFF COSTS AND THE COST OF KEY MANAGEMENT PERSONNEL

	2023	2022
	£	£
Salaries and wages	780,545	635,855
Social security costs	80,431	66,488
Pension contributions	77,814	65,192
Pension Trust finance cost	258	107
Recruitment and training	42,476	44,298
Temporary staff, consultancy and all other staff costs	64,560	125,739
	1,046,084	937,679

Staff costs were incurred in the following way:

	2023	2022
	£	£
Unrestricted funds		
Members' services	896,351	855,532
Restricted funds		
Funders' Collaborative Hub	103,113	62,352
Members' Policy Forum	25,000	5,000
Funder Commitment on Climate Change	18,160	2,700
Catalytic Capital	-	4,982
Impact investing	3,460	5,200
Foundation Giving Trends	-	1,913
	149,733	82,147
Total	1,046,084	937,679

The highest paid member of staff was the chief executive, receiving a salary in the year of £98,600 (2022: £91,600) and a non-consolidated performance-related payment of £5,000 (2022: £5,000). The total financial benefit (including employer pension) awarded to the chief executive was £113,460 (2022: £105,660). The total employee benefits including pension contributions of key management personnel (five people) were £365,426 (2022: £342,002, five people).

The average number of staff employed in the delivery of charitable activities in the year was 16.5 (2022: 16.0); FTE 14.2 (2022: 13.9).

The following number of employees received benefits (excluding employer pension) during the year between:

	2023	2022
£100,000 and £109,999	1	-
£90,000 and £99,999	-	1
£60,000 and £69,999	1	-

4. RESOURCES EXPENDED – ANALYSIS OF TOTAL RESOURCES EXPENDED

4.1 Current year

	Staff Costs	Indirect Costs	Governance Costs	2023
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' services	896,351	314,476	26,424	1,237,251
Conferences and meetings	-	14,426	539	14,965
Total Unrestricted Resources Expended	896,351	328,902	26,963	1,252,216
<u>Restricted Funds</u>				
Project Expenditure	149,733	56,878	-	206,611
Total Restricted Resources Expended	149,733	56,878	-	206,611
Total Resources Expended	1,046,084	385,780	26,963	1,458,827
	(Note 3 and 4b)	(Note 4a)	(Note 4c)	

4.2 Prior year

	Staff Costs	Indirect Costs	Governance Costs	2022
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' services	855,532	348,348	40,631	1,244,511
Conferences and meetings	-	81,783	3,533	85,316
Total Unrestricted Resources Expended	855,532	430,131	44,164	1,329,827
<u>Restricted Funds</u>				
Project Expenditure	82,147	42,808	-	124,955
Total Restricted Resources Expended	82,147	42,808	-	124,955
Total Resources Expended	937,679	472,939	44,164	1,454,782
	(Note 3 and 4b)	(Note 4a)	(Note 4c)	

4A. ANALYSIS OF INDIRECT COSTS

Indirect costs, where relevant, have been allocated based on actual expenditure. IT, property, and irrecoverable VAT costs have been apportioned between Members' Services and Conferences & Meetings based on income percentages.

4a.1 Current year

	Members' Services	Conferences and Meetings	Project Expenditure	2023
	£	£	£	£
ICT and communications	76,790	1,567	14,100	92,457
Publications and printed matter	25,772	-	26,175	51,947
Meetings and events	-	9,886	-	9,886
Other and staff expenses	66,263	-	6,000	72,263
Property-related expenditure	103,480	2,112	10,603	116,195
Irrecoverable VAT	42,171	861	-	43,032
	314,476	14,426	56,878	385,780

4a.2 Prior year

	Members' Services	Conf and Meetings	Project Expenditure	2022
	£	£	£	£
ICT and communications	74,630	6,490	-	81,120
Publications and printed matter	34,717	-	-	34,717
Meetings and events	-	59,256	340	59,596
Other and staff expenses	54,592	-	36,721	91,313
Property-related expenditure	130,422	11,341	5,747	147,510
Irrecoverable VAT	53,987	4,696	-	58,683
	348,348	81,783	42,808	472,939

4B. ANALYSIS OF STAFF COSTS

4b.1 Current year

	Members' Services	Project Expenditure	2023
	£	£	£
Salaries and wages	642,785	137,760	780,545
Social security costs	73,958	6,473	80,431
Pension contributions	72,314	5,500	77,814
Pension Trust deficit contributions	258	-	258
Recruitment and training	42,476	-	42,476
Temporary staff, consultancy and all other staff costs	64,560	-	64,560
	896,351	149,733	1,046,084

4b.2 Prior year

	Members' Services	Project Expenditure	2022
	£	£	£
Salaries and wages	562,677	73,178	635,855
Social security costs	61,611	4,877	66,488
Pension contributions	61,100	4,092	65,192
Pension Trust deficit contributions	107	-	107
Recruitment and training	44,298	-	44,298
Temporary staff, consultancy and all other staff costs	125,739	-	125,739
	855,532	82,147	937,679

4C. ANALYSIS OF GOVERNANCE COSTS

Governance cost apportioned based on income percentages.

	2023	2022
	£	£
Auditor remuneration – audit fee for current year	13,229	12,000
Auditor remuneration – tax compliance	2,650	2,445
Internal and external meetings	7,478	2,284
Strategic review	1,800	27,317
Trustee expenses	1,780	92
Sundries	26	26
	26,963	44,164

5. RESTRICTED FUNDS - GROUP AND CHARITY

5.1 Current year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	Foundation Giving Trends	Catalytic Capital	Impact Investing in the Main Endowment	Origins of wealth	Members' Policy Forum	Total 2023
	£	£		£			£	£
Grant income	98,711	-	-	-	-	5,750	-	104,461
Expenditure								
Staff and consultancy	103,113	18,160	-	-	3,460	-	25,000	149,733
Direct project costs	14,099	-	22,174	4,000	-	6,000	-	46,273
Overheads	10,603	-	-	-	-	-	-	10,603
Total Expenditure	127,815	18,160	22,174	4,000	3,460	6,000	25,000	206,609
Net Income/ (expenditure)	(29,104)	(18,160)	(22,174)	(4,000)	(3,460)	(250)	(25,000)	(102,148)
As at 1 January 2023	29,104	27,000	22,174	4,000	3,460	-	30,000	115,738
As at 31 December 2023	-	8,840	-	-	-	(250)	5,000	13,590

Funders Collaborative Hub

Funding from Esmée Fairbairn Foundation and Lloyds Bank Foundation for England and Wales, to support the Funders Collaborative Hub, an initiative to enable increased understanding, closer alignment, and opportunities for funder collaboration.

UK Funder Commitment on Climate Change

Funding from John Ellerman Foundation to support ACF's hosting of the UK Funder Commitment on Climate Change, to promote the commitment and support signatories to implement the pledges.

Foundation Giving Trends

Funding from the Pears Foundation to support research by Dr Catherine Walker resulting in the annual publication by ACF of Foundation Giving Trends.

Catalytic Capital research

A sector-led research project to identify the barriers to deploying catalytic capital: long-term, affordable and flexible repayable finance. Hosted by ACF on behalf of the Social Impact Investors Group (SIIG) and funded by Access – The Foundation for Social Investment and Big Society Capital.

Impact Investing in the Main Endowment

In collaboration with the Impact Investing Institute, Charities Responsible Investment Network and Big Society Capital, and funded by Esmée Fairbairn Foundation, Joseph Rowntree Foundation, City Bridge Trust – the funding arm of The City of London Corporation's charity, Bridge House Estates (1035628) – The Clothworkers' Foundation, Golden Bottle Trust, Guy's & St Thomas' Foundation, Treebeard Trust and the Barrow Cadbury Trust, this project focuses on

providing an introductory learning series for foundations on mixed motive and financial return impact investing.

Origins of Wealth

Funding from the Barrow Cadbury Trust for the development of a toolkit to help foundations to explore the origins of their wealth in connection with colonialism and slavery.

Members' Policy Forum

Funding from Paul Hamlyn Foundation to support the work of the Members' Policy Forum, an initiative that increases opportunities for our members to engage directly with ACF's policy work, raise issues of concern, and regularly engage with policy-makers in government.

5.2 Prior year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	Foundation Giving Trends	Catalytic Capital	Impact Investing in the Main Endowment	Members' Policy Forum	Total 2022
	£	£	£				£
Grant income	83,811	30,000	40,000	-	20,000	35,000	208,811
Expenditure							
Staff and consultancy	62,352	2,700	1,913	4,982	5,200	5,000	82,147
Direct project costs	-	300	15,290	10,131	11,340	-	37,061
Overheads	2,099	-	3,649	-	-	-	5,748
Total Expenditure	64,451	3,000	20,851	15,113	16,540	5,000	124,955
Net Income/ (expenditure)	19,360	27,000	19,149	(15,113)	3,460	30,000	83,856
As at 1 January 2022	9,744	-	3,025	19,113	-	-	31,882
As at 31 December 2022	29,104	27,000	22,174	4,000	3,460	30,000	115,738

6. TRUSTEE BOARD EXPENSES

The Trustee Board members received no remuneration in the current or prior year.

The amount of travel and other expenses reimbursed to, or paid on behalf of, six Trustee Board members was £1,822 (2022: one member at £92).

All trustees must be a current trustee, employee or other representative of a member of the Association at the time of their appointment.

Membership subscriptions with these members have been raised on an arms-length basis.

The Association is required to disclose the following related party transactions relating to 2023:

Licence fees totalling £11,440 (2022: £9,840) were paid by GiveOut (the employer of one of the Association's trustees) for use of desk space in ACF's office (including by the trustee employed by GiveOut).

Aggregate membership and event income in the year paid by trustees' organisations totalled £52,593 (2022: £59,633).

In addition in the prior year, a restricted grant of £30,000 was awarded by John Ellerman Foundation (the employer of one of the Association's trustees) to support the work of the Funder Commitment on Climate Change ([see note 5](#)). The grant agreement was made between the Foundation and the Association.

7. FIXED ASSETS

7A. TANGIBLE FIXED ASSETS

Group and charity	Leasehold Improvements	Office Furniture, IT and telecoms equipment	Total
	£	£	£
Cost			
At 1 January 2023	96,002	46,652	142,654
Additions in the year	-	26,557	26,557
At 31 December 2023	96,002	73,209	169,211
Depreciation			
At 1 January 2023	(94,329)	(42,424)	(136,753)
Charge for the year	(648)	(2,709)	(3,357)
At 31 December 2023	(94,977)	(45,133)	(140,110)
Net Book Value			
At 31 December 2023	1,025	28,076	29,101
At 31 December 2022	1,673	4,228	5,901

7B. INTANGIBLE FIXED ASSETS

All fixed assets are used for direct charitable purposes.

Group and charity	Software Development	Total
	£	£
Cost		
At 1 January 2023	130,444	130,444
Additions in the year	4,500	4,500
At 31 December 2023	134,944	134,944
Depreciation		
At 1 January 2023	(36,959)	(36,959)
Charge for the year	(26,089)	(26,089)
At 31 December 2023	(63,048)	(63,048)
Net Book Value		
At 31 December 2023	71,896	71,896
At 31 December 2022	93,485	93,485
Total Net Book Value of Tangible and Intangible Fixed Assets		
At 31 December 2023		100,997
At 31 December 2022		99,386

8. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2023	2022
	£	£
	2	2

The charity holds 100% of the issued ordinary share capital of the following company:

Subsidiary	ACF Conferences and Seminars Limited
Country of registration	England and Wales
Class	Ordinary
Shares held	100%

The aggregate amount of capital and reserves and result of this undertaking for the last relevant financial year were as follows:

Subsidiary	ACF Conferences and Seminars Limited
Principal activity	Conferences
Capital and reserves	£2
Profit for the year	£nil

	2023	2022
	£	£
Turnover for the period	200,000	210,535
Cost of sales	(44,866)	(71,111)
Gross profit	155,134	139,424
Profit on ordinary activities before taxation	155,134	139,424
Tax on profit on ordinary activities	-	-
Profit for the year, transferred to the charity at year end	155,134	139,424

9. DEBTORS

£5,000 of the total owed by ACF Conferences and Seminars Ltd is a loan and is repayable at the option of the charity and is non interest-bearing.

In both years, the prepayments total includes a long-term debtor of £19,200 relating to a rental security deposit for the premises at Toynbee Hall.

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£	£	£	£
Amounts due from subsidiary undertaking	-	203,951	-	215,085
Prepayments and accruals	113,039	113,039	26,902	26,902
Taxation	12,387	12,387	8,397	8,397
Other debtors	2,850	2,850	3,186	3,024
	128,276	332,227	38,485	253,408

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

In each year, meeting fees, subscriptions, and tenant income received in advance entirely relate to the next financial year.

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£	£	£	£
Accruals	25,847	23,197	26,169	23,724
Meeting fees received in advance	4,440	4,440	-	-
Subscriptions received in advance	7,914	7,914	-	-
Tenant income received in advance	-	-	3,120	3,120
Staff leave carried forward	20,126	20,126	23,124	23,124
Staff wages	3,756	3,756	3,694	3,694
Other taxation and social security	1,829	1,829	1,892	1,892
Staff pensions	-	-	7,320	7,320
Other creditors	60,583	58,195	19,929	19,985
	124,495	119,457	85,248	82,859

10A. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

The trustees have adopted a dilapidations provision to reflect the estimated cost of future expenditure where the Association has contractual obligations for reinstatement relating to any property lease. The charge for the dilapidations provision in 2023 is £0 (2022: £3,500).

	Group	Charity	Group	Charity
	2023	2023	2022	2022
	£	£	£	£
Dilapidations provision	18,000	18,000	18,000	18,000

11. TAXATION

The Association is exempt from tax as all its income is charitable and is applied for charitable purposes.

12. PENSION LIABILITY

The Association participates in the Pensions Trust Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme is carried out every three years, the most recent of which was carried out at 30 September 2020. This valuation showed assets of £799m, liabilities of £832m and a deficit of £33m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Reconciliation of opening and closing liabilities

Group and charity	2023	2022
	£	£
Provision at 1 January	7,143	13,014
Unwinding of the discount factor	258	107
Deficit contribution paid in year to the Pensions Trust	(3,597)	(5,714)
Impact of changes in the Pensions Trust's fund valuation assumptions	(6)	(264)
Amendments to the contribution schedule	-	-
Provision at 31 December	3,797	7,143

Under the Association's recovery plan, £3,597 deficit contributions are due in the coming year, with the balance (subject to annual adjustments) to be paid in regular instalments ending 31 January 2025. £4,298 of plan expenses are due in the coming year.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates

to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

13A. UNRESTRICTED FUNDS - GROUP AND CHARITY

General Fund

The general fund is the value of unrestricted funds after future pension liabilities have been accounted for and comprises fixed assets, current assets and liabilities.

Pension Trust Deficit Reduction Fund

In 2015 trustees decided to create a designated fund to build a reserve fund to cover ACF's Pension Trust liability. It is the trustees' current intention to designate £10,000 into this fund per year. The first transfer was made in 2015 and £10,000 has been transferred every year from 2015-2023. ACF is now actively investigating a potential buyout from this scheme using this fund within the next 12 months.

Pension Liability Reserve Fund

To reflect the very low probability that the liability is crystallised in one go a corresponding negative designated reserve fund has been created to show the true level of general funds.

Current year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2023
	£	£	£	£
Balances at 1 January 2023	683,931	80,000	(7,143)	756,788
Net income before transfers	178,531	-	-	178,531
Actuarial gains/(losses) on defined benefit pension schemes	-	-	6	6
Transfer from/(to) General Fund	(13,340)	10,000	3,340	-
Balance at 31 December 2023	<u>849,122</u>	<u>90,000</u>	<u>(3,797)</u>	<u>935,325</u>

Prior year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2022
	£	£	£	£
Balances at 1 January 2022	633,293	70,000	(13,014)	690,279
Net income before transfers	66,245	-	-	66,245
Actuarial gains/(losses) on defined benefit pension schemes	-	-	264	264
Transfer from/(to) General Fund	(15,607)	10,000	5,607	-
Balance at 31 December 2022	<u>683,931</u>	<u>80,000</u>	<u>(7,143)</u>	<u>756,788</u>

13B. ANALYSIS OF NET ASSETS BETWEEN FUNDS – GROUP AND CHARITY

Current year	Fixed Assets and Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31.12.23
	£		£	£	£
Restricted Funds					
Project Funds	-	13,590	-	-	13,590
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	90,000	-	-	90,000
Pension Liability reserve	-	-	-	(3,797)	(3,797)
General Fund*	100,997	890,618	(142,495)	-	849,120
Total unrestricted funds	100,997	980,618	(142,495)	(3,797)	935,323
Total funds	100,997	994,208	(142,495)	(3,797)	948,913

*After fixed assets have been accounted for, The Association's general fund is £748,123 which forms The Association's free reserves. This is calculated as follows:

Total general fund	849,120	
Less fixed assets and investments	100,997	
	748,123	(£584,545 in 2022)

13B. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP AND CHARITY

Prior year	Fixed Assets and Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31.12.22
	£		£	£	£
Restricted Funds					
Project Funds	-	115,738	-	-	115,738
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	80,000	-	-	80,000
Pension Liability reserve	-	-	-	(7,143)	(7,143)
General Fund	99,386	687,793	(103,248)	-	683,931
Total unrestricted funds	99,386	767,793	(103,248)	(7,143)	756,788
Total funds	99,386	883,531	(103,248)	(7,143)	872,526

14. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income for the reporting period as per the statement of financial activities	76,381	150,101
Depreciation charges	29,446	55,080
Interest income	(33,484)	(6,223)
(Increase)/decrease in debtors	(89,791)	51,663
Increase/(decrease) in creditors	39,243	(22,419)
Non-cash movement on defined benefit pension liability	(3,340)	(5,607)
Net cash provided by operating activities	18,455	222,595

15. ANALYSIS OF CHANGES IN NET CASH

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash in hand	344,333	(9,870)	334,463
Notice deposits (less than three months)	500,713	30,756	531,469
Total cash and cash equivalents	<u>845,046</u>	<u>20,886</u>	<u>865,932</u>

16. OPERATING LEASE COMMITMENTS – GROUP AND CHARITY

All amounts are subject to VAT, a portion of which will be recoverable under partial recovery.

Operating lease rental payments during the year were £86,158 (2022: £96,000).

	2023	2022
	£	£
	L&B	L&B
Within one year	87,167	64,000
Between 2 and 5 years	152,000	-
5 years +	-	-
	<u>239,167</u>	<u>64,000</u>

17. RELATED PARTY TRANSACTIONS

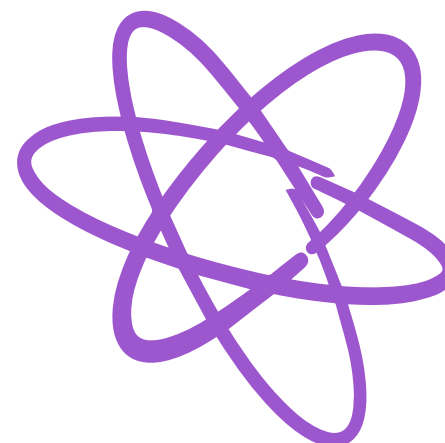
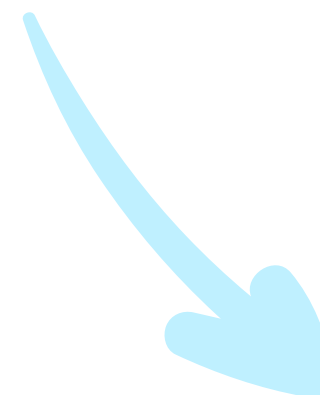
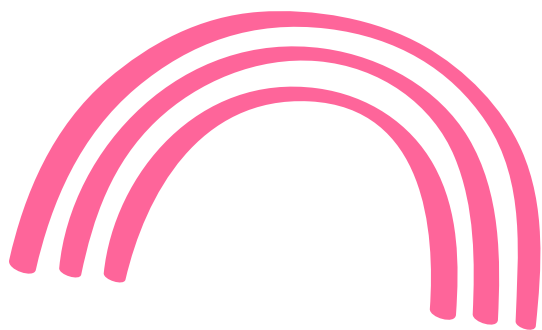
The charity has a wholly owned subsidiary, ACF Conferences and Seminars Limited. For the year ended 31 December 2023 the subsidiary declared a gift aid distribution of £155,134 to the charity (2022: £139,424).

Bidirectional recharges have also been made between the charity and the trading subsidiary relating to trading

activities (the trading subsidiary was charged £34,278 [2022: £68,653] by the charity; there were no recharges to the charity by the trading subsidiary [2022: £0]).

At the year end the subsidiary owed the charity a total of £205,536 (2022: £215,085) inclusive of gift aid, and the charity owed the trading subsidiary £1,587 (2022: £56).

There were no other related party transactions requiring disclosure in the year or in the prior year.



Association of Charitable Foundations is a company limited by guarantee, registered in England and Wales.

Registered Company No. 5190466

Registered Charity Number: 1105412

Registered Office: 28 Commercial Street,
London, E1 6LS

acf.org.uk

acf@acf.org.uk

ASSOCIATION OF CHARITABLE FOUNDATIONS

England & Wales - Charity number 1105412

Accounts

ASSOCIATION OF CHARITABLE FOUNDATIONS



Trustees' Annual Report and Financial Statements

Year ended
31 December 2022



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PLEASE VISIT OUR WEBSITE:
WWW.ACF.ORG.UK

CHAIR AND CHIEF EXECUTIVE'S INTRODUCTION

Our members faced a turbulent year in 2022. The climate crisis caused major floods in Pakistan. The war in Ukraine killed thousands, forcing many to flee, and contributing to an increase in global inflation and a major energy crisis. People lost their lives in other environmental, health and conflict tragedies.

In the UK, there was an unprecedented heatwave and the cost of living crisis pushed struggling families further into poverty. Against this backdrop, the UK government faced a turnover of leaders, with three different prime ministers and chancellors in a period of less than two months. The passing of HM Queen Elizabeth II saddened the UK, bringing more change to an unsettled landscape. Throughout this tumultuous year, funders told us that many charities and communities are burdened with unprecedented levels of need at a time when foundations had already increased their spend in response to the Covid-19 pandemic.

In this context, 2022 has been a year of reflection for ACF. We completed our five-year strategy review and developed new objectives. ACF refreshed our purpose: to strengthen foundations to rise to the challenges of our times.

We also focused on the here and now – supporting foundations throughout the year. A special highlight was gathering for our first in-person conference in three years, appropriately with 'courage' as the theme for discussion. We brought members back together for our conference, and continued an online presence through our free thematic member networks throughout the year. These gatherings allow all members to attend, wherever they are based.

This was also a year of achievement for ACF. We celebrated the milestone of 100 funders signing up to the Funder Commitment on Climate Change. This initiative recognises that the growing climate emergency is a serious risk to charitable aims and pledges to take action to address it. We were pleased to see the Funders Collaborative Hub, forged in 2019 in the heat of the pandemic, become an essential part of the funder infrastructure. There are now more than 100 collaborations listed on its website. In March, we published our Becoming Stronger Foundations report, to demonstrate how members are using our Stronger Foundations framework of ambitious practice to develop their work.

Advancing diversity, equity and inclusion continued to be a priority for many of our members. ACF continues to review and strives to implement diversity in its own internal team.

Over the next five years, our new strategy will focus on our role as a membership association and how we can effect positive change with and for our members. Our vision is to have diverse, vibrant, and effective foundations, working together for social good and rising to the challenges of our time. To achieve this vision, it is essential that we continue to put members front and centre in all that we do.

Jessica Brown
Chair



Carol Mack OBE
Chief executive



**OUR VISION IS TO HAVE DIVERSE, VIBRANT,
AND EFFECTIVE FOUNDATIONS, WORKING
TOGETHER FOR SOCIAL GOOD AND RISING
TO THE CHALLENGES OF OUR TIME.**

TRUSTEES' ANNUAL REPORT 2022

We are pleased to present our 2022 annual report and accounts. This demonstrates how we as trustees have stewarded the charity and its resources in delivering ACF's mission of supporting foundations to be ambitious and effective in the way they use their resources for social good.

2022 was a big year for us as we reviewed our strategy for the next five years, with the input and support of our members. Our last five year strategy ended in 2021. This annual report focuses on our previous objectives during this 'transition' year, namely: ACF supports, advocates, connects, inspires and thrives.

We began the year with a month-long open dialogue with members and other stakeholders including civil society organisations and infrastructure bodies. We wanted to better understand the challenges and opportunities that the future holds and the role that foundations and ACF play.

We heard that key challenges for foundations are addressing inequalities, the cost of living crisis and the ongoing impact of the pandemic.

Foundations also want ACF to respond to the climate crisis, act more on diversity, equity and inclusion (DEI) and work together on stronger grant-making and investment practice.

As a board we worked closely with the staff team to develop ACF's strategic response to what we heard, founded on the unique role that ACF has as a

membership association. We were grateful for the support of strategy consultants Eastside Primetimers throughout the process alongside Diversity and Ability who supported us to apply a DEI lens to our plans. After many conversations with members, we launched it in January 2023.

The new strategy builds on the previous one but focuses on the current challenges our members told us about, specifically around addressing inequalities, the cost of living crisis and the ongoing impact of the pandemic. ACF recognises the unique role it has as a membership association in supporting members to collectively rise to these challenges.

MEMBERS ALSO WANT ACF TO RESPOND TO THE CLIMATE CRISIS, ACT MORE ON DIVERSITY, EQUITY AND INCLUSION AND WORK TOGETHER ON STRONGER GRANT-MAKING AND INVESTMENT PRACTICE.

Rising to challenges

ACF will continue to challenge itself to deliver more for our members into 2023 and beyond. In this we will be guided by four new strategic objective:

- Supporting foundations to aspire to and achieve excellent practice through inspiring, practical and accessible learning and support
- Advancing diversity, equity and inclusion for our sector and ACF
- Strengthening connections across the sector and beyond
- Sustaining a landscape where foundations can continue to thrive.

The executive is developing an implementation plan to deliver these objectives over the next five years, and we expect to finalise this in September 2023. The plan will address the critical success factors we have identified, which include a compelling membership offer, our culture and approach, communication and impact, and ensuring that staff have the capacity, skills and knowledge to achieve our objectives.

Underpinning these in 2023 will be a workplan that prioritises actions to fulfil the new strategy over the next five years and ensures that staff have the tools, skills, proficiencies and clarity on roles to achieve our objectives.

Climate change

2022 saw unprecedented heatwaves and floods in the UK and globally. As trustees we are very much aware of our role in stewarding ACF and the foundation sector more broadly into the future. Our members told us that the impacts of climate change are a direct and indirect challenge for them as they pursue their purposes and support charities and communities affected by climate change.

ACF's main focus is the pioneering Funder Commitment on Climate Change, which we have hosted since 2020 and which this year reached the milestone of 100 signatories.

As a result of ACF's participation in international philanthropy infrastructure networks, this UK Commitment sparked similar national commitments in France, Spain, Italy and Canada and the development of an international commitment, #PhilanthropyForClimate, which now has 635 signatories worldwide.

“THE UK FUNDER COMMITMENT ON CLIMATE CHANGE REACHED A MILESTONE OF 100 SIGNATORIES”

FUNDER COMMITMENT ON CLIMATE CHANGE

Diversity, equity, inclusion

We recognise that there is a strong case for foundations to be more diverse, inclusive and effective in achieving equitable outcomes. Our new strategy has “diverse, vibrant and effective foundations, working together for social good” as our overall vision.

As outlined in our member-led Stronger Foundations initiative, foundations are well-placed to play a role in removing barriers and increasing access for communities that have been historically marginalised or underrepresented.

We are pleased to have a diverse board, elected by the membership, but recognise that we have some way to go before our staff team reflects the diversity of the UK. We are actively seeking to address this through our recruitment practice. This remains a work in progress.

As a board we have set up a working group of trustees to challenge and support the executive on ACF's DEI practice and implementation of our DEI policy. In developing our strategy we commissioned expert DEI consultants, Diversity and Ability, to ensure that our plans are both ambitious and practical.

Stronger practice

The introduction of our new customer relationship management (CRM) system in 2021 continues to offer opportunities for better interactions and communications with our members. During 2022 we've offered a more flexible mix of in-person and online events to suit our members' time and capacities. We seek to ensure our membership offer represents value for foundations, regardless of size, area of interest, and location in the UK.

Our trustee board has this year welcomed four new trustees, rooting our overview in the reality of foundations' day-to-day activity. We thank them for their generous contributions of their time and expertise to our work.

We would also like to thank our staff, our Official Partners (Cazenove, CCLA, Mercer and Ruffer) and most especially our members for everything they do to help ACF achieve its vision. Foundations and trusts embody the belief that things can be better; mobilising funding, resources and expertise to support people, communities, and a wide range of charitable causes. At their best, foundations are the most transparent, intentional and efficient way of transforming private wealth into public benefit.

ABOUT ACF

ACF is the membership body for foundations and grant-making charities based in the UK. Our purpose over the past five years has been to support foundations to be ambitious and effective in pursuit of social good, driven by a vision of a world that is supported, sustained and strengthened by the effective use of foundation resources.

OUR 2023-2027 VISION IS DIVERSE, VIBRANT, AND EFFECTIVE FOUNDATIONS, WORKING TOGETHER FOR SOCIAL GOOD

OUR VALUES CONTINUE TO BE THAT WE CARE, WE ARE OPEN, WE ARE EVIDENCE-BASED AND WE ARE AMBITIOUS

OUR PURPOSE IS TO STRENGTHEN TRUSTS AND FOUNDATIONS SO THEY CAN RISE TO THE CHALLENGES OF OUR TIMES

Over the next five years, our new strategy will build on this, retaining our core values but reframing our focus and activities to deliver a refreshed vision and purpose.

This report covers our work under our objectives for the past five years, which were:

- ACF supports foundations in achieving their charitable objectives
- ACF advocates on behalf of foundations for an enabling policy, legislative and operating environment
- ACF connects foundations to people, organisations, governments and movements relevant to their work
- ACF inspires foundations to be ambitious and effective in the way that they use their resources
- ACF thrives and is sustainable, supporting members over the longer term



SUPPORT FOUNDATIONS TO ASPIRE TO AND ACHIEVE EXCELLENT PRACTICE:

- Curate inspiring, practical and accessible learning and support
- Be the 'go to' place for advice and information tailored to foundations
- Share practical tools and resources to enable and empower Stronger Foundations¹

¹ Stronger Foundations is a flagship initiative to help charitable foundations identify and pursue excellent practice.

ACF is both a registered charity, registration number 1105412, and a company limited by guarantee incorporated on 27 July 2004 and registered in England and Wales, registration number 5190466. Its governing document is a Memorandum and Articles of Association and our registered office is Fourth Floor, 28 Commercial Street, London E1 6LS.

ACF has a wholly owned trading subsidiary, ACF Conferences and Seminars Limited. This is a company incorporated on 5 January 2000, registration number 3902450, and limited by a single share held by ACF. The directors of the trading company are listed at the end of this report.

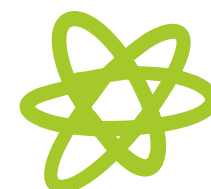
ACF manages its commercial relationships which generate trading income via ACF Conferences and Seminars Ltd. This includes the Official



STRENGTHEN CONNECTIONS ACROSS AND BEYOND THE SECTOR

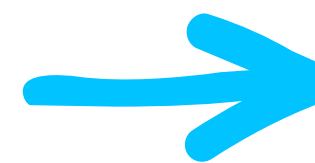
- Catalyse collaborations between foundations and with others to achieve greater impact
- Cultivate vibrant communities of practice and build brave spaces to share knowledge and ideas
- Seize and create opportunities to connect with partners to advance our common goals

Partner Programme and commercial activities linked to the annual conference. The company has agreed a deed of covenant that obligates it to pass all its profits to the charity at the end of each financial year. The accounts that accompany this report show the consolidated financial information for ACF and ACF Conferences and Seminars Limited. The narrative in this report covers the operations of the charity and the subsidiary company.



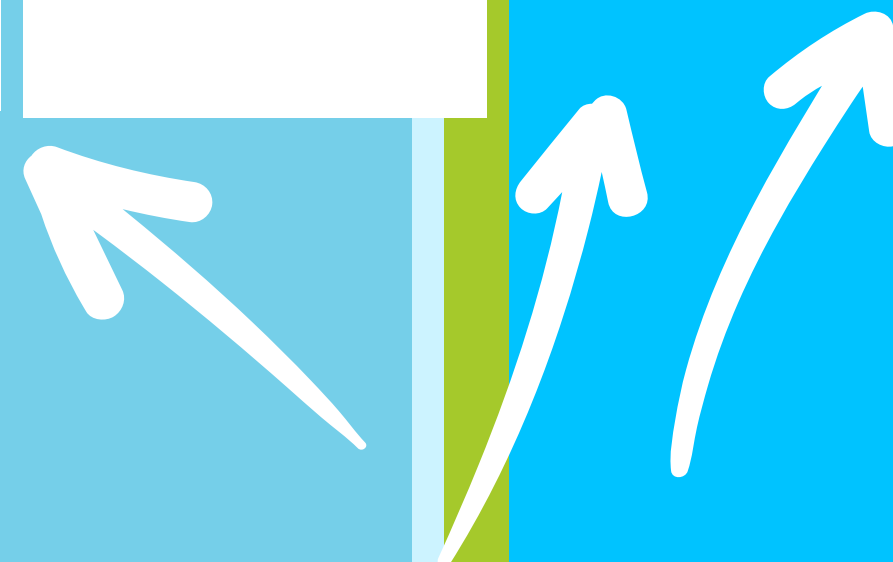
SUSTAIN A LANDSCAPE WHERE FOUNDATIONS CAN CONTINUE TO THRIVE

- Represent foundations and amplify their voices to influence policy and ensure a supportive legal and regulatory framework in the UK
- Share evidence and stories that demonstrate the positive impact of foundations
- Support the growth of the sector, including by advocating for the foundation model of philanthropy and the evolution of the sector

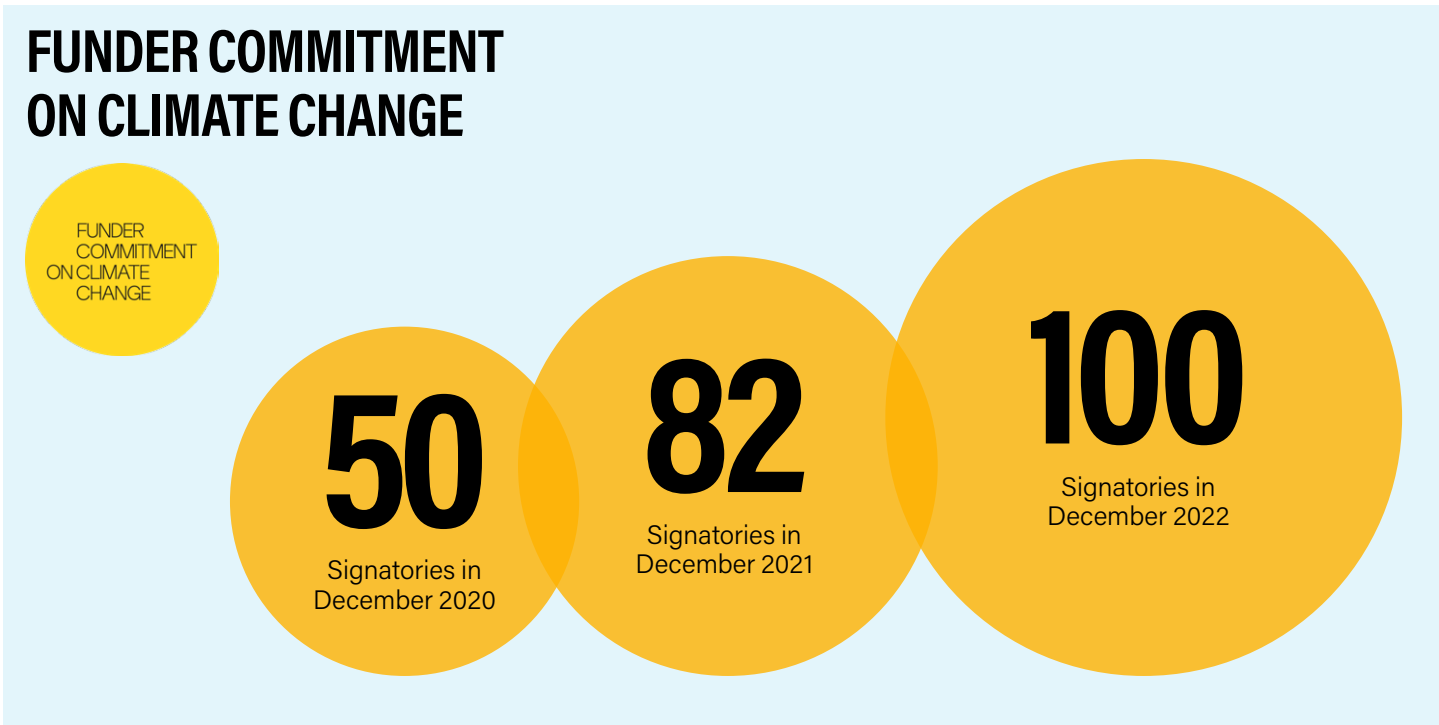
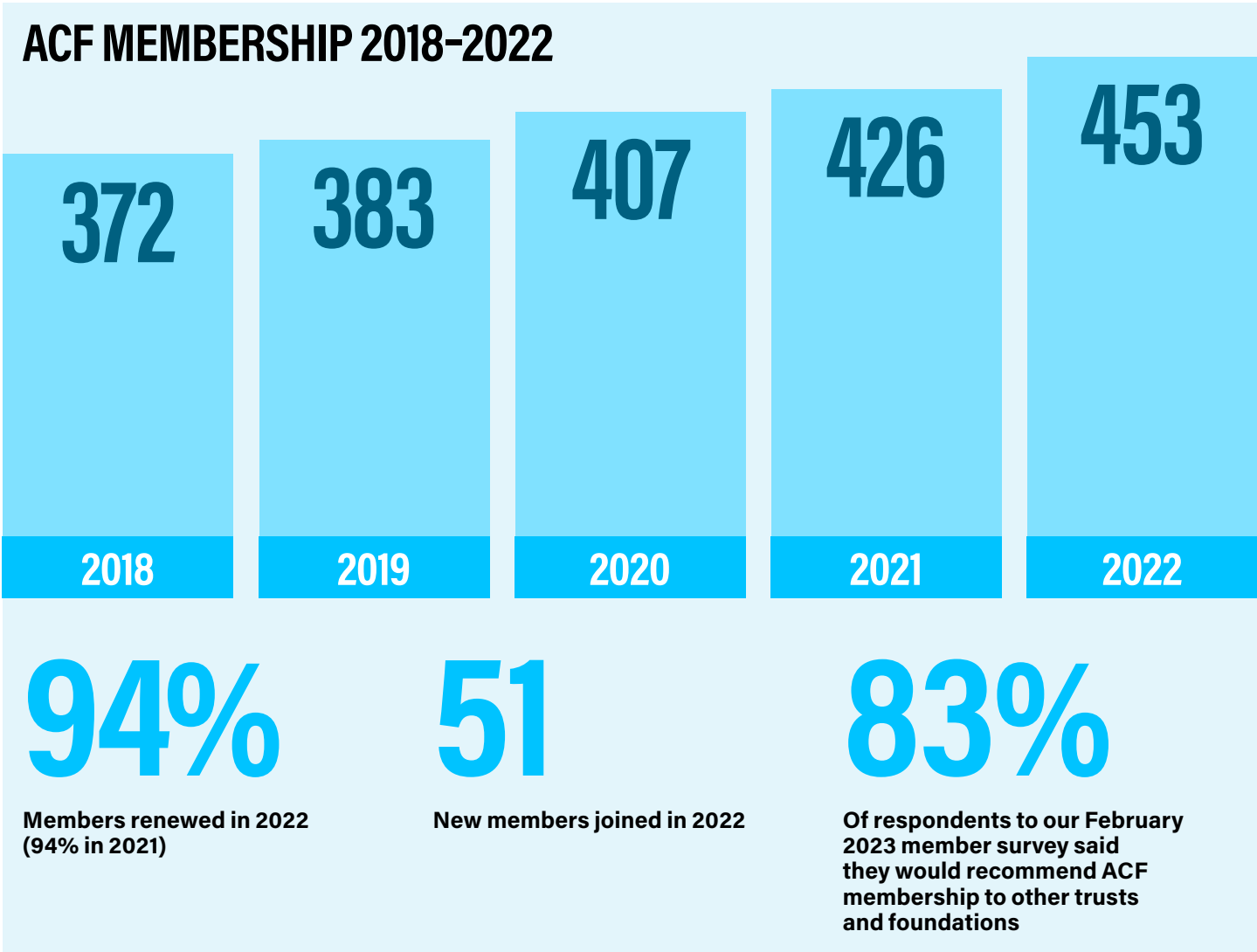


