

# ASSOCIATION OF CHARITABLE FOUNDATIONS



TRUSTEES' ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2021



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FINANCIAL STATEMENTS

# 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:**

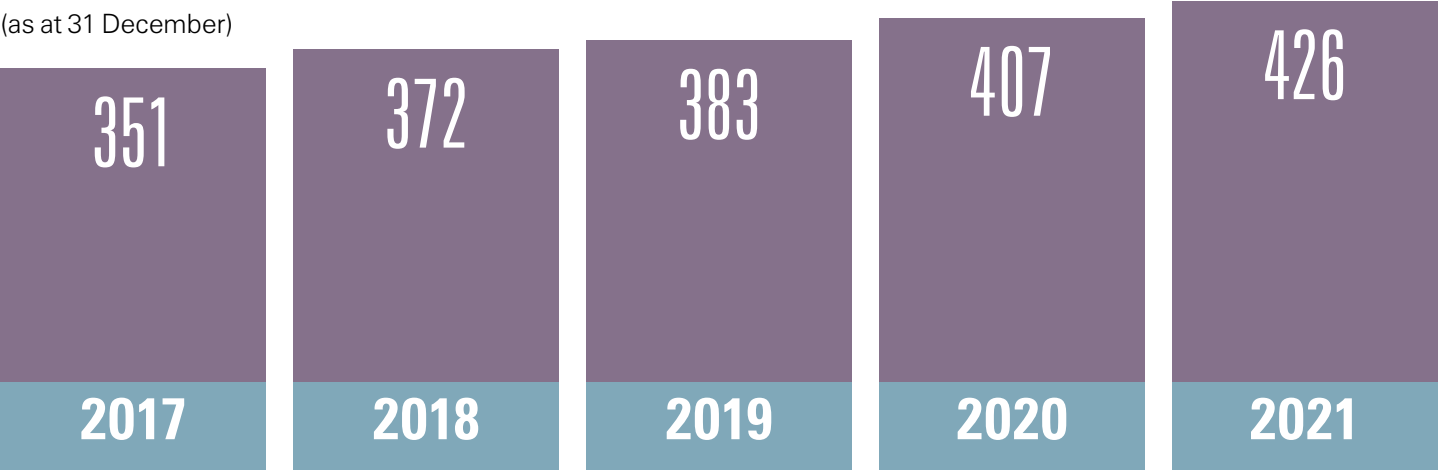
- Ensuring we are financially robust
- Responding to member need
- Valuing our people
- Implementing effective systems
- Adapting to technological change
- Nurturing a values-driven culture and prizing environmental sustainability.



