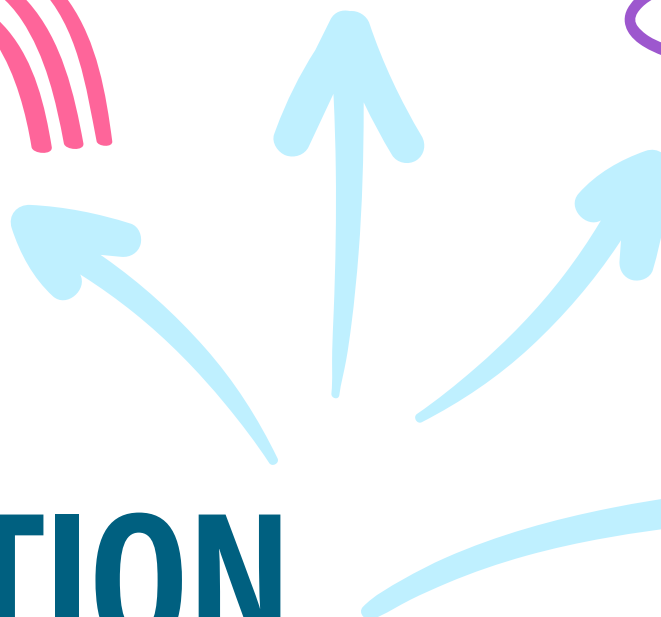
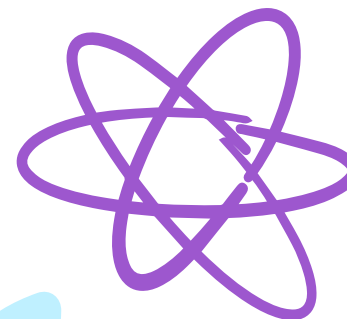
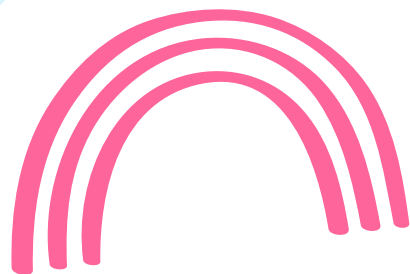


Year ended
31 December 2023



ASSOCIATION OF CHARITABLE FOUNDATIONS

Trustees' Annual Report
and Financial Statements



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

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CHAIR AND CHIEF EXECUTIVE'S INTRODUCTION

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



JESSICA BROWN
Chair



CAROL MACK OBE
Chief executive

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

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

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

Foundations embody the belief that things can be better.