ADVANCE DIVERSITY, EQUITY AND INCLUSION FOR OUR SECTOR AND FOR ACF

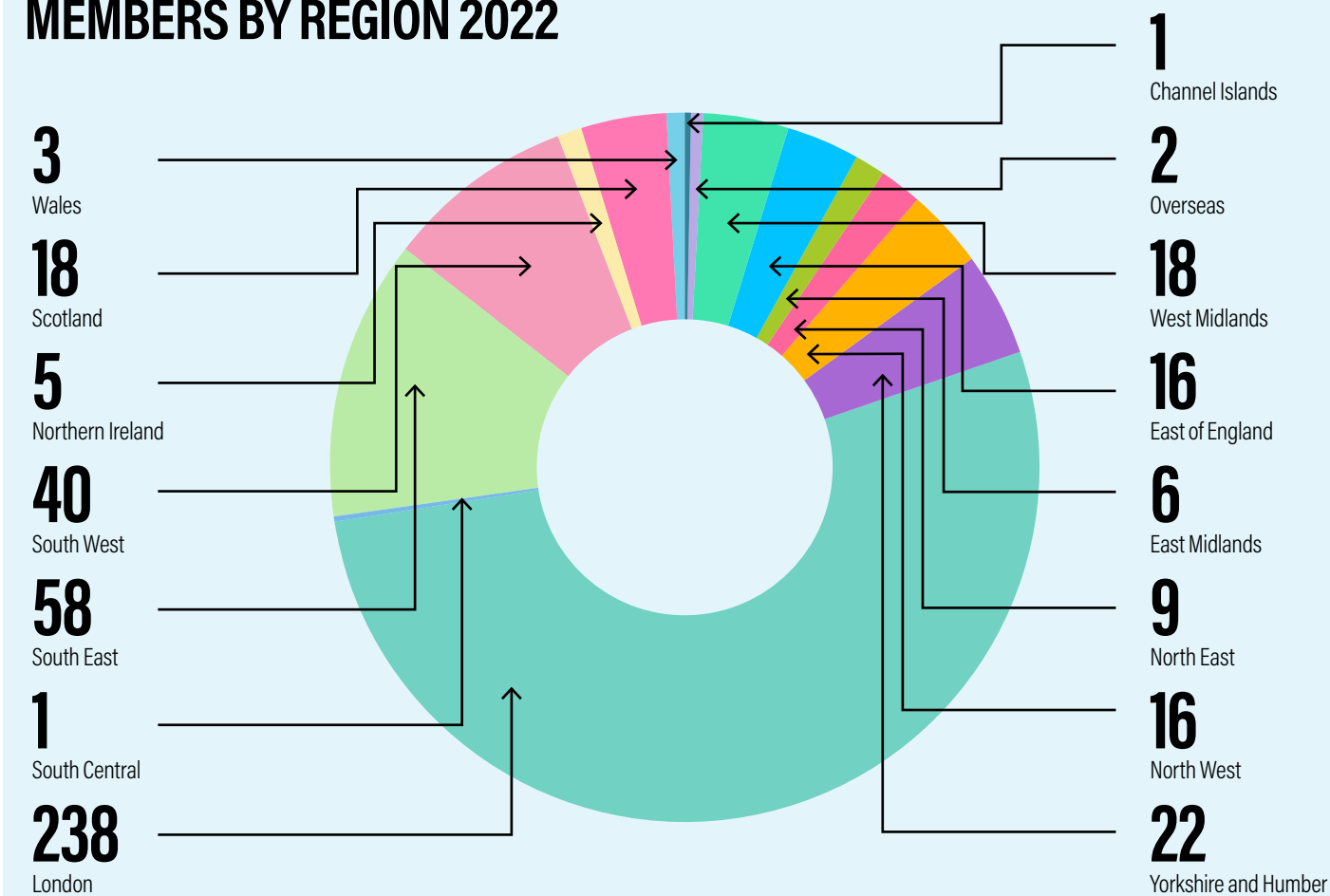
- Build and sustain a diverse and inclusive membership
- Champion and celebrate practice which addresses systemic inequities
- Gather and share data to deepen our understanding of barriers to, and support progress towards, diversity, equity and inclusion



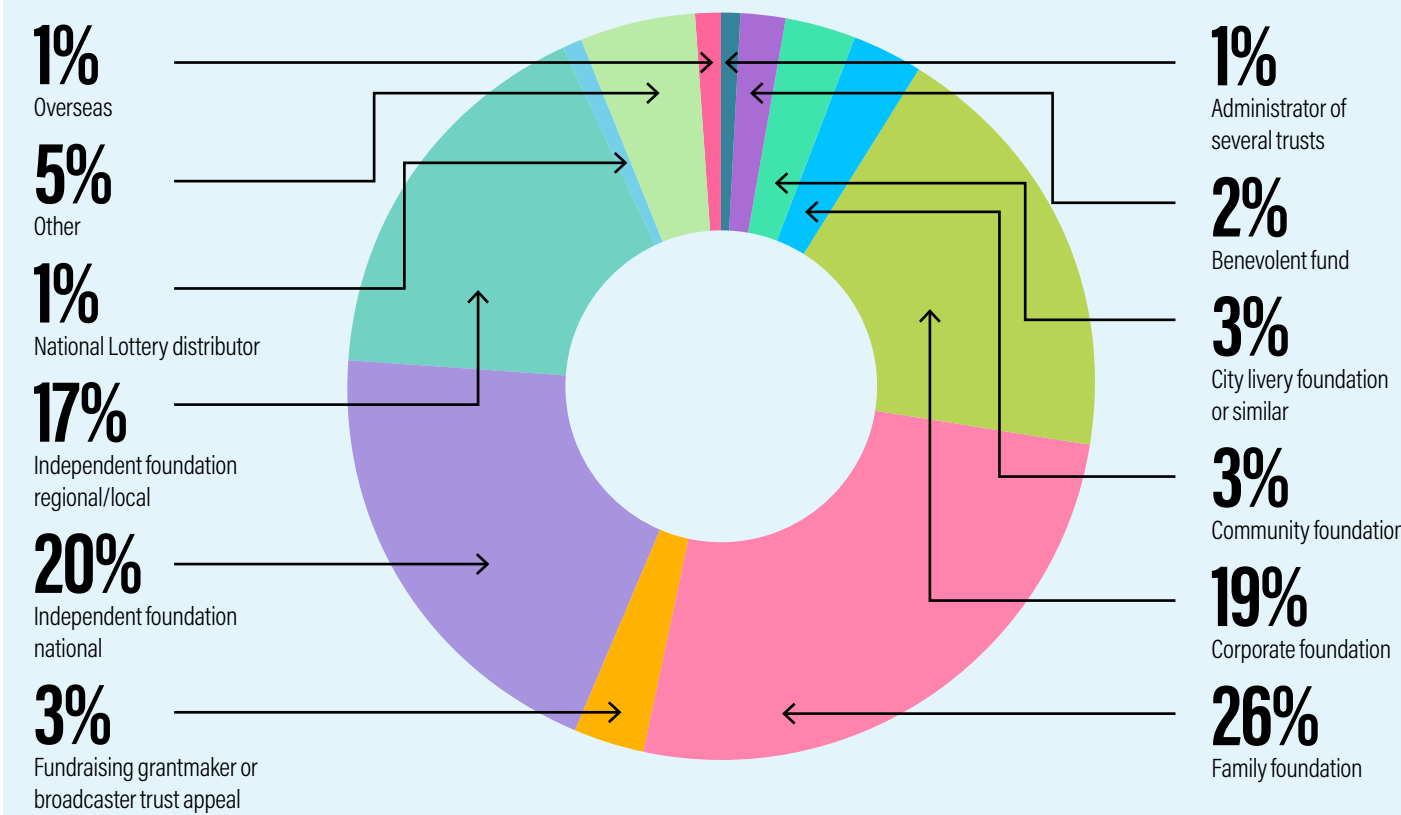
ACF IN NUMBERS



MEMBERS BY REGION 2022



MEMBERS BY FOUNDATION TYPE



ACF SUPPORTS

OUR NEW CONTENT MANAGEMENT SYSTEM, INTRODUCED IN 2021, WHICH INTEGRATES OUR WEBSITE, MEMBERSHIP INFORMATION, EVENTS BOOKING AND EMAILS INTO ONE SYSTEM, IS HELPING US ENGAGE MORE DIRECTLY WITH MEMBERS – AND ALSO PUTS MEMBERS IN CONTROL OF HOW THEY CAN INTERACT WITH ACF INDIVIDUALLY.

MEMBER ENGAGEMENT

We continue to develop our communications to ACF members and the wider foundation world. We published our magazine *Trust & Foundation News* three times this year, and sent out 12 monthly Funders' News newsletters, alongside regular events bulletins and newsletters to members of groups like the Members' Policy Forum and the Social Impact Investors Group. In 2023 we plan to improve our website to make it easier for users to find information, case studies and guidance.

Members can log in personally to book events, amend their personal details such as job titles, address or email, and change their preferences about what communications they want to receive and on what thematic topics.

Members can also upload job vacancies directly to our jobs board, subject to a quick internal approval process. This is the only dedicated jobs board for the UK foundation and grant-making sector and consistently one of ACF's most viewed webpages. The service is free for members. We piloted a new paid-for service for non-members between January and April 2023.

We have also been able to segment or target our communications to particularly foundations or individuals.

In our last member survey, 34% of respondents said that their foundation does not have the time or resources or capacity to engage with ACF services and programmes, so further improving our understanding of members and how we share relevant, targeted timely information really matters to delivering effective support.

Funders' News now delivered to

3,000+
INDIVIDUALS
(2,400 in 2021)

MEMBERS SURVEY, FEB 2023

Headline findings

143 responses

24% of respondents are in grant-making roles, 30% of respondents are CEO and 17% chair/trustee

76% of respondents felt connected, very connected or extremely connected to ACF

73% of respondents felt connected, very connected or extremely connected to other trusts and foundations

The most important benefits to respondents were:

Regular newsletters (eg Funders' News)

Training and learning events

Sector research eg *Foundation Giving Trends*, salary benchmarking survey

Trust & Foundation News (magazine)

Practical guidance eg Stronger Foundations pillars, safeguarding framework

ACF website 1 Jan – 31 Dec 2022:

422,000+
page views

Most viewed page – Jobs board

11,000+
views per month

Trust & Foundation News

32 foundations and funders featured in 2022 (33 in 2021)

LEARNING EVENTS

Our learning events support foundation staff and trustees to develop their understanding of excellent practice on the technical aspects of being a foundation, as well as create a space to consider the strategic decisions facing foundations today. Our events provide an opportunity for peer discussion and connections with leading practitioners working in the field. In 2022, ACF delivered 20 learning events both digitally and face to face. These included three of the four-session diversity, equity and inclusion (DEI) series, which started in 2021.

ENGAGING WITH CHAIRS OF FOUNDATION BOARDS

ACF organises an annual event exclusively for chairs of charitable trusts and foundations. These evenings are focused on engaging chairs in discussions around excellent practice and topical issues.

In 2022 the discussion focused on climate change. We know from our work with members that trustee boards are discussing the climate emergency and leading their organisation's thinking in this area. This event was a chance for chairs to hear about the risks for foundations from a changing climate (whatever their mission or size) and the linkages between the climate crisis and the cost of living crisis. It was also an opportunity for chairs to discuss how their foundations can adapt their work to help reduce emissions, and to help communities and partners adapt to the changing climate. We produced a members-only briefing after the evening for those unable to attend. The event also highlighted the UK Funder Commitment on Climate Change, which ACF hosts.

INVESTMENT LEARNING PROGRAMME

Our Investment learning programme provides members with expert insight and thought leadership on foundation investment, with a particular focus on areas of growing interest around responsible, sustainable and impact investment. During 2022 this work included:

- Facilitating the Social Impact Investors Group (SIIG) which supports foundations interested in starting or

currently undertaking social impact investing. Membership of SIIG grew to 44 during the year. Supported by an active steering group of members, SIIG delivered learning sessions and a series of popular market information days which are set to continue in 2023. In 2022 the process for joining SIIG was reviewed and formalised.

- Sharing the expertise of ACF's four Official Partners — Cazenove, CCLA, Mercer and Ruffer — through articles in ACF publications, our bi-annual investment seminars and at our annual conference
- Working with the Impact Investing Institute, Big Society Capital and the Charities Responsible Investment Network on a learning series on 'Impact Investing in the Main Endowment', launching in 2023.
- Continuing the Finance, Investment, Resources Management (FIRM) network for large foundations which saw regular communication between members, and formal meetings featuring speakers on tax, the Charities Statement of recommended practice (SORP) and other topics.

RESEARCH

When it comes to insights on the world of foundations, based on available quantitative data, ACF's *Foundation Giving Trends* series (FGT) is the only dedicated longitudinal study in the UK about the size and scale of philanthropically funded foundations, helping foundations understand their place in the sector, and readers to understand the place of this independent funding in the overall funding landscape. The *Foundation Giving Trends* series presents annual research and analysis on trends in the giving, spending, income and assets of the largest 300 (by value of grant-making) philanthropically-funded foundations in the UK.

This year we have explored if we can get the data we need directly from the Charity Commission, based on annual returns. This has meant the production timetable has had to be extended to cross-check the data and resolve any consequent issues. As a result *Foundation Giving Trends* 2022 is now due to be published by summer 2023.

1,960

Number of individuals from our membership attending ACF events in 2022

296

Number of member organisations attending ACF events in 2022

20

Number of learning events in 2022

31

Number of non-member organisations attending ACF events in 2022

86

Number of member organisations attending 2022 DEI events

188

Number of individuals attending 2022 DEI events



ACF ADVOCATES

**ON BEHALF OF AND WITH FOUNDATIONS
FOR AN ENABLING POLICY, LEGISLATIVE
AND REGULATORY ENVIRONMENT**

ENGAGING WITH POLICY- MAKERS AND WIDER CIVIL SOCIETY

As a UK organisation, ACF works across the four nations. Our chief executive chairs the Wales Funders Forum, this year we attended the Northern Ireland Funders Forum annual conference and presented on the Funders Collaborative Hub at the conference of Scottish Grantmakers.

In autumn 2022 Rt Hon Stuart Andrew MP was appointed as the minister for civil society and made his inaugural speech to the charity sector at ACF's annual conference on 15 November.

In 2022 more than 150 foundation representatives attended Members' Policy Forum events connecting foundations with each other and decision-makers on key issues of thematic or technical policy. These included cybersecurity threats to foundations, inflation, and the implications of political turbulence and the change in prime ministers through the year.

Our chief executive has continued to meet regularly with leaders of other civil society infrastructure bodies, not least through the new Civil Society Group (CSG) which was formalised in 2021 and met regularly during 2022.

The Group now has its own website, and ACF chairs the CSG climate crisis group and participates in the Dismantling Racism group, the Policy group and the Regulation group.



Rt Hon Stuart Andrew MP

**IN AUTUMN 2022 STUART ANDREW MP
WAS APPOINTED AS THE MINISTER
FOR CIVIL SOCIETY AND MADE
HIS INAUGURAL SPEECH TO THE
CHARITY SECTOR AT ACF'S ANNUAL
CONFERENCE...**

COST OF LIVING CRISIS

This year the cost of living crisis became a major challenge for foundations and trusts, as well as the communities and causes they support. Many foundations told us that, while perhaps concerned about falling income and asset values, they are acutely aware that the organisations and individuals they fund are feeling the impact of the current cost of living. Charities are seeing falling donations at a time when other income sources are under pressure; the real value of their income dropping against inflationary pressures of running their organisations; and finding need and demand on their services rising – for some, at unprecedented levels. In response ACF is offering guidance and resource links for funders, sharing examples of what funders are doing, and connecting to other activities in the wider foundation and civil society sector.

We convened conversations and events with members throughout the year to share how they were responding to the crisis, including an event on grant-making and the cost of living in October. Based on member input, we wrote an in-depth article about foundations' responses for *Charity Finance* magazine in December.

In September 2022, ACF joined forces with other infrastructure bodies to call for an urgent response by the government to the increasing cost of living. We play an active role in the Civil Society Group, a coalition of voluntary sector bodies, and added our voice to its November call on the Energy Secretary for continued support for the charity sector on energy bills. We welcomed the inclusion of charities in the government support package, although have raised concerns about the new Energy Bills Discount Scheme, which represents a reduction in long-term support for charities. We will continue to work with other infrastructure bodies on support for the causes and communities that so many of our members care about and were delighted to see additional funding for charities announced in the March 2023 budget.

**IN SEPTEMBER 2022,
ACF JOINED FORCES WITH
OTHER INFRASTRUCTURE
BODIES TO CALL FOR AN URGENT
RESPONSE BY THE GOVERNMENT
TO THE INCREASING COST
OF LIVING.**

CHARITY LAW AND REGULATION

ACF submitted a detailed response in spring 2021 to the consultation by the Charity Commission for England and Wales on its guidance to charities about investment (CC14). We welcomed the changes proposed but called for the Commission to avoid inadvertently presenting a 'false binary' between 'responsible investment' and financial return. In November 2022 we welcomed the new statement from the Charity Commission following the High Court judgment (*Butler-Sloss v Charity Commission*).

The judgment set out that trustees' primary and overarching duty is to further their charity's purposes and they have discretion to exclude investments which would potentially be in conflict with the charitable purposes. We are pleased that there will be a wider redesign of CC14, and will engage with the Commission and our members as the guidance is developed and tested.

We continue to represent foundations on the SORP Committee which sets the charity accounting framework in the UK.

In September 2022 we asked members about the consultation from the Charity Commission for England and Wales on proposed changes to the annual return required for most charities. In December 2022, we were pleased to see that the sector's views had been listened to for the new Annual Return, with the number of questions reduced.

In October 2022, ACF responded to the government consultation on the Dormant Assets Scheme in England which was seeking views on where this money should go. We strongly agreed that youth, financial inclusion and social investment should all continue to remain causes of the Scheme in the light of the pandemic and the cost of living crisis, and given our members' work across all these areas. As a member of the Community Wealth Fund Alliance, we also strongly supported the inclusion of community wealth funds as a cause of the Dormant Assets Scheme in England.

ACF CONNECTS

**FOUNDATIONS TO PEOPLE, ORGANISATIONS,
GOVERNMENTS AND MOVEMENTS RELEVANT
TO THEIR WORK**

NETWORKS

Our community and member networks are valued by our members.

In 2022 we welcomed a new network – Economic justice – and began preparations for a Family foundations network, increasing the number of ACF networks from 13 to 15. These networks are led by a team of volunteer convenors from within ACF membership. Six convenors came to the end of their terms during the year and we are grateful to new convenors for stepping forward.

ACF networks typically focus on areas of funding (eg children and young people, or criminal justice), type of organisation (eg smaller funders or family foundations) or elements of grant-making practice (eg evidence and learning or place based funding). These networks primarily meet online twice a year. Meetings usually last two hours and are free for our members to attend.

ACF also convened and administered three wider networks with their own steering groups:

- Foundations for Social Justice (formerly known as the Woburn Place Collaborative)
- Finance, investment, resources management group (FIRM)
- Social Impact Investors Group (SIIG)

2022 NETWORKS AT A GLANCE

Grant-making themes

- Asylum, refugee and migration
- Children and young people
- Criminal justice
- Economic justice
- Housing and homelessness
- Mental health
- Northern Ireland
- Tackling poverty
- Violence against women and girls (VAWG)

Aspects of being a funder

- Evidence and learning (formerly Monitoring and evaluation)
- Place based funding

Foundation type

- Corporate foundations
- Family foundations
- International funders
- Smaller funders

FUNDER COMMITMENT ON CLIMATE CHANGE (FCCC)

ACF has hosted the UK Funder Commitment on Climate Change since 2020. At the end of 2022 100 foundations had signed the Funder Commitment and made this public pledge to educate and learn about climate change; to commit resources to addressing the causes and impacts of climate change; to integrate climate change into existing programmes, priorities, and processes; to consider climate change in investment strategies; to decarbonise operations; and to annually report on progress.

We published the Year Two progress report in June 2022 detailing the progress that signatories were making.

We held four events focusing on climate in 2022, including two events in October ahead of the COP27 summit. Firstly, our annual event for chairs of foundations and trusts, focused on the risks that a changing climate poses to foundations and the work that they support. Speakers included the chief economist at the Climate Change Committee alongside the chair of Local Trust and former chair of Polden-Puckham Charitable Foundation. We produced a briefing for members summing up the key discussion points and signposting to the commitment for those thinking of signing. Our second event focused on climate justice and what is required now for a just transition, and was chaired by Nick Perks, who drafted the original Commitment in 2019 with input from members and ACF.

FUNDER
COMMITMENT
ON CLIMATE
CHANGE

FUNDER NETWORK

ACF's Funder Network is an online knowledge sharing platform, enabling members and other funders to contribute queries, concerns and expertise about practical issues and policies relating to the work of foundations. This year there were 1,117 registered users on Funder Network, with 125 new registrants during 2022. People posted 108 questions during the year (2021: 79) with 325 responses (2021: 154).

FUNDERS COLLABORATIVE HUB

The Funders Collaborative Hub was originally launched as a pilot in 2020, in response to funders' increased interest in collaborating during the Covid-19 pandemic. Since its relaunch in December 2021, the Hub has published:

- More than 120 collaboration opportunities (55 opportunities added in 2022, exceeding its full-year target of 50)
- 20 collaboration case studies (10 at launch and 10 new ones during 2022)
- 39 blogs, including:
 - * Seven promoting the Hub and exploring its contents
 - * Nine sharing perspectives (from funders and other stakeholders) on funder collaboration
 - * 10 updates reporting openly on the Hub's progress
 - * 13 from collaboration leaders focusing on their own specific collaboration.

FUNDERS COLLABORATIVE HUB ENGAGEMENT IN 2022

1,392

Average monthly views of 'search for collaboration opportunities' page

4,700+

Number of times the most viewed collaboration opportunity, the DEI Data Standard, was viewed.

1,023

Average monthly views of case studies and blogs (exceeding the 2022 target of 600 per month)

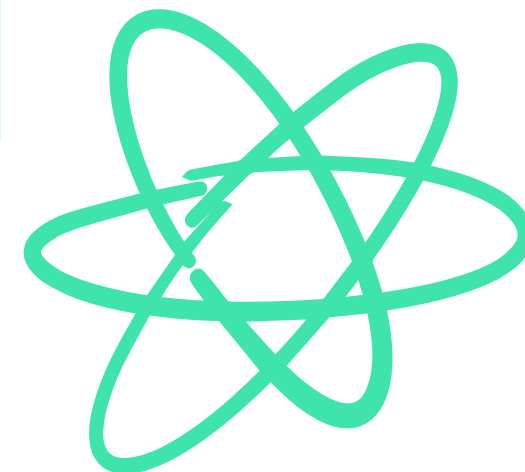
194

Average monthly views of the funder collaboration toolkit (exceeding the 2022 target of 150 per month)

EUROPEAN AND INTERNATIONAL NETWORKS

We work closely with European and international partner organisations to share learning on how foundations are addressing issues and sharing excellent practice. ACF participated in monthly meetings with the PEXcommunity of European philanthropy networks, received updates on policy developments relating to the operating environment across Europe from Philea (Philanthropy Europe Association), and regularly exchanged with other philanthropy networks on funders' response to climate, with Philea and WINGS.

Our chief executive, Carol Mack OBE, was elected as a board member of Philea in May 2022, having served on the transition board which oversaw the convergence of Dafne and the European Foundation Centre (EFC) which brought about Philea. She attended Philea board meetings through the year, representing the voice of UK foundations and trusts.



**WE WORK CLOSELY WITH EUROPEAN
AND INTERNATIONAL PARTNER
ORGANISATIONS TO SHARE
LEARNING ON HOW FOUNDATIONS
ARE ADDRESSING ISSUES AND
SHARING EXCELLENT PRACTICE.**

ACF INSPIRES

FOUNDATIONS TO BE AMBITIOUS AND EFFECTIVE IN THE WAY THAT THEY USE THEIR RESOURCES

STRONGER FOUNDATIONS

Stronger Foundations is the flagship ACF project that helps grant-making charitable foundations identify and pursue ambitious practice. It includes six thematic reports on aspects of foundation practice, developed by six working groups drawn from ACF's diverse membership. Each report identifies 'pillars' of ambitious practice. These themes are: diversity, equity and inclusion; impact and learning; strategy and governance; transparency and engagement; investment; and funding practices.

The Stronger Foundations resources also include a report drawing out cross-cutting themes from across the six themes, as well as two summary reports that highlight key pillars for foundation chairs and for smaller foundations.

We also provide a self-assessment tool for members to review their own practice against each of the pillars. Since the launch of the initiative, more than 125 self-assessment tool surveys have been used by around 70 ACF foundation members from across the UK. Information from the tool informed initial thinking for ACF's strategic review, including considering how ACF itself is pursuing pillars relatable to its own work.

Drawing on the anonymised data members provided in these self-assessments, in March 2022 ACF published *Becoming Stronger Foundations*, giving examples of ambitious and effective practice from the first year of the self-assessment tool. All six of the thematic surveys contained in the tool were used by members and the one most frequently downloaded focused on diversity, equity and inclusion.

We used this data from the tool to directly inform plans for ACF's 2022 learning events including three DEI events, attended by 188 individuals from 86 member organisations.

DIVERSITY, EQUITY, INCLUSION (DEI)

3

DEI events run in 2022

86

Member organisations attended 2022 DEI events

188

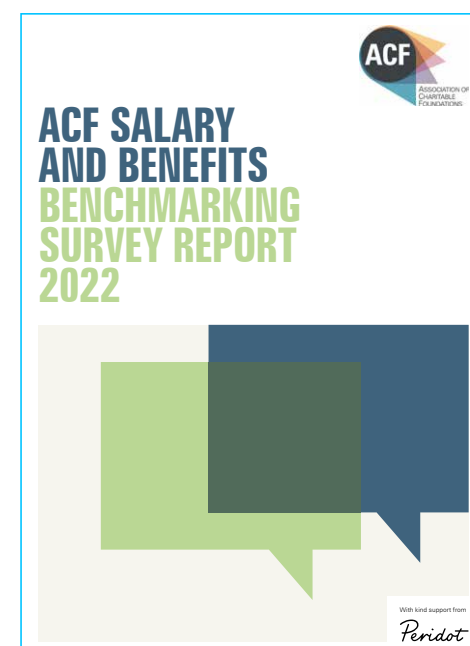
Individuals attended 2022 DEI events

SALARY AND BENEFITS BENCHMARKING SURVEY 2022

In September we published our third annual benchmarking survey on salary and benefits for roles unique to foundations, as part of ACF's member offer and growing body of research. This survey was first piloted in 2020 in partnership with Peridot Partners so that members can benchmark key grant-making roles' salaries and benefits in order to effectively recruit and retain staff.

All ACF members were contacted about the survey, with 139 responses elicited. The answers provided by each member remain anonymous and, in some places, to protect confidentiality, are aggregated with other member data to form a set of comparison tables, graphics and statistics. The 2022 salary and benefits survey built on feedback collected from the 2020 and 2021 reports and was revised and improved accordingly.

This year we included questions on foundations' diversity, equity and inclusion practice. Over half of the small organisations that responded to these questions reported that they have increased their focus on becoming more diverse and have worked to eliminate bias from the assessment process. Around 80% of the medium-sized organisations who responded to this part of the survey reported that their organisations have increased their focus on becoming more diverse.



ACF CONFERENCE

Our conference in November took place in person again, for the first time in three years.

A total of 282 attendees joined speakers, exhibitors and representatives from our Official Partners to consider the theme of "Courage: leadership in the next decade".

The day began with a welcome speech from ACF's chief executive Carol Mack, followed by a keynote speech from Professor Lucy Easthope, a prestigious speaker on disaster recovery, and then a panel discussion with speakers David Knott, chief executive of the National Lottery Community Fund, Danny Sriskandarajah, chief executive of Oxfam GB, Junior Smart, creator of the SOS Gangs project and Róisín Wood, chief executive of the Community Foundation for Northern Ireland.

The afternoon offered delegates the opportunity to choose two breakout sessions from 14 on a wide-range of topics including:

- Funding a more equitable future
- Funding and co-creation
- Mapping the UK Women and Girls voluntary sector
- Collaboration: a challenge shared is a challenge halved

Of those respondents to the conference evaluation survey, participants said:

97%

The content was timely and relevant to them

92%

Conference met their expectations

80%

They made new connections that are helpful to their work



**A TOTAL OF 282 ATTENDEES JOINED
SPEAKERS, EXHIBITORS AND
REPRESENTATIVES FROM OUR
OFFICIAL PARTNERS AT CONFERENCE.**

ACF THRIVES

ACF HAS TO BE FINANCIALLY STABLE AND HAVE EFFECTIVE SYSTEMS AND PROCESSES TO DELIVER ON ITS MISSION. WE CONTINUED TO BALANCE OUR AVAILABLE RESOURCES TO DELIVER OUR PROGRAMME AS WE CAME OUT OF THE PANDEMIC BUT INTO A NEW ERA OF RISING CHALLENGES FOR OURSELVES AND THE MEMBERS WE SERVE.

We remain extremely grateful for the continued support of our members, including those who provided additional grants in 2022 to enable ACF to maintain progress on key activities, such as the Funders Collaborative Hub and *Foundation Giving Trends* research.

Our financial position remains strong as a result of membership growth in 2022 and the stability generated by the continuation of the Official Partner Programme (OPP). The audited financial position shows an unrestricted surplus £66,509 (£144,310 in 2021). This was driven by a combination of some underspends in staff costs due to a number of vacancies in the team within the year, increased contributions to core costs from new funding awarded during the year to support key activities and greater than budgeted net income from a successful return to an in-person annual conference.

The trustees have considered the unrestricted reserves that ACF requires to sustain its operations with reference to the Charity Commission for England and Wales' guidance on charity reserves as set out in CC19.

Trustees have agreed a long-term aim of balancing income and expenditure to deliver a level of free reserves that is between four and six months' operating expenditure. The total general fund at the end of 2022 was £683,931, of which £99,386 represents fixed assets, leaving free reserves of £584,545. This reserves balance at the end of 2022 sits in the middle of the target range based on 2022 expenditure.

The board has determined that the current level of reserves is sufficient to mitigate any future operating deficits driven from strategic investment, with the goal of balancing income and

expenditure over five years. Income and expenditure forecasts for a three year period are reviewed annually and in-year performance is monitored at each trustee meeting to ensure that any adverse impacts are managed proactively.

It is the view of the ACF board at the time of signing this annual report and the annual accounts that both ACF and ACF Conferences and Seminars Limited are going concerns.

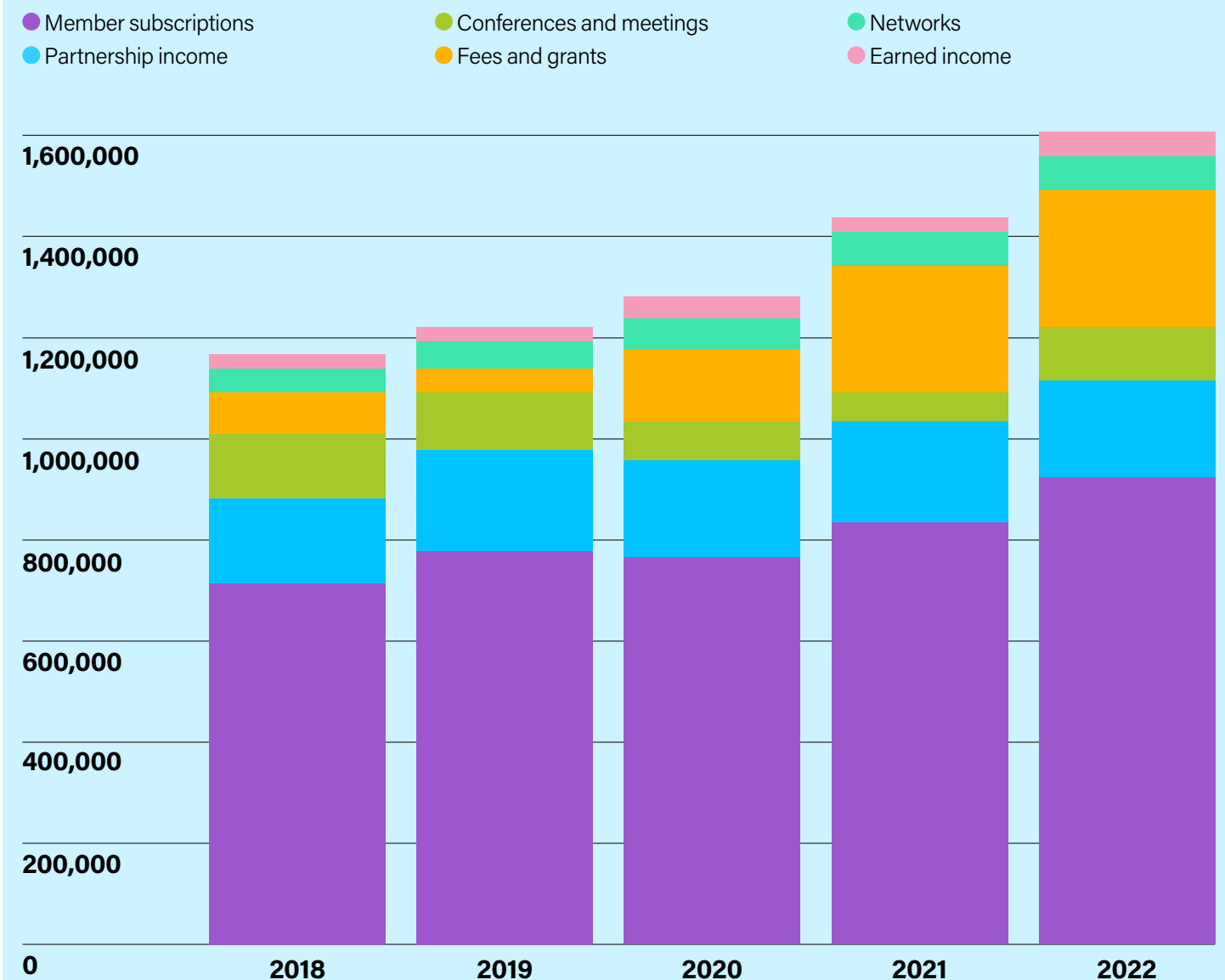
INCOME TO SUPPORT OUR SERVICES TO MEMBERS

ACF's principal sources of funding are membership subscriptions, commercial income from its Official Partner Programme (OPP), and fees and grants to assist in delivering its charitable activities. Members pay an annual subscription on a sliding scale, which is based on their grant expenditure in their previous financial year. In 2022 ACF received a number of restricted grants, further detailed in Note 5 to the financial statements. ACF does not set a target to raise income from its cash reserves, nor does it have an investment policy.

ACF'S APPROACH TO FUNDRAISING FROM THE PUBLIC

ACF does not seek funds directly from the public, nor do we use commercial or professional fundraisers. As a result, we are not signed up to a voluntary fundraising regulation scheme or standard. ACF has complaints, whistleblowing and anti-bribery policies and these can be found on our website. We have received no fundraising related complaints.

GROUP INCOME TRENDS 2018-2022



REMUNERATION POLICY

All trustees give of their time freely and no trustee remuneration was paid in the year.

ACF provides a competitive employment offer under a transparent pay policy for staff. The pay policy enables us to attract, retain and motivate our talented staff team, while providing clarity and transparency about pay differentials between staff. Budgetary constraints, external environment, wider job market, values of the organisation and the morale of staff will all be factors in deciding any employment offer. ACF is a London Living Wage employer.

The current full-time equivalent salary differential between the highest and lowest paid staff member is 3.1 (2022 3.2).

ACF is not required to publish its gender pay gap information given its relatively small size, however, chooses to do so voluntarily. As in previous years, we follow the UK government guidelines for disclosure of this data using the prescribed formulae.

Gender pay gaps have reduced over the past 12 months, particularly as a result of director-level posts currently all being held by female employees, where in recent years at least one of these posts had been filled by male staff. As a result of these changes, females’ median hourly wage is 16.6% lower than the males’ median hourly wage, compared to 25.0% at the same date in 2022. When comparing mean hourly wages, the females’ hourly wage is now 10.8% lower than the males’ hourly wage, reduced from the 21.8% recorded in 2022.

The average male hourly wages remain higher using both measures due to the greater number of female employees employed in the more junior roles across the organisation.

The mean bonus pay gap in the last year was 33.5% (median 58.1%). These figures include equal bonuses paid across the organisation which were pro-rated based on contractual hours. As a significantly greater proportion of female staff work part-time, the bonus pay gap percentages are skewed as the calculation method for the bonus pay gap does not take into account the number of hours worked.

Balance sheet liabilities

ACF is carrying a Pensions Trust Growth Plan liability on its balance sheet, which represents the net present value of the deficit reduction contributions payable by ACF. This year has again seen a reduction in ACF’s liability leaving the balance at £7,143 (2021: £13,014). The Pensions Trust Growth Plan has put in place arrangements to assist Plan members who have difficulty meeting deficit payments as a result of the pandemic. ACF has not, and does not expect to, need this assistance.

The Plan invests for the long term and monitors its investment strategy and funding position. A triennial review was completed in 2021, with a reduction in deficit funding per annum required by each scheme employer.

ACF holds no funds as a trustee on behalf of others.

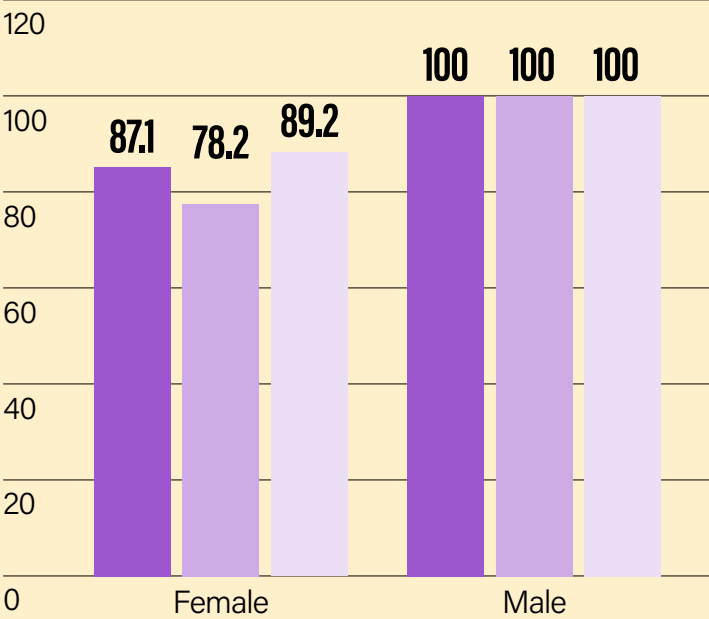
	Females	Males	Total
Upper quarter	3	0	3
Upper middle quarter	3	1	4
Lower middle quarter	4	0	4
Lower quarter	4	0	4
Total	14	1	15



ACF PROVIDES A COMPETITIVE EMPLOYMENT OFFER UNDER A TRANSPARENT PAY POLICY FOR STAFF.

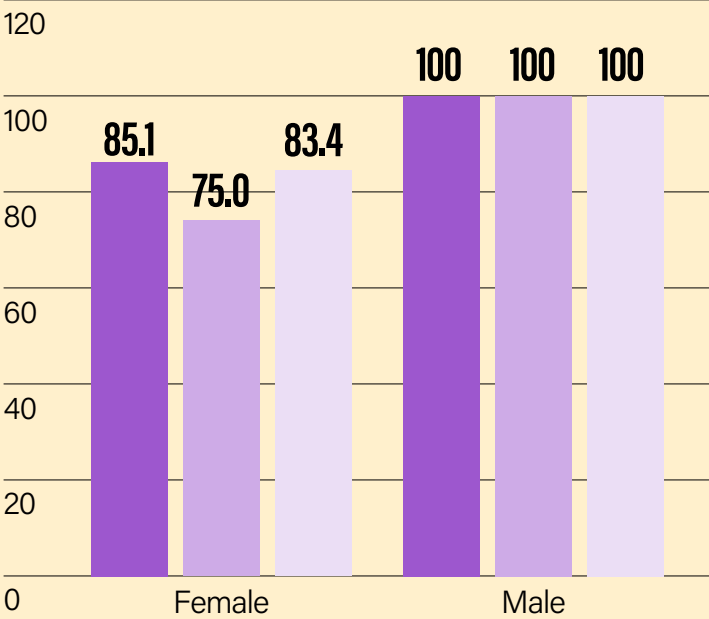
Mean

- April 21
- April 22
- April 23



Median

- April 21
- April 22
- April 23

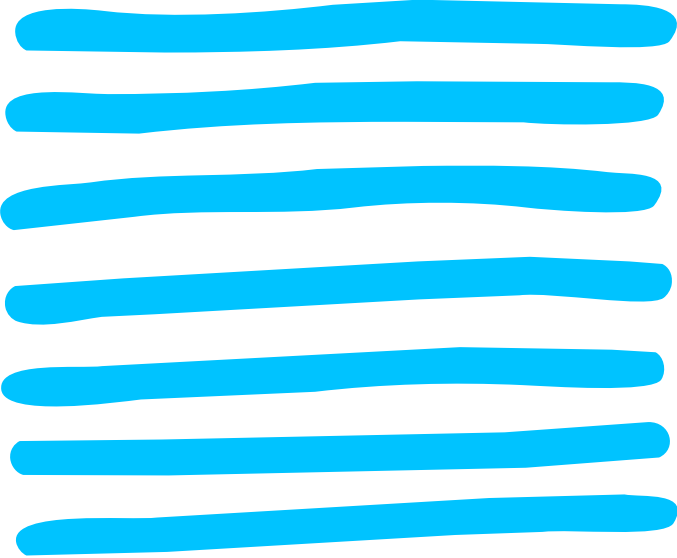


Female hourly wage rates are presented as a percentage of male hourly wage rates to indicate the relative gender pay gap more easily than the raw data.