# ACF IN NUMBERS

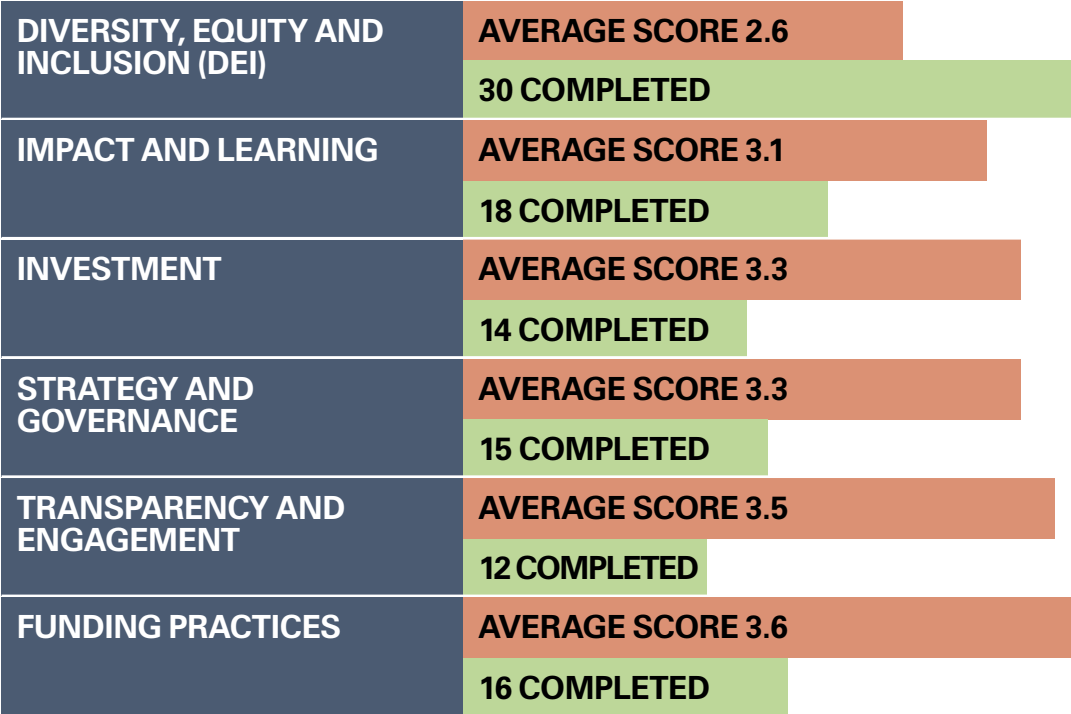
## TOTAL NUMBER OF MEMBERS

(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

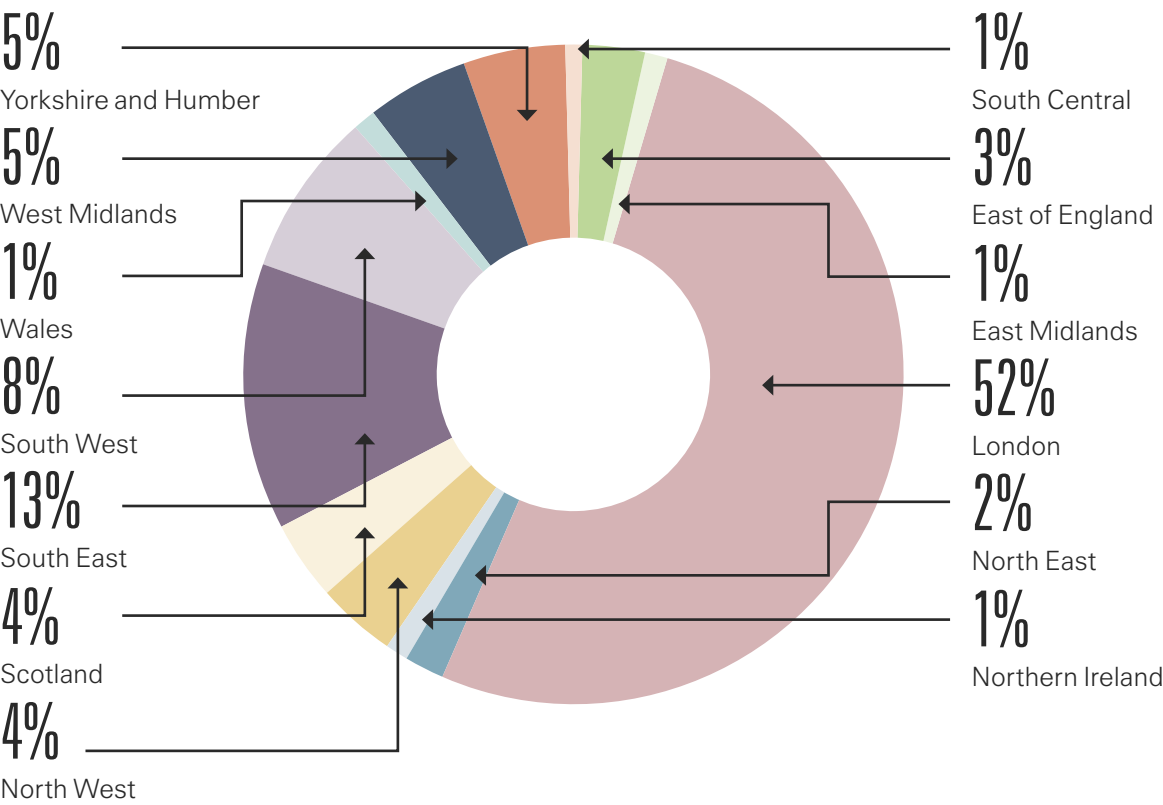
43

NEW MEMBERS JOINED IN 2021

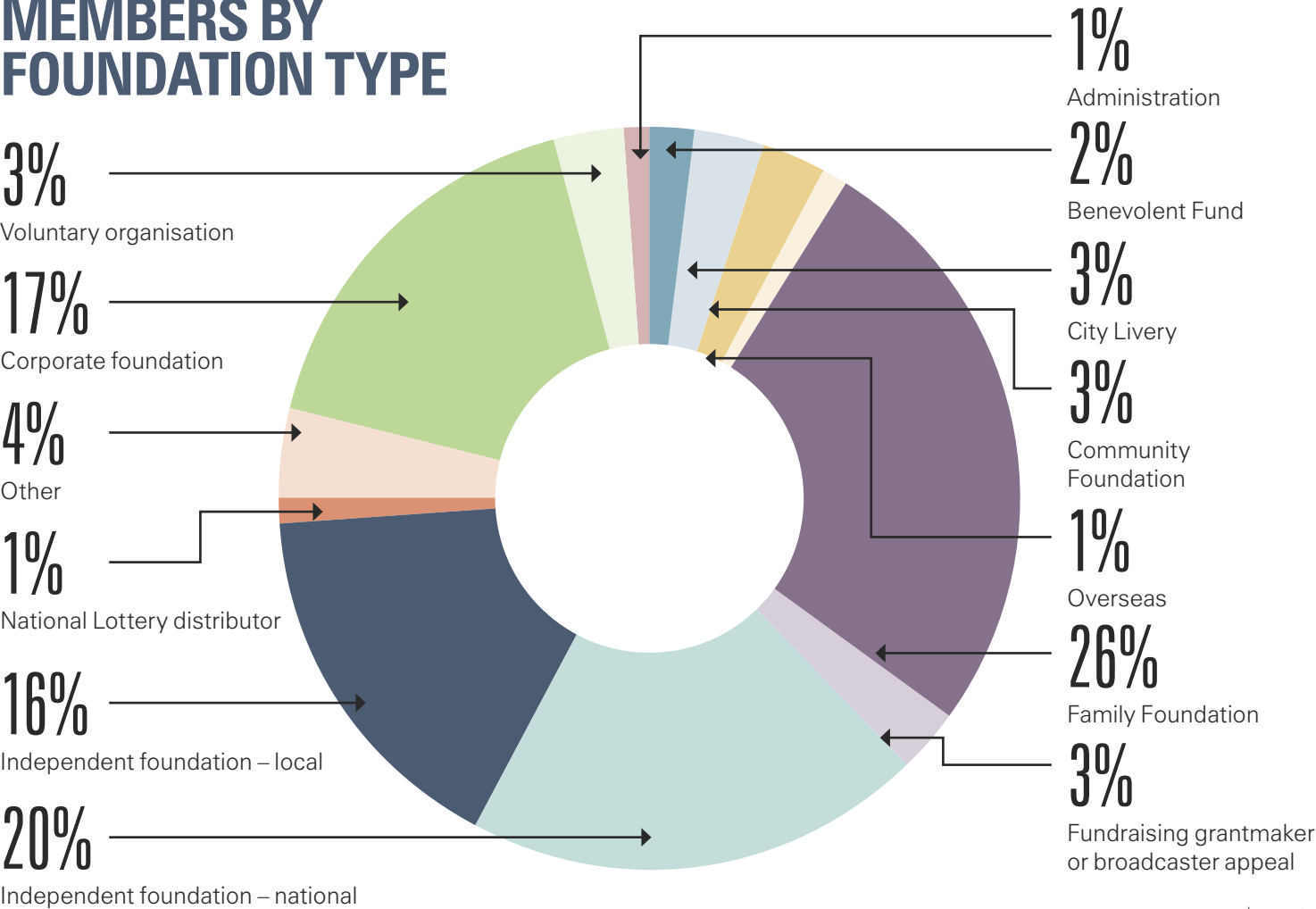
91%

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



# 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

### 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

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