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

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

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



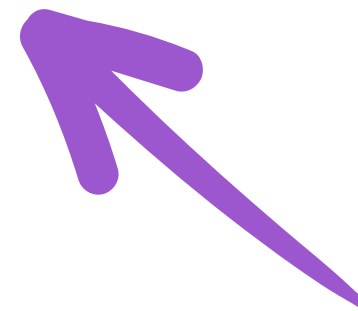
A NEW MISSION

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



A STRONGER VOICE

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



A COMPELLING MEMBER OFFER

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



CULTIVATING CONNECTIONS

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



A CLEARER REGULATORY LANDSCAPE

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



TRUSTEES' ANNUAL REPORT 2023

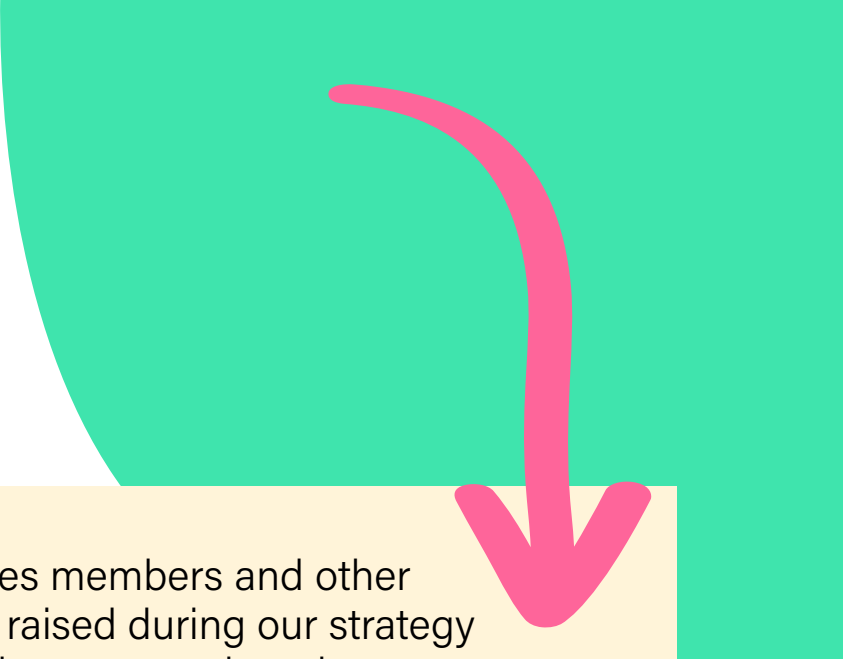
WE ARE PLEASED TO PRESENT OUR 2023 ANNUAL REPORT AND ACCOUNTS.

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

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

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

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



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

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



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

THE COST OF LIVING CRISIS AND RISING INEQUALITIES

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

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

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



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

National Lottery Community Fund, 2023

CLIMATE CHANGE

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

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

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

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



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

António Guterres,
UN Secretary-General, 20 March 2023

DIVERSITY, EQUITY, INCLUSION

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

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

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

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

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



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

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



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

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

GRANT-MAKING AND INVESTMENT PRACTICE

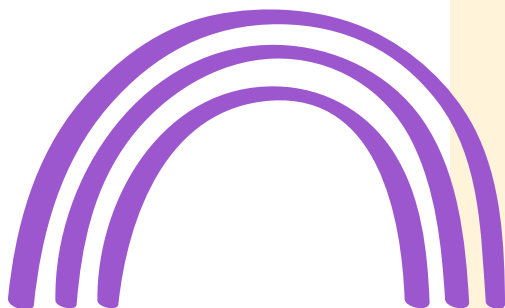
Now more than ever, foundations have a vital role to play in identifying and responding to need and using all their resources wisely to make the biggest difference possible. Foundation leaders continue to meet these challenges set out above with compassion, transparency and fairness and many ACF members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

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

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

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

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



ABOUT ACF

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

VISION

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

PURPOSE

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

VALUES

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

OBJECTIVES



SUPPORT FOUNDATIONS TO ASPIRE TO AND ACHIEVE EXCELLENT PRACTICE

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



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

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



STRENGTHEN CONNECTIONS ACROSS AND BEYOND THE SECTOR

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



SUSTAIN A LANDSCAPE WHERE FOUNDATIONS CAN CONTINUE TO THRIVE

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

CRITICAL SUCCESS FACTORS TO ACHIEVE THESE GOALS:



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

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

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

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

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



SUPPORT FOUNDATIONS TO ASPIRE TO AND ACHIEVE EXCELLENT PRACTICE

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

THIS MEANS IN 2023 WE WERE WORKING TO:

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

STRONGER FOUNDATIONS CASE STUDIES

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

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

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



665

delegates attended
our learning events
in 2023



44%

of our members
attended at least
one learning event



54 TIMES

our Stronger Foundations self-
assessment tool was completed



FUNDER COMMITMENT ON CLIMATE CHANGE

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

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

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



40
foundations sent delegates
to our Investment Seminars



56 TIMES
our grant reporting briefing
was downloaded



850 TIMES
Stronger Foundations case
studies were accessed

IMPACT INVESTING IN THE MAIN ENDOWMENT

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

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

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

PLANS FOR 2024:

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



ADVANCE DIVERSITY, EQUITY AND INCLUSION

FOR OUR SECTOR AND FOR ACF

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

THIS MEANS IN 2023 WE WERE STRIVING TO:

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

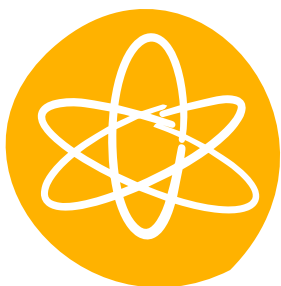


CHAIRS' EVENT ON INCLUSION

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

PLANS FOR 2024

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



STRENGTHEN CONNECTIONS

ACROSS AND BEYOND THE SECTOR

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

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

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



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

Luke Kavanagh,
Trust for London



54%

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



914

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



10

special interest group meetings

NETWORKS

Our community and member networks are valued by our members.