ACF THRIVES CONTINUED

RISK MANAGEMENT

ACF actively manages the risks it faces. Key risks are identified and prepared by management and reviewed quarterly by the Finance and Risk Committee and annually by the board. Key risks and mitigations are being actively managed as follows:



ANALYSE EVENTS AND MEMBER NETWORK ATTENDANCES, AND BE RESPONSIVE TO REQUESTS FOR NEW AMENDED CONTENT

Risk	Implications	Mitigations	Impact	Likelihood
ACF capacity and capability building adversely impacted by loss of staff, skill gaps within the team, inability to fill positions, or reduced wellbeing.	ACF may lack the resources to meet member expectations or stay abreast of developments in the sector, losing relevance and membership numbers in the medium term	2023 workplan to include business as usual as well as project work to improve capacity planning and ability to spot pinch points. - Ensure that workplan is prioritised based on impact, that resources are released for priority elements and that directors have flexibility to balance work output to personal circumstances. Workplan to continue to build teamwork across the organisations. - Refocus Director of Resources role to focus more on People and Operations. - Develop a plan for succession in all roles with delivery plans to be executed should the need arise. - Increase staff engagement through consistent communication of priorities and progress against workplan elements, and discussion at 121s - Ensure all programmes of work have plans, success criteria and milestones. - Regular wellbeing surveys and report to the board	Medium	High
Volatile external context and/or ongoing health and inflationary environment have a destabilising effect on ACF - including our finances, the scope and shape of member activities, or on staff capacity.	Members focus on their internal activities and programmes, leading to ACF programmes (Stronger Foundations, Climate Commitment, Collaborative Hub, PDP, Networks) losing relevance and/or showing lower event attendance and member engagement	- Continue to monitor member 'pulse' through each contact, documenting in CRM and regularly discussed at Leadership and staff meetings. - Directly discussing members attitudes and responses to inflationary pressures through members policy forum and member survey - Analyse events and member network attendances, and be responsive to requests for new amended content - Monitor engagement of core Policy programmes at each touchpoint, documenting member engagement trends over time	Medium	Medium
Issue with use of CRM or other key systems, either via fault with infrastructure, or gaps in team CRM skills	System not fit for purpose, or staff not well equipped to use it adequately, could lead to benefits not realised and compromise key processes around member services, reporting, and financial processing, and a poor user experience for both staff and members.	- Ensure system remains robust via early reporting of any issues and thorough testing of all fixes or new processes, and ensuring all processes are thoroughly documented - Create stronger induction process to ensure all new and returning staff understand the importance of the system to ACF's delivery - Undertake advanced training with core staff to create centres of excellence and process for sharing knowledge - Track staff engagement monthly as one of ACF's KPIs	Medium	Medium

Risk	Implications	Mitigations	Impact	Likelihood
Insufficient progress with ACF's own Diversity, Equity and Inclusion and Climate practice	The business and operational benefits of a diverse team are well known and ACF staff team is not benefiting from this as the board has from improved diversity. Our DEI and climate change work have the potential for reputational damage given the dissonance between our public work on these areas and the progress that ACF has made in its own practice.	- Continue to execute the DEI plan through 2023, including progressing with internal DEI training plan - Overhaul recruitment processes to advance diverse hires, tracking progress after each hire and modifying processes based on learnings - Document environment policy by review by board in May 2023. - Review progress on DEI and climate action at all staff awayday in 2023	Medium	Low
Unexpected reputational scandal from within ACF, or actions by ACF member(s) bring foundation sector into discredit	Reputational and potential financial risk to ACF if serious compliance or other issue internally occurs or is claimed. ACF has to spend time and resources defending foundations to the media/ politicians/policy makers if members' actions threaten sector reputation.	- Encourage good practice in the sector - Stay close to regulators and policy makers - Keep good links with foundations so any contentious behaviour is known, and monitor foundation activity on social media and general media - Develop framework for determining which members' actions we would need to respond to if an issue arose - Ensure preventative plans in place to avoid serious internal issues, and ensure plan in place for a crisis response if it were needed	High	Low
Management / Trustee misalignment	In the year where ACF is developing its medium term direction, misalignment of the trustees and management on the strategic priorities could lead to ACF unable to efficiently deliver on its mission	- Strategy implementation to have check in points between management and trustees - Strategic options and underlying data is continuously made available to trustees for consideration - Implementation plan is reviewed by board at September awayday	High	Low

GOVERNANCE

BOARD OF TRUSTEES OF THE CHARITY

Name	Position	Committee membership(s) during the year	Appointed or resigned date	Member
Jessica Brown	Chair	Officers, Nomination and Remuneration Committee (NRC) (ex officio)	Re-elected 15.06.22	Trusthouse Charitable Foundation
Janet Morrison OBE	Chair	NRC (ex officio)	Resigned 03.22	Baring Foundation*
Síofra Healy	Interim vice-chair/ vice-chair	Officers, Finance and Risk Committee (FRC)	Appointed interim vice-chair 04.22, Appointed vice-chair 14.12.22	Community Foundation Northern Ireland
David Renton	Treasurer	Officers, FRC (chair)		Guy's & St Thomas' Foundation*
Rupert Abbott	Trustee	NRC	Elected 15.06.22	GiveOut
Nick Acland	Trustee	NRC (chair); Premises working group (chair)		The Henry Smith Charity*
Sufina Ahmad MBE	Trustee	Diversity, equity and inclusion (DEI) working group		John Ellerman Foundation
Andrew Barnett OBE	Trustee	FRC	Resigned 15.06.22	Calouste Gulbenkian Foundation
Sarah Benioff	Trustee	DEI working group; Premises working group		Cripplegate Foundation
Rachel Campbell	Trustee	NRC	Co-opted 15.06.22	The RS Macdonald Charitable Trust
Stephen Fenning	Trustee	DEI working group		Colyer Fergusson Charitable Trust
Daniela Lloyd-Williams	Trustee	NRC	Elected 15.06.22	JAC Trust
Michelle Molyneux	Trustee	FRC		The Worshipful Company of Grocers' Charity
Klara Skrivankova	Trustee	FRC	Re-elected 15.06.22	Trust for London
Edward Walden	Trustee	NRC; DEI working group (chair)	Re-elected 15.06.22	Power to Change
Jamie Ward-Smith	Trustee	Premises working group	Elected 15.06.22	The Co-op Foundation

* Trustee was linked to this member on appointment to the board.

Two trustees served as directors of ACF Conferences and Seminars Ltd, our subsidiary trading company: David Renton and Klara Skrivankova.

THE TRUSTEE BOARD

The board is responsible for the general management and supervision of the work of ACF. The trustees of ACF meet quarterly to set the strategic direction of the charity and monitor its effectiveness.

ACF's trustees are elected by members at an AGM for an initial term of three years. Trustees retire by rotation at the end of their initial term, and may offer themselves for re-election, but cannot serve for more than six successive years. At least four trustees retire at each AGM. All elected trustees must at the time of their appointment be connected to a member of ACF, for example as a trustee or as a member of staff. In addition, the board may co-opt a further five members to the board. ACF's members are non-governmental organisations in the UK, whose functions or activities include grant-making for charitable purposes, and endowed charitable foundations.

TRUSTEE INDUCTION

New trustees are invited to a half day induction where they meet key ACF staff and discuss ACF's strategy, objectives, activities and budgets. They normally receive an information pack as part of their induction which includes the relevant guidance for trustees from the Charity Commission for England and Wales, together with papers from recent board meetings. Trustees individually also attend ACF's member events and thereby widen their awareness of current issues and concerns amongst ACF's membership.

ACF'S OBJECTS AND PUBLIC BENEFIT

ACF's objects are to further the work of charitable grant-making trusts and institutions for the public benefit by:

- Advancing the education of the public in such trusts and institutions and carrying out research and publishing the results of such research
- Promoting the collective and individual effectiveness of such trusts and institutions and better methods of administration and management of their resources.

These objects are delivered through our strategic objectives, as outlined in this report. Our membership model is at the heart of what we do, delivering public benefit through more effective and

ambitious member foundations and supporting the costs of the delivery of this through membership fees. In addition, the direct benefits from our work extend beyond our membership. For example:

- Our policy and research work provides public benefit by increasing the quality of information available about the foundation sector to policymakers and others
- ACF provides information to the general public via our website and published reports (eg our cost of living resources page and blogs)
- The Funders Collaborative Hub, the Funder Commitment on Climate Change and our Funder Network knowledge sharing website are all open to non-members and have seen notable activity this year
- Many of our events are open to non-members, with members receiving a discount on the cost of attending
- A number of our publications are openly available on our website, including our Stronger Foundations reports, a summary of conference themes and videos of conference speeches.

Under the Companies Acts 1985 and 1989, ACF is limited by guarantee and does not have share capital. Its memorandum and articles of association were fully reviewed and revised in 2004 and amended in 2018 and 2020. The trustees have had regard to the Charity Commission for England and Wales' guidance on public benefit in considering what work the charity should undertake and in the performance of their duties.

The chief executive, the directors and heads of departments are the key managers in charge of directing and controlling the charity on a day-to-day basis operating under a trustee approved scheme of delegation.

The trustees (who are also directors of the Association of Charitable Foundations 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and

expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

ACF CONFERENCES AND SEMINARS LIMITED

Directors

Gemma Instrall
Carol Mack OBE
David Renton
Klara Skrivankova

Company Secretary

Natasha Kousseff

ADVISERS AND BANKERS

Bankers	Solicitors	Auditors
Cater Allen Private Bank 2 Triton Square, Regent's Place London, NW1 3AN	Stone King Boundary House 91 Charterhouse Street London, EC1M 6HR	Moore Kingston Smith 9 Appold Street London EC2A 2AP
Unity Trust Bank Four Brindley Place Birmingham, B1 2JB	Russell-Cooke 2 Putney Hill London, SW15 6AB	
CCLA Investment Management Limited COIF Charity Funds 85 Queen Victoria Street, London, EC4V 4ET		

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

Approved by the Board and signed on its behalf by:



Jessica Brown, chair

Date 17 May 2023



David Renton, treasurer

Date 17 May 2023

OUR THANKS

ACF’s work would not be possible without support and encouragement from many members and other supporters. We would like to express our particular thanks for these as follows:

ACF’s Official Partners:

- Cazenove
- CCLA
- Mercer
- Ruffer

For additional core support of ACF’s activities:

- Garfield Weston Foundation
- Tudor Trust
- C S Mott Foundation

For additional financial support for:

- Foundation Giving Trends – Pears Foundation
- Members’ Policy Forum – Paul Hamlyn Foundation
- Funders Collaborative Hub – Esmée Fairbairn Foundation, Lloyds Bank Foundation for England & Wales
- Catalytic Capital – Access – The Foundation for Social Investment, Big Society Capital
- Funder Commitment on Climate Change – John Ellerman Foundation
- Impact Investing in the Main Endowment – Barrow Cadbury Trust, City Bridge Trust, Esmée Fairbairn Foundation, Golden Bottle Trust, Guy’s & St Thomas’ Foundation, Joseph Rowntree Foundation, The Clothworkers’ Foundation, and Treebeard Trust.

For in kind support for

- Funders Collaborative Hub – Esmée Fairbairn Foundation

For serving on the FIRM steering group:

- Anne-Laure Bedouet, Education Endowment Foundation
- Moray McConnachie, Guy’s & St Thomas’ Foundation
- Matthew Whittell, John Ellerman Foundation
- Lisa Kiew, Maudsley Charity
- Caroline Bee, St John’s Foundation

For participating in the Steering Group of the Social Impact Investors Group:

- Denise Holle, Joseph Rowntree Foundation (incoming co-chair)
- Jonny Page, Esmée Fairbairn Foundation (incoming co-chair)
- Douglas Gunn, Trust for London (outgoing co-chair)
- Ben Smith, Esmée Fairbairn Foundation (outgoing co-chair)
- Jo Heywood/Amir Rizwan, Big Society Capital
- Jessica Tyrrell, Bank Workers Charity
- Mark O’Kelly/Kumar Ghosh, Barrow Cadbury Trust
- Luke Kavanagh, Trust for London
- Hamesh Patel, The Clothworkers’ Foundation
- Tim Wilson, City Bridge Trust
- Shishir Malhotra, Treebeard Trust
- Craig Pennington, Francis C Scott Charitable Trust

For serving on the Hub steering group:

- Elaine Wilson, Corra Foundation
- Sharon Shea, Esmée Fairbairn Foundation
- Duncan Shrubsole, Lloyds Bank Foundation for England & Wales
- Anna de Pulford, The Dulverton Trust
- Emma Ackerman, The National Lottery Community Fund
- Cassie Robinson
- Aleema Shivji
- Nick Stanhope

For convening networks

- Our thanks to members who have generously given their time to convene our networks
- Laura Dalton, AB Charitable Trust
 - Caroline Marks, AIM Foundation
 - Richard Graham, Barnardos
 - Andrew Button-Stephens, Barratt Foundation
 - Bel Crewe, BBC Children in Need
 - Paddy Sloan, BBC Children in Need
 - Fionnuala Walsh, BBC Children in Need
 - Chrissie Hirst, Corra Foundation
 - Danielle Walker Palmour, Friends Provident Foundation
 - Esther Hughes, Global Dialogue
 - Carrina Gaffney, Lankelly Chase
 - Cathy Stancer, Lankelly Chase
 - Steph Taylor, Leeds Community Foundation
 - Aisling Johnston, LFT Charitable Trust
 - Harriet Ballance, Lloyds Bank Foundation
 - Kay Cameron, Lloyds Bank Foundation
 - Duncan Shrubsole, Lloyds Bank Foundation
 - Juliana Bell, Metropolitan Migration Foundation
 - Cullagh Warnock, Millfield House Foundation
 - Lucy Robson, Oak Foundation
 - Andrew Curtis, Paul Hamlyn Foundation
 - Anna Jarvis, Rosa
 - Louise Telford, Rosa
 - Johanna Tompsett, Shaftesbury Young People
 - Hazel Capper, St Giles & St George
 - Danielle Howes, The Bishop Radford Trust
 - Nitya Teagarajan, The National Lottery Community Fund
 - Rebecca Roberts, Trust for London
 - Patrick Duce, World Habitat

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OPINION

We have audited the financial statements of Association of Charitable Foundations (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 December 2022 and of the group's 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 and the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

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 there is 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.

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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- Trustees' annual report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- The parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company's 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 exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 23, 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 group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement 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 purposes of expressing an opinion on the effectiveness of the group and parent 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.

→ 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 group and parent 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 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 our auditor's report. However, future events or conditions may cause the group or parent 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.

→ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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.

EXPLANATION AS TO
WHAT EXTENT THE AUDIT
WAS CONSIDERED
CAPABLE OF DETECTING
IRREGULARITIES,
INCLUDING FRAUD

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

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 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date 17 May 2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

FINANCIAL
STATEMENTS

Association of Charitable Foundations

Group statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 December 2022

		2022		2021 (restated)	
		Unrestricted	Restricted	Total	Total
	Note	£	£	£	£
Income from:					
Charitable activities:					
Members' subscriptions		927,923	-	927,923	838,637
Network subscriptions		68,927	-	68,927	62,272
Conferences and meetings		109,628	-	109,628	63,708
Fees and grants	5	50,000	208,811	258,811	248,847
Earned income		-	-	-	225
Other trading activities	2	200,000		200,000	200,000
Investment income		6,223	-	6,223	173
Other income		33,371	-	33,371	27,810
Total income		1,396,072	208,811	1,604,883	1,441,672
Expenditure on:					
Charitable activities:					
Members' services	4	1,244,512	-	1,244,512	1,094,796
Conferences and meetings	4	85,315	-	85,315	34,816
Project expenditure	4, 5	-	124,954	124,955	189,679
Total expenditure		1,329,827	124,954	1,454,782	1,319,291
Net income/(expenditure)		66,245	83,856	150,101	122,381
Actuarial gains/(losses) on defined benefit pension schemes	12, 13a	264	-	264	26,050
Net movement in funds	13	66,509	83,856	150,365	148,431
Reconciliation of funds:					
Total funds brought forward	13	690,281	31,882	722,163	573,731
Total funds carried forward	13	756,790	115,738	872,528	722,162

All of the above results are derived from continuing activities.
There were no other recognised gains or losses other than those stated above.
The attached notes form part of these financial statements.

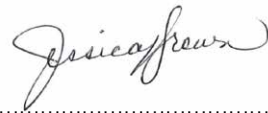
		2022	2022	2021	2021
		Group	Charity	Group	Charity
	Note	£	£	£	£
Fixed assets:					
Tangible and intangible assets	7	99,386	99,386	146,182	146,182
Investments	8	-	2	-	2
		99,386	99,388	146,182	146,184
Current assets:					
Debtors	9	38,485	253,408	90,148	269,765
Cash at bank and in hand		344,333	127,019	323,341	142,908
Short term deposits		500,713	500,713	301,173	301,173
		883,531	881,140	714,662	713,846
Liabilities:					
Creditors: amounts falling due within one year	10	(85,248)	(82,859)	(111,167)	(110,353)
		798,283	798,281	603,495	603,493
Net current assets					
		897,669	897,723	749,677	749,677
Total assets less current liabilities					
Creditors: amounts falling due after one year	10a	(18,000)	(18,000)	(14,500)	(14,500)
		879,669	879,669	735,177	735,177
Net assets excluding pension liability					
Defined benefit pension scheme liability	12	(7,143)	(7,143)	(13,014)	(13,014)
		872,526	872,526	722,163	722,163
Total net assets					
Funds					
Restricted funds	13	115,738	115,739	31,882	31,882
Unrestricted funds:					
Designated funds					
Pension Trust deficit reduction fund	13	80,000	80,000	70,000	70,000
Pension liability reserve	13	(7,143)	(7,143)	(13,014)	(13,014)
General fund	13	683,931	683,931	633,295	633,295
Total unrestricted funds		756,788	756,788	690,281	690,281
		872,526	872,526	722,163	722,163
Total funds					

As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities for the charity alone has been presented. The net income of the standalone charity for the year was £150,365 (2021: £122,382) before transfers between funds.

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

The notes below form part of the financial statements.

Approved by the trustees and authorised for use on 17 May 2023 and signed on their behalf by:


.....
Jessica Brown (Chair)
Company registration no. 5190466


.....
David Renton (Treasurer)

		2022	2022	2021	2021
		Note	£	£	£
Net cash provided by operating activities		14	222,592		67,339
Cash flows from investing activities:					
Purchase of fixed assets			(8,285)	(112,266)	
Purchase of investments			-	-	
Interest income			6,223	173	
Cash used in investing activities					
			(2,062)		(112,093)
Cash flows from financing activities					
			-		-
Change in cash and cash equivalents in the year	15		220,530		(44,754)
Cash and cash equivalents at the beginning of the year			624,516		669,270
Cash and cash equivalents at the end of the year					
	15		845,046		624,516

Association of Charitable Foundations
Notes to the Financial Statements
For the year ended 31 December 2022

1A ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied in preparing the financial statements.

Group accounts

The financial statements present the group Statement of Financial Activities (SOFA), group Statement of Cash Flows and the group and Charity Balance Sheets comprising of the consolidation of the Charity with its wholly owned subsidiary ACF Conferences & Seminars Limited (company registration number 03902450).

Basis of preparation

These financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 March 2018), Charities SORP (FRS102) and the Companies Act 2006. The functional currency of the charity is sterling and the financial statements have been rounded to the nearest £.

Public benefit entity

The Association of Charitable Foundations (‘the Association’) meets the definition of a public benefit entity under FRS102.

Critical estimates and areas of judgement
Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the Association makes assumptions concerning the future. The Trustees do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year. Key estimates include the useful economic life of fixed assets, the recoverability of debtors and the assumptions made by the actuary in valuing the pension liability.

Fund accounting

Unrestricted funds comprise both the General Fund and any Designated Funds. The General Fund comprises membership subscriptions and other incoming resources received or generated for the objects of the Association without further specified purpose.

Going into 2022, trustees had designated two funds, the Pensions Deficit Reduction Fund, and the Pension Liability Reserve Fund. Both represent funds that the trustees have put aside from General Funds to fund particular expenditure and are restricted in an administrative rather than a legal sense. For further details of designated funds, see note 13.

Restricted funds are to be used for specified purposes as expressed in grant agreements. Restricted grants are recognised in full in the SOFA in the period in which they are received or receivable, whichever is the earlier, unless they are for a specified period in which case they are deferred. These funds and movements in them are described in note 5.

Tangible fixed assets

Expenditure on office equipment of less than £500 is charged to the SOFA when incurred. Expenditure greater than £500 is capitalised and depreciated. Depreciation is provided on capitalised fixed assets at rates calculated to write off the cost of each asset over their expected useful lives as follows (less estimated residual value where this is readily available):

Office Furniture, IT and telecommunications equipment
3 years

Software development
5 years

Leasehold improvements
3 years

Leasehold improvements depreciation is charged on a monthly basis from November 2019 (the commencement of occupation) in the case of initial leasehold improvements work, or from the date of works, in the case of more recent leasehold developments. For software development, depreciation is charged on a monthly basis from the month in which the asset is usable, with ongoing expenses such as licences and maintenance to be expensed when incurred. All other assets are charged a full year's depreciation in the year the asset is purchased.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to receipt, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably. Deferred income is income received or recorded before it is earned, and shown in the income statement only when it can be matched with the period in which it is earned.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned using a suitable basis.

Allocation of support costs

Indirect costs are those costs incurred in support of the charitable objectives and governance of the Association. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

Financial assets/liabilities

The charity has financial assets/liabilities of a kind that qualify as basic financial instruments only. Basic financial instruments are initially recognised at transaction value, unless otherwise stated in the relevant account policy note(s), and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The investment in the subsidiary is stated at cost.

Going concern

The trustees consider that there are no material uncertainties about the Association's ability to continue as a going concern. In view of Covid-19 the trustees have given additional consideration to the going concern status of the charity and ACF Conferences & Seminars Limited and do not consider there to be any additional concerns to report.

Pension arrangements

Now:Pensions
ACF participates in a defined contribution pension scheme, Now:Pensions. The amounts charged to the SOFA for the defined contribution scheme represent the contributions payable in the period.

Effective from 1 January 2023, ACF has transitioned from Now:Pensions to Aviva as its primary pension provider. No contributions have been made to Aviva in the current year.

TPT Retirement Solutions
ACF also participates in the TPT Retirement Solutions (formerly Pensions Trust) Growth Plan Scheme. This is a multi-employer scheme where ACF's share of the underlying assets and liabilities cannot be identified on a consistent and reasonable basis. In accordance with FRS 102, it is therefore accounted for as a defined contribution scheme. A deficit funding arrangement is in place for the scheme. A liability is recognised for the net present value of the deficit reduction contributions payable by ACF. Actuarial gains/losses are separately classified on the SOFA.

1B. GROUP STATEMENT OF FINANCIAL ACTIVITIES 2022
INCLUDED FOR COMPARATIVE PURPOSES

				2021
		Unrestricted (restated)	Restricted	Total (restated)
	Note	£	£	£
Income from:				
Charitable activities:				
Members' subscriptions		838,637	-	838,637
Network subscriptions		62,272	-	62,272
Conferences and meetings		63,708	-	63,708
Fees and grants	5	55,047	193,800	248,847
Earned income		225		225
Other trading activities	2	200,000	-	200,000
Investment income		173	-	173
Other income		27,810	-	27,810
Total income		1,247,872	193,800	1,441,672
Expenditure on:				
Charitable activities:				
Members' services	4	1,094,796	-	1,094,796
Conferences and meetings	4	34,816	-	34,816
Project expenditure	4, 5	-	189,679	189,679
Total expenditure		1,129,612	189,679	1,319,291
Net (expenditure)/income for the year		118,260	4,121	122,381
Actuarial gains/(losses) on defined benefit pension schemes	12	26,050	-	26,050
Net movement in funds		144,310	4,121	148,431
Reconciliation of funds:				
Total funds brought forward	13	545,970	27,761	573,731
Total funds carried forward	13	690,280	31,882	722,162

2. ANALYSIS OF OTHER TRADING INCOME

	2022	2021
	£	£
Official Partnership Programme fees	200,000	200,000

3. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES,
AND THE COST OF KEY MANAGEMENT PERSONNEL

	2022	2021 (restated)
	£	£
Salaries and wages	635,855	638,651
Social security costs	66,488	62,751
Pension contributions	65,192	65,586
Pension Trust finance cost	107	121
Recruitment and training	44,298	17,581
Temporary staff, consultancy and all other staff costs	125,739	139,529
	937,679	924,219

Staff costs were incurred in the following way:

	2022	2021 (restated)
	£	£
Unrestricted funds		
Members' services	855,532	796,550
Restricted funds		
Funders' Collaborative Hub	62,352	86,555
Members' Policy Forum	5,000	9,000
Funder Commitment on Climate Change	2,700	15,870
Catalytic Capital	4,982	-
Impact investing	5,200	-
Foundation Giving Trends	1,913	16,244
	82,147	127,669
Total	937,679	924,219

The above salaries and wages for 2021 include aggregate termination payments totalling £12,744 (none in the current year)

The following number of employees received benefits (excluding employer pension) during the year between:

	2022	2021
£90,000 and £99,999	1	1

The highest paid member of staff was the chief executive, receiving a salary in the year of £91,600 (2021: £88,000) and a non-consolidated performance-related payment of £5,000 (2021: £5,000). The total financial benefit (including employer pension) awarded to the chief executive was £105,660 (2021: £101,800). The total employee benefits including pension contributions of key management personnel were £317,432 (2021: 308,718).

The average number of staff employed in the delivery of charitable activities in the year was 16.0 (2021: 17.2); FTE 13.9 (2021: 14.4).

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

4.1 Current year

	Staff Costs	Indirect Costs	Governance Costs	2022
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' services	855,532	348,350	40,631	1,244,513
Conferences and meetings	-	81,782	3,533	85,315
Total Unrestricted Resources Expended	855,532	430,131	44,164	1,329,827
<u>Restricted Funds</u>				
Project Expenditure	82,147	42,808	-	124,955
Total Restricted Resources Expended	82,147	42,808	-	124,955
Total Resources Expended	937,679 (Note 3 and 4b)	472,939 (Note 4a)	44,164 (Note 4c)	1,454,782

4.2 Prior year (restated)

	Staff Costs	Indirect Costs	Governance Costs	2021
	£	£	£	£
<u>Unrestricted Funds</u>				
Members' services	796,550	270,181	28,065	1,094,796
Conferences and meetings	-	33,339	1,477	34,816
Total Unrestricted Resources Expended	796,550	303,520	29,542	1,129,612
<u>Restricted Funds</u>				
Project Expenditure	127,669	62,010	-	189,679
Total Restricted Resources Expended	127,669	62,010	-	189,679
Total Resources Expended	924,219 (Note 3 and 4b)	365,530 (Note 4a)	29,542 (Note 4c)	1,319,291

4A. ANALYSIS OF INDIRECT COSTS

4a.1 Current year

	Members' Services	Conferences and Meetings	Project Expenditure	2022
	£	£	£	£
ICT and communications	74,630	6,490	-	81,120
Publications and printed matter	34,717	-	-	34,717
Meetings and events	-	59,256	340	59,596
Other and staff expenses	54,592	-	36,721	91,313
Property-related expenditure	130,422	11,341	5,747	147,510
Irrecoverable VAT	53,987	4,696	-	58,683
	348,349	81,782	42,808	472,939

Indirect costs, where relevant, have been allocated based on actual expenditure. IT, property, and irrecoverable VAT costs have been apportioned between Members' Services and Conferences & Meetings based on income percentages.

4a.2 Prior year (restated)

	Members' Services	Conf and Meetings	Project Expenditure	2021
	£	£	£	£
ICT and communications	58,525	3,080	142	61,747
Publications and printed matter	36,058	-	5,007	41,065
Meetings and events	-	23,902	874	24,776
Other and staff expenses	54,811	-	47,887	102,698
Property-related expenditure	89,164	4,693	8,100	101,957
Irrecoverable VAT	31,623	1,664	-	33,287
	270,181	33,339	62,010	365,530

4B. ANALYSIS OF STAFF COSTS

4b.1 Current year

	Members' Services	Project Expenditure	2022
	£	£	£
Salaries and wages	562,677	73,178	635,855
Social security costs	61,611	4,877	66,488
Pension contributions	61,100	4,092	65,192
Pension Trust deficit contributions	107	-	107
Recruitment and training	44,298	-	44,298
Temporary staff, consultancy and all other staff costs	125,739	-	125,739
	855,532	82,147	937,679

4b.2 Prior year (restated)

	Members' Services	Project Expenditure	2021
	£	£	£
Salaries and wages	535,796	102,855	638,651
Social security costs	58,145	4,606	62,751
Pension contributions	61,438	4,148	65,586
Pension Trust deficit contributions	121	-	121
Recruitment and training	17,581	-	17,581
Temporary staff, consultancy and all other staff costs	123,469	16,060	139,529
	796,550	127,669	924,219

4C. ANALYSIS OF GOVERNANCE COSTS

	2022	2021 (restated)
	£	£
Auditor remuneration – audit fee for current year	12,000	9,995
Auditor remuneration – VAT review	-	900
Auditor remuneration – tax compliance	2,445	1,000
Internal and external meetings	2,284	5,477
Strategic review	27,317	10,295
Trustee expenses	92	249
Sundries	26	1,626
	44,164	29,542

Governance cost apportioned based on income percentages.

5. RESTRICTED FUNDS – GROUP AND CHARITY

5.1 Current year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	Foundation Giving Trends	Catalytic Capital	Impact Investing in the Main Endowment	Members' Policy Forum	Total 2022
	£	£		£		£	£
Grant income	83,811	30,000	40,000	-	20,000	35,000	208,811
Expenditure							
Staff and consultancy	62,352	2,700	1,913	4,982	5,200	5,000	82,147
Direct project costs	-	300	15,290	10,131	11,340		37,061
Overheads	2,099	-	3,649	-	-	-	5,748
Total Expenditure	64,451	3,000	20,851	15,113	16,540	5,000	124,955
Net Income/(expenditure)	19,360	27,000	19,149	(15,113)	3,460	30,000	83,856
As at 1 January 2022	9,744	-	3,025	19,113	-	-	31,882
As at 31 December 2022	29,104	27,000	22,174	4,000	3,460	30,000	115,738

5.2 Prior year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	Foundation Giving Trends	Catalytic Capital	Wellbeing Fund	Members' Policy Forum	Total 2021
	£	£	£				£
Grant income	85,000	-	71,800	20,000	2,000	15,000	193,800
Expenditure							
Staff and consultancy	86,555	15,870	16,244	-	-	9,000	127,669
Direct project costs		592	50,031	887	2,000	400	53,910
Overheads	-	-	2,500	-	-	5,600	8,100
Total Expenditure	86,555	16,462	68,775	887	2,000	15,000	189,679
Net Income/(expenditure)	(1,555)	(16,462)	3,025	19,113	-	-	4,121
As at 1 January 2021	11,299	16,462	-	-	-	-	27,761
As at 31 December 2021	9,744	-	3,025	19,113	-	-	31,882

Included in unrestricted grant income for 2021 is £1,548 (none in current year) in government grants under the Coronavirus Job Retention Scheme (CJRS).

Funders Collaborative Hub

Funding from Esmée Fairbairn Foundation, Lloyds Bank Foundation for England and Wales, and (prior years only) the Henry Smith Charity and John Lyon’s Charity, to support the Funders Collaborative Hub, an initiative to enable increased understanding, closer alignment, and opportunities for funder collaboration.

UK Funders Commitment on Climate Change

Funding from John Ellerman Foundation and (prior years only) Esmée Fairbairn Foundation to support ACF’s hosting of the UK Funder Commitment on Climate Change, to promote the commitment and support signatories to implement the pledges.

Foundation Giving Trends

Funding from the Pears Foundation to support research by Dr Catherine Walker resulting in the annual publication by ACF of *Foundation Giving Trends*.

Catalytic Capital research

A sector-led research project to identify the barriers to deploying catalytic capital: long-term, affordable and flexible repayable finance. Hosted by ACF on behalf of the Social Impact Investors Group (SIIG) and funded by Access – The Foundation for Social Investment and Big Society Capital.

Impact Investing in the Main Endowment

In collaboration with the Impact Investing Institute, Charities Responsible Investment Network and Big Society Capital, and funded by Esmée Fairbairn Foundation, Joseph Rowntree Foundation, City Bridge Trust - the funding arm of The City of London Corporation’s charity, Bridge House Estates (1035628) – The Clothworkers’ Foundation, Golden Bottle Trust, Guy’s & St Thomas’ Foundation, Treebeard Trust and the Barrow Cadbury Trust, this project focuses on providing an introductory learning series for foundations on mixed motive and financial return impact investing.

Members’ Policy Forum

Funding from Paul Hamlyn Foundation and (prior years only) the Barrow Cadbury Trust to support the work of the Members’ Policy Forum, an initiative that increases opportunities for our members to engage directly with ACF’s policy work, raise issues of concern, and regularly engage with policy-makers in government.

Wellbeing fund

Prior year only. Funding from The Tudor Trust to support staff wellbeing.

6. TRUSTEE BOARD EXPENSES

The trustee board members received no remuneration in the current or prior year.

The amount of travel and other expenses reimbursed to, or paid on behalf of, one trustee board member was £92 (2021: two members at £251).

All elected trustees must be a current trustee, employee or other representative of a member of the Association. Membership subscriptions with these members have been raised on an arms-length basis.

The Association is required to disclose the following related party transactions relating to 2022:

A restricted grant of £30,000 was awarded by John Ellerman Foundation (the employer of one of the Association’s trustees) to support the work of the Funder Commitment on Climate Change (see note 5). The grant agreement was made between the Foundation and the Association.

Licence fees totalling £9,840 were paid by GiveOut (the employer of one of the Association’s trustees) for use of desk space in ACF’s office (including by the trustee employed by GiveOut).

Aggregate membership and event income in the year paid by trustees’ organisations totalled £59,633 (2021: £49,946)

7. FIXED ASSETS

7A. TANGIBLE FIXED ASSETS

Group and charity	Leasehold Improvements	Office Furniture, IT and telecoms equipment	Total
	£	£	£
Cost			
At 1 January 2022	94,059	40,310	134,369
Additions in the year	1,943	6,342	8,285
Disposals in the year	-	-	-
At 31 December 2022	96,002	46,652	142,654
Depreciation			
At 1 January 2022	(67,932)	(39,830)	(107,762)
Disposals in the year	-	-	-
Charge for the year	(26,397)	(2,594)	(28,991)
At 31 December 2022	(94,329)	(42,424)	(136,753)
Net Book Value			
At 31 December 2022	1,673	4,228	5,901
At 31 December 2021	26,128	480	26,608

7A. TANGIBLE FIXED ASSETS

Group and charity	Software Development	Total
	£	£
Cost		
At 1 January 2022	130,444	130,444
Additions in the year	-	-
Disposals in the year	-	-
At 31 December 2022	130,444	130,444
Depreciation		
At 1 January 2022	(10,870)	(10,870)
Disposals in the year	-	-
Charge for the year	(26,089)	(26,089)
At 31 December 2022	(36,959)	(36,959)
Net Book Value		
At 31 December 2022	93,485	93,485
At 31 December 2021	119,574	119,574
Total Net Book Value of Tangible and Intangible Fixed Assets		
At 31 December 2022		99,386
At 31 December 2021		146,182

All fixed assets are used for direct charitable purposes

8. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2022	2021
	£	£
	2	2

The charity holds 100% of the issued ordinary share capital of the following company:

Subsidiary	ACF Conferences and Seminars Limited
Country of registration	England and Wales
Class	Ordinary
Shares held	100%

The aggregate amount of capital and reserves and result of this undertaking for the last relevant financial year were as follows:

Subsidiary	ACF Conferences and Seminars Limited
Principal activity	Conferences
Capital and reserves	£2
Profit for the year	£nil

	2022	2021
	£	£
Turnover for the period	210,535	201,500
Cost of sales	(71,111)	(78,565)
Gross profit	139,424	122,935
Profit on ordinary activities before taxation	139,424	122,935
Tax on profit on ordinary activities	-	-
Profit for the year, transferred to the charity at year end	139,424	122,935

9. DEBTORS

	Group 2022	Charity 2022	Group 2021	Charity 2021
	£	£	£	£
Amounts due from subsidiary undertaking	-	215,085	-	214,817
Prepayments and accruals	26,902	26,902	42,215	42,215
Taxation	8,397	8,397	-	-
Other debtors	3,186	3,024	47,933	12,733
	38,485	253,408	90,148	269,765

£5,000 of the total owed by ACF Conferences and Seminars Ltd is a loan and is repayable at the option of the charity and is non interest-bearing.
In both years, the prepayments total includes a long-term debtor of £19,200 relating to a rental security deposit for the premises at Toynbee Hall.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Charity	Group	Charity
	2022	2022	2021	2021
	£	£	£	£
Accruals	26,169	23,724	24,150	24,894
Meeting fees received in advance	-	-	1,202	1,202
Subscriptions received in advance	-	-	6,540	6,540
Tenant income received in advance	3,120	3,120	-	-
Staff leave carried forward	23,124	23,124	25,474	25,474
Staff wages	3,694	3,694	3,663	3,663
Other taxation and social security	1,892	1,892	8,342	8,342
Staff pensions	7,320	7,320	7,175	7,175
Dilapidations provision	-	-	-	-
Other creditors	19,929	19,985	34,621	33,063
	85,248	82,859	111,167	110,353

In each year, meeting fees, subscriptions, and tenant income received in advance entirely relate to the next financial year.

10A. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group	Charity	Group	Charity
	2022	2022	2021	2021
	£	£	£	£
Dilapidations provision	18,000	18,000	14,500	14,500
Subscriptions received in advance	-	-	-	-
	18,000	18,000	14,500	14,500

The trustees have adopted a dilapidations provision to reflect the estimated cost of future expenditure where the Association has contractual obligations for reinstatement relating to any property lease. The charge for the dilapidations provision in 2022 is £3,500 (2021: £6,000).

11. TAXATION

The Association is exempt from tax as all its income is charitable and is applied for charitable purposes.

12. PENSION LIABILITY

The Association participates in the Pensions Trust Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together

with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the

scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme is carried out every three years, the most recent of which was carried out at 30 September 2020. This valuation showed assets of £799m, liabilities of £832m and a deficit of £33m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Reconciliation of opening and closing liabilities

Group and charity	2022	2021
	£	£
Provision at 1 January	13,014	50,918
Unwinding of the discount factor	107	121
Deficit contribution paid in year to the Pensions Trust	(5,714)	(11,975)
Impact of changes in the Pensions Trust's fund valuation assumptions	(264)	(150)
Amendments to the contribution schedule	-	(25,900)
Provision at 31 December	7,143	13,014

Under the Association's recovery plan, £3,597 deficit contributions are due in the coming year, with the balance (subject to annual adjustments) to be paid in regular instalments ending 31 January 2025. £4,112 of plan expenses are due in the coming year.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit.

The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

13A. UNRESTRICTED FUNDS GROUP AND CHARITY

Current year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2022
	£	£	£	£
Balances at 1 January 2022	633,295	70,000	(13,014)	690,281
Net income before transfers	66,245	-	-	66,245
Actuarial gains/(losses) on defined benefit pension schemes	-	-	264	264
Transfer from/(to) General Fund	(15,607)	10,000	5,607	-
Balance at 31 December 2022	683,933	80,000	(7,143)	756,790

Prior year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2021
	£	£	£	£
Balances at 1 January 2021	536,888	60,000	(50,918)	545,970
Net income before transfers	118,261	-	-	118,261
Actuarial gains/(losses) on defined benefit pension schemes	-	-	26,050	26,050
Transfer from/(to) General Fund	(21,854)	10,000	11,854	-
Balance at 31 December 2021	633,295	70,000	(13,014)	690,281

General Fund

The general fund is the value of unrestricted funds after future pension liabilities have been accounted for and comprises fixed assets, current assets and liabilities.

Pension Trust Deficit Reduction Fund

In 2015 trustees decided to create a designated fund to build a reserve fund to cover ACF's Pension Trust liability. It is the trustees' current intention to designate £10,000 into this fund per year. The first transfer was made in 2015 and £10,000pa has been transferred every year from 2015-2022. This policy will continue until the fund is sufficient to cover ACF's share of the liability. The amount transferred will be reviewed every few years.

Pension Liability Reserve Fund

To reflect the very low probability that the liability is crystallised in one go a corresponding negative designated reserve fund has been created to show the true level of general funds.

13B. ANALYSIS OF NET ASSETS BETWEEN FUNDS
GROUP AND CHARITY

Current year	Fixed Assets and Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31.12.22
	£		£	£	£
Restricted Funds					
Project Funds	-	115,738	-	-	115,739
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	80,000	-	-	80,000
Pension Liability reserve	-	-	-	(7,143)	(7,143)
General Fund*	99,386	687,793	(103,248)	-	683,931
Total unrestricted funds	99,386	767,793	(103,248)	(7,143)	756,788
Total funds	99,386	883,531	(103,248)	(7,143)	872,526

*After fixed assets have been accounted for, ACF’s general fund is £584,545 which forms ACF’s free reserves. This is calculated as follows:

Total general fund	683,930	
Less fixed assets and investments	99,386	
	584,545	(£487,113 in 2021)

Prior year	Fixed Assets and Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31.12.21
	£		£	£	£
Restricted Funds					
Project Funds	-	31,882	-	-	31,882
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	70,000	-	-	70,000
Pension Liability reserve	-	-	-	(13,014)	(13,014)
General Fund	146,182	612,780	(125,667)	-	633,295
Total unrestricted funds	146,182	682,780	(125,667)	(13,014)	690,281
Total funds	146,182	714,662	(125,667)	(13,014)	722,163

14. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period as per the statement of financial activities	150,101	122,381
Depreciation charges	55,080	54,661
Interest income	(6,223)	(173)
(Increase)/decrease in debtors	51,663	57,729
Increase/(decrease) in creditors	(22,419)	(155,405)
Non-cash movement on defined benefit pension liability	(5,607)	(11,854)
Net cash provided by operating activities	222,592	67,339

15. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2022	Cash flows	At 31 December 2022
	£	£	£
Cash in hand	323,341	20,992	344,333
Notice deposits (less than three months)	301,173	199,540	500,713
Total cash and cash equivalents	624,516	220,530	845,046

16. OPERATING LEASE COMMITMENTS GROUP AND CHARITY

	2022	2022	2021	2020
	£	£	£	£
	L&B	Office Equipment	L&B	Office Equipment
Within one year	64,000	-	64,000	628
Between 2 and 5 years	-	-	-	-
5 years +	-	-	-	-
	64,000	-	64,000	628

All amounts above are subject to VAT, a portion of which will be recoverable under partial recovery. Operating lease rental payments during the year were £96,000 (2021: £96,000)

17. RELATED PARTY TRANSACTIONS

The charity has a wholly owned subsidiary, ACF Conferences and Seminars Limited. For the year ended 31 December 2022 the subsidiary declared a gift aid distribution of £139,424 to the charity (2021: £122,935).

Bidirectional recharges have also been made between the charity and the trading subsidiary relating to trading activities (the trading subsidiary was charged £68,653 [2021: £73,142] by the charity; there were no recharges to the charity by the trading subsidiary [2021: £745]).

At the year end the subsidiary owed the charity a total of £215,085 (2021: 214,817) inclusive of gift aid, and the charity owed the trading subsidiary £56 (2021: £747).

There were no other related party transactions requiring disclosure in the year or in the prior year.

Association of Charitable Foundations
is a company limited by guarantee,
registered in England and Wales.

Registered Company No. 5190466.

Registered Office:
28 Commercial Street,
London, E1 6LS.

Registered Charity Number: 1105412.

acf.org.uk
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ASSOCIATION OF CHARITABLE FOUNDATIONS

England & Wales - Charity number 1105412

Accounts

ASSOCIATION OF CHARITABLE FOUNDATIONS



TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021



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CHAIR AND CHIEF EXECUTIVE'S INTRODUCTION

2021 was another challenging year for the foundations that ACF represents. Their trustees and staff had to juggle the impact of the pandemic on their own lives while ensuring that their foundations responded to an increased need for support for many of the causes and communities that they care about. At the same time, longer-term issues like climate change and inequity between different groups in society have not gone away.

Throughout this difficult period ACF has endeavoured to support our members in the best way possible. Doing this effectively means finding the time and space to listen. It also means having the systems and processes to better capture and retain information that members want to share with us, and make it simpler and quicker for people to manage personal data and preferences, book onto events and conferences and find what they're looking for. This is why we have put so much emphasis this year on the new customer relationship management (CRM) system, including improving our website.