# 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

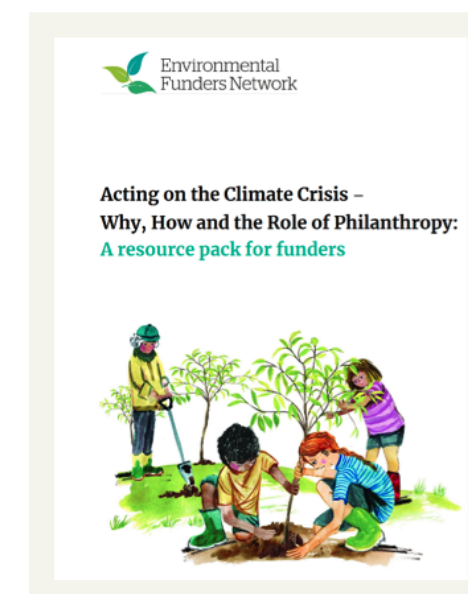
## FUNDER COMMITMENT ON CLIMATE CHANGE (FCCC)

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.

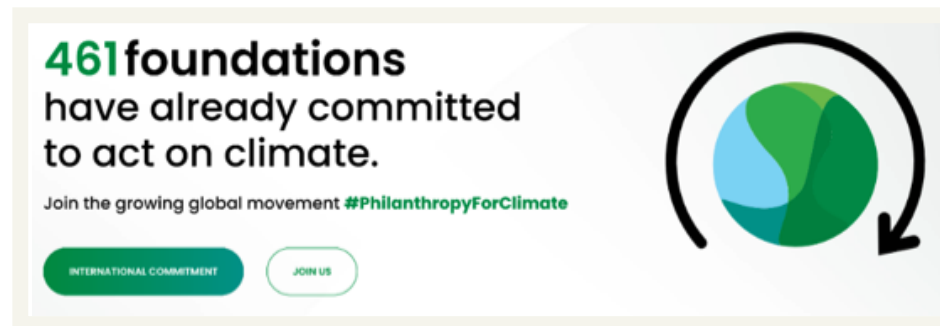


ACF has regularly partnered with the Environmental Funders Network. Most notably, we supported the development and launch of a climate resource pack for funders, as well as running a joint masterclass for funders on climate and sustainability, and together exploring the topic of grantee sustainability.