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

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

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

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

2023 NETWORKS AT A GLANCE

Grant-making themes

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

Aspects of being a funder

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

Foundation type

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

FUNDERS COLLABORATIVE HUB

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

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

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

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

PLANS FOR 2024

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



SUSTAIN A LANDSCAPE

WHERE FOUNDATIONS CAN CONTINUE TO THRIVE

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

WE WORKED TO:

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

KEY SUCCESSES



DRAWING ON MEMBER VIEWS

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



CONTINUED EFFECTIVE ENGAGEMENT

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



REPRESENTED FOUNDATIONS POSITIVELY IN THE MEDIA

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



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

for distribution of £100 million fund for supporting frontline charities



COLLABORATED EFFECTIVELY

with the Civil Society Group and with key sector organisations



20 MENTIONS OF ACF

in sector press, some in the mainstream media



HELD A BESPOKE EVENT

for members on navigating media and online critique

FOUNDATION GIVING TRENDS

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

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

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

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

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

NEW GUIDANCE ON INVESTMENTS

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

MEMBERS' POLICY FORUM

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

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

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

PLANS FOR 2024

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

CRITICAL SUCCESS FACTORS



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

A COMPELLING MEMBER OFFER

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

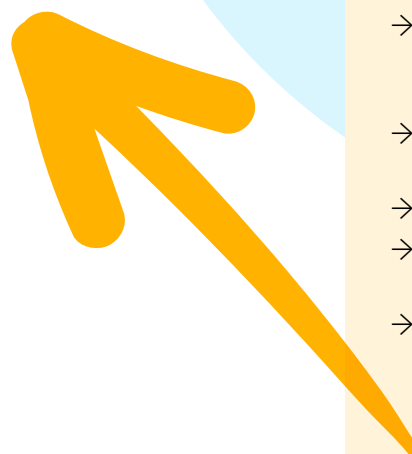
More than 450 organisations are proud to be part of the ACF community. Our membership is inclusive and welcomes family trusts, corporate foundations, livery companies, broadcasting appeals and other grant-makers.

A COMPELLING MEMBER OFFER MEANS:

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

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

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



MEMBERS BY REGION



TOTAL OF
458

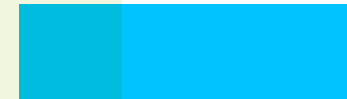
MEMBERS BY FOUNDATION TYPE



106 Family Foundation



98 Independent National



82 Corporate



75 Independent Regional/Local



22 Other



16 Community



14 Voluntary grant-maker



13 Fundraising



12 City Livery



8 Benevolent Fund



5 Overseas



3 Lottery



2 Membership funder grant-maker



2 Administrator

Data correct as of October 2023





564

downloads of our salary and benefits research report



3,000

subscribers to our Funders' News monthly e-newsletter



90,000

unique visits to our website



458

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



92%

of our members in 2022 renewed in 2023



40

new members joined our community

PLANS FOR 2024

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

OTHER CRITICAL SUCCESS FACTORS

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

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

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

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

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

FINANCIAL COMMENTARY

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

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

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

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

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

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

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

INCOME TO SUPPORT OUR SERVICES TO MEMBERS

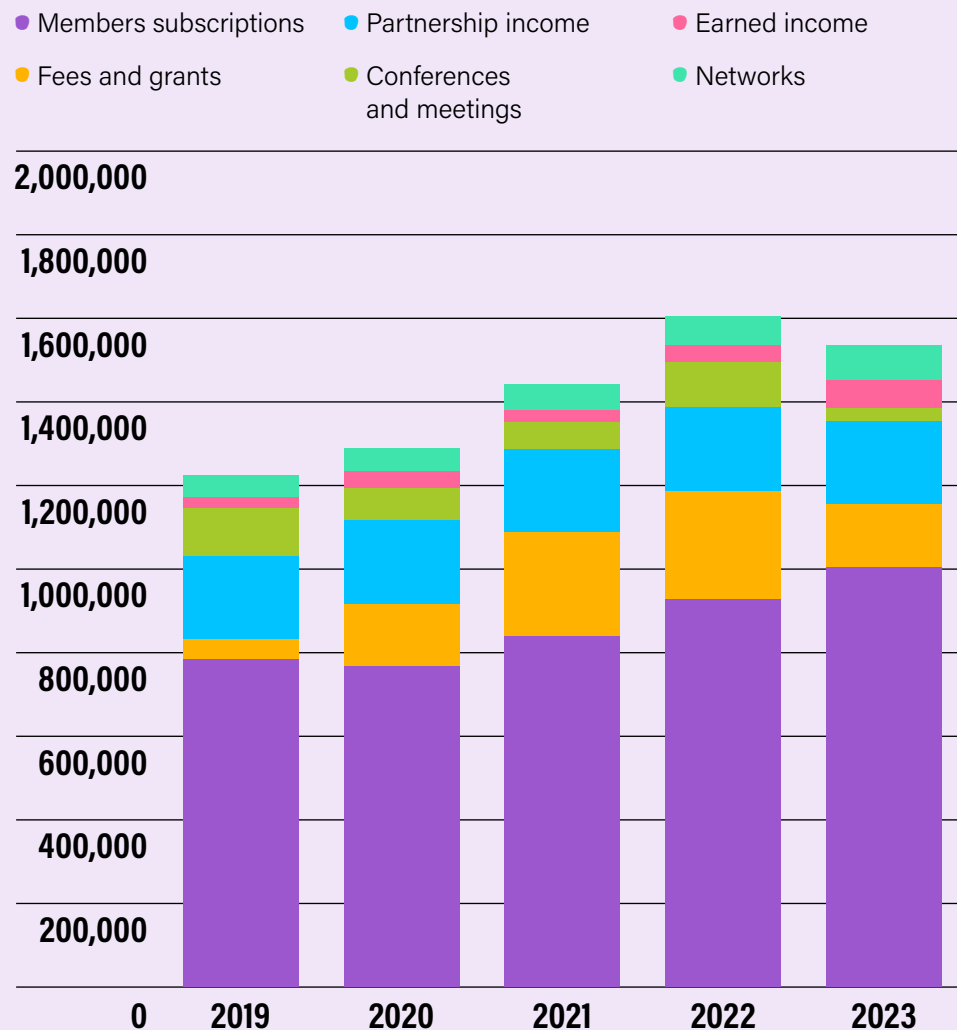
ACF's principal sources of funding are membership subscriptions, commercial income from its Official Partner Programme, and fees and grants to assist in delivering its charitable activities. Members pay an annual subscription on a sliding scale, which is based on their grant expenditure in their previous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

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





GROUP INCOME TRENDS 2019-2023



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

ACF'S APPROACH TO FUNDRAISING FROM THE PUBLIC

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

REMUNERATION POLICY

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

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

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

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

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

BALANCE SHEET LIABILITIES

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

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

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

RISK MANAGEMENT

ACF actively manages the risks it faces.