It is also why in 2021 we prioritised delivery of the Funders Collaborative Hub. This responds to the desire from foundations for a platform and programme of work to share information more openly and widely about collaboration opportunities, to inspire foundation staff and trustees to collaborate and to develop and share tools to support effective collaboration.

Alongside these new pieces of work, our existing offer of member networks, events and guidance remains as important as ever — perhaps even more so as informal face to face contacts between foundations were on hold for much of the year.

'ACF IS THE ONLY ORGANISATION THAT BRINGS FOUNDATIONS AND GRANT-MAKING CHARITIES TOGETHER ACROSS THE UK. OUR MEMBERS ARE THE HEART OF WHAT ACF IS ABOUT.'

2021 was also the final year of our current five-year strategy. We have done what our members asked from us in the previous strategy. We have:

- Strengthened our policy voice – with a team of three now in place
- Challenged foundations to raise their game - through the Stronger Foundations programme
- Tailored what we offer members so that it is no longer a 'one size fits all' – for instance, with a special report for smaller grant-makers on Stronger Foundations, the work of our Social Impact Investors Group and support for specific functions within foundations like the Members' Policy Forum.

In addition 2021 was also the final full year as our chair for Janet Morrison OBE. She has had to step down following her new role as chief executive of the Pharmaceutical Services Negotiating Committee. Both of us would like to put on the record our thanks for Janet's leadership of ACF for the last three years, which has helped strengthen our governance and lay the basis for the successful delivery of our new strategy.

ACF is the only organisation that brings foundations and grant-making charities together across the UK. Our members are the heart of what ACF is about and what foundations need drives all our work. Every one of our members matters to us, and to our staff and trustees.

We enter 2022 as a year of transition which will see ACF complete a full strategy review and develop new strategic objectives. We are continuing our journey, building on the strong basis we have laid over the last five years and ensuring we are able to continue supporting foundations to meet the challenges of the months and years ahead.



Jessica Brown
Interim chair





Carol Mack OBE
Chief executive



TRUSTEES' ANNUAL REPORT 2021

We are pleased to present the 2021 annual report and accounts. This demonstrates how the trustees have stewarded the charity and its resources in delivering ACF's mission to support foundations to be ambitious and effective in the way they use their resources for social good.

2021 was the final year of the last five-year strategic period. We set out in the following pages how the charity pursued its objectives under this strategy. We have continued to adapt our work in response to the Covid-19 pandemic, with events remaining online, the provision of guidance and support to members on wellbeing for staff impacted by Covid-19 and capturing and disseminating learning on how foundations were themselves responding to Covid-19.

We planned for two major projects in 2021 — the introduction of a new customer relationship management (CRM) system and starting work on a fresh strategy for the next five years.

The CRM integrates all our systems to better understand our members and other foundations, and deliver the support they need. This alone would have been a significant workload in any normal year and with Covid-19 continuing to overshadow our work we took the decision in early 2021 that we should focus on developing and delivering the CRM.

Delivery of the strategic review was therefore postponed until 2022 but we laid the foundations for this by commissioning Eastside Primetimers as consultants to support the review, along with the expert consultancy Diversity and Ability who will provide a diversity, equity and inclusion (DEI) lens

at key points in the process. We also set up a cross-functional staff project team at the end of 2021 which will do the legwork on the review and develop the detailed project plan to deliver it.

Public benefit

As trustees we are alive to the need to deliver public benefit. We have had regard to guidance on public benefit by the Charity Commission for England and Wales in considering what work ACF should undertake and in the performance of our duties. ACF's charitable objects are to "further the work of charitable grant-making trusts and institutions for the public benefit by:

- Advancing the education of the public in such trusts and institutions and carrying out research and publishing the results of such research
- Promoting the collective and individual effectiveness of such trusts and institutions and better methods of administration and management of their resources."

These objects are delivered through our strategic objectives, as outlined in this report in the following description of our work in 2021.

Our membership model is at the heart of our work, both helping deliver public benefit through more effective and ambitious member foundations and supporting the costs of the delivery of this through membership fees. In addition, the direct benefits from our work extend beyond our membership. For example:

- Our policy and research work provides public benefit by increasing the quality of information available about the foundation sector to policy-makers and others
- ACF provides information to the general public via our website and published reports (eg on foundations' plans one year into the pandemic)

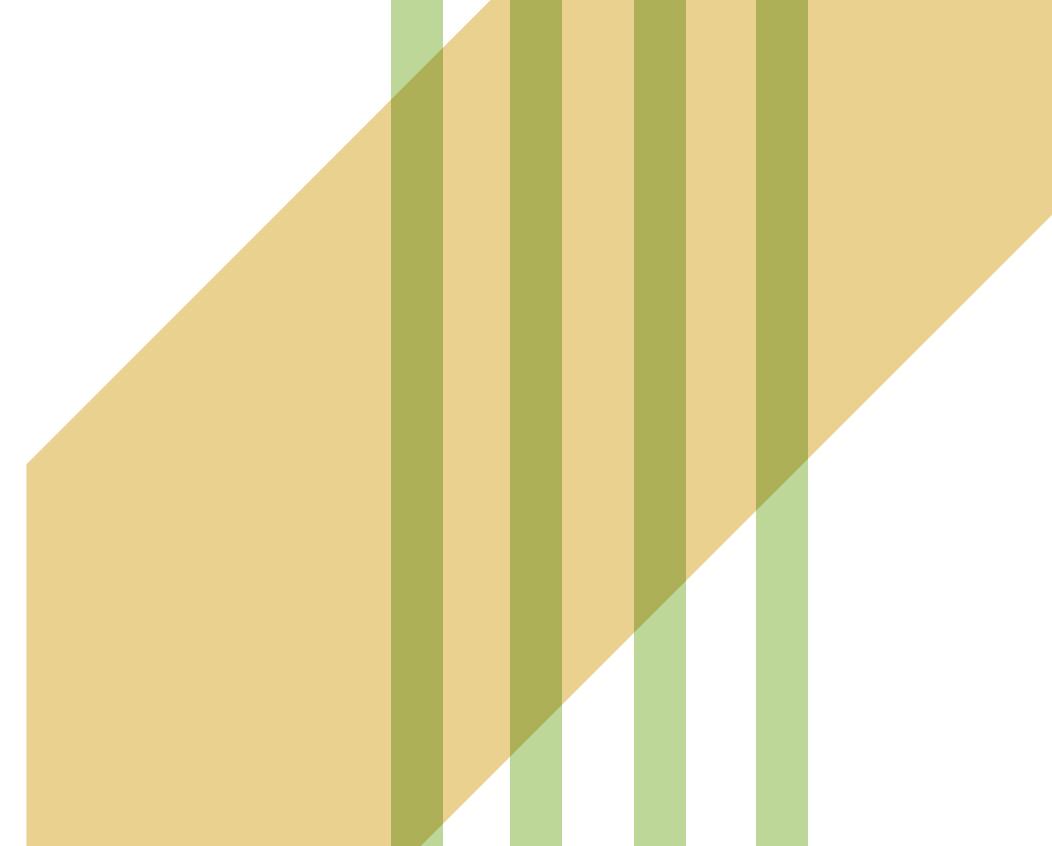
- The Funders Collaborative Hub and the Funder Commitment on Climate Change are both open to non-members
- Some ACF services are open to non-members
 - Funder Network — our knowledge sharing website is open to all funders and free to use
 - Events, including the annual conference (members receive a discount on the cost of attending).
- Many of our publications are openly available on our website, including our Stronger Foundations reports.

Climate change

While the impacts of the pandemic have been front of mind in 2021, as trustees we are very much aware of our role in stewarding ACF into the future. A growing challenge for all charities is climate change. The direct impacts of a changing climate and the indirect impacts of the transition to net-zero emissions will impact on foundations and their ability to pursue their missions. The primary work of ACF in response is the Funder Commitment on Climate Change, which ACF has hosted since 2020.

Increasing access

We also set out below how ACF is approaching issues around DEI. There is a strong case for foundations to be more diverse, to be more inclusive and to be more effective in achieving equitable outcomes from their work. As we have said in our Stronger Foundations initiative, foundations — as civic actors with substantial independence and assets — are extremely well-placed to play a role in removing barriers and increasing access for communities that have been historically marginalised or underrepresented.



To make the type of progress that is needed requires the foundation sector to recognise how our actions relate to and interact with wider society, which remains riven with various forms of inequality, as well as personal, institutional and structural discrimination — including racism, sexism, ableism and homophobia. Alongside this, the existence of racism and other discriminatory and harmful practices and cultures (in wider society and within foundations) limits the ability of foundations to deliver their own charitable missions and the missions of the causes they support. As a board we set up a working group of trustees on DEI, agreed a DEI action plan in 2021 and worked to provide leadership with foundations, detailed below.

Safeguarding

ACF agreed a safeguarding policy in 2020 and has worked to support foundations to improve safeguarding policy and practice. In 2021 we signed a memorandum of understanding with the Funder Safeguarding Collaborative (FSC) to further encourage and support good practice in safeguarding. The FSC was created to strengthen the ability of grant-making organisations to prevent abuse and exploitation across their operations.

ACF will continue to challenge itself to deliver more for our members into 2022 and beyond. Key programmes of work include:

- Ensuring members feel connected to ACF, value our membership offer and see our work as relevant to them
- Completing the new strategy
- Supporting members to make progress in embedding ambitious practice and addressing diversity, equity and inclusion in their work
- Ensuring staff have the tools, skills, proficiencies and clarity on roles to deliver the 2022 plan and developing strategy
- Ensuring a diversity, equity and inclusion approach is embedded in everything we do at ACF.

We could not achieve what we have in this exceptional year without the support of our members and they remain at the heart of our work. Trustees have connections to member organisations, rooting our work in the reality of foundations' day-to-day activity. Our members are generous with their time and expertise and contribute to the work across the organisation.

We would also like to thank our staff, our Official Partners (Cazenove Charities, CCLA, Mercer and Ruffer) and our funders. Thank you for everything that you do to help ACF achieve its vision of a world that is supported, sustained and strengthened by the effective use of foundation resources.

ABOUT ACF

ACF IS THE MEMBERSHIP BODY FOR FOUNDATIONS AND GRANT-MAKING CHARITIES BASED IN THE UK

The Association of Charitable Foundations (ACF) is the membership body for UK foundations and grant-making charities. Driven by a belief that foundations are a vital source for social good, our mission is to support them to be ambitious and effective in the way that they use their resources.

ACF is both a registered charity, registration number 1105412, and a company limited by guarantee incorporated on 27 July 2004 and registered in England and Wales, registration number 5190466. Its governing document is a Memorandum and Articles of Association. ACF's registered office is Fourth Floor, 28 Commercial Street, London E1 6LS.

ACF has a wholly owned trading subsidiary, ACF Conferences and

Seminars Limited. This is a company incorporated on 5 January 2000, registration number 3902450, and limited by a single share held by ACF. The directors of the trading company are listed at the end of this report.

ACF manages its commercial relationships which generate trading income via ACF Conferences and Seminars Ltd. This includes the Official Partner Programme and commercial activities linked to the annual

OUR VISION IS A WORLD THAT IS SUPPORTED, SUSTAINED AND STRENGTHENED BY THE EFFECTIVE USE OF FOUNDATION RESOURCES.

conference. The company has agreed a deed of covenant that obligates it to pass all its profits to the charity at the end of each financial year. The accounts that accompany this report show the consolidated financial information for the ACF and ACF Conferences and Seminars Limited. The narrative in this report covers the operations of the charity and the subsidiary company.

OUR MISSION IS TO SUPPORT FOUNDATIONS TO BE AMBITIOUS AND EFFECTIVE IN THE WAY THAT THEY USE THEIR RESOURCES FOR SOCIAL GOOD.

1

ACF SUPPORTS foundations in achieving their charitable objectives by:

- Providing information, advice and training
- Gathering, distilling and disseminating learning
- Building and developing resources on foundation practice
- Signposting sources of specialist expertise
- Environment-scanning for trends and debates
- Informing members of issues affecting their practice

2

ACF ADVOCATES on behalf of foundations for an enabling policy, legislative and operating environment by:

- Developing and enhancing an evidence base
- Making the case for philanthropy in civil society
- Closing the 'knowledge-gap' around foundations
- Protecting and advancing foundations' interests
- Building relationships and networks with other policy actors
- Intervening strategically

3

ACF CONNECTS foundations to people, organisations, governments and movements relevant to their work by:

- Convening members and other actors around issues
- Brokering relationships relevant to members' work
- Playing a facilitative role in potential collaboration
- Providing a protected space for conversation and exchange
- Optimising our learning and events programme
- Analysing, developing and targeting our member offer

4

ACF INSPIRES foundations to be ambitious and effective in the way that they use their resources by:

- Developing a set of principles for excellent foundation practice
- Providing access to national and international thought leadership
- Reflecting societal challenges and external feedback
- Nurturing an environment conducive to self-reflection
- Promoting positive case studies from the UK and beyond
- Showcasing relevant thinkers, debates and provocations

In order to achieve this, we must ensure that ...

5

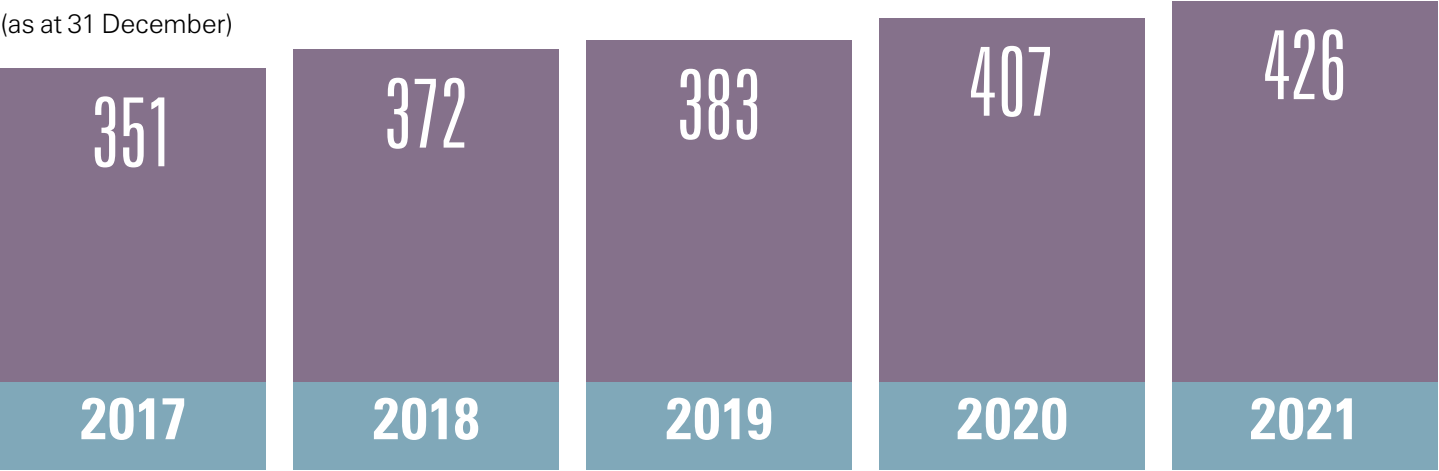
ACF THRIVES and is sustainable, supporting members over the longer term by:

- Ensuring we are financially robust
- Responding to member need
- Valuing our people
- Implementing effective systems
- Adapting to technological change
- Nurturing a values-driven culture and prizing environmental sustainability.

ACF IN NUMBERS

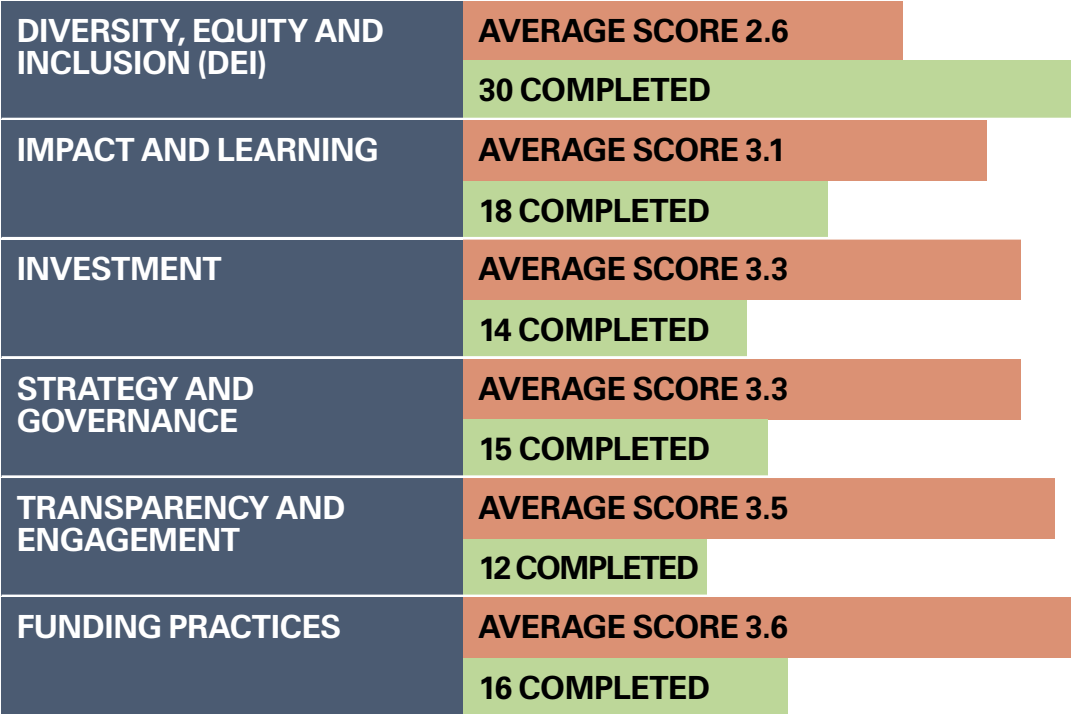
TOTAL NUMBER OF MEMBERS

(as at 31 December)



STRONGER FOUNDATIONS SELF-ASSESSMENT TOOL IN 2021

Stronger Foundations is ACF’s flagship project that aims to help grant-making charitable foundations identify and pursue excellent practice. Around 50 individual foundations have used our Stronger Foundations Self-assessment tool to score themselves between one and five on six thematic areas.



FUNDER COMMITMENT ON CLIMATE CHANGE



94%

MEMBERS RENEWED IN 2021

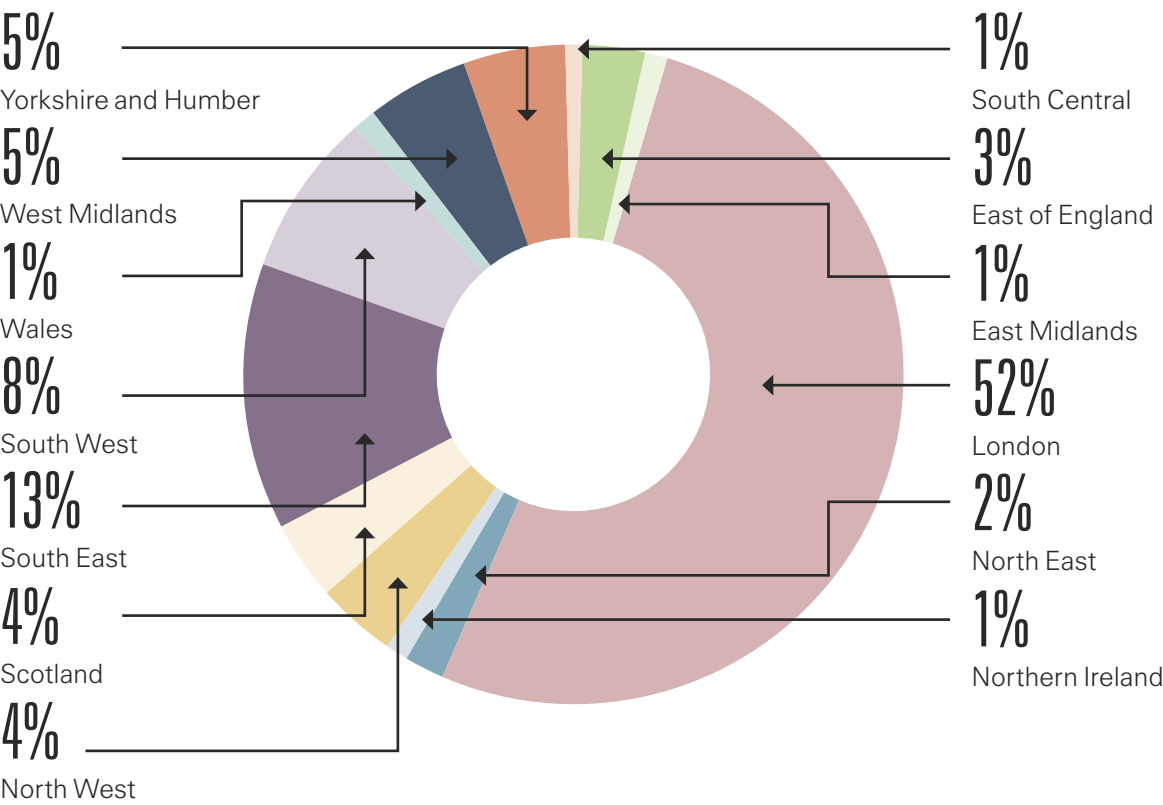
43

NEW MEMBERS JOINED IN 2021

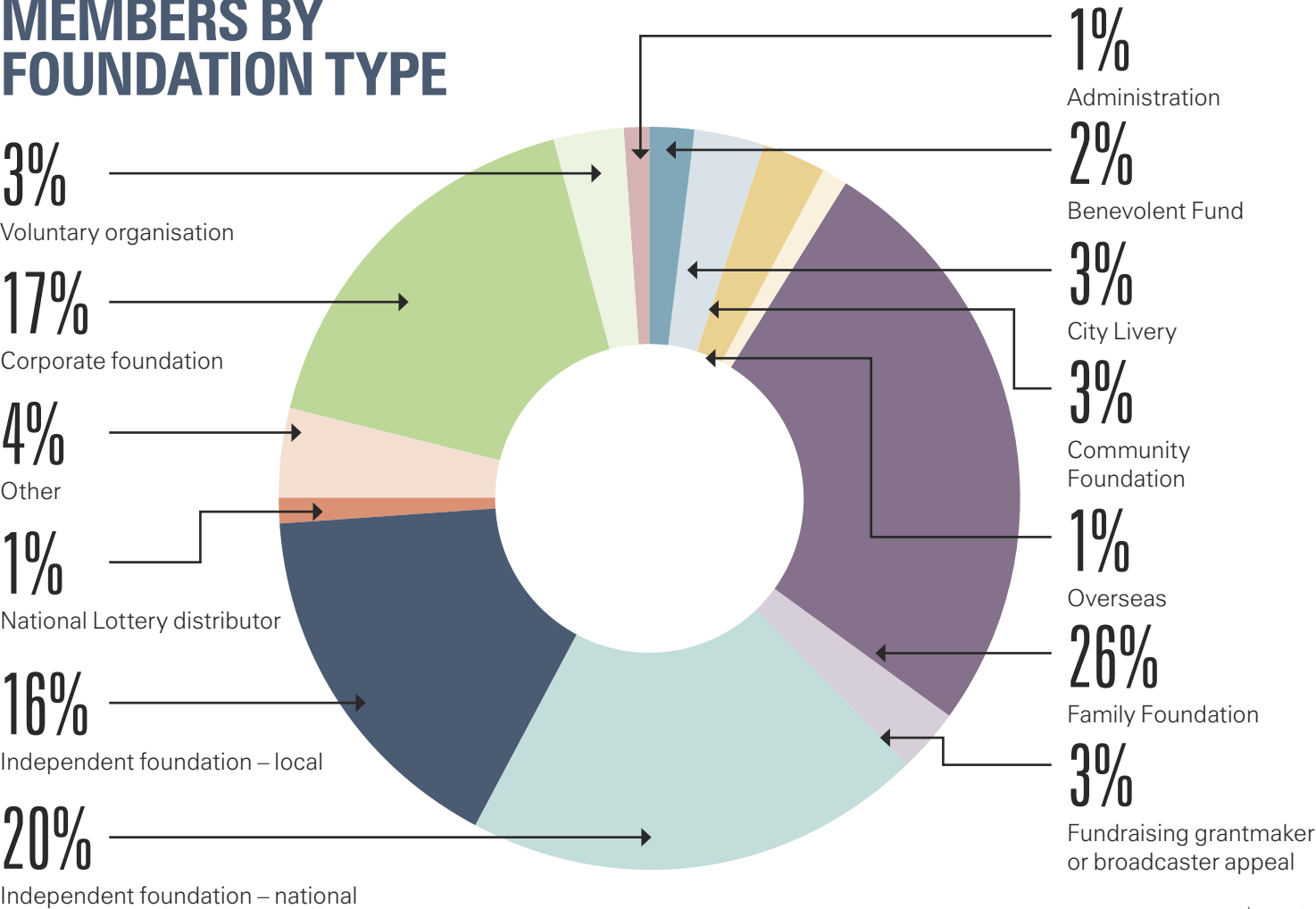
91%

OF RESPONDENTS TO OUR MEMBER SURVEY AT THE END OF 2021 SAID THEY WOULD RECOMMEND ACF MEMBERSHIP TO OTHER TRUSTS AND FOUNDATIONS

MEMBERS BY REGION



MEMBERS BY FOUNDATION TYPE



ACF IN 2021

1. ACF SUPPORTS

FOUNDATIONS IN ACHIEVING THEIR CHARITABLE OBJECTIVES

MEMBER ENGAGEMENT

We want to better understand our members' needs so we can provide the best support. Key to all this is the new CRM introduced in 2021, which integrates our website, membership information, events booking and emails into one system which puts members in control of how they interact with ACF and which all staff use as a matter of course.

This knowledge will inform our planning and delivery of member benefits and services and provide more relevant and timely communications, events and resources, with further developments through into 2022. This is part of a

bigger plan to use technology to deliver our mission to support foundations to be ambitious and effective in the way they use their resources for social good. In our 2021 member survey, 34% of respondents said that their foundation does not have the time or resources or capacity to engage with ACF services and programmes, so improving our understanding of members and how we engage them really matters to delivering effective support.

Building on our new CRM, we continue to develop our communications to ACF members and the wider foundation world publishing our magazine Trust and Foundation News three times a year, producing the monthly Funders' News newsletter and continuing to develop the website.

Funders' News
now delivered to approx.

2,400 INDIVIDUALS

Trust and Foundation News

33

FOUNDATIONS AND FUNDERS FEATURED IN 2021

Website pages viewed
1 Jan – 31 Dec 2021:

451,683

84,073

INDIVIDUALS VISITS

LEARNING EVENTS

Our learning events support foundation staff and trustees and connect them with good practice to develop their understanding and expertise on the technical aspects of being a foundation, as well as creating space to consider strategic decisions facing foundations today. Our events create an opportunity for peer discussion, connection with sector experts and learning from leading practitioners working in the field. In 2021, ACF's learning events were successfully delivered digitally, with a total of 32 sessions.

ENGAGING WITH CHAIRS OF FOUNDATION BOARDS

ACF organises an annual event for chairs of charitable trusts and foundations to help involve them in the work of ACF. These events are usually focused on engaging chairs in discussions about good practice, and the last two have specifically focused on ACF's Stronger Foundations programme which aims to help foundations identify and pursue excellent practice. At the 2020 event we launched a report which pulled out 10 of the pillars from the Stronger Foundations programme which we thought were of most relevance to chairs. In 2021 the evening was a virtual event themed around the thoughts of "new(ish)" chairs on what leadership as a chair of a foundation means in a changing world.

Number of learning events in 2021:

17

Number of member organisations attending a learning event in 2021:

181

Number of individuals from our membership attending a learning event in 2021:

396

Number of individuals from non-members attending a learning event in 2021:

44

Number of member organisations attending 2021 chairs event:

48

pandemic and outlook for foundation investments, risk return and impact, shareholder engagement, collective action and the climate crisis

- Facilitating the Social Impact Investors Group (SIIG) which supports foundations interested in starting or currently undertaking social impact investing. Supported by an active steering group, membership grew to 40 and SIIG delivered monthly learning sessions and a series of market information days. The SIIG also launched the catalytic capital research project, funded by Access – The Foundation for Social Investment and Big Society Capital, to identify the barriers to deploying catalytic capital: long-term, affordable and flexible repayable finance

MEMBERS SURVEY

At the end of 2021 we asked our members to fill in a short survey to gather their views of our benefits, services and programmes of work. The survey ran from 10 to 29 November 2021 and received 101 responses (23% of members).

HEADLINE FINDINGS

83%

of respondents felt connected, very connected or extremely connected to ACF

75%

of respondents felt connected, very connected or extremely connected to other trusts and foundations

91%

of respondents said they would recommend ACF membership to other trusts and foundations

THE MOST IMPORTANT BENEFITS TO RESPONDENTS WERE:

1. Practical guidance
2. Member networks
3. Training and professional development
4. Regular newsletters

INVESTMENT LEARNING PROGRAMME

The Investment Learning Programme (ILP) provides members with expert insight and thought leadership on foundation investment, with a particular focus on areas of growing interest around responsible, sustainable and impact investment. During 2021 this work included:

- Supporting members to engage with the Charity Commission for England and Wales on the revision of its investment guidance
- Addressing the investment commitment of the Funder Commitment on Climate Change
- Sharing the expertise of ACF's four Official Partners – Cazenove Charities, CCLA, Mercer and Ruffer – through articles in ACF publications; investment seminars for members on foundation investment responsibilities and approaches; sessions at ACF's annual conference on global risks and good investment; roundtables and webinars on the impact of the

2. ACF ADVOCATES

ON BEHALF OF FOUNDATIONS FOR AN ENABLING POLICY, LEGISLATIVE AND OPERATING ENVIRONMENT

CHARITY LAW AND REGULATION

ACF served as an active organisational member of the **Charities SORP Committee**, an expert advisory group to the four charity regulators covering England and Wales, Scotland, Northern Ireland and Ireland. Throughout the year, the committee discussed potential revisions to the next Charities SORP, which is expected to be published for use in 2024. ACF and several members were also involved in the Major Funders and Donors engagement strand, which considered the particular implications of revisions to the SORP in terms of foundations' perspective as both readers and preparers of charity accounts.

ACF gave oral evidence in person to the **House of Lords Committee** examining the Charities Bill, which proposed a more permissive framework for using permanent endowments. ACF offered insight on behalf of the benefits of the Bill to foundations, as well as suggesting some ways that further improvements could be made in the future.

A significant development was the consultation by the **Charity Commission for England and Wales** on guidance to charities about investment. ACF submitted a detailed response in the Spring, welcoming the changes proposed but calling for the commission to avoid inadvertently presenting a 'false binary' between 'responsible investment' and financial return. In its summary of responses, the commission specifically referenced ACF's contribution of evidence and stated that it had received many submissions making the same point. It said this would be considered in any future changes to the guidance, but that these would not be likely until 2022 after the conclusion of a court hearing brought by two charities (both foundations) to seek clarification of the law relating to responsible investments.



ENGAGING WITH POLICY-MAKERS AND SOCIETY

More than 150 foundation representatives attended **Members' Policy Forum** events connecting foundations to key issues of thematic or technical policy. These ranged from the disparity of the impact of Covid-19 on disabled people, to the implications of Brexit in Northern Ireland and the Charity Commission's consultation on investment guidance.

In April, we published **'Rising to the Challenge'**, a research project based on a survey of members' responses to Covid-19. It found that nearly all foundations were planning to maintain or increase spending on grants to civil society organisations in 2021 (86%), even though 40% were expecting a negative impact on their own finances.

Many foundations planned to maintain or return to their usual funding programmes or areas of focus in 2021 but to apply a 'Covid-19 lens' to their work or offer additional support to particular groups that have been most affected. Half planned to create or renew Covid-19-specific funding programmes this year, while more than eight out of 10 stated an ongoing commitment to increased flexibility for

grantees and reduced administration for funding applicants.

The survey of ACF members conducted in mid-March 2021 received responses from 80 foundations across the UK, with balanced representation from small, medium and large grant-making charities. The report was very well received by members and generated a significant social media impact. It was also covered across the sector press and was the subject of several presentations given by ACF staff at external events.

GOOD PRACTICE IN GRANT-MAKING

At the end of 2021, ACF gathered feedback from seven members that had been involved in distributing funds via the government's **Community Match Challenge** – a part of the package of support made available to support charities' responses to Covid-19. A briefing paper was prepared for Department for Digital, Culture, Media and Sport (DCMS) officials and participating ACF members and this informed the evaluation of the funding programme and future government plans.

ACF was invited to join an advisory group to the **Cabinet Office** project on reforming government grant-making.

The project will develop and pilot a new centralised grants application portal across five departments. ACF has offered insight on behalf of foundations and supported a dedicated roundtable discussion involving 12 members in December.

FOUNDATION GIVING TRENDS

After a pandemic influenced pause in 2020, we published two editions of Foundation Giving Trends in 2021. The Foundation Giving Trends series presents annual research and analysis on trends in the giving, spending, income and assets of the largest (by value of grant-making) philanthropically-funded foundations in the UK.

In October we published an interim report with figures for 2018/19 and then in December we published the full Foundation Giving Trends 2021 report with figures for 2019/20, showing the initial impact of Covid-19 on foundations. This included fully downloadable details of the top 300 table of foundations for the first time.

Foundation Giving Trends 2021 found that foundation grant-making continued to grow, rising by 7.8% (excluding the Wellcome Trust). Giving by family and personal foundations grew by nearly a quarter (23%), though corporate giving fell by 12% in real terms.

The research also looked at the response to Covid-19. This additional research was based on a further qualitative analysis of the reports and accounts of a purposive sample of 50 foundations. The survey found that foundations responded swiftly and decisively, committing significant amounts to emergency funding and changing practices almost overnight.

WORKING WITH WIDER CIVIL SOCIETY

Our chief executive continued to meet regularly with leaders of other civil society infrastructure bodies in 2021. This was initially as a response to the Covid-19 pandemic and the belief amongst a number of voluntary sector representatives that the sector had a huge part to play in helping UK society through it but would need government funding to do so, given the collapse in fundraising and trading income. The success of this work, which resulted in the £750m support package, as well as reviewing what was needed coming out of the pandemic led in 2021 to the formalisation of the group into a new Civil Society Group.

Our chief executive is one of 15 infrastructure CEOs on the Strategy Oversight Group, which determines the direction of the Civil Society Group.

"FOUNDATION GIVING TRENDS 2021 FOUND THAT FOUNDATION GRANT-MAKING CONTINUED TO GROW, RISING BY 7.8%"

3. ACF CONNECTS

FOUNDATIONS TO PEOPLE, ORGANISATIONS AND MOVEMENTS RELEVANT TO THEIR WORK

NETWORKS

Our community and member networks are consistently ranked as one of the top three most important benefits of ACF membership by respondents to our annual survey.

- We welcomed 413 attendees in total at all meetings (excluding special interest groups like FIRM or SIIG)
- 173 member organisations attended at least one network meeting in 2021
- Around 40% of our members engaged in the member-led networks

In 2021 we supported 13 member networks led by a team of volunteer convenors from ACF membership. The majority of the networks focus upon funding themes (eg children and young people, or criminal justice), while others explore elements of grant-making (eg good practice in monitoring and evaluation).

We also convene and administer three wider networks with their own steering groups. As a result of the Covid-19 pandemic, all of ACF's networks were moved online from the end of March 2020 and, to improve accessibility, our member networks will remain online and be free to attend.

The Finance, Investment, Resources Management (FIRM) network saw regular communication between members, and formal meetings featuring speakers on tax, philanthropic investors approach to climate change, the Charities Statement of Recommended Practice (SORP), innovation, fraud, IT security and the 'S' of Environmental, Social and Corporate governance (ESG).

2021 networks at a glance

GRANT-MAKING THEMES

Asylum, refugee and migration

Children and young people

Criminal justice

Housing and homelessness

Mental health

Tackling poverty

Violence against women and girls

NB: In 2022 these networks were joined by a new thematic network on Economic justice

ASPECTS OF BEING A FUNDER

Monitoring and evaluation

Place based learning

FOUNDATION TYPE

Corporate foundations

Smaller funders

International funders

Northern Ireland

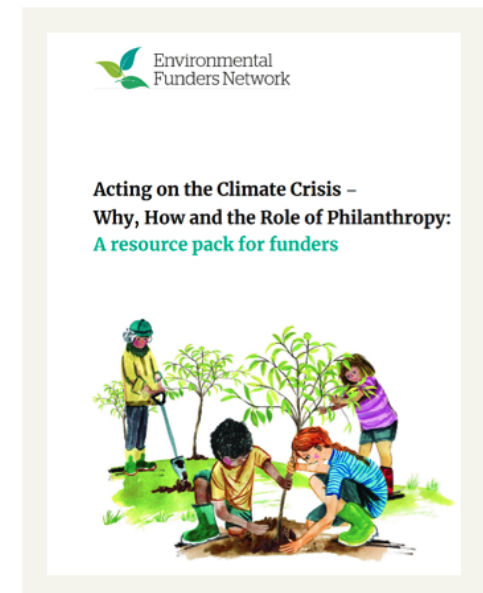
FUNDER COMMITMENT ON CLIMATE CHANGE (FCCC)

ACF sees climate change as a major threat to the work of all foundations and has a programme to help foundations play their part in tackling climate change and addressing its risks for their missions. Key to this is the UK Funder Commitment on Climate Change which ACF has hosted since 2020. At the end of 2021 83 foundations had signed the Funder Commitment on Climate Change. By making this public commitment, foundations pledge to:

- Educate and learn about climate change
- Commit resources to addressing the causes and impacts of climate change
- Integrate climate change into existing programmes, priorities, and processes
- Consider climate change in investment strategies
- Decarbonise operations
- Annually report on progress.

In hosting the FCCC, we held regular discussion forums for signatories to exchange and share ideas and experiences. We also delivered a series of climate learning events focusing on themes in the Commitment, open to all ACF members as well as non-member signatories.

On Earth Day 2021 we published our first progress report from signatories to the Funder Commitment on Climate Change. The report showed funders making progress across all the commitments but with stronger progress by some as the impact of Covid-19 put pressure on organisations' climate work.



ACF has regularly partnered with the Environmental Funders Network. Most notably, we supported the development and launch of a climate resource pack for funders, as well as running a joint masterclass for funders on climate and sustainability, and together exploring the topic of grantee sustainability.

In the summer we held the first meeting of our Funder Commitment on Climate Change advisory group, which includes representatives of signatory foundations, the Environmental Funders Network and Nick Perks, who drafted the Funder Commitment in 2019. With their input we are exploring plans to take ACF's climate work forward beyond the current programme. This includes engaging the wider non-environmental voluntary sector.

The UN's COP26 climate conference in Glasgow in early November saw more emphasis on the role of philanthropy in addressing the climate crisis. ACF engaged in peer exchanges with other European philanthropy networks working on climate and shared learning from hosting the Funder Commitment on Climate Change. We supported the development and launch of the International Philanthropy Commitment on Climate Change (hosted by WINGS), the **Individual Philanthropy Commitment on Climate Change** (hosted by Beacon Collaborative), as well as the national commitments that have emerged in France, Spain, Italy, and Canada.

461 foundations
have already committed
to act on climate.

Join the growing global movement **#PhilanthropyForClimate**

INTERNATIONAL COMMITMENT JOIN US



EUROPEAN AND INTERNATIONAL NETWORKS

We work closely with European and international partner organisations to share learning on how foundations are addressing issues and sharing good practice. ACF participated in monthly meetings with the PEXcommunity of European philanthropy networks, receiving updates on policy developments relating to the operating environment across Europe. We arranged a meeting with HM Revenue and Customs (HMRC) and Treasury regarding plans in Europe to implement the Common Reporting Standard, which has been in force in the UK for several years and how this might be approached in Europe.

ACF also regularly engages in thematic working groups on issues which are relevant to funders across borders.

ACF senior policy and engagement officer, Joanna Pienkowska, co-chairs the PEX Gender Equity and Justice group, which brings together European philanthropy networks with a commitment to advancing funding for feminist work. We have also been involved in the PEX Racial Equity group, an initiative where, along with other European philanthropy networks, we are sharing learnings on how philanthropy networks can contribute to improving racial equity in Europe. ACF's Members' Policy Forum joined forces with Ariadne, the network of human rights funders, on briefings relating to the UK Human Rights Act reform consultations.

We have regularly exchanged with other philanthropy networks on climate, working with Philea, WINGS and others to develop an overarching international funder commitment on climate change as well as other national-level commitments in France, Italy,

Spain, and Canada. Understanding the international context on issues like climate change connects our work to the global #PhilanthropyForClimate movement and helps us to better understand UK funders who work internationally to provide effective support to them.

ACF is represented on the transition board of Philea (Philanthropy Europe Association) by our chief executive. During 2021 this board negotiated a merger between the European Foundation Centre (EFC) and Dafne, which will complete in 2022, resulting in a stronger voice for and support of European institutional philanthropy. ACF is also part of Dafne's PEX Co-Creation Council, which brings together thematic and national funder networks from across Europe.

We supported the next European Foundation conference being organised by Philea, as well as sharing information on our Stronger Foundations programme through peer learning sessions for networks in Italy, Denmark, Spain and Russia. We also presented to the Polish Donors Forum about the role of charity regulation in the UK. We continue to be represented on the Dafne (now Philea) Legal Affairs Committee. This engagement at a European level benefits our members through sharing and learning about best practice in European philanthropy.

FUNDERS COLLABORATIVE HUB

HOSTED BY ACF

Explore the hub
Discover over 70 collaboration opportunities to help you connect with other funders on the issues you care about.

Filters: Issue, Location, Type (Emerging opportunity, Existing collaboration)

Opportunities (10)

- Emerging opportunity: Streamlined processes for better applicant experiences
- Emerging opportunity: Environment evaluation frameworks

FUNDER NETWORK

ACF's Funder Network is an online knowledge sharing platform, enabling members and other funders to contribute queries, concerns and expertise about policies and practices relating to foundations. This year the Network surpassed 1,000 registered contributors.

FUNDERS COLLABORATIVE HUB

The Funders Collaborative Hub was originally launched as a pilot in 2020, in response to funders' increased interest in collaborating during the Covid-19 pandemic. Informed by everything we learned from our work with funders over the first year, we have shifted to supporting funders to collaborate in the longer term and in December, we launched the next stage of the Hub, building on our initial one-year pilot.