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.





# 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.

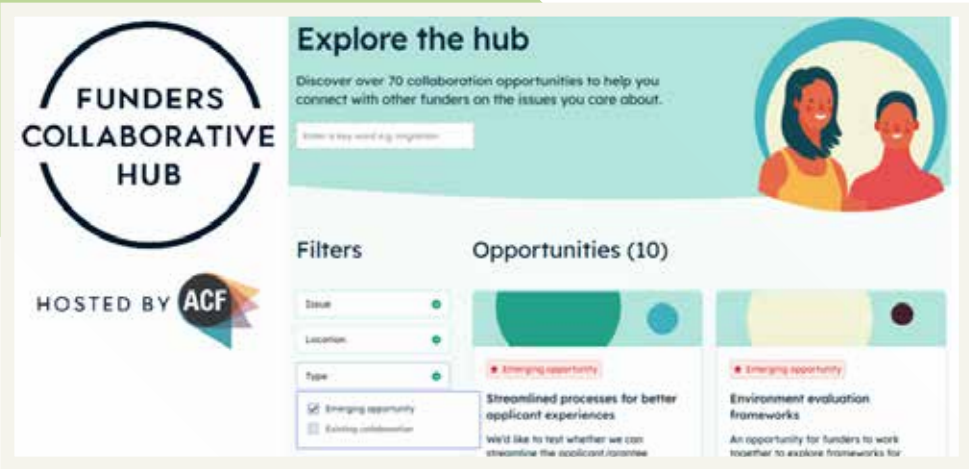
ACF senior policy and engagement officer, Joanna Pienkowska, co-chairs the PEX Gender Equity and Justice group, which brings together European philanthropy networks with a commitment to advancing funding for feminist work. We have also been involved in the PEX Racial Equity group, an initiative where, 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.



