

THE SUSSEX COMMUNITY FOUNDATION

England & Wales · Charity number 1113226

Details

Status	Registered
Legal form	Charitable company
Company number	05670692
Registered	2006-03-09
Register	View on the Charity Commission register

Contact

Address	Sussex Community Foundation 15 Western Road Lewes BN7 1RL
Phone	01273409440
Email	info@sussexcommunityfoundation.org
Website	www.sussexcommunityfoundation.org

Activities

Objects: 3.1 THE PROMOTION OF ANY CHARITABLE PURPOSES FOR THE BENEFIT OF THE COMMUNITY IN THE COUNTIES OF EAST SUSSEX, WEST SUSSEX AND THE CITY OF BRIGHTON AND HOVE AND IN PARTICULAR THE ADVANCEMENT OF EDUCATION THE PROTECTION OF GOOD HEALTH BOTH MENTAL AND PHYSICAL AND THE RELIEF OF POVERTY AND SICKNESS;3.2 OTHER EXCLUSIVELY CHARITABLE PURPOSES IN THE UNITED KINGDOM AND ELSEWHERE WHICH ARE IN THE OPINION OF THE TRUSTEES BENEFICIAL TO THE COMMUNITY INCLUDING THOSE IN THE AREA OF BENEFIT.

Activities: Sussex Community Foundation:1. Raises funds to improve quality of life in East and West Sussex and Brighton & Hove2. Provides services for people and companies wishing to donate to their local community3. Is building a permanent capital fund for good causes across Sussex4. Gives grants to charities and community groups in East and West Sussex and Brighton & Hove

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Recreation, Other Charitable Purposes
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** COUNTIES OF EAST SUSSEX, WEST SUSSEX AND THE CITY OF BRIGHTON AND HOVE
- Brighton And Hove
- East Sussex
- West Sussex

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,553,610	£4,249,561	£28,063,936	15
2024-03-31	£4,062,970	£4,009,937	£28,781,770	15
2023-03-31	£3,547,312	£4,657,346	£26,148,648	14
2022-03-31	£4,376,619	£5,469,429	£28,201,229	13
2021-03-31	£5,060,045	£5,744,211	£27,467,136	12

Trustees

Name	Role	Appointed
David Mark Spofforth OBE	Chair	2017-07-20
ANDREW BAIRD		2020-11-26
Corinne Day		2020-11-26
David Sampson		2023-11-30
Deirdre Prower		2023-11-30
Guy Davison		2020-11-26
Kevin Stephen Powell		2025-05-22
MARTIN ROBERTS		2017-10-19
Mebrak Ghebreweldi		2020-11-26
Nick Munday		2023-11-30
Sally Case		2023-05-11

THE SUSSEX COMMUNITY FOUNDATION

England & Wales - Charity number 1113226

Accounts

Charity registration number 1113226

Company registration number 5670692 (England and Wales)

SUSSEX COMMUNITY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

SUSSEX COMMUNITY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Andrew Baird	
	Julia Carrette	
	Sally Case	(Appointed 11 May 2023)
	Guy Davison	
	Corinne Day	
	Mebrak Ghebreweldi	
	Christine Gibbons	(Appointed 11 May 2023)
	David Hill	
	Brian Mills	
	Martin Roberts	
	Mark Spofforth OBE - Chair	
	Patrick Stevens - Treasurer	
	Nick Munday	(Appointed 30 November 2023)
Secretary and Chief Executive	Deirdre Prower	(Appointed 30 November 2023)
	David Sampson	(Appointed 30 November 2023)
Founder	Kevin Richmond	
Joint Presidents	The 10th Duke of Richmond & Gordon	
Patron	Andrew Blackman Lord Lieutenant of East Sussex	
	Lady Emma Barnard Lord Lieutenant of West Sussex	
Charity number	The 11th Duke of Richmond & Gordon	
Company number	1113226	
Registered office	5670692	
Auditor	15 Western Road	
	Lewes	
	East Sussex	
Bankers	BN7 1RL	
	sussexcommunityfoundation.org	
	info@sussexcommunityfoundation.org	
Bankers	Knill James LLP	
	One Bell Lane	
	Lewes	
Bankers	East Sussex	
	BN7 1JU	
	CAF Bank	
Bankers	25 Kings Hill Avenue	
	Kings Hill	
	West Malling	
Bankers	Kent	
	ME19 4JQ	

SUSSEX COMMUNITY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Adams and Remers LLP
Trinity House
School Hill
Lewes
East Sussex
BN7 2NN

Investment advisors

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

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

SUSSEX COMMUNITY FOUNDATION

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SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) *FOR THE YEAR ENDED 31 MARCH 2024*

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

CHAIR'S REPORT 2023-24

In my first year as Chair of Trustees I am delighted to present our Annual Report and Accounts for 2023/24.