We worked in partnership with the service design agency Shift to carry out in-depth research exploring funders' motivations and barriers relating to collaboration and to develop effective ways for the Hub to meet their needs. The Hub helps funders achieve more together, by providing shared information, inspiration and tools.

FUNDERS COLLABORATIVE HUB IN 2021

Details of **77** FUNDER COLLABORATION OPPORTUNITIES

which funders can explore by issue or location

10 CASE STUDIES showcasing impact and learning from a wide range of funder collaborations

A funder collaboration toolkit, consisting of **12** PRACTICAL RESOURCES designed to guide funders through the typical stages involved in developing and stewarding a collaboration

In its first month, the Hub's new website funderscollaborativehub.org.uk was visited by more than

1,600 INDIVIDUALS

PEX forum
21-25 January 2021

CLIMATE CHANGE
A CROSS-CUTTING ISSUE TO FACE AS A WHOLE



PEXcommunity
Where the European philanthropy infrastructure meets



4. ACF INSPIRES

FOUNDATIONS TO BE AMBITIOUS AND EFFECTIVE IN THE WAY THAT THEY USE THEIR RESOURCES

STRONGER FOUNDATIONS

Stronger Foundations is the flagship ACF project that aims to help grant-making charitable foundations identify and pursue ambitious practice. In 2019 and 2020, the work focused on engaging with foundations on what ambitious practice looks like and then distilling these into a series of reports on specific themes with 40 “pillars of practice”. In 2021, our efforts moved on to focus on engaging members with the material and supporting them to test their progress against the pillars of practice. We have done this in a variety of ways, including a half-day briefing for more than 20 ACF network convenors and speaking at several network meetings about the implication of the work in their context.

More than 50 ACF members from across the UK used the Stronger Foundations self-assessment tool during the year, submitting more than 100 surveys in total. A significant product was the first analysis of data emerging from the tool: ‘Measuring the strength of your own foundations’.

The report found that foundations are most confident when it comes to funding practices and achieving impact, but feel they have further to travel on aspects of diversity and investment.

The report showcased the many contexts in which the tool has been used, from board meetings to team away days, including as a prompt for difficult discussions. It also included quotes from foundation leaders across the UK describing the benefits of using the tool in their own words.

Learning from the tool informed initial thinking for ACF’s strategic review, including considering how ACF itself is pursuing pillars relatable to its own work. We have also used data from the tool to directly inform plans for ACF learning events for 2022, including new DEI events. On DEI, ACF has been invited to present to a wide range of members and non-members on these topics, including the DEI Coalition and the Merseyside Funders Forum.

“LEARNING FROM THE TOOL INFORMED INITIAL THINKING FOR ACF’S STRATEGIC REVIEW, INCLUDING CONSIDERING HOW ACF ITSELF IS PURSUING PILLARS RELATABLE TO ITS OWN WORK.”



ACF Stronger Foundations Reports

Following the success of the ‘Top 10 pillars for chairs of foundations’ guide last year, we sought to develop further bespoke resources for different kinds of foundations and roles.

The next in this series was launched in November for smaller foundations. It proposed 10 pillars of stronger practice that grant-makers awarding up to £500,000 per year are particularly well-placed to pursue.

The ACF smaller funders network was instrumental in supporting the development of this resource, selecting the final set of pillars and identifying ways that smaller foundations may have a structural advantage in pursuing ambitious practice. These include being more agile, closer connected to local communities and able to ‘stick or twist’ more quickly with their objectives in response to changing needs. The report was launched at the November smaller funders network meeting and was well-received by members and across the sector press.

“IT PROPOSED 10 PILLARS OF STRONGER PRACTICE THAT GRANT-MAKERS AWARDING UP TO £500,000 PER YEAR ARE PARTICULARLY WELL-PLACED TO PURSUE.”

ACF ANNUAL CONFERENCE

Our annual conference, which took place virtually, looked at how identity, community and belonging can hinder or help tackle inequalities. Plenary sessions were facilitated by our conference chair Kenny Imafidon in a more conversational style rather than just traditional presentations. We hosted 12 member-led workshop sessions and engaging energiser sessions as well as a space for online networking and exhibitions, which was open throughout the two days event.

We discussed how:

- We can build a shared sense of community in an era of division and declining trust
- To bring people together to create places and spaces where everyone belongs
- To navigate issues of identity while not losing sight of what connects us

The conference was a success with feedback and evaluation data showing significant improvement on last year and we were seen to have responded to the feedback from previous events, by building in more opportunities for the audience to engage with the content.

220

DELEGATES

80%

FELT MORE CONNECTED TO ACF

87%

RATED THE CONFERENCE THEME GOOD OR EXCELLENT

95%

RATED THE SPEAKERS/CONTENT GOOD OR EXCELLENT

LEADERSHIP WITH THE FOUNDATION SECTOR ON DIVERSITY, EQUITY AND INCLUSION (DEI)

Following on from our 2019 Stronger Foundations report on DEI, we have continued to focus on supporting foundations to act to be more diverse, equitable and inclusive.

ACF helped to promote the new DEI Data Standard, which is hosted on the Funders' Collaborative Hub website. It was created by the DEI Data Group, an independent working group that includes a range of UK foundations. The group shares the view that without an effective framework to capture DEI data there can be no effective action to identify and target funding to address structural inequalities. This led to the creation of the DEI Data Standard.

Our Stronger Foundations tool shows that foundations recognise that they have work to do on diversity and we are also capturing the evidence of work that has started.

However, there is a risk that this reasoned and evidence-led work on diversity, equity and inclusion could be caught up in the so-called 'culture wars'. This concern was part of our thinking on the content of the annual conference, including our chief executive's speech which suggested how foundations might manage their approach.

Another example about how diversity, equity and inclusion is considered came with the publication of the report from the Commission on Race and Ethnic Disparities, which came out in April 2021. Many members contacted us to express their concerns about the way the report was presented which appeared to downplay the impact of racism in society and counter to the evidence from many foundations' work and that of the partners they work with, particularly from communities experiencing racial inequity.

We worked with a small group of foundations on a joint letter to the Prime Minister (who commissioned the work of the Commission on Race and Ethnic Disparities) and ACF coordinated sign-up. The letter called on the PM to publicly affirm a commitment to actively tackle racism in all its forms wherever it is found and to make clear that the Government does not agree with narratives that deny the harm caused by racism in society. Foundations generally do not often sign letters like this, so it shows the level of concern that 68 foundations signed.

The formal government response to the Commission's report has now been published.

We continue to develop our support for foundations on DEI. In 2020 we introduced a new learning event on unconscious bias in grant-making. In 2021 we hosted a second session on unconscious bias.

PRACTICAL STEPS

Following the success of the sessions on unconscious bias and in response to strong member demand we launched a series of DEI events, with the first one delivered in July 2021, with 60 different members and six non-members attending. This was the first of a series of events under the umbrella of diversity, equity and inclusion aimed at senior foundation staff and trustees. Members and non-members were joined by two of the world's leading experts to discuss what diversity, equity and inclusion mean beyond the acronym of DEI; examine practical steps to enable inclusive practice and achieve equitable outcomes; and hear why diversity matters at every level of your organisation.

ACF also hosted an event exploring practical and inclusive solutions to language barriers facing grant applicants. The event followed on from a blog by Dana Kohava Segal, with helpful suggestions for funders to help turn DEI intentions into actions.

“THE LETTER CALLED ON THE PM TO PUBLICLY AFFIRM A COMMITMENT TO ACTIVELY TACKLE RACISM IN ALL ITS FORMS WHEREVER IT IS FOUND AND TO MAKE CLEAR THAT THE GOVERNMENT DOES NOT AGREE WITH NARRATIVES THAT DENY THE HARM CAUSED BY RACISM IN SOCIETY.”

DEI EVENTS

2 DEI EVENTS IN 2021

50 MEMBERS ORGANISATIONS ATTENDED

81 INDIVIDUALS FROM MEMBERS ATTENDED

3 EVENTS PLANNED FOR 2022

“OUR STRONGER FOUNDATIONS TOOL SHOWS THAT FOUNDATIONS RECOGNISE THAT THEY HAVE WORK TO DO ON DIVERSITY, BUT WE ARE ALSO CAPTURING THE EVIDENCE OF WORK THAT HAS STARTED.”

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TRUST & FOUNDATION NEWS

ISSUE 126 WINTER 2021/22

COMMUNITY, IDENTITY AND BELONGING

ALSO IN THIS ISSUE

- SUPPORTING SMALLER FOUNDATIONS
- ACF'S ANNUAL CONFERENCE
- UNTHINKING THE ESG GLIMMER
- THE VALUE OF A QUIET PARTNER

5. ACF THRIVES

AND IS SUSTAINABLE TO SUPPORT MEMBERS OVER THE LONGER TERM

It is essential that ACF is financially stable and develops effective systems and processes in order to deliver on its mission.

The trustees gave careful consideration to the mode of ACF's operation as the impacts of the Covid-19 pandemic continued through 2021 and determined that no further changes were necessary.

ENSURING ACF IS FINANCIALLY ROBUST

ACF continues to balance our available resources to deliver our programme under the cloud of the Covid-19 pandemic. We are extremely grateful to the continued support of our members, including those who provided additional grants in 2021 to enable ACF to maintain progress on key activities.

Our financial position remains strong as a result of membership growth in 2021 and the stability generated by the continuation of the Official Partner Programme (OPP). The OPP contracts ended in 2021 and have been renewed with all current partners.

Recent years have seen a steady growth in ACF membership and networks, driven in part by the greater profile of our advocacy and support for the foundation sector, and new opportunities to contribute to our Social Impact Investors Group, Members' Policy Forum and the Stronger Foundations initiative. We have increased our headcount slightly in order to service our new members effectively.

The audited financial position shows an unrestricted surplus of £144,311 for the year. Partly this was driven by expenditure being deferred to 2022 (including the costs of our strategy review and staff training), but also by actuarial gains for one of our pension funds which is in deficit, and releasing a provision for property costs no longer needed.

This surplus increased ACF's total general fund to £633,295. Of this total, £146,182 represents fixed assets, including capitalised investment of the new Customer Relationship Management (CRM) software, leaving free reserves of £487,113.

While the pandemic forced a substantial change to the way ACF delivered its membership benefits and policy work, the financial statements present a stable financial position.

The trustees have considered the unrestricted reserves that ACF requires to sustain its operations with reference to the Charity Commission for England and Wales' guidance on charity reserves as set out in CC19. Trustees have agreed a long-term aim of balancing income and expenditure to deliver a level of free reserves that is between four and six months' operating expenditure. The reserves balance at the end of 2021 was in the midpoint of this range at 5.1 months based on 2021 expenditure.

The board has determined that the current level of reserves is sufficient to mitigate any future operating deficits driven from strategic investment, with the goal of balancing income and expenditure over five years.

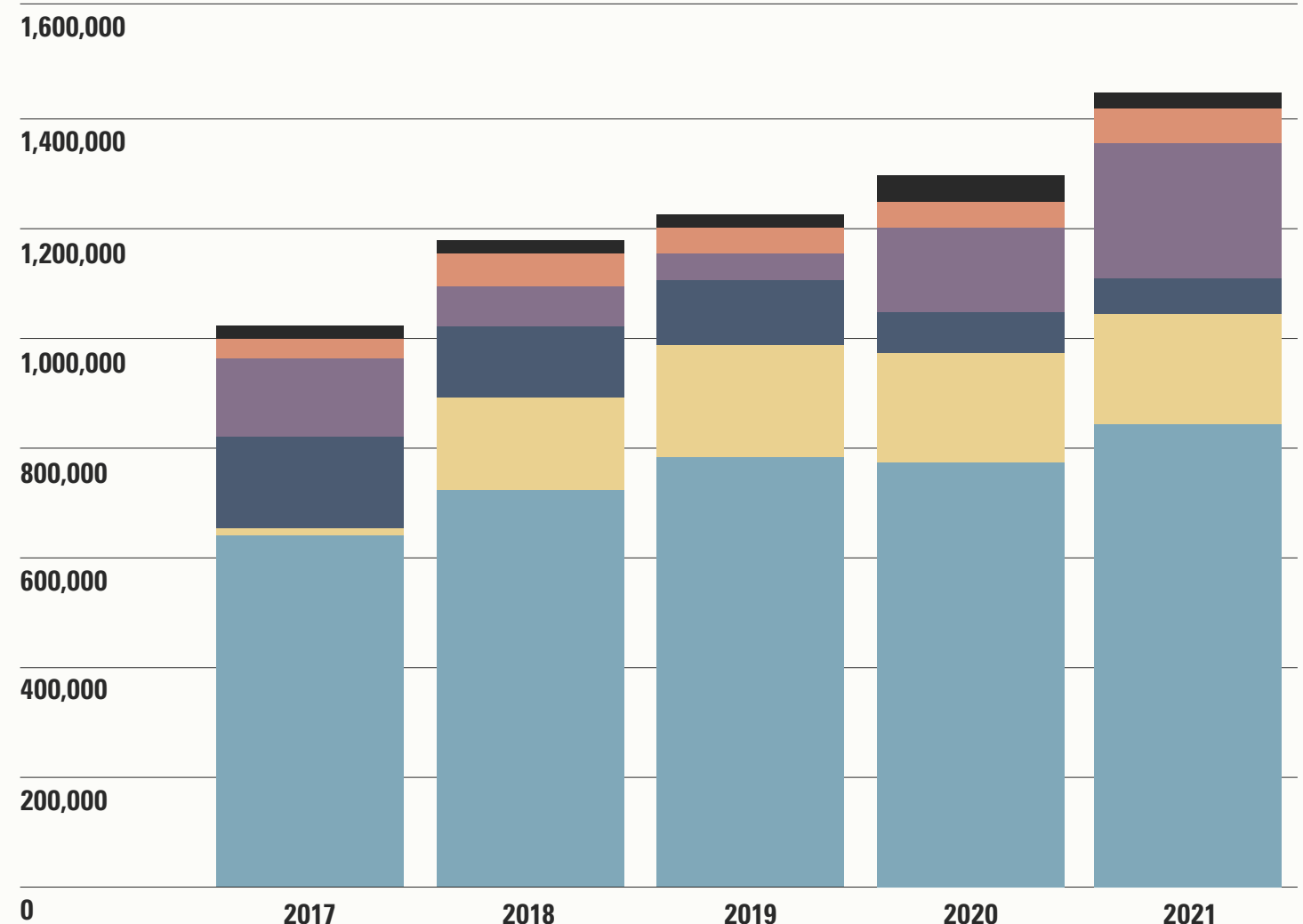
Income and expenditure forecasts for a three year period are reviewed annually and in-year performance is monitored at each trustee meeting to ensure that any adverse impacts are managed proactively.

ACF completed its implementation of the CRM in 2021, ensuring that there is a single database to support the core processes of the organisation. We continue to deploy resources to ensure that processes are streamlined and member experience and engagement is enhanced.

“WHILE THE PANDEMIC FORCED A SUBSTANTIAL CHANGE TO THE WAY ACF DELIVERED ITS MEMBERSHIP BENEFITS AND POLICY WORK, THE FINANCIAL STATEMENTS PRESENT A STABLE FINANCIAL POSITION.”

GROUP INCOME TRENDS – LAST FIVE YEARS

Member subscriptions Conferences and meetings Networks
Partnership income Fees and grants Earned income



GOING CONCERN REMUNERATION POLICY

It is the view of the ACF board at the time of signing this annual report and the annual accounts that both ACF and ACF Conferences and Seminars Limited are going concerns. In view of Covid-19 the trustees have given additional consideration to the going concern status of the charity and ACF Conferences and Seminars Limited and do not consider there to be any additional concerns to report.

INCOME TO SUPPORT OUR SERVICES TO MEMBERS

ACF’s principal sources of funding are membership subscriptions, commercial income from its OPP, and fees and grants to assist delivering its charitable activities. Members pay an annual subscription on a sliding scale, which is based on their grant expenditure in their previous financial year. In 2021 ACF received a number of restricted grants, further detailed in Note 5 to the financial statements. ACF does not set a target to raise income from its cash reserves, nor does it have an investment policy.

ACF’S APPROACH TO FUNDRAISING FROM THE PUBLIC

ACF does not seek funds directly from the public, nor do we use commercial or professional fundraisers. As a result, we are not signed up to a voluntary fundraising regulation scheme or standard. ACF has complaints, whistleblowing and anti-bribery policies and these can be found on our website. We have received no fundraising related complaints.

All trustees give of their time freely and no trustee remuneration was paid in the year.

ACF provides a competitive employment offer under a transparent pay policy for staff. The pay policy enables us to attract, retain and motivate our talented staff team, while providing more clarity and transparency about pay differentials between staff. Budgetary constraints, external environment, wider job market, values of the organisation and the morale of staff will all be factors in deciding any employment offer. ACF is a London Living Wage employer.

The current full-time equivalent salary differential between the highest and lowest paid staff member is 3.2 (2021 3.9).

ACF is not required to publish its gender pay gap information given its relatively small size, however, chooses to do so voluntarily. As in 2020, we follow the UK government guidelines for disclosure of this data using the prescribed formulae.

Gender pay gaps have widened over the past 12 months as a result of ACF enlarging its staff from 16 to 18 and the additional roles being offered to female candidates. Additionally, we have a number of interim roles who are remunerated in accordance with our pay policy, where commencement remuneration is at the bottom of the pay band with progress assessed on an annual basis. ACF continues to have an equal balance of male and female staff in director level posts.

As a result of the structural changes to ACF’s workforce noted above, females’ median hourly wage is 25.0% lower than the males’ median hourly wage, compared to 14.9% at the same date in 2021. When comparing mean hourly wages, the females’ hourly wage is now 21.8% lower than the males’ hourly wage, a greater divergence from the 12.9% recorded in 2021.

	Females	Males	Total
Top quarter	2	3	5
Upper middle quarter	4	1	5
Lower middle quarter	4	0	4
Lower quarter	4	0	4
Total	14	4	18

BALANCE SHEET LIABILITIES

ACF is carrying a Pensions Trust Growth Plan liability on its balance sheet, which represents the net present value of the deficit reduction contributions payable by ACF. This year has again seen a reduction in ACF’s liability leaving the balance at £13,014 (2020: £50,918).

The Pensions Trust Growth Plan has put in place arrangements to assist Plan members who have difficulty meeting deficit payments as a result of the pandemic. ACF has not, and does not expect to, need this assistance.

The Plan invests for the long term and monitors its investment strategy and funding position. A triennial review was completed in 2021, with a reduction in deficit funding per annum required by each scheme employer.

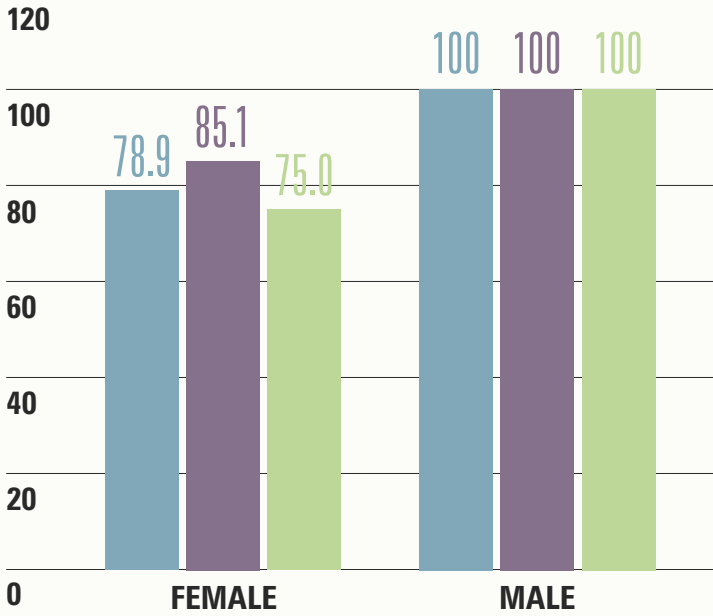
ACF holds no funds as a trustee on behalf of others.

“ACF CONTINUES TO HAVE AN EQUAL BALANCE OF MALE AND FEMALE STAFF IN DIRECTOR LEVEL POSTS”

“ACF IS A LONDON LIVING WAGE EMPLOYER.”

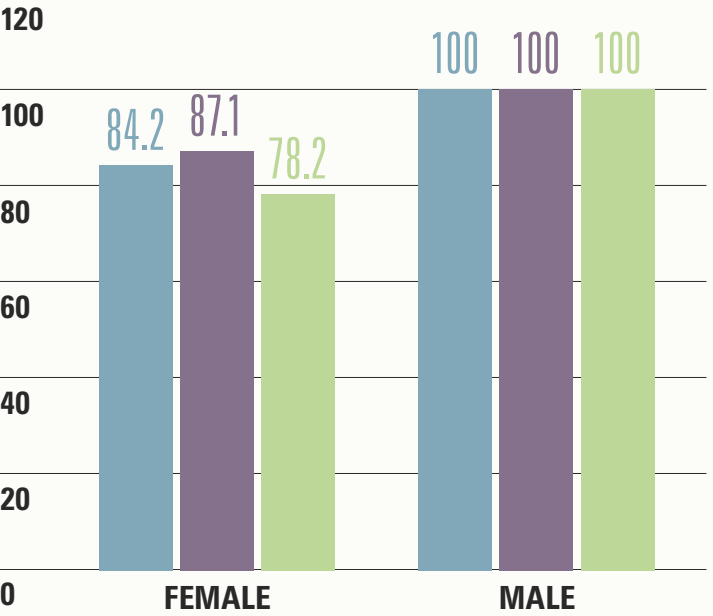
MEDIAN

- April 20
- April 21
- April 22



MEAN

- April 20
- April 21
- April 22



RISK MANAGEMENT

ACF actively manages the risks it faces. Key risks are identified and prepared by management and reviewed quarterly by the Finance and Risk Committee and annually by the Board. Key risks and mitigations being actively managed are as follows:

Key risk	Type	Implications	Mitigations	Impact	Likelihood
ACF staff's capacity and capability building insufficient to deliver annual workplans	Operational / Strategic	ACF's lacks the resources and scope to have impact in the sector through its work, losing relevance and membership numbers in the medium term	1. Ensure that workplan is prioritised based on impact, and resources released for priority elements. Workplan to focus on teams working together collaboratively to achieve organisational objectives to be more roundly delivered. 2. Strengthen HR processes across recruitment, induction, development, performance management and clarity of roles/responsibilities to ensure all staff have clear alignment to organisation objectives and directors have contingency plans to cover gaps where the team is unable to deliver 3. Increase staff engagement through consistent communication of priorities / progress using RAG rating of work plan elements 4. Ensure all programmes of work have detailed plans, success criteria and milestones	High	Low
Staff physical and mental wellbeing negatively impacted by continuing COVID-19 situation	Operational	Staff (or family) become unwell and/ or well-being compromised, impacting ACF's ability to service members, increasing ACF costs to backfill and potentially increasing staff turnover	1. Ensure Directors have flexibility to balance work output to personal circumstances 2. Managing workplan to account for staff capacity levels varying as the pandemic changes 3. Ensure 121 process reviews both work and non-work progress	High	Medium
Poor Membership renewals	Financial / Strategic	Financial deficit compromising ACF's ability to deliver work plan and core services	1. Regular reporting of renewal status via CRM dashboard 2. Maintain new members target list, and report new memberships in KPI's monthly 3. Maintain direct executive leadership team contact with foundations key associates and all those who provide additional grants	Medium	Low
CRM does not deliver benefits	Operational	Poor staff engagement and use lead to alternate data sources which detract from one source of information to support membership and policy objectives.	1. Track engagement monthly as one of ACF's Key Performance Indicators (KPIs) 2. Undertake advanced training with core staff to create centres of excellence who will share knowledge 3. Regularly review benefits accruing as part of the development planning managed through Technology Approval Group	Medium	Medium

“ENSURE ALL PROGRAMMES OF WORK HAVE DETAILED PLANS, SUCCESS CRITERIA AND MILESTONES.”

Key risk	Type	Implications	Mitigations	Impact	Likelihood
Data Breach	Reputational	Poorly handled or unchecked data breach is a potential terminal event	1. Undertake additional internal training in Q2 2022 for existing staff, modify inductions for all new staff and complete refresher sessions as part of ongoing development planning 2. Review data held as part of migration to SharePoint to mitigate risk 3. Update policies to ensure ACF has unauthorised risks mitigated	High	Medium
Reduction in restricted funding for programme	Financial / Operational	A number of key parts of the ACF offer are funded outside membership fees (Foundation giving trends, Members Policy Forum, Climate work, Funders Collaborative Hub), which also contribute to staff costs and overheads. Loss of this funding would lead to ACF having to fund or discontinue these activities impacting effectiveness in the sector	1. Plans for 2022 incorporated in budget and workplans 2. Identify current funders and potential long term partners to support various strands of work 3. Ensure all funding applications are made well before existing funding expires	Medium	Medium
Insufficient progress with ACF's own Diversity, Equity and Inclusion and Climate practice	Reputational	The business and operational benefits of a diverse team are well-known and ACF staff team is not benefiting from this as the board has from improved diversity. Our DEI and climate change work have the potential for reputational damage given the dissonance between the make up of ACF staff team and our own environmental actions, and our public work on this topic.	1. Execute the DEI plan through 2022 2. Overhaul recruitment processes to advance diverse hires, tracking progress after each hire and modifying processes based on learnings 3. 2022 Trustee recruitment to continue to seek to build a diverse board 4. Document an Environmental policy by end of Q2 for 2022 Board review and subsequent adoption 5. Review progress on DEI and climate action at all staff away day in Q3	Medium	Medium

GOVERNANCE

BOARD OF TRUSTEES OF THE CHARITY

Name	Position	Committee membership(s) during the year	Appointed or resigned date	Member
Jessica Brown	Interim chair	Officers	Appointed interim chair 01.03.22	Trusthouse Charitable Foundation
David Renton	Treasurer	Officers, Finance & Risk, ACF Conferences and Seminars Limited		Guy’s and St Thomas’ Foundation*
Nick Acland	Trustee	Nominations & Remuneration		Henry Smith Charity
Sufina Ahmad MBE	Trustee	DEI working group		John Ellerman Foundation
Andrew Barnett OBE	Trustee	Nominations & Remuneration		Calouste Gulbenkian Foundation (UK branch)*
Sarah Benioff	Trustee	DEI working group		Cripplegate Foundation
Síofra Healy	Trustee	Finance & Risk		Community Foundation Northern Ireland
Michelle Molyneux	Trustee	Finance & Risk	Reappointed 29.06.21	The Worshipful Company of Grocers
Klara Skrivankova	Trustee	Finance & Risk, ACF Conferences and Seminars Limited		Trust for London
Edward Walden	Trustee	Nominations & Remuneration, DEI working group		Power to Change
Stephen Fenning	Trustee	DEI working group	Appointed 29.06.21	Colyer-Fergusson Charitable Trust
Janet Morrison OBE	Chair	Officers	Resigned 28.02.22	The Baring Foundation*
Aanchal Clare	Trustee	Nominations & Remuneration	Resigned 19.07.21	Peter Minet Trust
Anthony Tomei CBE	Trustee	Finance & Risk	Resigned 29.06.21	The Bell Foundation

* Trustee was linked to this member on appointment to the board.

THE TRUSTEE BOARD

The board is responsible for the general management and supervision of the work of ACF. The trustees of ACF meet quarterly to set the strategic direction of the charity and monitor its effectiveness.

ACF’s trustees are elected by members at an AGM for an initial term of three years. Trustees retire by rotation at the end of their initial term, and may offer themselves for re-election, but cannot serve for more than six successive years. At least four trustees retire at each AGM.

All elected trustees must at the time of their appointment be connected to a member of ACF, for example as a trustee or as a member of staff. In addition, the board may co-opt a further five members to the board. ACF’s members are non-governmental organisations in the UK, whose functions or activities include grant-making for charitable purposes, and endowed charitable foundations.

TRUSTEE INDUCTION

New trustees are invited to a half day induction where they meet key ACF staff and discuss ACF’s objectives, activities and budgets. They normally receive an information pack as part of their induction which includes the relevant guidance for trustees from the Charity Commission for England and Wales, together with papers from recent board meetings. Trustees individually also attend ACF’s member events and thereby widen their awareness of current issues and concerns amongst ACF’s membership.

ACF’S OBJECTS AND PUBLIC BENEFIT

ACF’s objects are to further the work of charitable grant-making trusts and institutions for the public benefit by:

- Advancing the education of the public in such trusts and institutions and carrying out research and publishing the results of such research
- Promoting the collective and individual effectiveness of such trusts and institutions and better methods of administration and management of their resources.

Under the Companies Acts 1985 and 1989, ACF is limited by guarantee and does not have share capital. Its memorandum and articles of association were fully reviewed and revised in 2004 and amended in 2018 and 2020. The trustees have had regard to the Charity Commission for England and Wales’ guidance on public benefit in considering what work the charity should undertake and in the performance of their duties.

The chief executive, the directors and heads of departments are the key managers in charge of directing and controlling the charity on a day-to-day basis operating under a trustee approved scheme of delegation.

The trustees (who are also directors of the Association of Charitable Foundations 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material

departures disclosed and explained in the financial statements

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company’s auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity’s website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ACF CONFERENCES AND SEMINARS LIMITED

Directors

Gemma Instrall
Carol Mack OBE
David Renton
Klara Skrivankova

Company Secretary

Natasha Kousseff

ADVISERS AND BANKERS

Bankers	Solicitors	Auditors
Cater Allen Private Bank 2 Triton Square, Regent's Place London, NW1 3AN	Stone King Boundary House 91 Charterhouse Street London, EC1M 6HR	Moore Kingston Smith Devonshire House 60 Goswell Road London EC1M 7AD
Unity Trust Bank Four Brindley Place Birmingham, B1 2JB	Russell-Cooke 2 Putney Hill London, SW15 6AB	
CCLA Investment Management Limited COIF Charity Funds 85 Queen Victoria Street, London, EC4V 4ET		
Close Brothers Limited 10 Crown Place London, EC2A 4FT		

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

Approved by the Board and signed on its behalf by:

Jessica Brown, interim chair

Date 11 May 2022

David Renton, treasurer

Date 11 May 2022

OUR THANKS

ACF’s work would not be possible without support and encouragement from many members and other supporters. We would like to express our particular thanks for these as follows:

ACF’s Official Partners:

- Cazenove Charities
- CCLA
- Mercer
- Ruffer

For additional core support of ACF’s activities:

- Garfield Weston Foundation
- Tudor Trust
- C S Mott Foundation

For additional financial support for:

- Foundation Giving Trends - Pears Foundation
- Members’ Policy Forum - Barrow Cadbury Trust
- Funders Collaborative Hub – Esmée Fairbairn Foundation, Lloyds Bank Foundation England & Wales, the Henry Smith Charity, John Lyon’s Charity
- ACF Staff Wellbeing - Tudor Trust
- Catalytic Capital – Access – The Foundation for Social Investment, Big Society Capital
- Funder Commitment on Climate Change – Esmée Fairbairn Foundation

For in kind support for:

- Funders Collaborative Hub – Esmée Fairbairn Foundation

For serving on the FIRM steering group:

- Anne-Laure Bedouet, Education Endowment Foundation
- Matthew Whittell, John Ellerman Foundation
- Caroline Bee, St John’s Foundation

For participating in the Steering Group of the SIIG (Social Impact Investors Group of foundations):

- Douglas Gunn, Trust for London (co-chair)
- Ben Smith, Esmée Fairbairn Foundation (co-chair)
- Jo Heywood/Amir Rizwan, Big Society Capital
- Jessica Tyrrell, Bank Workers Charity
- Mark O’Kelly, Barrow Cadbury Trust
- Hamesh Patel, The Clothworkers’ Foundation
- Tim Wilson, City Bridge Trust
- Denise Holle, Joseph Rowntree Foundation
- Shishir Malhotra, Treebeard Trust

For serving on advisory group of Funder Commitment on Climate Change:

- Will Walker, Power to Change
- Jane Cabutti, Environmental Funders’ Network
- Nick Perks, independent consultant
- Jelly Moring, World Habitat
- Sian Ferguson, Mark Leonard Trust and Ashden Trust

We would also like to thank all those many members who have generously hosted meetings on behalf of ACF or given their time to convene our networks or to speak at our events.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OPINION

We have audited the financial statements of Association of Charitable Foundations (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 December 2021 and of the group's 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 and the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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 group's and parent charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

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 there is 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.

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' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- The parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us
- Or, the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- 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 exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 25, 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 group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement 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 purposes of expressing an opinion on the effectiveness of the group and parent 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
- 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 group and parent 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 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 our auditor's report. However, future events or conditions may cause the group or parent 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
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and

detection of fraud rests with both management and those charged with governance of the charitable company. Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

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 and, in respect of the consolidated financial statements, to the charity’s trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company’s members and trustees those matters which 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 any party other than the charitable company, the charitable company’s members, as a body, and the charity’s trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Luke Holt (Senior Statutory Auditor) for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date 11 May 2022

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS

Association of Charitable Foundations Group statement of financial activities (incorporating an income and expenditure account) For the year ended 31 December 2021

				2021	2020
		Unrestricted	Restricted	Total	Total
	Note	£	£	£	£
Income from:					
Charitable activities:					
Members' subscriptions		838,637	-	838,637	766,338
Network subscriptions		62,272	-	62,272	55,213
Conferences and meetings		63,708	-	63,708	77,244
Fees and grants	5	55,047	193,800	248,847	150,080
Earned income		225	-	225	225
Other trading activities	2	200,000		200,000	200,000
Investment income		173	-	173	1,339
Other income		27,810	-	27,810	38,004
Total income		1,247,872	193,800	1,441,672	1,288,443
Expenditure on:					
Charitable activities:					
Members' services	4	1,094,770	-	1,094,770	1,141,938
Conferences and meetings	4	34,841	-	34,841	69,399
Project expenditure	4, 5	-	189,679	189,679	61,819
Total expenditure		1,129,611	189,679	1,319,290	1,273,156
Net income/(expenditure)		118,261	4,121	122,382	15,287
Actuarial gains/(losses) on defined benefit pension schemes	12, 13A	26,050	-	26,050	(876)
Net movement in funds	13	144,311	4,121	148,432	14,411
Reconciliation of funds:					
Total funds brought forward	13	545,970	27,761	573,731	559,320
Total funds carried forward	13	690,281	31,882	722,163	573,731

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

Association of Charitable Foundations
Group balance sheet
At 31 December 2021

		2021	2021	2020	2020
		Group	Charity	Group	Charity
	Note	£	£	£	£
Fixed assets:					
Tangible and intangible assets	7	146,182	146,182	88,577	88,577
Investments	8	-	2	-	2
		146,182	146,184	88,577	88,579
Current assets:					
Debtors	9	90,148	269,765	147,877	331,399
Cash at bank and in hand		323,341	142,908	275,014	88,555
Short term deposits		301,173	301,173	394,253	394,253
		714,662	713,846	817,144	814,207
Liabilities:					
Creditors: amounts falling due within one year	10	(111,167)	(110,353)	(266,032)	(263,097)
Net current assets		603,495	603,493	551,112	551,110
Total assets less current liabilities		749,677	749,677	639,689	639,689
Creditors: amounts falling due after one year	10a	(14,500)	(14,500)	(15,040)	(15,040)
Net assets excluding pension liability		735,177	735,177	624,649	624,649
Defined benefit pension scheme liability	12	(13,014)	(13,014)	(50,918)	(50,918)
Total net assets		722,163	722,163	573,731	573,731
Funds					
Restricted funds	13	31,882	31,882	27,761	27,761
Unrestricted funds:					
Designated funds					
Pension Trust deficit reduction fund	13	70,000	70,000	60,000	60,000
Pension liability reserve	13	(13,014)	(13,014)	(50,918)	(50,918)
General fund	13	633,295	633,295	536,888	536,888
Total unrestricted funds		690,281	690,281	545,970	545,970
Total funds		722,163	722,163	573,731	573,731

As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities for the charity alone has been presented. The net income of the standalone charity for the year was £122,382 (2020: £15,287) before transfers between funds.

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

Approved by the trustees and authorised for use on 11 May 2022 and signed on their behalf by:

Jessica Brown

Jessica Brown, interim chair

Company registration no. 5190466

David Renton

David Renton, treasurer

Association of Charitable Foundations
Group statement of cash flows
At 31 December 2021

	Note	2021	2021	2020	2020
		£	£	£	£
Net cash provided by operating activities	14		67,340		36,548
Cash flows from investing activities:					
Purchase of fixed assets		(112,266)		(19,618)	
Purchase of investments		-		-	
Interest income		173		1,339	
Cash used in investing activities			(112,093)		(18,279)
Cash flows from financing activities					
			(44,752)		18,269
Cash flows from financing activities			-		-
Change in cash and cash equivalents in the year	15		(44,752)		18,269
Cash and cash equivalents at the beginning of the year			669,270		651,001
Cash and cash equivalents at the end of the year	15		624,521		669,270

Association of Charitable Foundations
Notes to the Financial Statements
For the year ended 31 December 2021

1A. ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied in preparing the financial statements.

Group accounts

The financial statements present the group Statement of Financial Activities (SOFA), group Statement of Cash Flows and the group and Charity Balance Sheets comprising of the consolidation of the Charity with its wholly owned subsidiary ACF Conferences & Seminars Limited (company registration number 03902450).

Basis of preparation

These financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 March 2018), Charities SORP (FRS102) and the Companies Act 2006. The functional currency of the charity is sterling and the financial statements have been rounded to the nearest £.

Public benefit entity

The Association of Charitable Foundations (‘the Association’) meets the definition of a public benefit entity under FRS102.

Critical estimates and areas of judgement

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the Association makes assumptions concerning the future. The trustees do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year. Key estimates include the useful economic life of fixed assets, the recoverability of debtors and the assumptions made by the actuary in valuing the pension liability.

Fund accounting

Unrestricted funds comprise both the General Fund and any Designated Funds. The General Fund comprises membership subscriptions and other incoming resources received or generated for the objects of the Association without further specified purpose.

Trustees have designated two funds, the Pensions Deficit Reduction Fund, and the Pension Liability Reserve Fund. Both represent funds that the trustees have put aside from General Funds to fund particular expenditure and are restricted in an administrative rather than a legal sense. For further details of designated funds, see note 13.

Restricted funds are to be used for specified purposes as expressed in grant agreements. Restricted grants are recognised in full in the SOFA in the period in which they are received or receivable whichever is the earlier, unless they are for a specified period in which case they are deferred. These funds and movements in them are described in note 5.

Tangible and intangible fixed assets

Expenditure on office equipment of less than £500 is charged to the SOFA when incurred. Expenditure greater than £500 is capitalised and depreciated. Depreciation is provided on capitalised fixed assets at rates calculated to write off the cost of each asset over their expected useful lives as follows (less estimated residual value where this is readily available):

Office Furniture, IT and telecommunications equipment

Three years

Software development

Five years

Leasehold improvements

Three years

Leasehold improvements depreciation is charged on a monthly basis from November 2019, which is the commencement of occupation. For software development, depreciation is charged on a monthly basis from the month in which asset is usable, with ongoing expenses such as licences and maintenance to be expensed when incurred. All other assets are charged a full year’s depreciation in the year an asset is purchased.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to receipt, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably. Deferred income is income received or recorded before it is earned, and shown in the income statement only when it can be matched with the period in which it is earned.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned using a suitable basis.

Allocation of support costs

Indirect costs are those costs incurred in support of the charitable objectives and governance of the Association. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

Financial assets/liabilities

The charity has financial assets/liabilities of a kind that qualify as basic financial instruments only. Basic financial instruments are initially recognised at transaction value, unless otherwise stated in the relevant account policy note(s), and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The investment in the subsidiary is stated at cost.

Going concern

The trustees consider that there are no material uncertainties about the Association’s ability to continue as a going concern. In view of Covid-19 the trustees have given additional consideration to the going concern status of the charity and ACF Conferences and Seminars Limited and do not consider there to be any additional concerns to report.

Pension arrangements

Now:Pensions ACF participates in a defined contribution pension scheme, Now:Pensions. The amounts charged to the statement of financial activities for the defined contribution scheme represent the contributions payable in the period.

TPT Retirement Solutions

ACF also participates in the TPT Retirement Solutions (formerly Pensions Trust) Growth Plan Scheme. This is a multi-employer scheme where ACF’s share of the underlying assets and liabilities cannot be identified on a consistent and reasonable basis. In accordance with FRS 102, it is therefore accounted for as a defined contribution scheme. A deficit funding arrangement is in place for the scheme. A liability is recognised for the net present value of the deficit reduction contributions payable by ACF. Actuarial gains/losses are separately classified on the SOFA.

Association of Charitable Foundations

Notes to the Financial Statements

For the year ended 31 December 2021

1B. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2020 INCLUDED FOR COMPARATIVE PURPOSES

				2020
		Unrestricted	Restricted	Total
	Note	£	£	£
Income from:				
Charitable activities:				
Members’ subscriptions		766,338	-	766,338
Network subscriptions		55,213	-	55,213
Conferences and meetings		77,244	-	77,244
Fees and grants	5	60,500	89,580	150,080
Earned income		225		225
Other trading activities	2	200,000	-	200,000
Investment income		1,339	-	1,339
Other income including rental income		38,004	-	38,004
Total income		1,198,863	89,580	1,288,443
Expenditure on:				
Charitable activities:				
Members’ services	4	1,141,938	-	1,141,938
Conferences and meetings	4	69,399	-	69,399
Project expenditure	4, 5	-	61,819	61,819
Total expenditure		1,211,337	61,819	1,273,156
Net (expenditure)/income for the year		(12,474)	27,761	15,287
Actuarial gains/(losses) on defined benefit pension schemes	12	(876)	-	(876)
Net movement in funds		(13,350)	27,761	14,411
Reconciliation of funds:				
Total funds brought forward	13	559,320	-	559,320
Total funds carried forward	13	545,970	27,761	573,731

2. ANALYSIS OF OTHER TRADING INCOME

	2021	2020
	£	£
Official Partnership Programme fees	200,000	200,000

3. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2021	2020
	£	£
Salaries and wages	638,651	661,664
Social security costs	62,751	66,454
Pension contributions	65,586	63,364
Pension Trust finance cost	121	619
Recruitment & training	19,257	15,555
Temporary staff, consultancy & all other staff costs	155,492	88,789
	941,858	896,445

Staff costs were incurred in the following way:

	2021	2020
	£	£
Unrestricted funds		
Members’ services	814,189	835,373
Restricted funds		
Funders’ Collaborative Hub	86,555	38,571
Members’ Policy Forum	9,000	14,383
Funder Commitment on Climate Change	15,870	6,038
International Philanthropy Commitment on Climate Change	-	2,080
Foundation Giving Trends	16,244	-
	127,669	61,072
Total	941,858	896,445

The above salaries and wages for 2021 include aggregate termination payments totalling £12,744 (2020: £20,750)

The following number of employees received benefits (excluding employer pension) during the year between:

	2021	2020
£90,000 and £99,999	1	1

The highest paid member of staff was the chief executive, receiving a salary in the year of £88,000 (2020: £87,323) and a non-consolidated performance-related payment of £5,000 (2020: £5,000). The total financial benefit (including employer pension) awarded to the chief executive was £101,800 (2020: £101,055). The total benefits

including pension contributions of key management personnel were £308,718 (2020: £329,450).