## 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

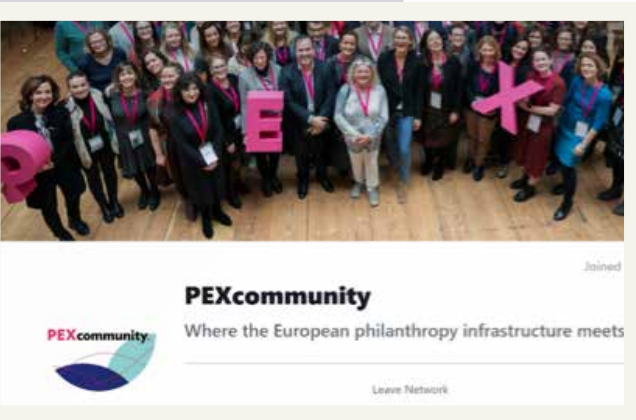
**10** CASE STUDIES showcasing impact and learning from a wide range of funder collaborations

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](https://funderscollaborativehub.org.uk) was visited by more than

**1,600** INDIVIDUALS



# 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.”

Association of Charitable Foundations (ACF) is a company limited by guarantee registered in England and Wales, company registration number: 5190466.  
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Website: [acf.org.uk](http://acf.org.uk)

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ACF photography: Matthew Brown

# TFN

TRUST & FOUNDATION NEWS

ISSUE 126 WINTER 2021/22

## COMMUNITY, IDENTITY AND BELONGING

BRINGING TOGETHER COMMUNITIES

### 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.

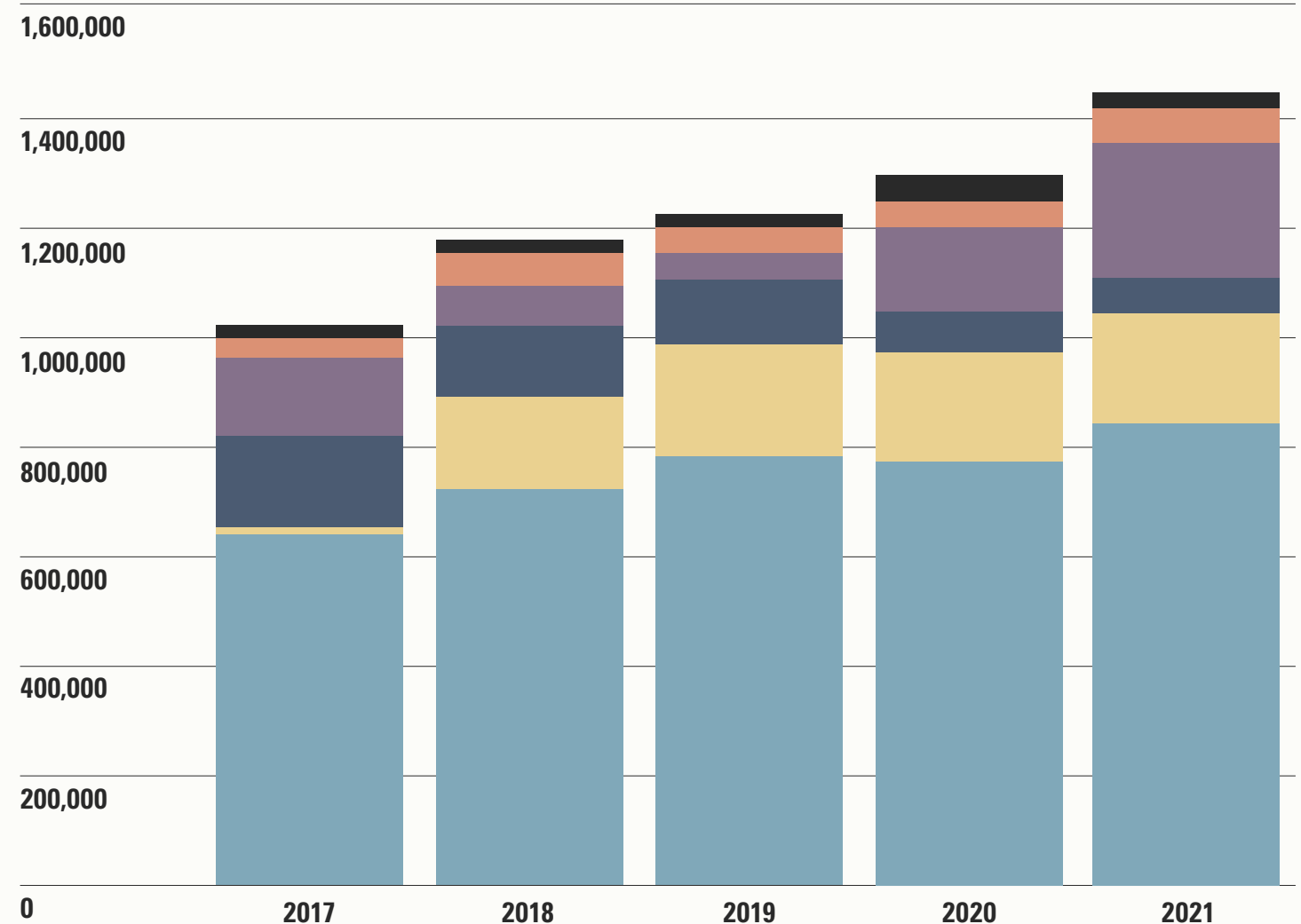
Income and expenditure forecasts for a three year period are reviewed annually and in-year performance is monitored at each trustee meeting to ensure that any adverse impacts are managed proactively.