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

OPERATIONAL RISK

Expected timeframe	Risk	Implications	Mitigations	Impact	Likelihood
Q1-2 2024	ACF capacity and capability building adversely impacted by loss of staff, skill gaps within the team, inability to fill positions, or reduced wellbeing.	ACF may lack the resources to meet member expectations or stay abreast of developments in the sector, losing relevance and membership numbers in the medium term.	<ol style="list-style-type: none"> 2024 workplan to include business as usual as well as project work to improve capacity planning and ability to spot pinch points. Ensure that workplan is prioritised based on impact, that resources are released for priority elements and that directors have flexibility to balance work output to personal circumstances. Workplan to continue to build teamwork across the organisation. Restructured leadership team to include chief operating officer designate role to focus more on people and operations. Develop a plan for succession in all roles with delivery plans to be executed should the need arise. Increase staff engagement through consistent communication of priorities and progress against workplan elements, and discussion at one-to-one meetings. Ensure cross-organisational projects have plans, success criteria and milestones. Regular wellbeing surveys and report to the board. 	Medium	Medium

STRATEGIC RISKS

Risks	Implications	Mitigations	Impact	Likelihood
Volatile external environment, upcoming general election, or difficult economic situation have a destabilising effect on ACF – including our finances (through member attrition, impeded growth, or members' reduced giving causing them to move down fee bands), the scope and shape of member activities, or on staff wellbeing and subsequent capacity for activity.	Members focus on their internal activities and programmes, leading to ACF programmes (Stronger Foundations, climate action, Funders collaborative hub, events, networks) losing relevance and/or showing lower event attendance, ACF income and member engagement.	<ol style="list-style-type: none"> 1. Monitor member 'pulse' through each contact, documenting on CRM and discussing at leadership and staff meetings. 2. Discuss members' attitudes to inflationary pressures through surveys and ACF events. 3. Analyse events and member network attendance and be responsive to requests for new amended content. 4. Monitor engagement of core policy and practice initiatives, documenting member engagement trends over time. 5. External affairs strategy is engaging ACF more broadly across the political spectrum. 	Medium	Low
Issue with use of website, CRM or other key systems, either via fault with infrastructure, or gaps in team skills.	System not fit for purpose, or staff not well equipped to use it adequately, could lead to benefits not realised and compromise key processes around member services, reporting, and financial processing, and a poor user experience for both staff and members.	<ol style="list-style-type: none"> 1. Cross-organisational iMIS project underway to: support staff in use and engagement with the CRM, review and enhance processes, and to establish solid foundations from which to look at and prioritise future developments. 2. Ensure system remains robust via early reporting of any issues and thorough testing of all fixes or new processes, and ensuring all processes are thoroughly documented. 3. Create stronger induction process to ensure all new and returning staff understand the importance of the system to ACF's member delivery. 4. Track staff engagement monthly as one of ACF's KPIs. 	Medium	Medium
Insufficient progress with ACF's own diversity, equity and inclusion and climate practices.	The business and operational benefits of a diverse team are well known and while we have made progress we need to do more. Our DEI and climate change work have the potential for reputational damage if there is a dissonance between ACF's DEI practice, our environmental actions, and our public work on this topic.	<ol style="list-style-type: none"> 1. Continue to execute the DEI policy through 2024, including training and support. 2. Continue inclusive recruitment practices to advance diverse hires, tracking progress after each hire and modifying processes based on learning. 3. Environment policy adopted by board and progress reviewed at all staff awayday. 4. Creation of Chief Operating Officer role to increase focus on ACF's HR practice to support inclusion. 	Medium	Low

Risks	Implications	Mitigations	Impact	Likelihood
Reputational damage to ACF as a result of actions by ACF.	<p>Reputational and potential financial risk to ACF if serious compliance or other issue internally occurs or is claimed. Reputational risk to ACF if an internal stakeholder is involved in an issue on a personal capacity and ACF is named as an employer or an organisation in media or lawsuits.</p> <p>Reputational risk if ACF is seen as having a political affiliation through relationships formed and policies we are signatories to.</p>	<ol style="list-style-type: none"> 1. Ensure preventative plans in place to avoid serious internal issues, and ensure plan in place for a crisis response if it were needed. 2. Ensure that there are robust, clear and well-articulated policies and learning programs in place to raise awareness of internal stakeholders. 3. Train relevant managers to respond quickly and effectively if faced with a reputational scandal. 4. Formalising policy on lines taken and media response to allegations of party political bias. 	High	Low
Reputational damage to ACF as a result of (perception of) actions by ACF member(s), or wider foundation sector.	<p>This risk includes the potential for negative portrayals by traditional or social media suggesting that foundations (ACF members or not) are involved in activities that are not aligned with public expectation. These portrayals could cast doubt on the integrity of ACF or the foundation sector, eroding ACF's public reputation and undermine members or stakeholders confidence in ACF.</p>	<ol style="list-style-type: none"> 1. External affairs strategy in development, covering media and PR goals, to be considered by board in 2024. 2. Consider a proactive strategy of promoting the foundation model to increase positive understanding by media/public. 3. Consider cultivating positive relationships with media outlets to ensure fair and balanced reporting. 4. Continue to promote excellent practice to members. 5. Actively support members to navigate potential media interest and critique of their work. 6. Maintain transparent communication with members for awareness of actions of interest to the media. 	Medium	Low