The average number of staff employed in the delivery of charitable activities in the year was 17.2 (2020: 15.5); FTE 14.4 (2020: 12.8)

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

4.1 Current year

	Staff Costs	Indirect Costs	Governance Costs	2021
	£	£	£	£
Unrestricted Funds				
Members’ Services	814,189	250,993	29,588	1,094,770
Conferences and Meetings	-	33,284	1,557	34,841
Total Unrestricted Resources Expended	814,189	284,277	31,145	1,129,611
Restricted Funds				
Project Expenditure	127,669	62,010	-	189,679
Total Restricted Resources Expended	127,669	62,010	-	189,679
Total Resources Expended	941,858	346,287	31,145	1,319,290
	(Note 3 and 4b)	(Note 4a)	(Note 4c)	

4.2 Prior year

	Staff Costs	Indirect Costs	Governance Costs	2020
	£	£	£	£
Unrestricted Funds				
Members’ Services	835,373	286,725	19,840	1,141,938
Conferences and Meetings	-	68,133	1,266	69,399
Total Unrestricted Resources Expended	835,373	354,858	21,106	1,211,337
Restricted Funds				
Project Expenditure	61,072	747	-	61,819
Total Restricted Resources Expended	61,072	747	-	61,819
Total Resources Expended	896,445	355,605	21,106	1,273,156
	(Note 3 and 4b)	(Note 4a)	(Note 4c)	

4A. ANALYSIS OF INDIRECT COSTS

4a.1 Current year

	Members’ Services	Conferences & Meetings	Project Expenditure	2021
	£	£	£	£
ICT & communications	62,759	3,303	142	66,204
Publications & printed matter	36,637	-	5,007	41,644
Meetings & events	-	24,977	874	25,851
Other & staff expenses	56,519	-	47,887	104,406
Property-related expenditure	95,078	5,004	8,100	108,182
	250,993	33,284	62,010	346,287

Indirect costs, where relevant, have been allocated based on actual expenditure. IT & property costs have been apportioned between Members’ Services and Conferences & Meetings based on income percentages.

4a.2 Prior year

	Members’ Services	Conferences & Meetings	Project Expenditure	2020
	£	£	£	£
ICT & communications	38,590	5,766	30	44,386
Publications & printed matter	45,504	-	-	45,504
Meetings & events	-	51,961	717	52,678
Other & staff expenses	39,612	-	-	39,612
Property-related expenditure	163,020	10,406	-	173,425
	286,726	68,133	747	355,605

4B. ANALYSIS OF STAFF COSTS

4b.1 Current year

	Members’ Services	Project Expenditure	2021
	£	£	£
Salaries and wages	535,796	102,855	638,651
Social security costs	58,145	4,606	62,751
Pension contributions	61,438	4,148	65,586
Pension Trust deficit contributions	121	-	121
Recruitment and training	19,257	-	19,257
Temporary staff, consultancy & all other staff costs	139,432	16,060	155,492
	814,189	127,669	941,858

4b.2 Prior year

	Members’ Services	Project Expenditure	2020
	£	£	£
Salaries and wages	627,892	33,772	661,664
Social security costs	66,454	-	66,454
Pension contributions	63,364	-	63,364
Pension Trust deficit contributions	619	-	619
Recruitment and training	15,555	-	15,555
Temporary staff, consultancy & all other staff costs	61,489	27,300	88,789
	835,373	61,072	896,445

4C. ANALYSIS OF GOVERNANCE COSTS

	2021	2020
	£	£
Auditor remuneration – audit fee for current year	9,995	10,910
Auditor remuneration – VAT review	1,030	5,148
Auditor remuneration – tax compliance	1,144	800
Internal & External Meetings	6,344	3,345
Strategic review	10,525	-
Trustee expenses	251	877
Sundries	1,856	26
	31,145	21,106

Governance costs are apportioned based on income percentages.

5. RESTRICTED FUNDS – GROUP AND CHARITY

5.1 Current year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	Foundation Giving Trends	Catalytic Capital	Wellbeing Fund	Members’ Policy Forum	Total 2021
	£	£		£		£	£
Grant income	85,000	-	71,800	20,000	2,000	15,000	193,800
Expenditure							
Staff & consultancy	86,555	15,870	16,244	-	-	9,000	127,669
Direct project costs	-	592	50,031	887	2,000	400	53,910
Overheads	-	-	2,500	-	-	5,600	8,100
Total Expenditure	86,555	16,462	68,775	887	2,000	15,000	189,679
Net Income/(expenditure)	(1,555)	(16,462)	3,025	19,113	-	-	4,121
As at 1 January 2021	11,299	16,462	-	-	-	-	27,761
As at 31 December 2021	9,744	-	3,025	19,113	-	-	31,882

Included in **unrestricted grant income for the year** is £1,548 (2020: £0) in government grants under the Coronavirus Job Retention Scheme (CJRS).

5.2 Prior year

Project	Funders Collaborative Hub	Funder Commitment on Climate Change	International Philanthropy Commitment on Climate Change	Members’ Policy Forum	Total 2020
	£	£			£
Grant income	50,000	22,500	2,080	15,000	89,580
Expenditure					
Staff & consultancy	38,571	6,038	2,080	14,383	61,072
Direct project costs	130	-	-	617	747
Overheads	-	-	-	-	-
Total Expenditure	38,701	6,038	2,080	15,000	61,819
Net Income	11,299	16,462	-	-	27,761
As at 1 January 2020	-	-	-	-	-
As at 31 December 2020	11,299	16,462	-	-	27,761

Funders Collaborative Hub

Funding from Esmée Fairbairn Foundation, the Henry Smith Charity, John Lyon’s Charity, and Lloyds Bank Foundation for England and Wales, to support the Funders Collaborative Hub, an initiative to enable increased understanding, closer alignment, and opportunities for funder collaboration.

Funder Commitment on Climate Change

Funding from Esmée Fairbairn Foundation to support ACF’s hosting of the Funder Commitment on Climate Change, to promote the commitment and support signatories to implement the pledges.

Foundation Giving Trends

Funding from the Pears Foundation to support research by Dr Catherine Walker resulting in the annual publication by ACF of Foundation Giving Trends.

Catalytic Capital research

A new sector-led research project to identify the barriers to deploying catalytic capital: long-term, affordable and flexible repayable finance. Hosted by ACF on behalf of the Social Impact Investors Group (SIIG) and funded by Access – The Foundation for Social Investment and Big Society Capital.

Wellbeing fund

Funding from The Tudor Trust to support staff wellbeing.

Members’ Policy Forum

Funding from the Barrow Cadbury Trust to support the work of the Members’ Policy Forum, an initiative that increases opportunities for our members to engage directly with ACF’s policy work, raise issues of concern, and regularly engage with policy-makers in government.

6. TRUSTEE BOARD EXPENSES

The trustee board members received no remuneration in the current or prior year.

The amount of travel and other expenses reimbursed to, or paid on behalf of, two trustees was £251 (2020: three trustees at £877).

All elected trustees must be a current trustee, employee or other representative of a member of the Association at the time of their appointment. Membership subscriptions with these members have been raised on an arms-length basis.

There were no related party transactions requiring disclosure in the year or the prior year.

7. FIXED ASSETS

7A. TANGIBLE FIXED ASSETS

Group and charity	Leasehold Improvements	Office Furniture, IT and telecoms equipment	Total
	£	£	£
Cost			
At 1 January 2021	94,059	77,501	171,560
Additions in the year	-	-	-
Disposals in the year	-	(37,190)	(37,190)
At 31 December 2021	94,059	40,310	134,369
Depreciation			
At 1 January 2021	(36,578)	(64,583)	(101,161)
Disposals in the year	-	37,190	37,190
Charge for the year	(31,353)	(12,438)	(43,791)
At 31 December 2021	(67,931)	(39,830)	(107,761)
Net Book Value			
At 31 December 2021	26,128	480	26,608
At 31 December 2020	57,480	12,918	70,398

7B. INTANGIBLE FIXED ASSETS

Group and charity	Software Development	Total
	£	£
Cost		
At 1 January 2021	18,178	18,178
Additions in the year	112,266	112,266
Disposals in the year	-	-
At 31 December 2021	130,444	130,444
Depreciation		
At 1 January 2021	-	-
Disposals in the year	-	-
Charge for the year	(10,870)	(10,870)
At 31 December 2021	(10,870)	(10,870)
Net Book Value		
At 31 December 2021	119,574	119,574
At 31 December 2020	18,178	18,178
Total Net Book Value of Tangible and Intangible Fixed Assets		
At 31 December 2021		146,182
At 31 December 2020		88,577

All fixed assets are used for direct charitable purposes.

8. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2021	2010
	£	£
	2	2

The charity holds 100% of the issued ordinary share capital of the following company:

Subsidiary	ACF Conferences and Seminars Limited
Country of registration	England and Wales
Class	Ordinary
Shares held	100%

The aggregate amount of capital and reserves and result of this undertaking for the last relevant financial year were as follows:

Subsidiary	ACF Conferences and Seminars Limited
Principal activity	Conferences
Capital and reserves	£2
Profit for the year	£nil

	2021	2020
	£	£
Turnover for the period	201,500	200,163
Cost of sales	(78,565)	(96,474)
Gross profit	122,935	103,689
Profit on ordinary activities before taxation	122,935	103,689
Tax on profit on ordinary activities	-	-
Profit for the year, transferred to the charity at year end	122,935	103,689

9. DEBTORS

	Group	Charity	Group	Charity
	2021	2021	2020	2020
	£	£	£	£
Amounts due from subsidiary undertaking	-	214,817	-	210,826
Prepayments and accruals	42,215	42,215	82,980	79,676
Taxation	-	-	135	135
Other debtors	47,933	12,733	64,762	40,762
	90,148	269,765	147,877	331,399

£5,000 of the total owed by ACF Conferences and Seminars Ltd is a loan and is repayable at the option of the charity and is non interest-bearing.

In both years, the prepayments total includes a long-term debtor of £19,200 relating to a rental security deposit for the premises at Toynbee Hall.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Charity	Group	Charity
	2021	2021	2020	2020
	£	£	£	£
Accruals	24,150	24,894	38,144	37,427
Meeting fees received in advance	1,202	1,202	3,333	3,333
Subscriptions received in advance	6,540	6,540	56,830	56,830
Trading income received in advance	-	-	-	-
Staff leave carried forward	25,474	25,474	20,648	20,648
Staff wages	3,663	3,663	3,922	3,922
Other taxation and social security	8,342	8,342	3,759	3,759
Staff pensions	7,175	7,175	6,056	6,056
Dilapidations provision	-	-	53,501	53,501
Other creditors	34,621	33,063	78,202	75,984
	111,167	110,353	266,032	263,097

In both years, meeting fees, subscriptions, and trading income received in advance entirely relate to the next financial year.

The dilapidations provision related entirely to previous premises, on which the Association no longer has any obligation.

10A. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group	Charity	Group	Charity
	2021	2021	2020	2020
	£	£	£	£
Dilapidations provision	14,500	14,500	8,500	8,500
Subscriptions received in advance	-	-	6,540	6,540
	14,500	14,500	15,040	15,040

Subscriptions received in advance in 2020 relate entirely to 2022 financial year.

The trustees have adopted a dilapidations provision to reflect the estimated cost of future expenditure where the

Association has contractual obligations for reinstatement relating to any property lease. The charge for the dilapidations provision in 2021 is £6,000 (2020: £6,000).

11. TAXATION

The Association is exempt from tax as all its income is charitable and is applied for charitable purposes.

12. PENSION LIABILITY

The Association participates in the Pensions Trust Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a ‘last-man standing arrangement’. Therefore the company is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme is carried out every three years, the most recent of which was carried out at 30 September 2020. This valuation showed assets of £799m, liabilities of £832m and a deficit of £33m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Reconciliation of opening and closing liabilities

Group and charity	2021	2020
	£	£
Provision at 1 January 2021	50,918	61,050
Unwinding of the discount factor	121	619
Deficit contribution paid in year to the Pensions Trust	(11,975)	(11,627)
Impact of changes in the Pensions Trust's fund valuation assumptions	(150)	876
Amendments to the contribution schedule	(25,900)	-
Provision at 31 December 2021	13,014	50,918

Under the Association’s recovery plan, £5,714 deficit contributions are due in the coming year, with the balance (subject to annual adjustments) to be paid in regular instalments ending 31 January 2025. £3,016 of plan expenses are due in the coming year.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

13A. UNRESTRICTED FUNDS
GROUP AND CHARITY

Current year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2021
	£	£	£	£
Balances at 1 January 2021	536,888	60,000	(50,918)	545,970
Net income before transfers	118,261	-	-	118,264
Actuarial gains/(losses) on defined benefit pension schemes	-	-	26,050	26,050
Transfer from/(to) General Fund	(21,854)	10,000	11,854	26,050
Balance at 31 December 2021	633,295	70,000	(13,014)	690,281

Prior year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2020
	£	£	£	£
Balances at 1 January 2020	570,370	50,000	(61,050)	559,320
Net income before transfers	(12,475)	-	-	(12,475)
Actuarial gains/(losses) on defined benefit pension schemes	-	-	(876)	(876)
Transfer from/(to) General Fund	(21,008)	10,000	11,008	-
Balance at 31 December 2020	536,887	60,000	(50,918)	545,969

General Fund
The general fund is the value of unrestricted funds after future pension liabilities have been accounted for and comprises fixed assets, current assets and liabilities.

Pension Trust Deficit Reduction Fund
In 2015 trustees decided to create a designated fund to build a reserve fund to cover ACF’s Pension Trust liability. It is the trustees’ current intention to designate £10,000 into this fund per year. The first transfer was made in 2015 and £10,000pa has been transferred every year from 2015-2021. This policy will continue until the fund is sufficient to cover ACF’s share of the liability. The amount transferred will be reviewed every few years.

Pension Liability Reserve Fund
To reflect the very low probability that the liability is crystallised in one go a corresponding negative designated reserve fund has been created to show the true level of general funds.

13B. ANALYSIS OF NET ASSETS BETWEEN FUNDS
GROUP AND CHARITY

Current year	Fixed Assets & Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31 December 2021
	£		£	£	£
Restricted Funds					
Project Funds	-	31,882	-	-	31,882
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	70,000	-	-	70,000
Pension Liability reserve	-	-	-	(13,014)	(13,014)
General Fund*	146,182	612,780	(125,667)	-	633,295
Total unrestricted funds	146,182	682,780	(125,667)	(13,014)	690,281
Total funds	146,182	714,662	125,667	(13,014)	722,163

*After fixed assets have been accounted for, The Association’s general fund is £487,113 which forms The Association’s free reserves. This is calculated as follows:

Total general fund	633,295	
Less fixed assets & investments	146,182	
	487,113	(£438,311 in 2020)

Prior year	Fixed Assets & Investments	Current Assets	Creditors	Pension Deficit Liability	Net Assets 31 December 2020
	£		£	£	£
Restricted Funds					
Project Funds	-	27,761	-	-	27,761
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	60,000	-	-	60,000
Pension Liability reserve	-	-	-	(50,918)	(50,918)
General Fund	88,577	729,383	(281,072)	-	536,888
Total unrestricted funds	88,577	789,383	(281,072)	(50,918)	545,970
Total funds	88,577	817,144	(281,072)	(50,918)	573,731

14. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net income for the reporting period as per the statement of financial activities	122,385	15,287
Depreciation charges	54,661	43,796
Interest income	(173)	(1,339)
(Increase)/decrease in debtors	57,729	(21,942)
Increase/(decrease) in creditors	(155,405)	11,753
Non-cash movement on defined benefit pension liability	(11,854)	(11,008)
Net cash provided by operating activities	67,340	36,548

15. ANALYSIS OF CHANGES IN NET CASH

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash in hand	275,014	48,327	323,341
Notice deposits (less than three months)	394,253	(93,080)	301,173
Total cash and cash equivalents	669,267	(44,752)	624,521

16. OPERATING LEASE COMMITMENTS
GROUP AND CHARITY

At 31 December the charity had the following commitments payable relating to non-cancellable leases:

	2021	2021	2020	2020
	£	£	£	£
	Land and Buildings	Office Equipment	Land and Buildings	Office Equipment
Within one year	76,800	754	76,800	3,016
Between 2 and 5 years	-	-	-	-
5 years +	-	-	-	-
	76,800	754	76,800	3,016

All amounts above include VAT, a portion of which will be recoverable under partial recovery.
Operating lease rental payments during the year were £103,540 (2020: £107,136)

17. RELATED PARTY
TRANSACTIONS

The charity has a wholly owned subsidiary, ACF Conferences and Seminars Limited. For the year ended 31 December 2021 the subsidiary declared a gift aid distribution of £122,935 to the charity (2020: £103,689).

Bidirectional recharges have also been made between the charity and the trading subsidiary relating to trading activities (the trading subsidiary was charged £73,142 [2020: £92,439] by the charity and the charity was charged £745 [2020: £1,182] by the trading subsidiary).

At the year end the subsidiary owed the charity a total of £141,677 (2020: £210,826) inclusive of gift aid, and the charity owed the trading subsidiary £745 (2020: £1,182).

There were no other related party transactions requiring disclosure in the year or in the prior year.

Association of Charitable Foundations
is a company limited by guarantee,
registered in England and Wales.

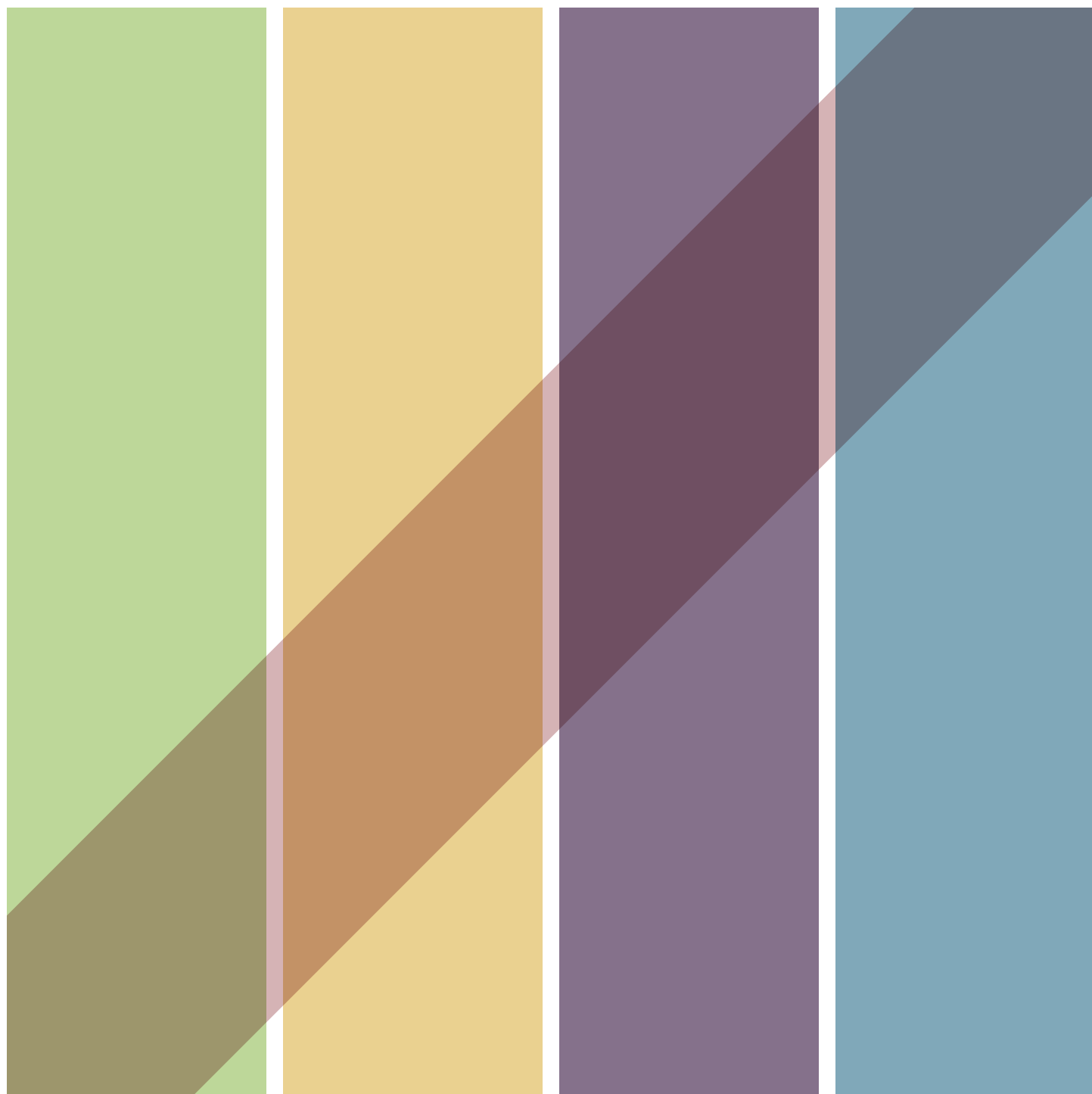
Registered Company No. 5190466.

Registered Office:
28 Commercial Street,
London, E1 6LS.

Registered Charity Number: 1105412.

acf.org.uk

acf@acf.org.uk



ASSOCIATION OF CHARITABLE FOUNDATIONS

England & Wales - Charity number 1105412

Accounts

ASSOCIATION OF CHARITABLE FOUNDATIONS

TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020



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CHAIR'S INTRODUCTION

I AM WRITING THIS INTRODUCTION EXACTLY ONE YEAR ON FROM THE FIRST CORONAVIRUS LOCKDOWN. OVER THE LAST YEAR, WHAT WOULD SEEM EXCEPTIONAL HAS BECOME THE NORM.



Sadly, the UK has suffered the highest death rate since the Second World War. Much of the economy has been regularly shut down. The state has paid the wages of millions of furloughed workers. There has been a wave of voluntary action to help those in need. And researchers have created new vaccines from scratch which the NHS, partners and volunteers have rolled out at the rate of over a thousand inoculations a minute.

Foundations have been at the forefront of how the country has responded. From providing funding to arts and heritage organisations facing closure under lockdown rules, to helping in the search for a vaccine (and importantly to ensuring that it is available beyond the richest countries), to supporting local food banks and mutual aid.

But Covid-19 has also caused deep and lasting scarring to many communities and, while it has brought many together to help each other, the direct impact of the pandemic and the associated economic and social impact have deepened inequalities between different groups in society and internationally. Charitable foundations will surely play their part in making building back better a reality and not an empty phrase.

As Chair of the Association of Charitable Foundations, I am particularly proud of how ACF has worked to support foundations through this crisis. The team have switched the full events programme online.

Staff have shown incredible resilience as they have worked from home to maintain the support provided to foundations. And momentum has been maintained, not least in completing publication of all the reports from the Stronger Foundations programme.

And the team have also stepped up with new work to meet the challenge. New support and advice related to Covid-19 and its impacts have been developed, and the new Funders' Collaborative Hub was launched to enhance the effectiveness of individual and joint responses by funders and philanthropists to maximise their impact.

It has become a bit of a cliché, but 2020 was truly a year like no other. And I am pleased to say, the response from ACF has been like no other. I am confident that ACF will ensure that foundations continue to be supported to play their part as the country recovers.

Janet Morrison OBE (Chair)
Date 25 May 2021

CHIEF EXECUTIVE'S INTRODUCTION

2020 WAS NOT THE YEAR THAT ANY OF US HAD PLANNED OR HOPED FOR. AS I LOOK BACK AT THE LAST 12 MONTHS, COVID-19 CASTS A LONG, DARK SHADOW OVER THE WHOLE PERIOD – CHANGING ALL OF OUR LIVES IN WAYS WE COULD NEVER HAVE ANTICIPATED.



The impact was felt most keenly by the most vulnerable in society, and the inequalities surrounding this were shockingly visible.

For ACF, our aim is always to support foundations in their work, and this has been our primary concern over the past twelve months. While we rapidly altered our plans to address the impact of Covid-19, this has not blown us off course. Rather the virus has raised the stakes of ACF's mission to support foundations to be ambitious and effective in the way that they use their resources for good.

Each of our 400 plus members has its own individual mission, that shaped their response to the events of the past 12 months. For some, particularly those working with local communities, the pandemic demanded swift, emergency action. For others, the impact was more indirect and less immediately obvious. And all foundations had to continually adjust the way they worked throughout the year to comply with the latest restrictions on social distancing, at a time when individual staff and trustees were often facing some challenging personal circumstances.

I am generalising from a range of experience, but overall I think one can see four broad responses by foundations.

Firstly – many acted swiftly to provide immediate emergency funding – whether to support the search for a vaccine, or to meet basic community needs – such as food and PPE.

A second broad response was to help existing grantees by being flexible in terms of how grants were used and reported on, adopting as light a touch as possible in terms of processes, and offering additional support where needed.

Thirdly, as the pandemic unfolded, foundations looked for where there are gaps in funding and where new relationships are needed to address them. In the light of the disproportionate impact of Covid-19 on black and minority ethnic people, many funders looked again at how they work with BAME-led organisations and communities.

And fourthly foundations are increasingly thinking about the collective effect of their work and how they can be more than the sum of their parts. We found an unprecedented desire among our members to work more closely together in their response to Covid-19. And to support this aspiration we worked with foundations and with input from broader civil society, to develop the Funders' Collaborative Hub, a project now hosted by ACF working in partnership with several members.

More broadly, ACF has continued to create opportunities for foundations to make sense of the impact Covid-19 was and is having; to share, identify and promote stronger approaches and responses. We didn't give up on the 'day job' – supporting our members through offering training seminars, briefing events, and opportunities to influence policy. We continued to be vigilant in ensuring that the legal and regulatory environment is supportive to the work of foundations through our policy work. Success in this arena is often invisible and incremental – stopping things from happening, or laying the groundwork for future changes – but is no less important for that.

All of this required us to find new ways of working – not so much 'digital first' as 'only digital'.

We sought out and signposted to useful guidance for foundations on a range of issues from cybersecurity to working from home. We drew on insights from experts, for example, from our four Official Partners on the impact of market turmoil on foundation endowments. And we brought together foundations to highlight aspects of the Covid-19 crisis that demanded a sectoral response, such as the structural racism brought into sharp focus by the #BlackLivesMatter response to the killing of George Floyd.

'OURS IS A TIME THAT WILL ASK FOUNDATIONS TO BE MORE AMBITIOUS AND EFFECTIVE THAN EVER BEFORE IN USING OUR INDIVIDUAL AND COLLECTIVE RESOURCES FOR GOOD.'

The past year also saw the culmination of our Stronger Foundations initiative, as we published a series of reports on what ambitious and effective foundation practice looks like, based on the findings of six member-led working groups considering a range of aspects of foundation practice, from Strategy and Governance to Investment. The reports, each containing 'pillars' of stronger foundation practice were timely. Our findings on Transparency and Engagement were published in the same week that Edward Colston's statue was toppled into Bristol harbour, prompting a national debate about the origins of wealth deployed for philanthropic purposes.

While the focus of public attention has understandably been on Covid-19 and its impact, the climate crisis has not gone away. With the 26th UN Climate Change Conference taking place in Glasgow in 2021, we are seeing strong interest from foundations and philanthropy infrastructure bodies in the ground-breaking UK Funder Commitment on Climate Change, developed by our members and now hosted by ACF. Over 50 foundations have signed thus far, pledging to play a part in addressing the causes of the climate crisis and supporting adaptation to its effects.

In summary, 2020 has been quite a year. None of this work would have been possible without the support of our members, the leadership of our board and staff team, and the commitment of our Official Partners. So I would like to start this annual report by saying a huge thank you to them all, and to everyone who kept the ACF show on the road over the past twelve months.

Covid-19 has tested us all – and it will leave a deep scar and a tough legacy. Ours is a time that will ask foundations to be more ambitious and effective than ever before in using our individual and collective resources for good. The response that we have all made to Covid-19 – and the way that foundations have stepped up to the challenges – do show that we can change much more than we dared to believe possible. And as foundations seek to step up to this challenge, ACF will be there to support them every step of the way.

A handwritten signature in dark ink, appearing to read 'Car', likely representing Carol Mack OBE.

Carol Mack OBE (Chief Executive)
Date 25 May 2021

TRUSTEES' ANNUAL REPORT 2020

We are very pleased to present the 2020 annual report and accounts, demonstrating ACF's continued achievements as it pursues its mission to support foundations to be ambitious and effective in the way they use their resources for social good.

2020 is the penultimate year of the five-year strategy. We had expected to further embed delivery of our core objectives and to begin to look ahead at how we responded to the changing environment for foundations. Covid-19 instead presented a massive challenge to the organisation. We switched all events to online only – including our conference – and rapidly adapted to new tools to engage with our members. We switched to mainly digital communications by default. Our new office next to Toynbee Hall in London remained largely empty and we have worked with staff to develop new ways of working. As set out in this report, we provided support to help our members adapt to Covid-19, to share experiences and also led new work as part of the response, including the new Funders' Collaborative Hub.

Despite this new and unexpected work, we have also worked to deliver the core elements of our existing strategy and to move ACF and the foundation sector forward. We completed the set of reports from the Stronger Foundations programme, and launched a new online tool to support the programme as well as a guide for chairs. We took over hosting the Funder Commitment on Climate Change and celebrated our 50th signatory to it. We delivered our annual conference with a wealth of thought-provoking key speeches, panel discussions and Q&A sessions, and ran the annual joint conference with Funders' Forum for Northern Ireland.

We surveyed our members on foundation salaries and benefits. We ran over 30 meetings with networks, including the Social Impact Investors Group and Finance, Investment, Resources Management network.

We could not achieve what we have in this exceptional year without the support of our members, and they remain at the heart of our mission to help foundations to be more effective and ambitious in using their resources for social good. Each trustee has a connection to a member organisation, rooting our work in the reality of foundations' day to day activity.

Our members are generous with their time and expertise and contribute to the work of every team.

We would also like to thank our staff, our Official Partners (Cazenove Charities, CCLA, Mercer and Ruffer) and our funders. Thank you for everything that you do to help ACF achieve its vision of a world that is supported, sustained and strengthened by the effective use of foundation resources.

"WE JOINED ACF AS WE COULD SEE THE BENEFITS OF BELONGING TO AN ORGANISATION THAT NOT ONLY BROUGHT FUNDERS TOGETHER, BUT ALSO PROVIDED TRAINING, NETWORKING AND REGULAR UPDATES. THESE BENEFITS PROVED INVALUABLE WHEN OUR WORLDS WERE TURNED UPSIDE DOWN AS THE PANDEMIC HIT."

ACF MEMBER

As we enter 2021, ACF will continue to challenge itself to deliver more for our members. Key programmes of work include continuing progress on the Stronger Foundations initiative, delivery of a refreshed learning and events programme in new ways, the replacement of our CRM system, and preparing ourselves for a further five-year strategic planning horizon.

'WE COULD NOT ACHIEVE WHAT WE HAVE IN THIS EXCEPTIONAL YEAR WITHOUT THE SUPPORT OF OUR MEMBERS, AND THEY REMAIN AT THE HEART OF OUR MISSION TO HELP FOUNDATIONS TO BE MORE EFFECTIVE AND AMBITIOUS IN USING THEIR RESOURCES FOR SOCIAL GOOD.'

ABOUT ACF

ACF IS THE MEMBERSHIP BODY FOR FOUNDATIONS AND GRANT-MAKING CHARITIES BASED IN THE UK

Founded in 1989, we have over 400 members who reflect the diversity of the foundation sector, including family trusts, corporate foundations, broadcasting appeals and livery companies, which fund a very wide range of charitable causes.

Our vision is a world that is supported, sustained and strengthened by the effective use of foundation resources.

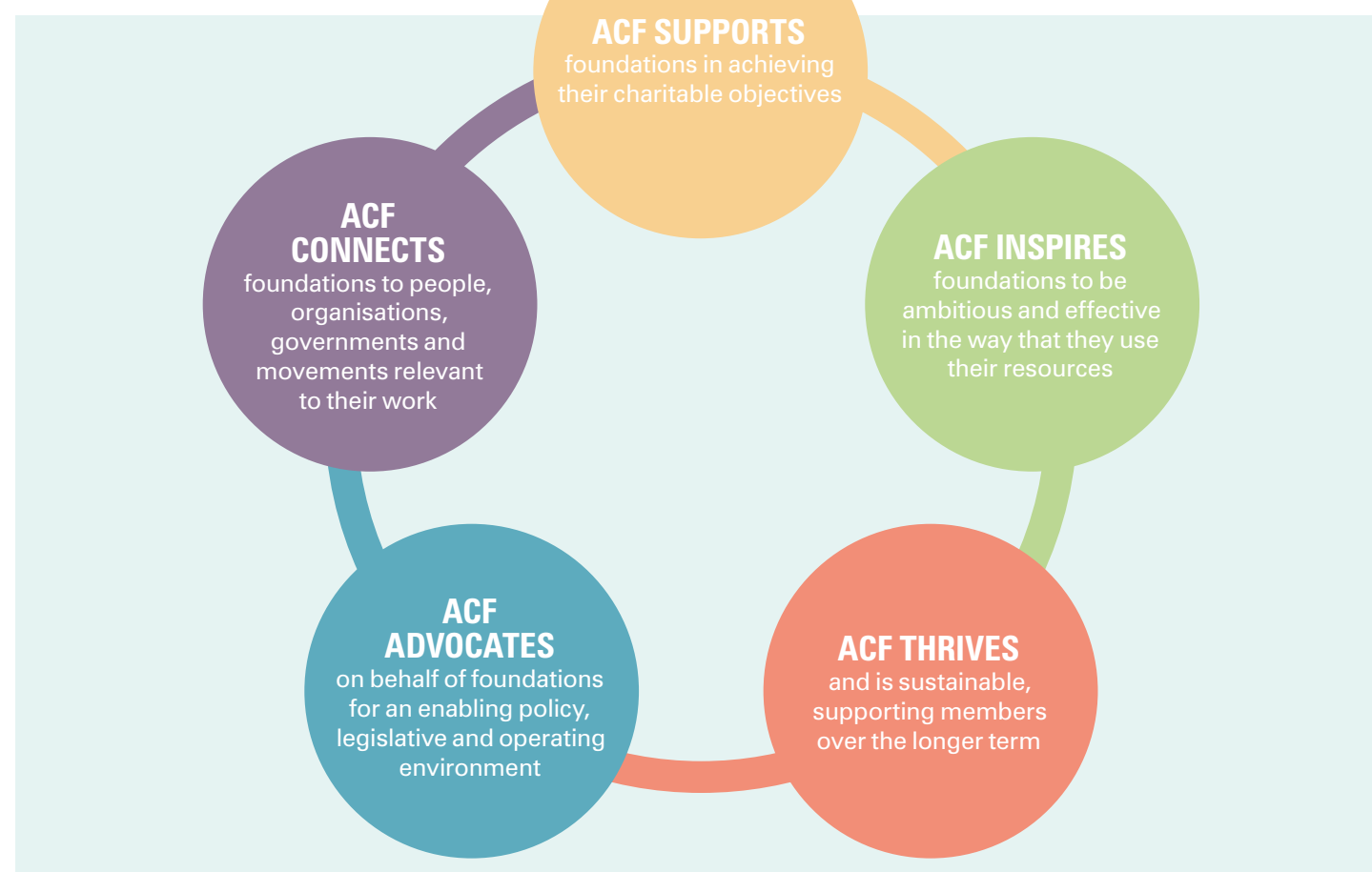
Our mission is to support foundations to be ambitious and effective in the way that they use their resources for social good.

Our values guide our work

- We care
- We are open
- We are evidence based
- We are ambitious

Our strategic objectives

We support foundations by advocating on their behalf and by inspiring and connecting them. To do this ACF itself needs to thrive and be sustainable as an organisation.



1

ACF SUPPORTS foundations in achieving their charitable objectives by:

- Providing information, advice and training
- Gathering, distilling and disseminating learning
- Building and developing resources on foundation practice
- Signposting sources of specialist expertise
- Environment-scanning for trends and debates
- Informing members of issues affecting their practice

2

ACF ADVOCATES on behalf of foundations for an enabling policy, legislative and operating environment by:

- Developing and enhancing an evidence base
- Making the case for philanthropy in civil society
- Closing the 'knowledge-gap' around foundations
- Protecting and advancing foundations' interests
- Building relationships and networks with other policy actors
- Intervening strategically

3

ACF CONNECTS foundations to people, organisations, governments and movements relevant to their work, by:

- Convening members and other actors around issues
- Brokering relationships relevant to members' work
- Playing a facilitative role in potential collaboration
- Providing a protected space for conversation and exchange
- Optimising our learning and events programme
- Analysing, developing and targeting our member offer

4

ACF INSPIRES foundations to be ambitious and effective in the way that they use their resources, by:

- Developing a set of principles for excellent foundation practice
- Providing access to national and international thought leadership
- Reflecting societal challenges and external feedback
- Nurturing an environment conducive to self-reflection
- Promoting positive case studies from the UK and beyond
- Showcasing relevant thinkers, debates and provocations

In order to achieve this, we must ensure that ...

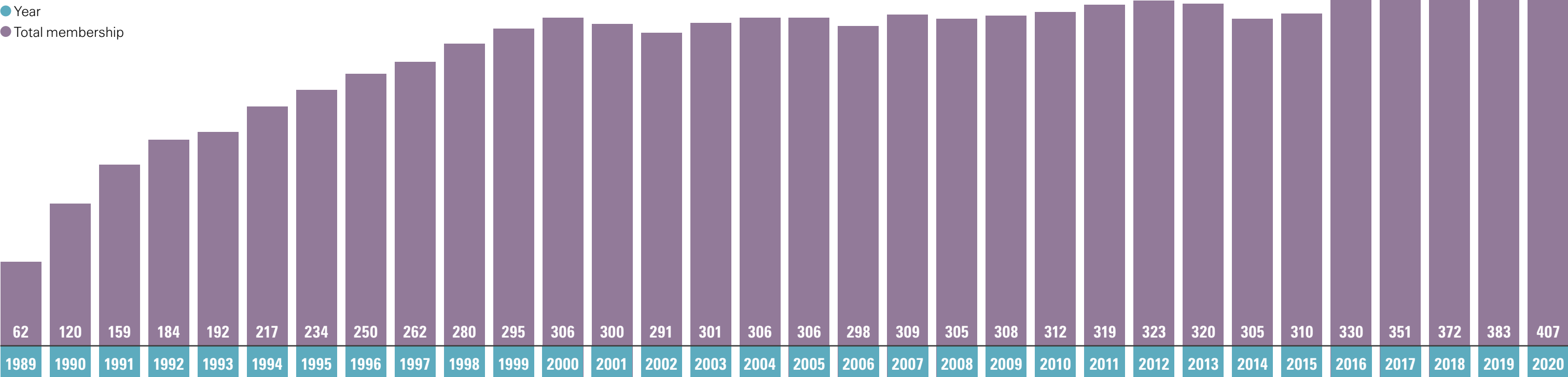
5

ACF THRIVES and is sustainable, supporting members over the longer term, by:

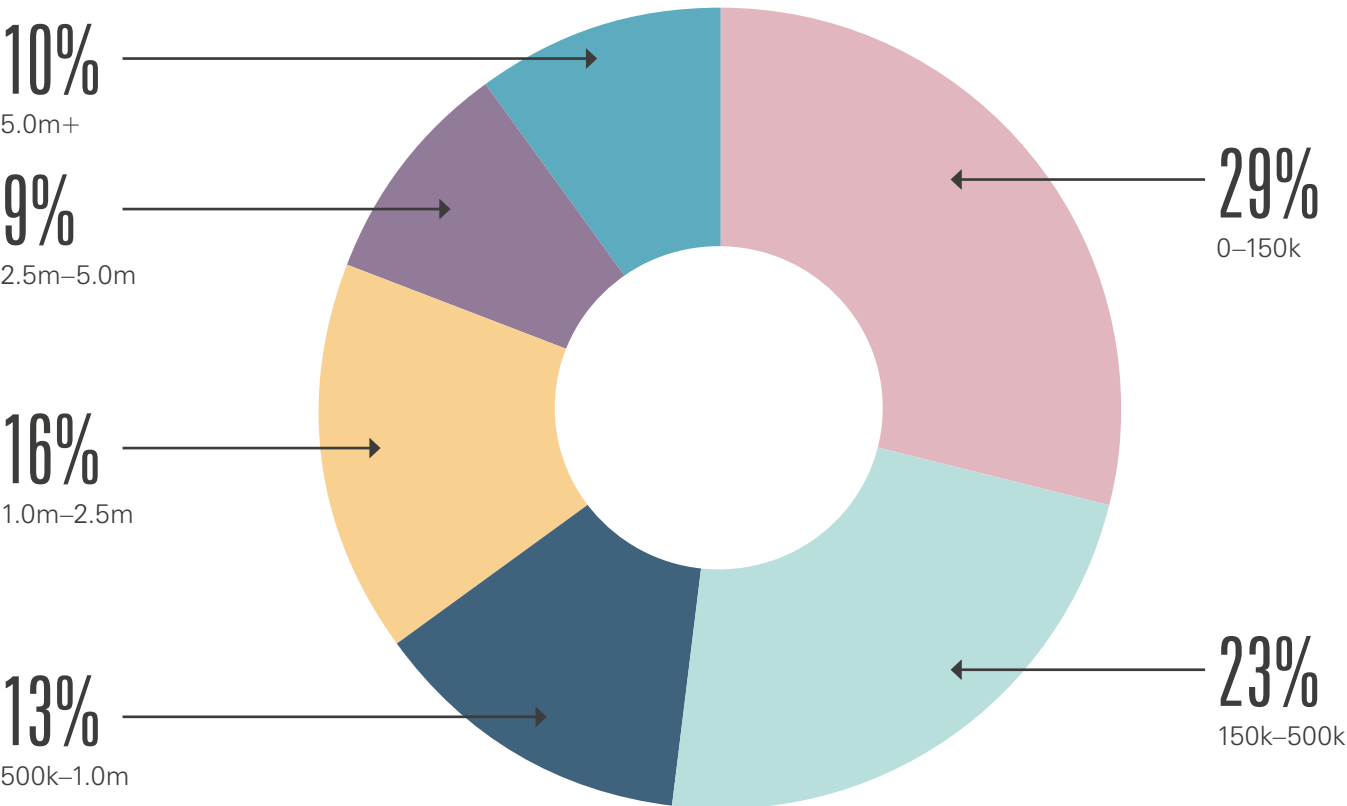
- Ensuring we are financially robust
- Responding to member need
- Valuing our people
- Implementing effective systems
- Adapting to technological change
- Nurturing a values-driven culture and prizing environmental sustainability

ACF IN NUMBERS

ACF MEMBERSHIP 1989 – 2020



MEMBERS BY GRANT EXPENDITURE



TWITTER FOLLOWERS



FUNDER COMMITMENT ON CLIMATE CHANGE SIGNATORIES



ACF SUPPORTS FOUNDATIONS IN ACHIEVING THEIR CHARITABLE OBJECTIVES

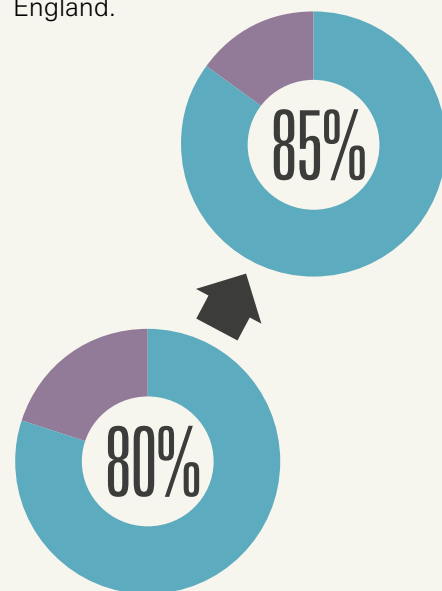
ON 31 DECEMBER 2020, ACF HAD

407  TOTAL MEMBERS

94 & 313

Associate and Affiliate members Full members

In our annual members' survey, 80% of respondents felt connected, very connected or extremely connected to ACF, rising to 85% for members operating outside of England.