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.

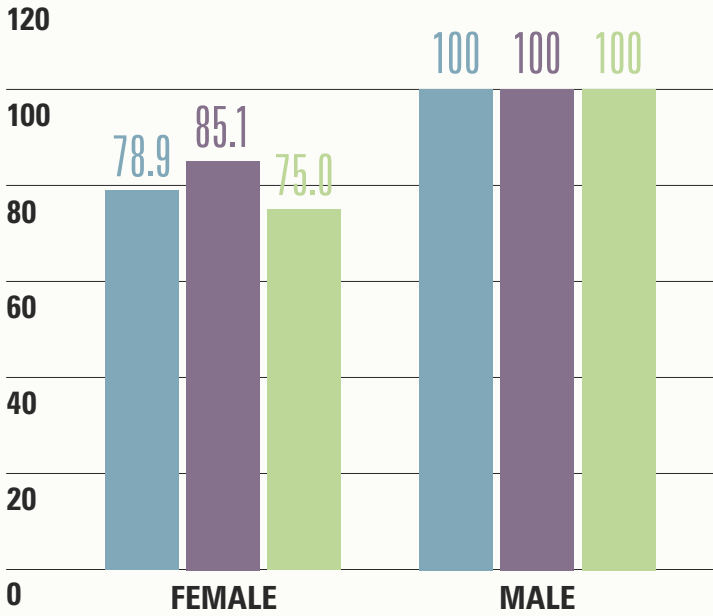
ACF holds no funds as a trustee on behalf of others.

“ACF CONTINUES TO HAVE AN EQUAL BALANCE OF MALE AND FEMALE STAFF IN DIRECTOR LEVEL POSTS”

“ACF IS A LONDON LIVING WAGE EMPLOYER.”