In reviewing the year, the ongoing cost of living crisis, global economic uncertainties and conflicts have set a challenging environment for the many charities and community groups we support in the county. Society appears to be more fragmented than ever and the polarisation of the gap between those coping within this challenging situation and those less able to do so has increased.

We continue to focus on getting ourselves and our causes better known around the county, but the corollary to this is that we are receiving more calls on our limited resources. Statutory funding has reduced significantly this year and there are many more groups seeking grants than ever before.

Nevertheless, thanks to the generosity of our fundholders and donors we have given out over £2.6m in grants this year. This supported 449 organisations across Sussex. For example, this year we started to work in partnership with the Foreign, Commonwealth & Development Office to support the Chagossian Community in Crawley.

We are two years in to our 5-year strategy to build a fairer more equal Sussex which focuses on four Funding Priorities - Tackling Poverty, Reaching Potential, Improving Health, and Acting on Local Climate Change.

Using these priorities as our building blocks, we want to play a leading role in philanthropy across Sussex, aiming to become the go-to knowledge hub for the issues that affect our communities. We can educate and inform our donors about the local needs and understand how best to tackle these issues by informing local charities and volunteer groups. Measuring, and maximising, the impact of donations resulting from donors' generosity remains key to our management objectives.

This year we focussed on Tackling Poverty and analysed data and evidence highlighting the inequality across the county, producing a report that has been widely circulated and read. This gave us opportunities to reach out and attract new supporters from the private and public sectors – and position ourselves as a trusted source of information about local communities. Our focus remains to engage our fundholders in long term philanthropic giving and work with them to understand and support their charitable aims.

Thanks to generosity of the Lawson Trust, we launched an appeal matching new money with a bonus from the Trust, which helped us attract £1.8m in new endowment donations. We are very grateful for that support.

Our "flow-through" donation figure of £1.3m is a significant achievement given the current economic climate. As always demand exceeded our ability to meet it, we were only able to satisfy a third of the demand – we received applications worth over £7.5m. This record level of applications demonstrates the level of need out in the community. We are doing all we can to raise more money so that we can support more of the vital work being carried out by local charities.

I wish to thank the trustees who have stepped down this year, all of whom provided sterling service over many years (Keith Hollis, Pamela Stiles and Maggie Burgess) and I welcome our new trustees (Sally Case, Christine Gibbons, Nick Munday, Deirdre Prower, David Sampson) and hope that they enjoy working with the Foundation as much as I do.

I cannot close this report without thanking all the staff team for their commitment and enthusiasm to the organisation and its vision during challenging times.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

The Foundation's Charitable Objects are:

- The promotion of any charitable purposes for the benefit of the community in the Counties of East Sussex, West Sussex and the City of Brighton and Hove (referred to as "Sussex" in this document) and in particular the advancement of education, the protection of good health both mental and physical and the relief of poverty and sickness.
- Other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the trustees, beneficial to the community including those in the area of benefit.

In 2022 The Board of Trustees approved the Foundation's Strategy 2022-27: Towards a fairer and more equal Sussex.

OUR VISION:

To see a fairer and more equal Sussex, where people and communities thrive for today and for the future.

OUR MISSION:

To champion and enable all who want to make a positive contribution to our local area through effective philanthropy and community action.

WE WILL DO THIS BY:

- Inspiring local people to give to meet local needs
- Investing in local charities and community groups, and helping them to become strong and sustainable organisations
- Informing & Influencing philanthropists and the wider community about local needs, now and in the longer term.

ALL OUR WORK IS INFORMED BY OUR VALUES:

- We show leadership, acting boldly and positively for the public good.
- We champion equity, working in accessible and inclusive ways, supporting greater fairness, and standing against prejudice, discrimination and disadvantage.
- Our approach is empowering, helping others to make the difference that they want to make.
- We maintain the highest standards of integrity in all that we do.
- We believe that people achieve the most when they work together with shared passion and vision.

OUR COMMITMENTS:

Sussex Community Foundation is a broad-based local funder, supporting a wide range of charitable activities and enabling philanthropists to address the causes they care about. In this strategy we are making seven specific commitments. We will measure our progress on each and report each year on what we have achieved and what is left to do.

Our commitments are:

To focus our support clearly and openly on addressing poverty and disadvantage.