In the survey, we asked respondents to say which of our activities were the most important to them:

! 52%

ACF's community and peer networks

! 47%

practical guidance

! 40%

training and professional development activities

! 39%

regular newsletters.

Covid-19

As the Covid-19 pandemic unfolded, ACF moved quickly to help our members to respond. We set up a central repository of information on our website [Covid-19 – ACF](#), which we have kept updated throughout the crisis. We moved the Funders' News newsletter online and switched to fortnightly mailings from monthly to keep members up to date. We shared initial experiences via Twitter so that members could see how each other were responding. We also set up events to share experiences, the first of which took place on 19 March 2020.

Following from this initial activity, we ran a survey of members in March and April to see how members were responding, sharing the findings with members and using this to inform our ongoing response: [Covid-19: Results of ACF's survey on foundations' responses](#). We continued to use our communications to share the experiences, practice and ideas from members, with a major focus on this in our July and December editions of Trust & Foundation News. We produced briefings and guidance for members throughout the year about issues related to Covid-19, including:

- guidance on avoiding grant fraud: [ACF publishes new guidance and webinar on grant fraud](#)
- briefings on the impact of Covid-19: [The impacts of Covid – a briefing for funders](#)
- how the Stronger Foundations recommendations could be used to help foundations respond: [Stronger Foundations? The response to the Covid-19 crisis.](#)

Black Lives Matter protests

The Black Lives Matter movement shone a bright spotlight on structural and systemic racism across society. This incorporated the charity sector, which was subject to analysis and inquiry from both within and beyond.

The foundation sector received direct calls to respond, including that they ringfence parts of grants budgets and improve board diversity. This catalysed an unprecedented level of activity, with [funders committing](#) not just to broad principles of flexibility and responsiveness in relation to Covid-19, but specific effort to address racial inequality. Initiatives included the Funders Alliance for Race Equality, which provided tools for foundations to undertake audits of their grant-making.

'THE FOUNDATION SECTOR RECEIVED DIRECT CALLS TO RESPOND, INCLUDING THAT THEY RINGFENCE PARTS OF GRANTS BUDGETS AND IMPROVE BOARD DIVERSITY.'

Future Foundations UK was launched, 'supporting minoritised racial groups working in the UK Trust and Foundation sector to connect, create and champion a vision of a just future', which [published a statement](#) on how UK foundations could achieve 'radical change' in the wake of the pandemic. The DEI Coalition supported more than 15 ACF members through a programme of peer-learning. At the end of the year the [Baobab Foundation](#) was established, 'led by the Black and Ethnic Minority community organisations it supports'.

ACF hosted a panel discussion on this [urgent issue](#), attended by 200 foundation representatives. We have signposted members to the work of others mentioned above and prioritised work to tackle racism within our overall diversity, equity and inclusion work, which is described in more detail below.

Trust & Foundation News, Funders' News and briefings

Our flagship magazine publication Trust & Foundation News (TFN) contributes to our mission to help foundations become more effective and ambitious. This year, we focused on giving space to staff and trustees from foundations to talk about their experience of the pandemic and their response to it, which we know from feedback has been very valued.

We switched our monthly Funders' News to digital only and increased its frequency to fortnightly at the start of the pandemic to ensure members had the most up to date information. The Funders' News publication is currently distributed to 1,170 recipients.

We produced regular briefings throughout the year, as mentioned in the Covid-19 section above.



“I THOUGHT THE SEMINARS COVERED A REALLY GOOD RANGE OF TOPICS AND REALLY HELPED ME TO UNDERSTAND WHAT I SHOULD BE FOCUSING ON.”

INVESTMENT SEMINAR PARTICIPANT

Professional development

Our professional development programme is a series of half or one day seminars that support foundation staff and trustees to develop their understanding of good grant-making practice, the technical aspects of being a foundation, as well as creating space to consider strategic decisions facing foundations today. It includes seminars on leadership both for new foundation directors, and those aspects of being a foundation trustee that are different to those of leading an operational charity.

Being able to respond to current issues and new areas of learning is a key aspect of the programme. In 2020 we introduced a new course on unconscious bias in grant-making.

As a result of the Covid-19 pandemic, ACF’s professional development programme moved online from the end of March 2020 and continued to remain active throughout the year.

The table below shows the level of engagement with our professional development programme. The drop in numbers reflects the impact of the pandemic but also the spinning out of our investment learning, which is outlined separately. We also offered a number of free events for members to support them in their response to Covid-19, which are not included in the table.

“GREAT CONTENT AND SPEAKERS! LOTS OF USEFUL AND SPECIFIC EXAMPLES OF DIFFERENT STRUCTURES”

SIIG LEARNING SESSION PARTICIPANT

ACF professional development programme	2018	2019	2020
Number of seminars	31	31	15
Total number of members attending	296	354	204
Total number of non-members attending	94	63	52
Total number of attendees	390	384	256

Investment Learning Programme (ILP)

The ILP encompasses a range of ACF activity focused on providing members with expert insight and thought leadership on foundation investment, with a particular focus on areas of growing interest around responsible, sustainable and impact investment. During 2020 this work included:

- **publication of the Stronger Foundations Investment report**, with associated learning sessions delivered virtually on the report itself; approaches to responsible, sustainable and impact investing among foundations; and the investment commitment of the Funder Commitment on Climate Change.
- **sharing of the expertise of ACF’s four Official Partners** – Cazenove Charities, CCLA, Mercer and Ruffer – through articles in Funders’ News and Trust & Foundation News; investment seminars for members providing an introduction and overview for senior foundation staff and trustees regarding foundation investment responsibilities and approaches (one two-day live course and five shorter sessions delivered virtually); two sessions at ACF’s annual conference; and two virtual webinars in the early stages of the pandemic on investment approaches.

SIIG MEMBERSHIP GREW TO



SIIG events 2020	
Seven learning sessions	154+ participants
Four Market information days	141+ participants
Six member update calls	43+ participants
17 events	338+ participants

• **facilitating the Social Impact Investors Group (SIIG)** which exists to support foundations interested in starting or currently undertaking social impact investing. Membership grew to 35 foundations or organisations with philanthropic assets. Supported by an active steering group, SIIG delivered monthly learning sessions and catch-ups, and organised a series of market information days where foundations heard from social purpose funds, enterprises and charities. The SIIG member toolkit was furnished with further templates, exemplars and practical resources on social investment. The SIIG continued to monitor diversity, equity and inclusion, delivering a balanced roster of presenters based on gender and ethnicity, and giving a platform to those with lived experience of the social issues via specially filmed commentary or participation at SIIG events.

• **the Finance, Investment & Resources Management (FIRM)** network for large foundations continued to flourish, with regular communication between members, and more formal meetings featuring speakers on home working and the future of work, using data to help charities increase their impact, sustainable investment, staff resilience and tax.

“WE ARE ABOUT TO REVIEW OUR INVESTMENT POLICY, SOMETHING I HAVE NOT BEEN INVOLVED IN BEFORE, AND I FEEL THAT THE INFORMATION OBTAINED IN THESE SEMINARS WILL BE A GREAT HELP.”

INVESTMENT SEMINAR PARTICIPANT

ACF ADVOCATES ON BEHALF OF FOUNDATIONS FOR AN ENABLING POLICY, LEGISLATIVE AND OPERATING ENVIRONMENT

A key priority for ACF is our advocacy work, which aims to proactively influence the operating environment for foundations. In doing so, ACF seeks to protect and enhance foundations' ability to fulfil their individual charitable missions and make their irreplaceable collective contribution to a vibrant civil society.

Covid-19

The pandemic and the measures to contain it have had a damaging effect on many organisations and causes. While there was a wave of voluntary action around local mutual aid efforts and in efforts closely linked to Covid-19, for many established organisations the pandemic has hit their funding while demand for their services has grown.

We were aware early on that the scale of need from organisations and causes went beyond the ability of foundations to fill the gap. Our [survey of members on Covid-19](#) showed that ACF members were quick to step up and we communicated the ways in which they were helping to policy-makers, politicians and the media.

Establishing the narrative about the role of foundations laid the framework for our involvement with the Never More Needed campaign, organised by a group of charity umbrella bodies.

The campaign called for emergency support for those charities affected by the loss of income as lockdown and social distancing rules meant charities were unable to fundraise or trade in their usual way. The Chancellor announced a £750m emergency package in April 2020, and mentioned in his statement the way that foundations were playing their part in supporting charities: [Chancellor's statement on coronavirus \(COVID-19\) – GOV.UK](#). We have continued to support calls from the [Never More Needed](#) campaign for additional funding, but these have not been successful.



'BEYOND COVID-19, WE CONTINUED TO FOCUS ON INFLUENCING THE OPERATING ENVIRONMENT FOR FOUNDATIONS SO THAT THEY CAN ACHIEVE MORE FOR THE PUBLIC GOOD.'

Influencing the operating environment

Beyond Covid-19, we continued to focus on influencing the operating environment for foundations so that they can achieve more for the public good. We have engaged heavily with work related to the Statement of Recommended Practice (SORP) for charity accounts, both as a member of the SORP Committee and in its engagement strand of work on funders and donors as part of the review being carried out by the charity regulators for England and Wales, Scotland, Northern Ireland and Ireland.

We have developed a more formal relationship with the Charity Commission for Northern Ireland, acting as a critical friend to their work.

We have engaged with the Charity Commission for England and Wales, including in their review of guidance on charity investment and we look forward to the process for the appointment of their new chair.

The UK government has had less of a focus on the role of charities and community groups than previous administrations, but the Prime Minister personally commissioned backbench MP Danny Kruger to review what role they might play in the Government's levelling up agenda.

We responded to the review and Danny Kruger spoke at ACF's conference in November, alongside the civil society minister Baroness Barran and Rushanara Ali MP, chair of the All Party Parliamentary Group on Philanthropy and Social Investment. The review was positive about the role of foundations and recommended a number of funds to be distributed by independent foundations, though the Government has subsequently decided that government departments will choose successful bids.

**THE FORUM
NOW HAS
NEARLY**



200
MEMBERS

Members' Policy Forum

Our Members' Policy Forum is an initiative that aims to increase opportunities for all our members to engage directly with ACF's policy work, raise issues of interest and concern, and regularly engage with policy-makers in government. We have continued to develop it and in 2020 we shifted the Forum online with monthly email newsletters and online events. The Forum now has nearly 200 members.

ACF CONNECTS FOUNDATIONS TO PEOPLE, ORGANISATIONS, GOVERNMENTS AND MOVEMENTS RELEVANT TO THEIR WORK

We do this through our networks, online via social media and our Funder Network website, and outreach to other networks. We are also increasingly connecting with European and international networks to share good practice and thought leadership.

Our community and peer networks were rated in the top three reasons for membership by 52% of respondents to our annual survey (see page 10).

Networks

- 388 attendees (*this is total number of attendees, not unique attendees. It does not include the attendees for FIRM or SIIG)
- 27 network meetings (*this does not include FIRM or SIIG)

In 2020 we supported 17 member-led networks led by a team of volunteer convenors from ACF membership. The majority of the networks focus upon funding themes (eg children and young people, or criminal justice), while others explore elements of grant-making (eg good practice in monitoring and evaluation). Two support specific job roles in foundations (eg finance staff, run in partnership with Charity Finance Group), one is for funding in Northern Ireland, and one is for senior leaders concerned with social justice.

As a result of the Covid-19 pandemic, all of ACF’s networks were moved online from the end of March 2020 and continued to remain active throughout the year.

	2017	2018	2019	2020
Number of networks	19	19	17	17
Number of network meetings	30	34	32	27*
	2017	2018	2019	2020
Attendance	379	494	362	388*

“THE MOST BENEFICIAL ASPECT OF MEMBERSHIP IS THE ABILITY TO CONNECT WITH AND LEARN FROM COLLEAGUES IN OTHER TRUSTS AND FOUNDATIONS.”

ACF MEMBER

International networks

ACF remains committed to sharing expertise and knowledge with similar organisations working in other countries. We have a close relationship with the Donors and Foundations Networks in Europe (Dafne). We have contributed to their Philanthropy Advocacy Project which maps activity in each European country. We have also worked with Dafne and with colleagues from France and Spain in particular to develop an international Funder Commitment on Climate Change, drawing on our experience of working on this. We have contributed to other European level discussions and initiatives, for instance sharing our work on diversity, equity and inclusion and tackling racism with European colleagues.

Countries and regions

ACF works across all four nations of the UK and has members based and funding in each nation. A member of staff based in Northern Ireland provides a point of contact for stakeholders and supports local foundations and those in Great Britain with an interest in Northern Ireland, in order to enhance their knowledge and effectiveness. The ACF NI Network and conference held in November 2020 with the Northern Ireland Funders’ Forum offered spaces for engagement, learning and identification of opportunities for collaboration.

In Scotland and Wales, we primarily work with Wales Funders Forum and Scottish Grantmakers. Our Chief Executive chairs the Wales Funders Forum. We have presented to the Scottish Grantmakers on our work on climate change in 2020 and we continue to develop our relationship.

In England, we also engage with regional funding forums and presented on Stronger Foundations at a number of meetings, as well as starting to engage with them and other regional funders through the Funders’ Collaborative Hub, which features their work on its website.

Active ACF networks

Funding theme networks

Asylum, refugee and migration

Children and young people

Criminal justice

Housing and homelessness

International funders

Mental health (inactive)

Tackling poverty

Violence against women and girls

Woburn Place Collaborative which brings together larger foundations working on social justice issues

Geographically based networks

Northern Ireland

Funding practices networks

Monitoring and evaluation

Place based learning

SIIG – Social Impact Investors Group

Job role networks

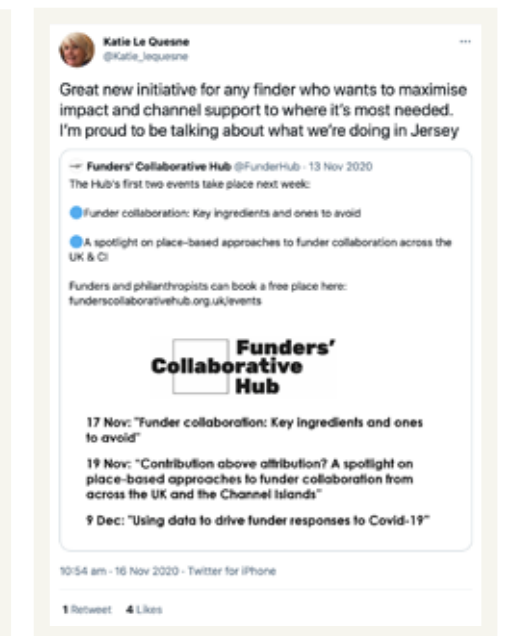
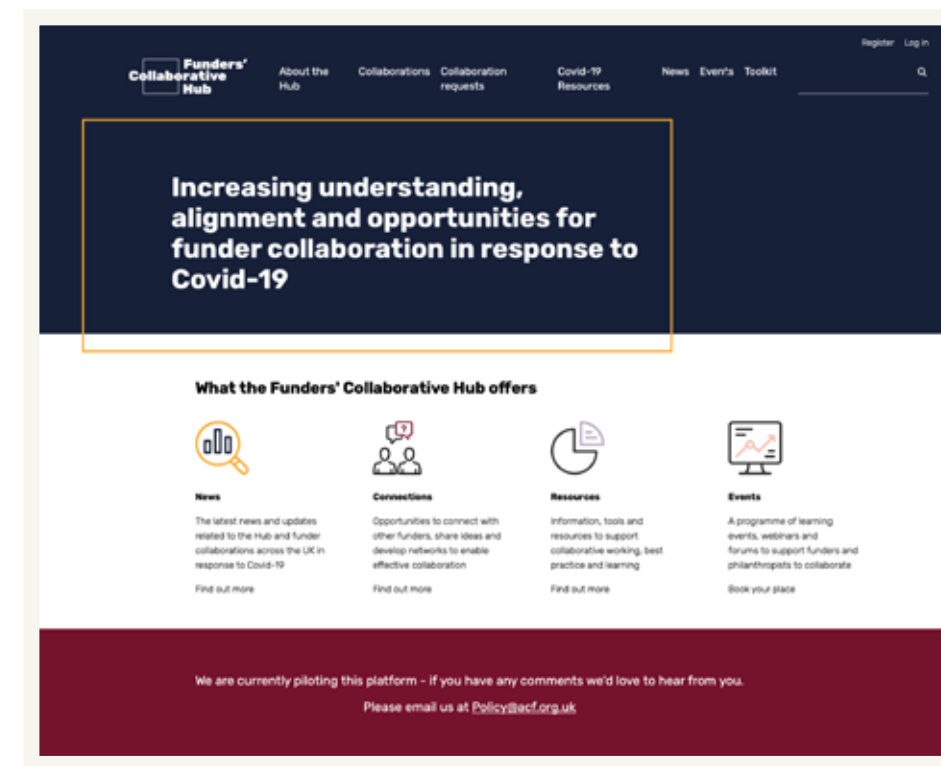
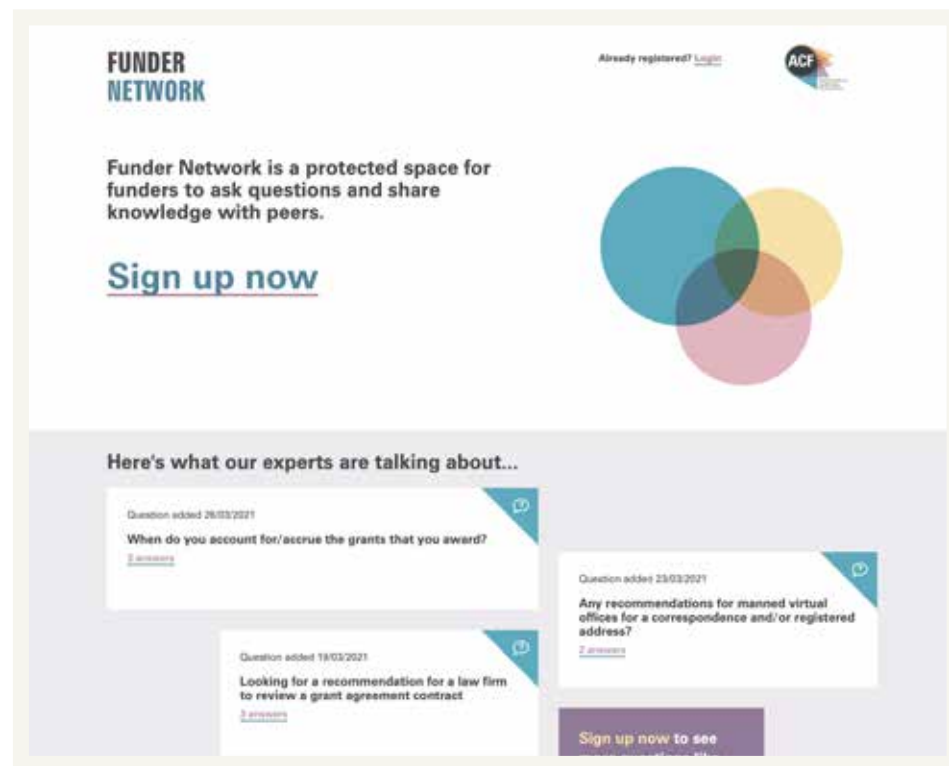
FIRM – Finance, Investment, Resources Management network for Finance and Investment Directors of large foundations

Finance in grant-making, run with Charity Finance Group

Foundation type networks

Smaller funders

Corporate foundations



Funder Network

ACF's Funder Network is an online knowledge sharing platform, enabling members and other funders to contribute queries, concerns and expertise about policies and practices relating to foundations.

The Network at present has just over 900 registered users. In 2020 there were 78 questions posted on the Network, and a total of 203 answers commented in response to these. The most answered questions this year were on developing a safeguarding policy, using Salesforce, and responding to Covid-19.

Funders' Collaborative Hub

One of the outcomes from the initial meetings with members we organised in response to Covid-19 was to explore how we could support more collaboration. This led to our Trustee Board in April approving the development of a Funders' Collaborative Hub, hosted by ACF but working closely with partners in the foundation sector.

The aim of the Hub was to enable foundations to make a collective contribution to the recovery and renewal of civil society, through a time-limited, evidence-based and strategic response. The vision was that the recovery and renewal leads to a sector that is effective, informed, inclusive and resilient in the new circumstances.

In May ACF held the first meeting of the initial strategy group, comprised of representatives from foundations and civil society. The Hub brought together the activity and intelligence developed in specialist 'spokes' – which are existing and developing collaborations of organisations in the field working on the funding of particular areas. The strategy group agreed that it would aim to answer four primary questions:

- What collaborations are happening already in response to Covid-19?
- Who else is involved or is interested in a collaboration focused on an area of importance to us?
- How can our funding best help?
- Where are the emerging needs and gaps?

A small project group, involving foundation representatives and ACF staff, was established to take forward the concept and strategic vision. More than 50 organisations have expressed an interest in being involved to date, including a range of prospective 'spokes'. Twenty foundations took part in user testing interviews and design workshops delivered with colleagues from Shift and the National Lottery Community Fund.

In early November, ACF and the coalition of organisations supporting its development, publicly launched the Funders' Collaborative Hub with a new website: funderscollaborativehub.org.uk.

In addition to the resources on the web platform, the Hub actively brings together existing collaborations, funders and philanthropists with new ideas, and civil society organisations. A Twitter account [@FunderHub](https://twitter.com/FunderHub) was launched, which has already attracted several hundred followers.

In October, ACF convened a webinar about funder collaboration, attended by more than 60 members and a wider programme of events was launched, which will deliver a variety of content to foundations and philanthropists. The Hub was also the subject of a plenary session at the ACF and Northern Ireland Funders' Forum conference, and a number of regional funder forums.

To date, funding has been secured from Lloyds Bank Foundation for England and Wales, Henry Smith Charity, John Lyon's Charity and Esmée Fairbairn Foundation. Additional in kind support was also provided by Esmée Fairbairn Foundation for the web platform and staff time. ACF is now developing plans for the future of the Hub through 2021, which will involve additional fundraising to cover the costs of delivering the project longer term.

“GREAT NEW INITIATIVE FOR ANY FUNDER WHO WANTS TO MAXIMISE IMPACT AND CHANNEL SUPPORT TO WHERE IT'S MOST NEEDED.”

@FUNDERHUB TWITTER FOLLOWER

ACF INSPIRES FOUNDATIONS TO BE AMBITIOUS AND EFFECTIVE IN THE WAY THAT THEY USE THEIR RESOURCES

Over the past few years, mandated by our membership, ACF has become more deliberate in this aspect of our work, through our flagship annual conference, speaking and writing publicly on a wider range of issues and also instituting a major work stream specifically aimed at identifying what ‘excellent’ practice looks like for foundations.

Stronger Foundations 2020

2020 saw the culmination of the Stronger Foundations project, with the conclusion of its member-led working groups, publication of seven reports, delivery of more than 20 engagement events, a national conference, and the launch of a self-assessment tool for members. Falling against the backdrop of Covid-19 meant that most of this activity was delivered in different ways to how we had originally planned. Yet the impact of the pandemic on foundations and the communities they care about meant that the project’s aim to support foundations to be ambitious and effective with all their resources was more relevant and urgent than ever.

In addition, digital delivery hugely increased our reach to members and others, meaning that opportunities for engagement were significantly increased, particularly for those based beyond England.

Across the year more than 600 ACF member representatives were directly involved in Stronger Foundations activities – from participating in a working group, to speaking at or attending a report launch event, to joining practical sessions about implementing its recommendations. Stronger Foundations was featured in more than a dozen media pieces, and was the focus of international conferences and sessions in the wider UK sector – from the Northern Ireland Funders Forum annual conference to the Small Charities Coalition. Its methodology was also presented to sister associations in Spain, Italy and Switzerland, as well as to the Wales Funders Forum.

An internal evaluation of Stronger Foundations and its impact to date found that members involved in the initiative were overwhelmingly enthusiastic for both the process and the products of the initiative, and that the project had achieved attributable and substantive impact on foundation practice across the UK and internationally. As well as six final reports from the working groups, ACF produced a report tailored specifically to chairs of foundation boards, launched at an event for this group attended by more than 60 member chairs. A ‘cross-cutting themes’ report was launched in time for ACF’s national conference, drawing together some of the golden threads of the initiative.

In December, a self-assessment benchmarking tool was launched, enabling members to choose the thematic area they would like to prioritise and support them to take action in pursuing excellent practice in this area.



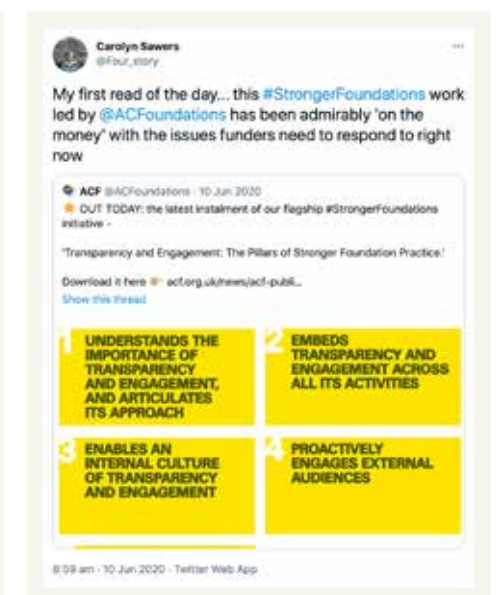
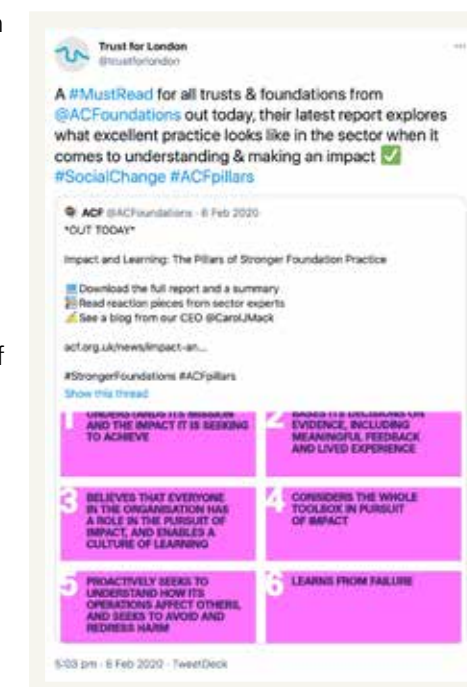
ACF Stronger Foundations Reports



It provides a mechanism through which foundations can consider the example actions and behaviours for each pillar, reflect on and score their own performance, record examples of how and to what extent the foundation is meeting each pillar and summarise planned future actions.

Feedback from members told us that the results were helpful in a variety of contexts, such as board meetings, staff away days, strategic reviews and team discussions. A blog summarising the first month of the tool’s use found that the most action was being taken in relation to diversity, equity and inclusion, but that this was also the area where foundations reported the least confidence and progress.

Supporting members to implement the learning and recommendations from Stronger Foundations is now a cross-organisational priority. It will be incorporated into ACF’s activities and form the basis of our content in the years ahead.



ACF annual conference

ACF's first virtual conference took place on 25 and 26 November 2020. The conference theme, Stronger Foundations: Reflect. Recover. Renew, aimed to provide delegates with a platform to consider what impacts the Covid-19 crisis had on the sector, what was learnt in the first nine months of the pandemic and what future considerations should be.

The circumstances meant that the conference needed to be very different from the one we had initially planned for (450+ delegates for one full day at QEII Conference Centre). The team are incredibly proud of what they achieved in challenging circumstances, as we also switched from our original preferred software for the conference to Zoom to deliver the range of content we looked for. We sold a total of 247 tickets. The conference was positively received by members, who were sympathetic to the limitations of the format. Speakers included outgoing chair of the Wellcome Trust Dame Eliza Manningham-Buller, Minister for Civil Society Baroness Diana Barran and sessions with a diverse range of speakers from foundations and wider civil society.

Climate change

The Funder Commitment on Climate Change was launched by a group of funders at ACF's 2019 conference. ACF took on the role of hosting the Commitment in June 2020 and it now has over 50 signatories. With financial support from the Esmée Fairbairn Foundation, we also developed a package to support signatories and encourage new foundations to sign.

Diversity, equity and inclusion

2020 exposed and amplified many pre-existing structural and societal inequalities, from poverty to disability, from gender to ethnicity. Covid-19 had a disproportionate impact on some groups of people more than others, particularly those with existing health problems, older people, those living in poverty and people from Black, Asian or other communities that have been marginalised because of their race or ethnicity. It was particularly impactful on people experiencing an intersectionality of these.

At ACF, we pursued DEI as a priority both internally and externally. We reviewed our first DEI policy, published on our website, as 'a framework for our members and the wider sector to hold us to account', covering board and staff diversity, recruitment practices, data management and processes. We made changes to how we recruit our board, which is elected from and by our members. We found that encouraging and actively engaging all our members to promote ACF trusteeship is resulting in a board that is more diverse and representative not only of our broad membership but society itself.

We also changed the way in which we appoint our staff. We now shortlist with the BeApplied platform that enables anonymised applications, we don't ask for unnecessary qualifications and experience, and we've introduced flexible working arrangements. But we still have a long way to go before our staff team reflects the diversity of the population of the UK, and this will be something we will need to continue to work at. To strengthen our internal efforts and accountability, our CEO signed ACEVO's Eight principles to address the diversity deficit in charity leadership. We also became an active member of Dafne's working group on racial equity.

We prioritised promoting our Stronger Foundations report on Diversity, Equity and Inclusion, which had been published in October 2019, and highlighted ACF members pursuing its nine pillars of stronger practice.

DEI was a major strand of our annual conference in November, with speakers addressing a wide range of topics including governance, disability, gender and racial inequality. We also delivered sessions on DEI to foundations and others at more than 20 national and international events, including the Chartered Institute of Fundraising's Equality, Diversity and Inclusion Committee and the Scotland Funders' Forum.

ACF established a DEI resources page featuring recent blogs, resources, toolkits and video content for members looking to enhance their understanding and improve their practice. An ACF event for members in June on racial disparity and Covid-19 was attended by more than 200 foundation representatives. It has since been viewed more than 450 times.

In 2020, we and our members made some progress to address issues related to DEI. But we cannot, and must not, stop there. As our CEO said in a public blog in November:

"Becoming a more diverse, equitable and inclusive organisation, sector and society is a journey not a destination. And it is a journey that demands us all to move at speed. As with all journeys, the critical point is to make a start, to head in the right direction and continue to ask hard questions about progress. And that is something we all can do."

Carol Mack, ACF Chief Executive

ACF THRIVES AND IS SUSTAINABLE TO SUPPORT MEMBERS OVER THE LONGER TERM

In order for ACF to effectively support and connect foundations, to inspire the sector and to raise its influence and profile, it is essential that we have effective systems and processes and are financially stable.

The trustees have given careful consideration to any need to change the financial statements as a result of the Covid-19 pandemic and have determined that no changes are necessary.

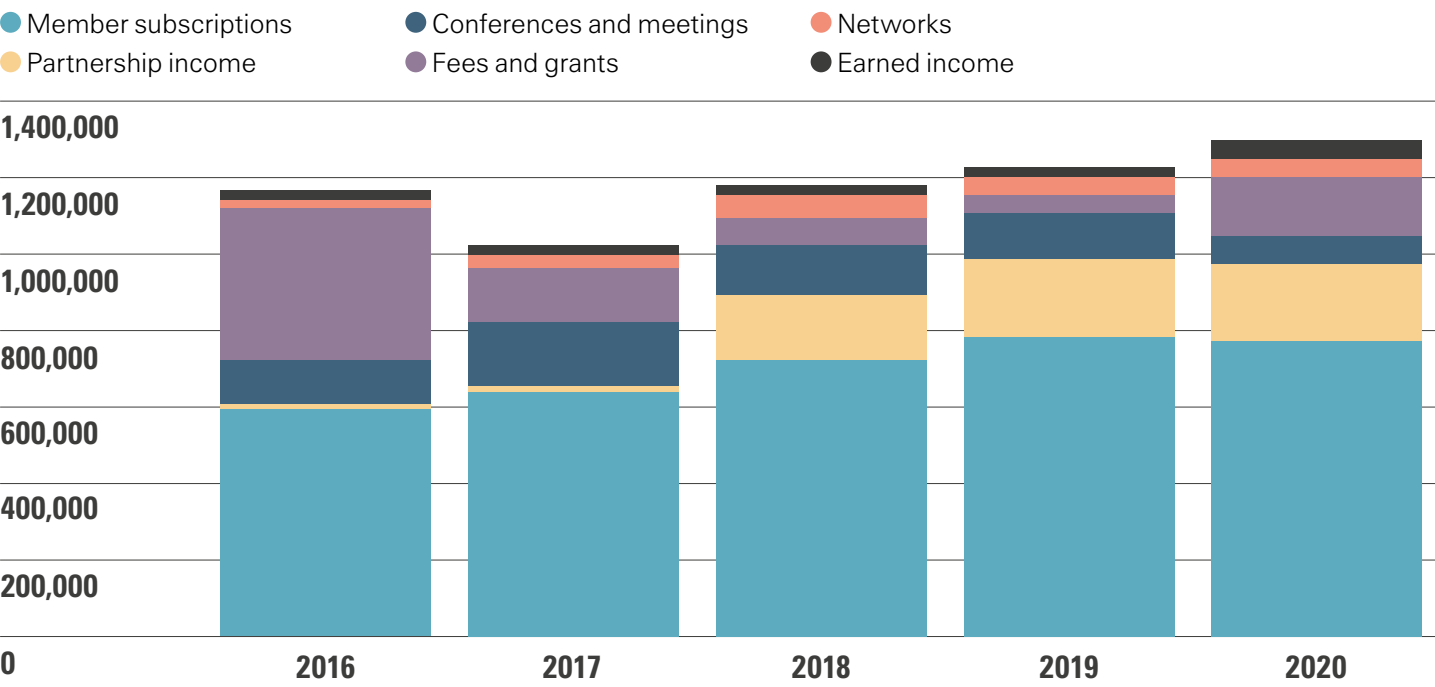
Ensuring ACF is financially robust

ACF was not immune to the impacts of Covid-19, and required us to balance available resources to deliver our ambitious programme. We are grateful to the continued support of our members, including providing additional grants in 2020, to enable ACF to maintain progress on key activities. Our financial position continues to be stable with the continuation of the Official Partner Programme (OPP). The OPP continues

through until the end of 2021 and ACF's intention is to seek to renew the programme with the current partners.

Recent years have seen a steady growth in membership and networks, supported by the greater profile of our advocacy for the foundation sector, and new opportunities to contribute to our Social Impact Investors Group, Members' Policy Forum, and the Stronger Foundations initiative.

GROUP INCOME TRENDS 2016–2020



“ACF OFFERS US A CHANCE TO ACCESS GOOD PRACTICE IN A CAREFULLY THOUGHT OUT WAY, WHICH HAS REALLY ADDED TO MY KNOWLEDGE.”

ACF MEMBER

While the pandemic forced a substantial change to the way ACF delivers its membership benefits and policy work, we were able to maintain a stable financial position as evidenced by the financial statements.

The audited financial position shows a £12,474 unrestricted operating deficit for the year. This deficit reduced our total general fund to £536,888. Of this, £88,577 represents fixed assets, leaving free reserves of £448,311.

The trustees have considered the unrestricted reserves that ACF requires to sustain its operations with reference to the Charity Commission for England and Wales’ guidance on charity reserves as set out in CC19. Trustees have agreed a long-term aim of balancing income and expenditure to deliver a level of reserves that is between four and six months’ operating expenditure. The current free reserves balance is towards the lower end of this range at 31 December 2020. During the year ACF commenced work on replacement of its CRM system, which will become operational in 2021, streamlining processes and enhancing member engagement.

The board has determined that the current level of reserves is sufficient to mitigate operating deficits before we begin to rebuild reserves again in 2022. The board considers that the use of reserves and their movement below the target range is acceptable in order to manage the impact of the coronavirus pandemic and the cost of implementing the new CRM system while continuing to deliver ACF’s strategic plans.

Income and expenditure forecasts for a three-year period are reviewed annually and in-year performance is monitored at each trustee meeting to ensure the impacts of Covid-19 and the investment in the new CRM are assessed and remedial action agreed if necessary.

Status

ACF is both a registered charity, registration number 1105412, and a company limited by guarantee incorporated on 27 July 2004 and registered in England and Wales, registration number 5190466. Its governing document is a Memorandum and Articles of Association. ACF’s registered office is Fourth Floor, 28 Commercial Street, London E1 6LS.

ACF has a wholly owned trading subsidiary, ACF Conferences and Seminars Limited. This is a company incorporated on 5 January 2000, registration number 3902450, and limited by a single share held by ACF. The directors of the company are listed at the end of this report. ACF manages its commercial relationships which generate trading income via this company. This includes the Official Partner Programme and commercial activities linked to the annual conference. ACF Conferences and Seminars Limited has agreed a deed of covenant that obligates it to pass all its profits to the charity at the end of each financial year. The accounts that accompany this report show the consolidated financial information for the ACF and ACF Conferences and Seminars Limited. The narrative in this report covers the operations of the charity and the subsidiary company.

Going concern

In view of the foregoing it is the view of the ACF board at the time this annual report and the annual accounts are signed, that both ACF and ACF Conferences and Seminars Limited are going concerns. In view of Covid-19 the trustees have given additional consideration to the going concern status of the charity and ACF Conferences and Seminars Limited and do not consider there to be any additional concerns to report.

Income to support our services to members

ACF’s principal sources of funding are membership subscriptions, grants and fees for its charitable activities, and the Official Partner Programme. Members pay an annual subscription on a sliding scale, which is based on their grant expenditure in the previous year. In 2020 ACF received four restricted grants, further detailed in Note 5 to the financial statements. ACF does not set a target to raise income from its cash reserves, nor does it have an investment policy.

ACF’s approach to fundraising from the public

ACF does not seek funds directly from the public, nor do we use commercial or professional fundraisers. As a result, we are not signed up to a voluntary fundraising regulation scheme or standard. ACF has complaints and whistleblowing procedures and these can be found on our website. We have received no fundraising related complaints.

Remuneration policy

All trustees give of their time freely and no trustee remuneration was paid in the year.

ACF provides a competitive employment offer, which is designed to attract and retain staff with the appropriate skills. Budgetary constraints, external environment, wider job market, values of the organisation and the morale of staff will all be factors in deciding any employment offer. ACF is a London Living Wage employer.

During 2019 ACF developed, and continues to administer, a pay policy that enables us to ensure that we continue to attract, retain and motivate our talented staff team, while providing more clarity and transparency about pay differentials between staff.

The current full-time equivalent salary differential between the highest and lowest paid staff member is 3.2 (2019 3.9).

The highest paid member of staff was the Chief Executive, receiving a salary in the year of £87,323 (an increase of 1.7% on 2019: £85,863) and a non-consolidated performance-related payment of £5,000 (2019: £5,000). The Chief Executive’s total financial benefit (including employer pension) was £101,055 (an increase of 1.6% on 2019: £99,449).

ACF is not required to publish its gender pay gap information given its relatively small size, however, chooses to do so voluntarily.

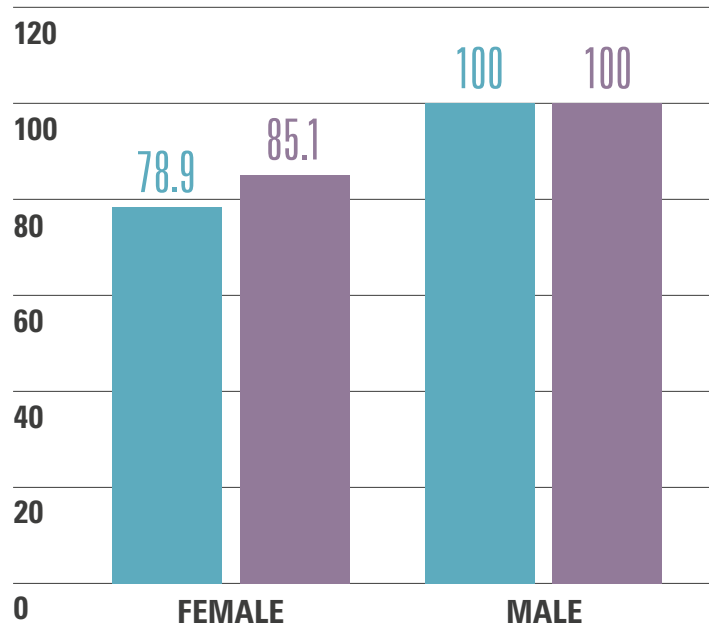
This year, we have followed the UK Government guidelines for disclosure of this data using the prescribed formulae.