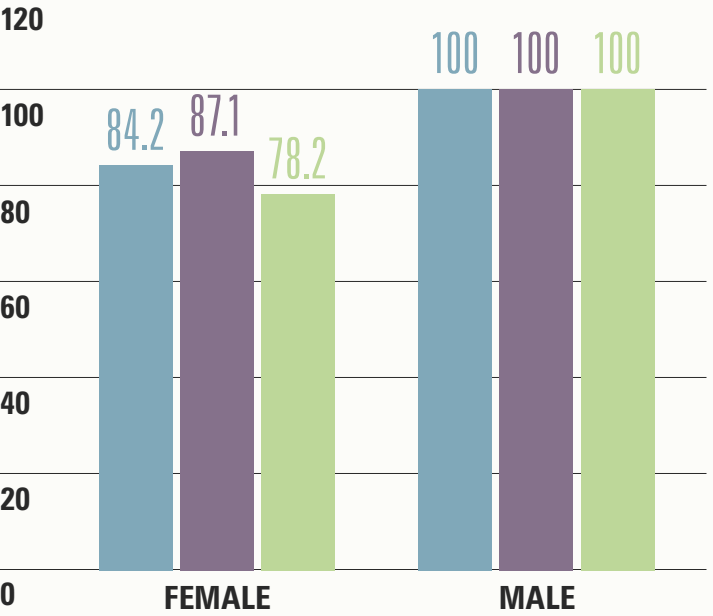
### MEDIAN

- 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	<div><div>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.</div><div>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</div><div>3. Increase staff engagement through consistent communication of priorities / progress using RAG rating of work plan elements</div><div>4. Ensure all programmes of work have detailed plans, success criteria and milestones</div></div>	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	<div><div>1. Ensure Directors have flexibility to balance work output to personal circumstances</div><div>2. Managing workplan to account for staff capacity levels varying as the pandemic changes</div><div>3. Ensure 121 process reviews both work and non-work progress</div></div>	High	Medium
Poor Membership renewals	Financial / Strategic	Financial deficit compromising ACF's ability to deliver work plan and core services	<div><div>1. Regular reporting of renewal status via CRM dashboard</div><div>2. Maintain new members target list, and report new memberships in KPI's monthly</div><div>3. Maintain direct executive leadership team contact with foundations key associates and all those who provide additional grants</div></div>	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.	<div><div>1. Track engagement monthly as one of ACF's Key Performance Indicators (KPIs)</div><div>2. Undertake advanced training with core staff to create centres of excellence who will share knowledge</div><div>3. Regularly review benefits accruing as part of the development planning managed through Technology Approval Group</div></div>	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	<div><div>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</div><div>2. Review data held as part of migration to SharePoint to mitigate risk</div><div>3. Update policies to ensure ACF has unauthorised risks mitigated</div></div>	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	<div><div>1. Plans for 2022 incorporated in budget and workplans</div><div>2. Identify current funders and potential long term partners to support various strands of work</div><div>3. Ensure all funding applications are made well before existing funding expires</div></div>	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.	<div><div>1. Execute the DEI plan through 2022</div><div>2. Overhaul recruitment processes to advance diverse hires, tracking progress after each hire and modifying processes based on learnings</div><div>3. 2022 Trustee recruitment to continue to seek to build a diverse board</div><div>4. Document an Environmental policy by end of Q2 for 2022 Board review and subsequent adoption</div><div>5. Review progress on DEI and climate action at all staff away day in Q3</div></div>	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
<b>Cater Allen Private Bank</b> 2 Triton Square, Regent's Place London, NW1 3AN	<b>Stone King</b> Boundary House 91 Charterhouse Street London, EC1M 6HR	<b>Moore Kingston Smith</b> Devonshire House 60 Goswell Road London EC1M 7AD
<b>Unity Trust Bank</b> Four Brindley Place Birmingham, B1 2JB	<b>Russell-Cooke</b> 2 Putney Hill London, SW15 6AB	
<b>CCLA Investment Management Limited</b> COIF Charity Funds 85 Queen Victoria Street, London, EC4V 4ET		
<b>Close Brothers Limited</b> 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

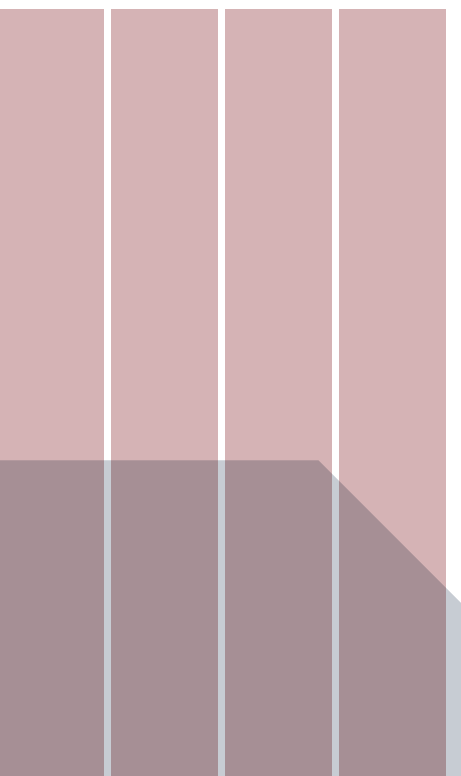
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. 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	£	£	£	£
<b>Income from:</b>					
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
<b>Total income</b>		<b>1,247,872</b>	<b>193,800</b>	<b>1,441,672</b>	<b>1,288,443</b>
<b>Expenditure on:</b>					
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
<b>Total expenditure</b>		<b>1,129,611</b>	<b>189,679</b>	<b>1,319,290</b>	<b>1,273,156</b>
<b>Net income/(expenditure)</b>		<b>118,261</b>	<b>4,121</b>	<b>122,382</b>	<b>15,287</b>
<b>Actuarial gains/(losses) on defined benefit pension schemes</b>	12, 13A	<b>26,050</b>	<b>-</b>	<b>26,050</b>	<b>(876)</b>
<b>Net movement in funds</b>	13	<b>144,311</b>	<b>4,121</b>	<b>148,432</b>	<b>14,411</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	13	545,970	27,761	573,731	559,320
<b>Total funds carried forward</b>	13	<b>690,281</b>	<b>31,882</b>	<b>722,163</b>	<b>573,731</b>