GOVERNANCE

BOARD OF TRUSTEES OF THE CHARITY

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

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

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

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

THE TRUSTEE BOARD

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

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

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

TRUSTEE INDUCTION

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

ACF'S OBJECTS AND PUBLIC BENEFIT

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

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

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

For example:

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

Under the Companies Act 2006, ACF is limited by guarantee and does not have share capital. Its memorandum and articles of association were fully reviewed and revised in 2004 and amended in 2018 and 2021. The trustees have had regard to the Charity Commission for England and Wales' guidance on public benefit in considering what work the charity should undertake and in the performance of their duties. The chief executive, chief operating officer-designate, the directors and heads of departments are the key managers in charge of directing and controlling the charity on a day-to-day basis operating under a trustee approved scheme of delegation. The trustees (who are also directors of the Association of Charitable Foundations for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

In so far as the trustees are aware:

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

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

ACF CONFERENCES AND SEMINARS LIMITED

Directors

Gemma Instrall

Carol Mack OBE

Moray McConnachie

Klara Skrivankova

Company Secretary

Natasha Kousseff

ADVISERS AND BANKERS

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


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

Approved by the Board and signed on its behalf by:



Jessica Brown,
Chair

Date: 15 May 2024



Moray McConnachie,
Chair of finance and
risk committee

Date: 15 May 2024

OUR THANKS

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

ACF'S OFFICIAL PARTNERS

- Cazenove
- CCLA
- Mercer
- Ruffer

For additional core support of ACF's activities:

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

FOR ADDITIONAL FINANCIAL SUPPORT FOR:

Foundation Giving Trends – Pears Foundation

Members' Policy Forum – Paul Hamlyn Foundation

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

Funder Commitment on Climate Change – John Ellerman Foundation

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

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

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

FOR SERVING ON THE FIRM STEERING GROUP:

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

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

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

FOR SERVING ON THE HUB STEERING GROUP:

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

FOR CONVENING NETWORKS

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OPINION

We have audited the financial statements of Association of Charitable Foundations (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the **trustees' responsibilities statement set out on page 27**, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

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

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

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

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

Our approach was as follows:

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

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Date: 15 May 2024

Moore Kingston Smith LLP

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

Devonshire House
9 Appold Street
London
EC2A 2AP

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

FINANCIAL STATEMENTS

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

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

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

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

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

The attached notes form part of the financial statements.

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



.....
Jessica Brown (Chair)



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

Company registration no. 5190466

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

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

1A. ACCOUNTING POLICIES

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

Group accounts

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

Basis of preparation

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

Public benefit entity

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

Critical estimates and areas of judgement

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

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

Fund accounting

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

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

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

Tangible and intangible fixed assets

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

Office Furniture, IT and telecommunications equipment

Three years

Software development

Five years

Leasehold improvements

Three years

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

Incoming resources

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

Resources expended

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

Allocation of support costs

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

Financial assets/liabilities

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

The investment in the subsidiary is stated at cost.