- To help strengthen local communities and the voluntary sector
- To increase the amount and the effectiveness of local philanthropy in Sussex
- To use data and local knowledge to inform our work
- To promote equity, diversity and inclusion
- To support local action to address climate change
- To be an open and trusting grant maker
-

Our Funding Priorities:

We use national and local data to focus our impact on four funding priorities where we believe we can make the biggest difference. Through our philanthropy advice we help to match our supporters' aims with the many small, effective charities offering solutions to local issues. Our Funding Priorities are:

- Acting on Climate
- Improving Health
- Reaching Potential
- Tackling Poverty

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

ACHIEVEMENTS AND PERFORMANCE

Attracting Funds for Immediate Grant Making

Indicator	2023/24	2022/23
Amount Donated to flow-through	£1,299,297	£1,949,222
Number of active Flow-through funds	42	41
Contribution to grant funds from Community First Endowment	£355,480	£498,860
Contribution to grant funds from other endowment	£891,650	£967,413

If funds raised for immediate grant making are greater than the amount distributed in the year then the surplus will be ringfenced and distributed in future periods.

GRANT MAKING

One of the most challenging roles for the trustees is choosing which of many deserving causes should be assisted from limited resources. The Board of Trustees is ultimately responsible for all grants awarded by the Foundation, but it delegates detailed decision-making to its Grants Committee. The Foundation solicits applications and assesses those that are eligible for funding. Applications are then matched with the charitable goals of each fund and donor.

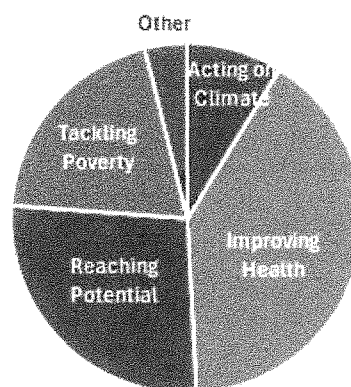
Indicator	2023/24	2022/23
Value of grants awarded	£2,639,725	£3,274,590
Number of grants awarded	668	726
Average size of grant	£4,255	£4,524
Number of grants £10,000 or over	53	82
Number of groups supported	449	504
Number of grants to individuals	34	29
Number of grants under £1,000	132 (20%)	84 (12%)

135 groups received more than one grant (average number of grants per group was 2.25).

A number of grants were awarded subject to conditions, which have not yet been fulfilled. The total value of these conditional grants was £68,970.

Number of grants by Funding Priority 2023/24

Funding priority	No. grants	Total awarded
Acting on Climate	59	£282,439
Improving Health	270	£1,002,629
Reaching Potential	180	£561,768
Tackling Poverty	133	£711,691
Other	26	£81,198
Total	668	£2,639,725

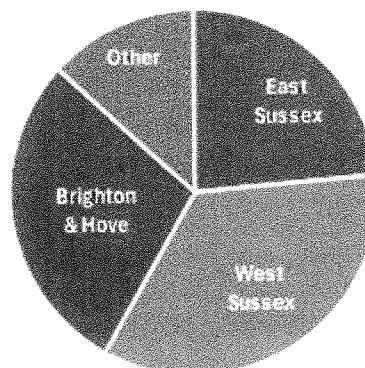


SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Number of grants by Local Authority Area

Local Authority	2023/24	2022/23
East Sussex	158	214
West Sussex	231	217
Brighton & Hove	191	224
Other	88	71
Total	668	726



IMPACT REPORTING

Making decisions about who should benefit is challenging. However, the Foundation's role does not stop there, and the trustees are mindful of the need to understand the impact that each grant has made, and to follow up contact with beneficiaries.

The Foundation requires all grant recipients to return monitoring forms at the end of their projects. These are used to monitor outcomes and inform assessment of future applications. The Foundation collates quantitative and qualitative data from these monitoring returns and uses this data to produce reports to trustees, donors and stakeholders on the achievements of the groups that we fund.

The Board of Trustees has maintained oversight of the grants process and is satisfied with this year's outcomes. Healthy discussions at Board meetings ensure that there is no complacency with the Foundation's achievements, and the Trustees continue to learn and strive for greater impact with the resources available.

HELPING COMMUNITIES TO RECOVER FROM DISASTERS

Community foundations across the UK have played a key role in managing funds donated to help people affected by disasters. Community foundations have a unique knowledge of the needs of local communities and an ability to make grants quickly and effectively. The Foundation has responded to the Shoreham Air Show crash and the Covid Pandemic through the Sussex Crisis Fund and stands ready to respond in future should another disaster strike our community.

PUBLIC BENEFIT

The goal of all the Foundation's activities is to provide benefit to the public in Sussex, focusing on addressing disadvantage and deprivation and building strong communities, but supporting all areas of charitable activity. It achieves this by awarding grants to local charities and community groups, which provide demonstrable community benefits. In assessing applications for a grant, the Foundation seeks evidence of genuine public benefit and requires applicants to have an appropriate Equal Opportunities Statement that assures that benefits are available to all within the relevant community. The trustees have had due regard for the guidance published by the Charity Commission on public benefit.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

GRANTS POLICY

The Foundation has developed a grants policy, which aims to match the charitable goals of its donors with the needs of the community, focusing on addressing disadvantage, promoting thriving communities, improving quality of life, and helping people to fulfil their potential.