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	£	£	£	£
<b>Fixed assets:</b>					
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
<b>Current assets:</b>					
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
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	10	(111,167)	(110,353)	(266,032)	(263,097)
<b>Net current assets</b>		603,495	603,493	551,112	551,110
<b>Total assets less current liabilities</b>		749,677	749,677	639,689	639,689
Creditors: amounts falling due after one year	10a	(14,500)	(14,500)	(15,040)	(15,040)
<b>Net assets excluding pension liability</b>		735,177	735,177	624,649	624,649
Defined benefit pension scheme liability	12	(13,014)	(13,014)	(50,918)	(50,918)
<b>Total net assets</b>		722,163	722,163	573,731	573,731
<b>Funds</b>					
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
<b>Total funds</b>		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, interim chair

Company registration no. 5190466

David Renton, treasurer

Association of Charitable Foundations  
Group statement of cash flows  
At 31 December 2021

	Note	2021	2021	2020	2020
		£	£	£	£
<b>Net cash provided by operating activities</b>	14		67,340		36,548
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		(112,266)		(19,618)	
Purchase of investments		-		-	
Interest income		173		1,339	
<b>Cash used in investing activities</b>			(112,093)		(18,279)
			(44,752)		18,269
<b>Cash flows from financing activities</b>			-		-
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
<b>Cash and cash equivalents at the end of the year</b>	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 (Note 3 and 4b)	346,287 (Note 4a)	31,145 (Note 4c)	1,319,290

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 (Note 3 and 4b)	355,605 (Note 4a)	21,106 (Note 4c)	1,273,156

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
	£	£
<b>Cost</b>		
At 1 January 2021	18,178	<b>18,178</b>
Additions in the year	112,266	<b>112,266</b>
Disposals in the year	-	-
At 31 December 2021	130,444	<b>130,444</b>
<b>Depreciation</b>		
At 1 January 2021	-	-
Disposals in the year	-	-
Charge for the year	(10,870)	<b>(10,870)</b>
At 31 December 2021	(10,870)	<b>(10,870)</b>
<b>Net Book Value</b>		
At 31 December 2021	<b>119,574</b>	<b>119,574</b>
At 31 December 2020	18,178	18,178
<b>Total Net Book Value of Tangible and Intangible Fixed Assets</b>		
At 31 December 2021		<b>146,182</b>
At 31 December 2020		<b>88,577</b>

All fixed assets are used for direct charitable purposes.

8. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2021	2010
	£	£
	<b>2</b>	<b>2</b>

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	-	<b>214,817</b>	-	210,826
Prepayments and accruals	<b>42,215</b>	<b>42,215</b>	82,980	79,676
Taxation	-	-	135	135
Other debtors	<b>47,933</b>	<b>12,733</b>	64,762	40,762
	<b>90,148</b>	<b>269,765</b>	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
	£		£	£	£
<b>Restricted Funds</b>					
Project Funds	-	31,882	-	-	31,882
<b>Unrestricted Funds</b>					
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
	£		£	£	£
<b>Restricted Funds</b>					
Project Funds	-	27,761	-	-	27,761
<b>Unrestricted Funds</b>					
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:  
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Registered Charity Number: 1105412.

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