Improvements have been made, with the females’ median hourly wage at 5 April 2021 14.9% lower than the males’ median hourly wage, compared to 21.1% at the same date in 2020. When comparing mean hourly wages, the females’ hourly wage is 12.9% lower than the males’ hourly wage at 5 April 2021. The differences between males’ and females’ hourly wage averages are primarily because two of the five male employees are Director-level posts. ACF’s executive and senior management has an equal balance of male and female staff.

	Females	Males	Total
Top quarter	2	2	4
Upper middle quarter	2	2	4
Lower middle quarter	3	1	4
Lower quarter	4	0	4
Total	11	5	16

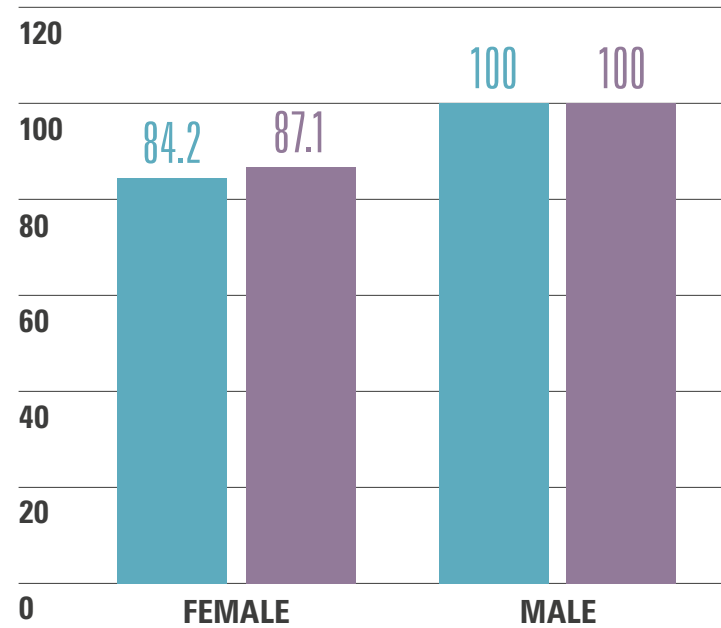
MEDIAN

● April 20
● April 21



MEAN

● April 20
● April 21



Female hourly wage rates are presented as a percentage of male hourly wage rates to indicate the relative gender pay gap more easily than the raw data.

Balance sheet liabilities

ACF is carrying a Pensions Trust Growth Plan liability on its balance sheet, which represents the net present value of the deficit reduction contributions payable by ACF. This year has again seen a reduction in ACF’s liability leaving the balance at £50,918 (2019: £61,050).

The Pensions Trust Growth Plan has put in place arrangements to assist Plan members who have difficulty meeting payments as a result of the pandemic. ACF does not expect to need this assistance.

The Plan invests for the long term and monitors its investment strategy and funding position. We understand that the scheme is in the process of completing a triennial review and at the conclusion of the review the deficit funding is likely to be reviewed.

ACF holds no funds as a trustee on behalf of others.

Risk management

ACF actively manages the risks it faces. Key risks are identified and reviewed at the quarterly Finance and Risk Committee and annually by the Board. Measures to manage all risks are in place. Key risks being actively managed are as follows:

Key risk	Implications	Mitigations	Impact	Likelihood
ACF staff’s capacity to deliver 2021 workplan	ACF is unable to deliver impact in the sector, having a negative influence on reputation and membership in the medium term	1. Ensure that workplan is prioritised based on impact and resources released for priority elements 2. Ensure all programmes of work have detailed plans, success criteria and milestones 3. Increase staff engagement through consistent communication of priorities / progress using RAG ratings	High	Low
Covid-19 continues to have a destabilising effect on member engagement	Members become more inward looking, leading to ACF programmes (Stronger Foundations, climate action, collaborative Hub) losing relevance and reduction in attendance at learning and events programme	1. Proactively engage across the membership to ensure ACF is meeting member needs 2. Analyse events programme attendances, comparing with 2020 and prior in-person performance 3. Monitor engagement of core policy programmes at each touchpoint, documenting member engagement trends over time	Medium	Medium
Staff physical and mental wellbeing negatively impacted by Covid-19	Staff (or family) become unwell and/ or well-being compromised, impacting ACF’s ability to service members, increasing ACF costs to backfill and potentially increasing staff turnover	1. Ensure directors have flexibility to balance work output to personal circumstances 2. Managing workplan to account for variable staff capacity levels 3. Ramp up well-being activities to ensure ACF has support programmes for all staff 4. Ensure 121 process captures work progress and personal wellbeing	High	Medium

“GENEROUS KNOWLEDGE SHARING, OPPORTUNITIES TO MEET AND COLLABORATE WITH OTHER ORGANISATIONS, GUIDANCE ON BEST PRACTICE, AND CONSIDERED ADVOCACY FOR THE SECTOR ARE JUST A FEW OF THE BENEFITS ACF MEMBERSHIP HAS GIVEN US.”

ACF MEMBER

Key risk	Implications	Mitigations	Impact	Likelihood
Poor membership renewals	Financial deficit compromising ACF’s ability to deliver work plan and core services	1. Regular reporting of 2021 renewal status notices to senior leadership 2. Maintain and update new members target list, reviewed at each monthly leadership team meetings 3. Senior leadership contact across the membership to ensure ACF benefits in step with needs	High	Low
CRM delivered over time and budget	Inability to deliver the benefits proposed, additional costs incurred in development and potential reliance on ThankQ and resulting higher support costs	1. Ensure a complete project plan is detailed, milestones noted and project governance is maintained 2. Critically evaluate suppliers’ resource availability to ensure adequacy 3. Manage internal work programme to allocate appropriate internal resource, especially for testing and training	Medium	Low
Official Partners do not renew during 2021 for 2022 and beyond	Lack of securing contracts for 2022 and beyond would have a long-term impact on the support ACF can provide the sector	1. Secure renewals for 2022 and beyond during Q2 2021 2. Continue to provide high quality learning events where Official Partners can share their expertise with members 3. Enhance our virtual conference delivery for 2021	Medium	Low

GOVERNANCE

Board of trustees of the charity

Name	Position	Committee membership(s) during the year	Appointed or resigned date	Member
Janet Morrison OBE	Chair	Officers		The Baring Foundation*
Jessica Brown	Vice Chair	Officers	Appointed Vice Chair 09.02.21	Trusthouse Charitable Foundation
David Renton	Treasurer	Officers, Finance & Risk, ACF Conferences and Seminars Limited		Guy's and St Thomas' Foundation*
Nick Acland	Trustee	Nominations & Remuneration	Reappointed 23.09.20	Henry Smith Charity
Andrew Barnett OBE	Trustee	Nominations & Remuneration		Calouste Gulbenkian Foundation (UK branch)
Michelle Molyneux	Trustee	Finance & Risk		The Worshipful Company of Grocers
Klara Skrivankova	Trustee	Finance & Risk, ACF Conferences and Seminars Limited		Trust for London
Anthony Tomei CBE	Trustee	Finance & Risk		The Bell Foundation
Edward Walden	Trustee	Nominations & Remuneration		Power to Change
Sufina Ahmad MBE	Trustee		Appointed 23.09.20	John Ellerman Foundation
Sarah Benioff	Trustee		Appointed 23.09.20	Cripplegate Foundation
Aanchal Clare	Trustee	Nominations & Remuneration	Appointed 23.09.20	Peter Minet Trust
Síofra Healy	Trustee		Appointed 23.09.20	Community Foundation Northern Ireland
Kenneth Ferguson	Vice Chair	Officers	Resigned 23.09.20	The Robertson Trust
Fozia Irfan	Trustee	Nominations & Remuneration	Resigned 23.09.20	Bedfordshire and Luton Community Foundation
Joanne Knight	Trustee	Finance & Risk, ACF Conferences and Seminars Limited	Resigned 23.09.20	British and Foreign School Society
Sheila Jane Malley	Trustee	Nominations & Remuneration	Resigned 23.09.20	The Co-op Foundation
James Wragg	Trustee	Nominations & Remuneration	Resigned 23.09.20	Esmée Fairbairn Foundation

* Trustee was linked to this member on appointment to the board.

The Trustee Board

The Board is responsible for the general management and supervision of the work of ACF. The trustees of ACF meet quarterly to set the strategic direction of the charity and monitor its effectiveness.

ACF’s trustees are elected by our membership for a term of three years, may be re-elected, but cannot serve for more than six successive years. At least four trustees retire at each AGM.

All elected trustees must at the time of their appointment be connected to a member of ACF, for example as a trustee or as a member of staff. In addition, the board may co-opt a further five members to the board. ACF’s members are non-governmental organisations in the UK, whose functions or activities include grant-making for charitable purposes, and endowed charitable foundations.

Trustee induction

New trustees are invited to a half day induction where they meet key ACF staff and discuss ACF’s objectives, activities and budgets. They normally receive an information pack as part of their induction which includes the relevant guidance for trustees from the Charity Commission for England and Wales, together with papers from recent Board meetings. Trustees individually also attend ACF’s member events and thereby widen their awareness of current issues and concerns amongst ACF’s membership.

ACF’s objects and public benefit

ACF’s objects are to further the work of charitable grant-making trusts and institutions for the public benefit by:

- advancing the education of the public in such trusts and institutions and carrying out research and publishing the results of such research
- promoting the collective and individual effectiveness of such trusts and institutions and better methods of administration and management of their resources.

Under the Companies Acts 1985 and 1989, ACF is limited by guarantee and does not have share capital. Its memorandum and articles of association were fully reviewed and revised in 2004 and amended in 2018. The trustees have had regard to the Charity Commission for England and Wales’ guidance on public benefit in considering what work the charity should undertake and in the performance of their duties.

The Chief Executive, the directors and heads of departments are the key managers in charge of directing and controlling the charity on a day-to-day basis operating under a trustee approved scheme of delegation.

The trustees (who are also directors of the Association of Charitable Foundations 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP (FRS102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company’s auditor is unaware; and,
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

ACF Conferences and Seminars Limited

Directors

Gemma Instrall
Carol Mack OBE
David Renton
Klara Skrivankova (appointed 23.10.20)
Kevin Nunn (resigned 21.07.20)
Dr Joanne Knight (resigned 23.09.20)

Company Secretary

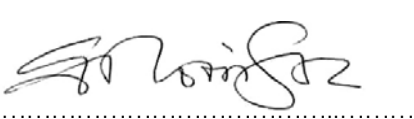
Natasha Kousseff (appointed 07.09.20)
Kevin Nunn (resigned 21.07.20)

ADVISERS AND BANKERS

Bankers	Solicitors	Auditors
Cater Allen Private Bank 2 Triton Square, Regent's Place London, NW1 3AN	Stone King Boundary House 91 Charterhouse Street London, EC1M 6HR	Saffery Champness LLP 71 Queen Victoria Street London, EC4V 4BE
Unity Trust Bank Four Brindley Place Birmingham, B1 2JB	Russell-Cooke 2 Putney Hill London, SW15 6AB	
CCLA Investment Management Limited COIF Charity Funds 85 Queen Victoria Street, London, EC4V 4ET		
Close Brothers Limited 10 Crown Place London, EC2A 4FT		

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

Approved by the Board and signed on its behalf by:



Janet Morrison OBE (Chair)

Date 25 May 2021



David Renton (Treasurer)

Date 25 May 2021

OUR THANKS

ACF’s work would not be possible without support and encouragement from many members and other supporters. We would like to express our particular thanks for these as follows:

ACF’s Official Partners:

- Cazenove Charities
- CCLA
- Mercer
- Ruffer

For additional core support of ACF’s activities:

- Garfield Weston Foundation
- Tudor Trust
- Wolfson Foundation

For additional financial support for:

- Members’ Policy Forum - Barrow Cadbury Trust
- Funders’ Collaborative Hub - Henry Smith Charity, John Lyon’s Charity and Lloyds Bank Foundation for England and Wales
- UK Funders’ Commitment on Climate Change - Esmée Fairbairn Foundation
- International Philanthropy Commitment on Climate Change - Daniel and Nina Carasso Foundation

For in kind support for:

- Funders’ Collaborative Hub - Esmée Fairbairn Foundation

For serving on the FIRM steering group:

- Anne-Laure Bedouet, Education Endowment Foundation
- Amahl Smith, Royal Commission for the Exhibition of 1851
- Fiona Young, Tudor Trust
- Matthew Whittell, John Ellerman Foundation
- Caroline Bee, St John’s Foundation

For participating in the Steering Group of the SIIG (Social Impact Investors Group of foundations):

- Douglas Gunn, Trust for London (Co-Chair)
- Ben Smith, Esmée Fairbairn Foundation (Co-Chair)
- Jo Heywood, Big Society Capital (Co-Chair)
- Jessica Tyrrell, Bank Workers Charity
- Mark O’Kelly, Barrow Cadbury Trust
- Hamesh Patel, The Clothworkers’ Foundation
- Tim Wilson, City Bridge Trust
- Jennifer Gordon / Amir Rizwan, Comic Relief
- Barnaby Wiener / Jessamy Gould / Shishir Malhotra, Treebeard Trust
- Jan Doole, Tuixen Foundation

We would also like to thank all those many members who have generously hosted meetings on behalf of ACF or given their time to convene our networks or to speak at our events.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Association of Charitable Foundations (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated and charity only balance sheets, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2020 and of the group's 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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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.

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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 29, the trustees (who are also the directors of the parent 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 the 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 parent 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements.

We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and management and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company’s records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company’s policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud.

We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner’s review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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 is available on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company’s members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor) for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London EC4V 4BE

Date 25 May 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

FINANCIAL STATEMENTS

Association of Charitable Foundations
Consolidated statement of financial activities
(incorporating an income and expenditure account)
For the year ended 31 December 2020

				2020	2019
		Unrestricted	Restricted	Total	Total
	Note	£	£	£	£
Income from:					
Charitable activities:					
Members' subscriptions		766,338	-	766,338	783,645
Network subscriptions		55,213	-	55,213	54,455
Conferences and meetings		77,244	-	77,244	114,613
Fees and grants	5	60,500	89,580	150,080	48,200
Earned income		225	-	225	698
Other trading activities	2	200,000		200,000	200,000
Investment income		1,339	-	1,339	2,588
Other income including rental income		38,004	-	38,004	20,143
Total income		1,198,863	89,580	1,288,443	1,224,342
Expenditure on:					
Charitable activities:					
Members' services	4	1,141,938	-	1,141,938	1,080,805
Conferences and meetings	4	69,399	-	69,399	114,084
Project expenditure	4, 5	-	61,819	61,819	82,361
Total expenditure		1,211,337	61,819	1,273,156	1,277,250
Net income/(expenditure)		(12,474)	27,761	15,287	(52,908)
Actuarial gains/(losses) on defined benefit pension schemes	12	(876)	-	(876)	4,271
Net movement in funds	13	(13,350)	27,761	14,411	(48,637)
Reconciliation of funds:					
Total funds brought forward	13	559,320	-	559,320	607,957
Total funds carried forward	13	545,970	27,761	573,731	559,320

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

Association of Charitable Foundations
Consolidated balance sheet
For the year ended 31 December 2020

		2020	2020	2019	2019
		Group	Charity	Group	Charity
	Note	£	£	£	£
Fixed assets:					
Tangible assets	7	88,577	88,577	112,753	112,753
Investments	8	-	2	-	2
		88,577	88,579	112,753	112,755
Current assets:					
Debtors	9	147,877	331,399	125,935	293,581
Cash at bank and in hand		275,014	88,555	328,805	96,954
Short term deposits		394,253	394,253	322,196	322,196
		817,144	814,207	776,936	712,731
Liabilities:					
Creditors: amounts falling due within one year	10	(266,032)	(263,097)	(213,318)	(149,115)
Net current assets		551,112	551,110	563,618	563,616
Total assets less current liabilities		639,689	639,689	676,371	676,371
Creditors: amounts falling due after one year	10a	(15,040)	(15,040)	(56,001)	(56,001)
Net assets excluding pension liability		624,649	624,649	620,370	620,370
Defined benefit pension scheme liability	12	(50,918)	(50,918)	(61,050)	(61,050)
Total net assets		573,731	573,731	559,320	559,320
Funds					
Restricted funds	13	27,761	27,761	-	-
Unrestricted funds:					
Designated funds					
Pension Trust deficit reduction fund	13	60,000	60,000	50,000	50,000
Pension liability reserve	13	(50,918)	(50,918)	(61,050)	(61,050)
General fund	13	536,888	536,888	570,370	570,370
Total unrestricted funds		545,970	545,970	559,320	559,320
Total funds		573,731	573,731	559,320	559,320

As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities for the charity alone has been presented. The net surplus of the standalone charity for the year was £15,287 (2019: net deficit £52,908) before transfers between funds.

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

Approved by the trustees and authorised for use on 25 May 2021 and signed on their behalf by:

Janet Morrison OBE (Chair)

Company registration no. 5190466

David Renton (Treasurer)

Association of Charitable Foundations
Consolidated statement of cash flows
For the year ended 31 December 2020

	Note	2020	2020	2019	2019
		£	£	£	£
Net cash provided by operating activities					
	14		36,548		(112,943)
Cash flows from investing activities:					
Purchase of fixed assets		(19,618)		(129,944)	
Purchase of investments		-		-	
Interest income		1,339		2,588	
Cash provided by investing activities			(18,279)		(127,356)
		18,269		(240,299)	
Cash flows from financing activities					
			-		-
Change in cash and cash equivalents in the year			18,269		(240,299)
Cash and cash equivalents at the beginning of the year			651,001		891,300
Cash and cash equivalents at the end of the year	15		669,270		651,001

Association of Charitable Foundations
Notes to the Financial Statements
For the year ended 31 December 2020

1A ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied in preparing the financial statements.

Group accounts

The financial statements present the consolidated Statement of Financial Activities (SOFA), consolidated Statement of Cash Flows and the consolidated and Charity Balance Sheets comprising of the consolidation of the Charity with its wholly owned subsidiary ACF Conferences & Seminars Limited (company registration number 03902450).

Basis of preparation

These financial statements have been prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) (effective 1 March 2018), Charities SORP (FRS102) and the Companies Act 2006. The functional currency of the charity is £.

Public benefit entity

The Association of Charitable Foundations (‘the Association’) meets the definition of a public benefit entity under FRS102.

Critical estimates and areas of judgement

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the Association makes assumptions concerning the future. The Trustees do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year. Key estimates include the useful economic life of fixed assets, the recoverability of debtors and the assumptions made by the actuary in valuing the pension liability.

Fund accounting

Unrestricted funds comprise both the General Fund and any Designated Funds. The General Fund comprises membership subscriptions and other incoming resources received or generated for the objects of the Association without further specified purpose.

Going into 2020, trustees had designated two funds, the Pensions Deficit Reduction Fund, and the Pension Liability Reserve Fund. Both represent funds that the trustees have put aside from General Funds to fund particular expenditure and are restricted in an administrative rather than a legal sense. For further details of designated funds, see note 13.

Restricted funds are to be used for specified purposes as expressed in grant agreements. Restricted grants are recognised in full in the Statement of Financial Activities in the period in which they are received or receivable whichever is the earlier, unless they are for a specified period in which case they are deferred. These funds and movements in them are described in note 5.

Tangible fixed assets

Expenditure on office equipment of less than £500 is charged to the Statement of Financial Activities when incurred. Expenditure greater than £500 is capitalised and depreciated. Depreciation is provided on capitalised fixed assets at rates calculated to write off the cost of each asset over their expected useful lives as follows (less estimated residual value where this is readily available):

Office Furniture, IT and telecommunications equipment

3 years

Software development

5 years

Leasehold improvements – Acorn House

5 years

Toynbee Hall

3 years

For office equipment and Acorn House leasehold improvements, a full year’s depreciation is charged in the year an asset is purchased. For Toynbee Hall leasehold improvements, depreciation is charged on a monthly basis from November 2019 (beginning of occupation). For software development, depreciation is charged on a monthly basis from the month in which asset is usable, with ongoing expenses such as licences and maintenance to be expensed when incurred.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to receipt, any performance conditions attached have been met, it is probable that the income will be received and the amount can be measured reliably. Deferred income is income received or recorded before it is earned, and shown in the income statement only when it can be matched with the period in which it is earned.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Wherever possible costs are directly attributed to these headings. Costs common to more than one area are apportioned using a suitable basis.

Allocation of support costs

Indirect costs are those costs incurred in support of the charitable objectives and governance of the Association. These have been allocated to the charitable activities on a basis that fairly reflects the true use of those resources within the organisation.

Financial assets/liabilities

The charity has financial assets/liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value, unless otherwise stated in the relevant account policy note(s), and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The investment in the subsidiary is stated at cost.

Going concern

The trustees consider that there are no material uncertainties about the Association’s ability to continue as a going concern. In view of Covid-19 the trustees have given additional consideration to the going concern status of the charity and ACF Conferences and Seminars Limited and do not consider there to be any additional concerns to report.

Pension arrangements

Now:Pensions ACF participates in a defined contribution pension scheme, Now:Pensions. The amounts charged to the statement of financial activities for the defined contribution scheme represent the contributions payable in the period.

TPT Retirement Solutions ACF also participates in the TPT Retirement Solutions (formerly Pensions Trust) Growth Plan Scheme. This is a multi-employer scheme where ACF’s share of the underlying assets and liabilities cannot be identified on a consistent and reasonable basis. In accordance with FRS 102, it is therefore accounted for as a defined contribution scheme. A deficit funding arrangement is in place for the scheme. A liability is recognised for the net present value of the deficit reduction contributions payable by ACF. Actuarial gains/losses are separately classified on the statement of financial activities.

Association of Charitable Foundations

Notes to the Financial Statements

For the year ended 31 December 2020

1B. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2019 INCLUDED FOR COMPARATIVE PURPOSES

				2019
		Unrestricted	Restricted	Total
	Note	£	£	£
Income from:				
Charitable activities:				
Members’ subscriptions		783,645	-	783,645
Network subscriptions		54,455	-	54,455
Conferences and meetings		114,613	-	114,613
Fees and grants	5	-	48,200	48,200
Earned income		698		698
Other trading activities	2	200,000	-	200,000
Investment income		2,588	-	2,588
Other income including rental income		20,143	-	20,143
Total income		1,176,142	48,200	1,224,342
Expenditure on:				
Charitable activities:				
Members’ services	4	1,080,805	-	1,080,805
Conferences and meetings	4	114,084	-	114,084
Project expenditure	4, 5	-	82,361	82,361
Total expenditure		1,194,889	82,361	1,277,250
Net (expenditure)/income for the year		(18,747)	(34,161)	(52,908)
Actuarial gains/(losses) on defined benefit pension schemes	12	4,271	-	4,271
Net movement in funds		(14,476)	(34,161)	(48,637)
Reconciliation of funds:				
Total funds brought forward	13	573,796	34,161	607,957
Total funds carried forward	13	559,320	-	559,320

Expenditure of £25,011 has been reclassified from Conferences and meetings to Members’ services. This reclassification is also reflected in prior year totals on the Statement of Financial Activities, Note 3, and Note 4.

2. ANALYSIS OF OTHER TRADING INCOME

	2020	2019
	£	£
Official Partnership Programme fees	200,000	200,000

3. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2020	2019
	£	£
Salaries and wages	661,664	601,594
Social security costs	66,454	60,974
Pension contributions	63,364	61,152
Pension Trust finance cost	619	1,128
Recruitment & training	15,555	32,734
Temporary staff, consultancy & all other staff costs	88,789	69,064
	896,445	826,646

Staff costs were incurred in the following way:

	2020	2019
	£	£
Unrestricted funds		
Members’ services	835,373	793,616
Restricted funds		
Effective Foundations Initiative	-	27,330
Funders’ Collaborative Hub	38,571	-
Members’ Policy Forum	14,383	-
UK Funders’ Commitment on Climate Change	6,038	-
International Philanthropy Commitment on Climate Change	2,080	-
Foundation Giving Trends	-	5,700
	61,072	33,030
Total	896,445	826,646

The above salaries and wages for 2020 include aggregate termination payments totalling £20,750.
The following number of employees received benefits (excluding employer pension) during the year between:

	2020	2019
£90,000 and £99,999	1	1

The highest paid member of staff was the Chief Executive, receiving a salary in the year of £87,323 (2019: £85,863) and a non-consolidated performance-related payment of £5,000 (2019: £5,000). The total financial benefit (including employer pension) awarded to the Chief Executive was £101,055 (2019: £99,449).

The total employee benefits including pension contributions of key management personnel were £304,975 (2019: £266,780). In addition, one interim position was filled via an agency, resulting in further key management personnel costs in the year of £24,475 (2019: £16,500 for one consultant).

The average number of staff employed in the delivery of charitable activities in the year was 15.5 (2019: 15.7); FTE 12.8 (2019: 13.4)

4. ANALYSIS OF TOTAL RESOURCES EXPENDED

4.1 Current year

	Staff Costs	Indirect Costs	Governance Costs	2020
	£	£	£	£
Unrestricted Funds				
Members’ Services	835,373	286,725	19,840	1,141,938
Conferences and Meetings	-	68,133	1,266	69,399
Total Unrestricted Resources Expended	835,373	354,858	21,106	1,211,337
Restricted Funds				
Project Expenditure	61,072	747	-	61,819
Total Restricted Resources Expended	61,072	747	-	61,819
Total Resources Expended	896,445	355,605	21,106	1,273,156
	(Note 4 and 5b)	(Note 5a)	(Note 5c)	

4.2 Prior year

	Staff Costs	Indirect Costs	Governance Costs	2019
	£	£	£	£
Unrestricted Funds				
Members’ Services	793,616	271,094	16,095	1,080,805
Conferences and Meetings	-	111,679	2,405	114,084
Total Unrestricted Resources Expended	793,616	382,773	18,500	1,194,889
Restricted Funds				
Project Expenditure	33,030	49,331	-	82,361
Total Restricted Resources Expended	33,030	49,331	-	82,361
Total Resources Expended	826,646	432,104	18,500	1,277,250
	(Note 4 and 5b)	(Note 5a)	(Note 5c)	

4A. ANALYSIS OF INDIRECT COSTS

4a.1 Current year

	Members’ Services	Conf & Meetings	Project Expenditure	2020
	£	£	£	£
ICT & communications	38,590	5,766	30	44,386
Publications & printed matter	45,504	-	-	45,504
Meetings & events	-	51,961	717	52,678
Other & staff expenses	39,612	-	-	39,612
Property-related expenditure	163,020	10,406	-	173,425
	286,725	68,133	747	355,605

Indirect costs, where relevant, have been allocated based on actual expenditure. IT & property costs have been apportioned between Members’ Services and Conferences & Meetings based on income percentages.

4a.2 Prior year

	Members’ Services	Conf & Meetings	Project Expenditure	2019
	£	£	£	£
ICT & communications	38,738	5,789	-	44,527
Publications & printed matter	35,057	270	32,782	68,109
Meetings & events	-	87,999	-	87,999
Other & staff expenses	79,372	-	-	79,372
Property-related expenditure	117,927	17,621	16,549	152,097
	271,094	111,679	49,331	432,104

4B. ANALYSIS OF STAFF COSTS

4b.1 Current year

	Members’ Services	Project Expenditure	2020
	£	£	£
Salaries and wages	627,892	33,772	661,664
Social security costs	66,454	-	66,454
Pension contributions	63,364	-	63,364
Pension Trust deficit contributions	619	-	619
Recruitment and training	15,555	-	15,555
Temporary staff, consultancy & all other staff costs	61,489	27,300	88,789
	835,373	61,072	896,445

4b.2 Prior year

	Members’ Services	Project Expenditure	2019
	£	£	£
Salaries and wages	568,564	33,030	601,594
Social security costs	60,974	-	60,974
Pension contributions	61,152	-	61,152
Pension Trust deficit contributions	1,128	-	1,128
Recruitment and training	32,734	-	32,734
Temporary staff, consultancy & all other staff costs	69,064	-	69,064
	793,616	33,030	826,646

4C. ANALYSIS OF GOVERNANCE COSTS

	2020	2019
	£	£
Auditor remuneration – audit fee for current year	10,910	12,545
Auditor remuneration – VAT review	5,148	-
Auditor remuneration – tax compliance	800	800
Internal & External Meetings	3,345	2,934
Trustee expenses	877	1,241
Sundries	26	980
	21,106	18,500

Governance cost apportioned based on income percentages.

5. RESTRICTED FUNDS – GROUP AND CHARITY

5.1 Current year

Project	Funders’ Collaborative Hub	UK Funders’ Commitment on Climate Change	International Philanthropy Commitment on Climate Change	Members’ Policy Forum	2020
	£	£	£	£	£
Grant income	50,000	22,500	2,080	15,000	89,580
Expenditure					
Staff & consultancy	38,571	6,038	2,080	14,383	61,072
Direct project costs	130	-	-	617	747
Overheads	-	-	-	-	-
Total Expenditure	38,701	6,038	2,080	15,000	61,819
Net Income	11,299	16,462	-	-	27,761
As at 1 January 2020	-	-	-	-	-
As at 31 December 2020	11,299	16,462	-	-	27,761

5.2 Prior year

Project	Effective Foundations	Foundation Giving Trends	2019
	£	£	£
Grant income	-	48,200	48,200
Expenditure			
Staff & consultancy	27,330	5,700	33,030
Direct project costs	-	32,782	32,782
Overheads	6,831	9,718	16,549
Total Expenditure	34,161	48,200	82,361
Net Income	(34,161)	-	(34,161)
As at 1 January 2019	34,161	-	34,161
As at 31 December 2019	-	-	-

Funders’ Collaborative Hub

Funding from the Henry Smith Charity, John Lyon’s Charity, and Lloyds Bank Foundation for England and Wales, to support the Funders’ Collaborative Hub, an initiative to enable increased understanding, closer alignment, and opportunities for funder collaboration in response to Covid-19.

UK Funders’ Commitment on Climate Change

Funding from Esmée Fairbairn Foundation to support ACF’s hosting of the UK Funder Commitment on Climate Change, to promote the commitment and support signatories to implement the pledges.

International Philanthropy Commitment on Climate Change

Funding from Daniel and Nina Carasso Foundation towards ACF’s role in supporting Dafne (Donors and Foundations Networks in Europe) and other organisations to develop an international equivalent of the above UK Commitment.

Members’ Policy Forum

Funding from the Barrow Cadbury Trust to support the work of the Members’ Policy Forum, an initiative that increases opportunities for our members to engage directly with ACF’s policy work, raise issues of concern, and regularly engage with policy-makers in government.

Effective Foundations Initiative

Prior year only.The Effective Foundations Initiative is legacy funding from The Diana, Princess of Wales Memorial Fund and the Tubney Charitable Trust.

Foundation Giving Trends

Prior year only. Funding from the Pears Foundation to support research by Professor Cathy Pharoah resulting in the annual publication by ACF of Foundation Giving Trends.

6. TRUSTEE BOARD EXPENSES

The Trustee Board members received no remuneration.

The amount of travel and other expenses reimbursed to, or paid on behalf of three Trustee Board members was £877 (2019: seven members at £1,241).

All trustees must be a trustee, employee or other representative of a member of the Association at the time of their election to the Board.

There were no related party transactions requiring disclosure in the year.

7. TANGIBLE FIXED ASSETS

Group and charity	Leasehold Improvements	Office Furniture, IT and telecoms equipment	Software Development	Total
	£	£	£	£
Cost				
At 1 January 2020	94,059	76,060	-	170,119
Additions in the year	-	1,440	18,178	19,618
Disposals in the year	-	-	-	-
At 31 December 2020	94,059	77,501	18,178	189,737
Depreciation				
At 1 January 2020	(5,226)	(52,140)	-	(57,366)
Disposals in the year	-	-	-	-
Charge for the year	(31,353)	(12,443)	-	(43,796)
At 31 December 2020	(36,579)	(64,583)	-	(101,162)
Net Book Value				
At 31 December 2020	57,480	12,918	18,178	88,575
At 31 December 2019	88,833	23,920	-	112,753

All tangible fixed assets are used for direct charitable purposes.

8. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2020	2019
	£	£
	2	2

The charity holds 100% of the issued ordinary share capital of the following company:

Subsidiary	ACF Conferences and Seminars Limited
Country of registration	England and Wales
Class	Ordinary
Shares held	100%

The aggregate amount of capital and reserves and result of this undertaking for the last relevant financial year were as follows:

Subsidiary	ACF Conferences and Seminars Limited
Principal activity	Conferences
Capital and reserves	£2
Profit for the year	£nil

	2020	2019
	£	£
Turnover for the period	200,163	213,060
Cost of sales	(96,474)	(81,659)
Gross profit	103,689	131,401
Profit on ordinary activities before taxation	103,689	131,401
Tax on profit on ordinary activities	-	-
Profit for the year, transferred to the charity at year end	103,689	131,401

9. DEBTORS

	Group	Charity	Group	Charity
	2020	2020	2019	2019
	£	£	£	£
Amounts due from subsidiary undertaking	-	210,826	-	194,388
Prepayments and accruals	82,980	79,676	82,532	75,925
Taxation	135	135	-	-
Other debtors	64,761	40,761	43,403	23,268
	147,876	331,398	125,935	293,581

£5,000 of the total owed by ACF Conferences and Seminars Limited is a loan and is repayable at the option of the charity and is non interest-bearing.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Charity	Group	Charity
	2020	2020	2019	2019
	£	£	£	£
Accruals	38,144	37,427	29,834	40,471
Meeting fees received in advance	3,333	3,333	4,815	4,815
Subscriptions received in advance	56,830	56,830	52,366	52,366
Trading income received in advance	-	-	50,000	-
Staff leave carried forward	20,648	20,648	11,376	11,376
Staff wages	3,922	3,922	2,900	2,900
Other taxation and social security	3,759	3,759	27,632	2,790
Staff pensions	7,693	7,693	6,056	6,056
Dilapidations provision	53,501	53,501	-	-
Other creditors	78,202	75,984	28,339	28,341
	266,032	263,097	213,318	149,115

In both years, meeting fees, subscriptions, and trading income received in advance entirely relate to the next financial year.

From 2013, the Trustees adopted an annual dilapidations provision to reflect the estimated cost of future expenditure where the Association has contractual obligations for reinstatement relating to any property lease.

The charge for the dilapidations provision in 2020 is £6,000 (2019: £8,000).

10A. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group	Charity	Group	Charity
	2020	2020	2019	2019
	£	£	£	£
Dilapidations provision	8,500	8,500	56,001	56,001
Subscriptions received in advance	6,540	6,540	-	-
	15,040	15,040	56,001	56,001

Subscriptions received in advance relate entirely to 2022 financial year and beyond.

11. TAXATION

The Association is exempt from tax as all its income is charitable and is applied for charitable purposes.

12. PENSION LIABILITY

The Association participates in the Pensions Trust Growth Plan scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a ‘last-man standing arrangement’. Therefore the company is potentially liable for other participating employers’ obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme is carried out every three years, the most recent of which was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £132m (data from the 2020 valuation is expected in mid-late 2021). To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Reconciliation of opening and closing liabilities

Group and charity	2020	2019
	£	£
Provision at 1 January	61,050	75,377
Unwinding of the discount factor	619	1,128
Deficit contribution paid in year to the Pensions Trust	(11,627)	(11,184)
Impact of changes in the Pensions Trust's fund valuation assumptions	876	1,086
Amendments to the contribution schedule	-	(5,357)
Provision at 31 December	50,918	61,050

Under the Association’s recovery plan, £11,975 deficit contributions are due in the coming year, with the balance (subject to annual adjustments) to be paid in regular instalments ending 31 January 2025.

Where the scheme is in deficit and where the Association has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

13A. UNRESTRICTED FUNDS GROUP AND CHARITY

Current year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	2020
	£	£	£	£
Balances at 1 January 2020	570,370	50,000	(61,050)	559,320
Net income before transfers	(12,474)	-	-	(12,474)
Actuarial gains/(losses) on defined benefit pension schemes	-	-	(876)	(876)
Transfer from/(to) General Fund	(21,008)	10,000	11,008	-
Balance at 31 December 2020	536,888	60,000	(50,918)	545,970

Prior year	General fund	Pension Trust Deficit Fund	Pension Liability Reserve Fund	Office Move Fund	Member Services Fund	Web Developments Fund	2019
	£	£	£	£	£	£	£
Balances at 1 January 2019	491,504	40,000	(75,377)	60,000	50,000	7,669	573,796
Net income before transfers	15,700	-	-	(27,343)	(5,088)	(2,016)	(18,747)
Actuarial gains/(losses) on defined benefit pension schemes	-	-	4,271	-	-	-	4,271
Transfer from/(to) General Fund	63,166	10,000	10,056	(32,657)	(44,912)	(5,653)	-
Balance at 31 December 2019	570,370	50,000	(61,050)	-	-	-	559,320

General Fund

The general fund is the value of unrestricted funds after future pension liabilities have been accounted for and comprises fixed assets, current assets and liabilities.

Pension Trust Deficit Reduction Fund

In 2015 trustees decided to create a designated fund to build a reserve fund to cover ACF’s Pension Trust liability. It is the trustees’ current intention to designate £10,000 into this fund per year. The first transfer was made in 2015 and £10,000 has been transferred every year from 2015–2020. This policy will continue until the fund is sufficient to cover ACF’s share of the liability. The amount transferred will be reviewed every few years.

Pension Liability Reserve Fund

To reflect the very low probability that the liability is crystallised in one go a corresponding negative designated reserve fund has been created to show the true level of general funds.

Office Move Fund

Prior year only. In 2017 the trustees designated £60,000 for the costs of an office move, initially expected to take place in 2018 but which then took place in 2019. The balance remaining at the end of 2019 was transferred to the general fund.

Member Services Fund

Prior year only. In 2018, the trustees designated £50,000 to cover the costs of one-off activities in 2019 to strengthen member services. Work on selecting and implementing a new CRM system using this fund began in 2019 and was expected to be completed in 2020 but is now planned to take place in 2021. The balance remaining at the end of 2019 was transferred to the general fund and the costs incurred in 2020 and 2021 will be capitalised and depreciated across the useful life of the system.

Web Developments Fund

Prior year only. In 2017 the trustees designated £20,000 to cover the costs of a rebuild of the Funder Network website and developments to the ACF website. Most of this work took place in 2018, with the remainder completed in 2019 and the balance transferred to the general fund at the end of 2019.

13B. ANALYSIS OF NET ASSETS BETWEEN FUNDS
GROUP AND CHARITY

Current year	Fixed Assets & Investments	Current Assets	Creditors	Pension Deficit Liability	2020
	£		£	£	£
Restricted Funds					
Project Funds	-	27,761	-	-	27,761
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	60,000	-	-	60,000
Pension Liability reserve	-	-	-	(50,918)	(50,918)
General Fund*	88,577	729,383	(281,072)	-	536,888
Total unrestricted funds	88,577	789,383	(281,072)	(50,918)	545,970
Total funds	88,577	817,144	(281,072)	(50,918)	573,731

*After fixed assets have been accounted for, ACF’s general fund is £448,311 which forms ACF’s free reserves.
This is calculated as follows:

Total general fund	536,888	
Less fixed assets & investments	88,577	
	448,311	(£457,617 in 2019)

Prior year	Fixed Assets & Investments	Current Assets	Creditors	Pension Deficit Liability	2019
	£		£	£	£
Restricted Funds					
Project Funds	-	-	-	-	-
Unrestricted Funds					
Designated Funds					
Pension Trust deficit reduction fund	-	50,000	-	-	50,000
Pension Liability reserve	-	-	-	(61,050)	(61,050)
General Fund	112,753	726,936	(269,319)	-	570,370
Total unrestricted funds	112,753	776,936	(269,319)	(61,050)	559,320
Total funds	112,753	776,936	(269,319)	(61,050)	559,320

14. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net income for the reporting period as per the statement of financial activities	15,287	(52,908)
Depreciation charges	43,796	18,383
Interest income	(1,339)	(2,588)
(Increase)/decrease in debtors	(21,942)	(33,772)
Increase/(decrease) in creditors	11,753	(32,002)
Non-cash movement on defined benefit pension liability	(11,008)	(10,056)
Net cash provided by operating activities	36,548	(112,943)

15. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2020	Cash flows	At 31 December 2020
	£	£	£
Cash in hand	328,805	(53,791)	275,014
Notice deposits (less than three months)	322,196	72,057	394,253
Total cash and cash equivalents	651,001	18,266	669,267

16. OPERATING LEASE COMMITMENTS
GROUP AND CHARITY

	2020	2020	2019	2019
	£	£	£	£
	L&B	Office Equipment	L&B	Office Equipment
Within one year	76,800	3,016	115,200	3,016
Between 2 and 5 years	-	-	76,800	3,016
5 years +	-	-	-	-
	76,800	3,016	192,000	6,032

All amounts above include VAT, a portion of which will be recoverable under partial recovery.
Operating lease rental payments during the year were £107,136 (2019: £55,953)

17. RELATED PARTY
TRANSACTIONS

The charity has a wholly owned subsidiary, ACF Conferences and Seminars Limited. For the year ended 31 December 2020 the subsidiary declared a gift aid distribution of £103,689 to the charity (2019: £131,401).

Bidirectional recharges have also been made between the charity and the trading subsidiary relating to trading activities (the trading subsidiary was charged £92,439 [2019: £57,988] by the charity and the charity was charged £1,182 [2019: £14,984] by the trading subsidiary).

At the year end the subsidiary owed the charity a total of £210,826 (2019: £194,388) inclusive of gift aid, and the charity owed the trading subsidiary £1,182 (2019: £14,984).

There were no other related party transactions requiring disclosure in the year.

Association of Charitable Foundations
is a company limited by guarantee,
registered in England and Wales.

Registered Company No. 5190466.

Registered Office:
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Registered Charity Number: 1105412.

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