Going concern

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

Pension arrangements

Aviva

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

TPT Retirement Solutions

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

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

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

2. ANALYSIS OF OTHER TRADING INCOME

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

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

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

Staff costs were incurred in the following way:

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

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

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

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

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

4. RESOURCES EXPENDED – ANALYSIS OF TOTAL RESOURCES EXPENDED

4.1 Current year

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

4.2 Prior year

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

4A. ANALYSIS OF INDIRECT COSTS

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

4a.1 Current year

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

4a.2 Prior year

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

4B. ANALYSIS OF STAFF COSTS

4b.1 Current year

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

4b.2 Prior year

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

4C. ANALYSIS OF GOVERNANCE COSTS

Governance cost apportioned based on income percentages.

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

5. RESTRICTED FUNDS - GROUP AND CHARITY

5.1 Current year

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

Funders Collaborative Hub

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

UK Funder Commitment on Climate Change

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

Foundation Giving Trends

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

Catalytic Capital research

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

Impact Investing in the Main Endowment

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

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

Origins of Wealth

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

Members' Policy Forum

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

5.2 Prior year

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

6. TRUSTEE BOARD EXPENSES

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

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

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

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

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

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

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

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

7. FIXED ASSETS

7A. TANGIBLE FIXED ASSETS

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

7B. INTANGIBLE FIXED ASSETS

All fixed assets are used for direct charitable purposes.

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

8. INVESTMENT IN SUBSIDIARY UNDERTAKING

	2023	2022
	£	£
	2	2

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

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

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

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

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

9. DEBTORS

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

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

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

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

10A. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

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

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

11. TAXATION

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

12. PENSION LIABILITY

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

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

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

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

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

Reconciliation of opening and closing liabilities

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

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

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

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

13A. UNRESTRICTED FUNDS - GROUP AND CHARITY

General Fund

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

Pension Trust Deficit Reduction Fund

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

Pension Liability Reserve Fund

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

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

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

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

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

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

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

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

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

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

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

15. ANALYSIS OF CHANGES IN NET CASH

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

16. OPERATING LEASE COMMITMENTS – GROUP AND CHARITY

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

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

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

17. RELATED PARTY TRANSACTIONS

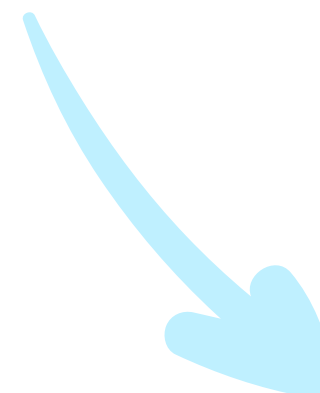
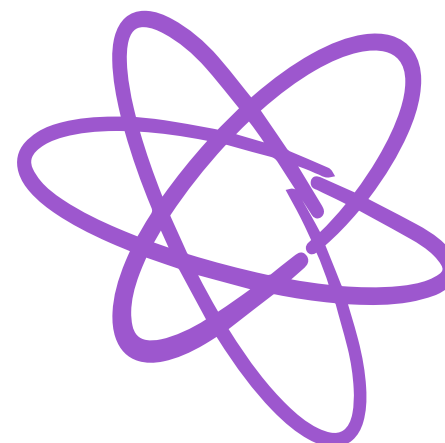
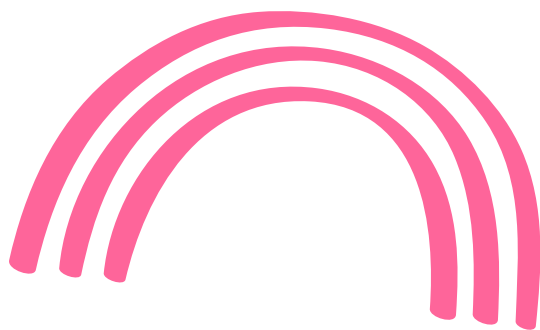
The charity has a wholly owned subsidiary, ACF Conferences and Seminars Limited. For the year ended 31 December 2023 the subsidiary declared a gift aid distribution of £155,134 to the charity (2022: £139,424).

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

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

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

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



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

Registered Company No. 5190466

Registered Charity Number: 1105412

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

acf.org.uk

acf@acf.org.uk