FUNDRAISING

The Foundation is registered with the Fundraising Regulator and has signed up to the Fundraising Promise and the Code of Fundraising Practice. It is also Quality Accredited by UK Community Foundations.

The Foundation raises funds by developing long-term relationships with potential supporters. Fundraising activities are undertaken by paid employees, volunteer trustees and ambassadors, all of whom are accountable to the Chief Executive and the Board of Trustees. The Foundation does not use any paid external fundraising agencies or consultants.

There have been no failures to comply with Fundraising Standards and no complaints regarding the Foundation's fundraising activities in this financial year.

ENDOWMENT FUND

In order to achieve long-term benefit for the community, the Foundation is building an Endowment Fund, which will enable the Foundation to provide public benefit to the local community across Sussex for generations to come.

ETHICAL INVESTMENT

In February 2020, the trustees took the decision to move all our investments held at Sarasin to their "Climate Active Fund" which does not invest in fossil fuels and proactively invests in businesses that are making a positive contribution to addressing climate change. On 1 July 2021 the trustees decided to transfer all funds held at CCLA to the CCLA Charities Ethical Fund. Both Sarasin and CCLA are seen as leaders in the field of ethical investing and active engagement with companies in which they invest. Details of our investment managers' ethical investment policies are available on request.

SERVICE TO DONORS

The Foundation's individual character arises from the strategy for attracting funds from donors who wish to advise on how their donations are applied. As a result, the Foundation's work provides a comprehensive donor service to individuals and companies who care about their local community; assisting donors to make the maximum positive impact on the community.

Named Funds are a core element of this service for donors. A named fund offers the donor the opportunity to establish a charitable fund in their own name, which can be used to award grants to match the donor's specific charitable interests.

There are two types of named fund:

- **Flow-through** named fund is distributed within an agreed timescale, normally one year, so as to maximise the immediate impact in the community.
- **Endowment** named fund is a capital fund invested to generate investment income and capital growth, which can be distributed as grants for the benefit of the community for the long term.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

The financial year from April 2023 to March 2024 was encouraging, with progress made towards our targets supported by the Lawson Match Challenge as a demonstrable incentive to fundholders. Donations to endowment exceeded budget at £1,828,484 - significantly higher than the previous year (2023 - £563,601).

Income for immediate grant making (flow-through funds) was £1,299,297 for the year (£1,949,922 in the previous year). This income helped us to make a significant difference within the local Sussex community, however progress in securing this funding has been impacted by local authorities having reduced funding available to channel through our service, as well as a funding gap created post-pandemic and the Cost-of-Living crisis response, which both contributed to peaks in previous years. Relationships with our local authority partners remain strong and we are working together to seek solutions for the future.

As at 31 March 2024, the Foundation held £1,405,025 in restricted grant making funds, which are for the sole purpose of grant making in future periods and cannot be used for the general purposes of the charity. The high value of funds held is due in part to advance payments from some funds which are due to be spent over a number of years, or large balances for individual funds which are held for a limited number of capital projects which have yet to meet conditions. A proportion of these grant making funds will have been raised during the final quarter of the financial year and will be rolled over to the first grant round in 2024/25.

The charity's investments showed a very favourable capital gain over the year of an average 12%, which resulted in an increase of £2,580,089 compared with a loss of £942,547 in 2023. The table below compares the investment performance of our two fund managers in the periods up to 31 March 2024.

	Last 12 months	3 years (average)	5 Years (average)
Sarasin	+11.1%	+4.0%	+6.8%
CCLA Charities ethical fund	+13.11%	+7.34%	+8.95%

RESERVES POLICY

As with all charities, Sussex Community Foundation must raise the funds required to support its core operation. It is important to ensure that the organisation is sustainable and successful in the long term. In order to ensure that sustainability, the Charity must hold an appropriate level of Reserves.

Our Reserves Policy is that unrestricted funds, which have not been designated for a specific use, should be maintained between an upper level of eight months, and a lower level of three months, of the subsequent year's budgeted operating expenditure.

The trustees consider that this is a measured risk due to the annual drawdown for core costs of 1.5% of the value of the endowment fund, currently held at a value of £27m. This position is unlikely to reduce over the course of the next few years.

This contributes a known minimum amount per annum to the core costs, which is a significant positive contribution that enables confidence in the projected financial position.

As at 31 March 2024, unrestricted reserves stood at £343,311, which represents 21 weeks' (4.8 months) operating expenditure budget for 2024-25 compared with £502,490 or 28 weeks (6.4 months) in the previous year.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

INVESTMENT POLICY

Investment Objective

To develop expendable endowment funds, which provide sustainable support for local communities in the long-term. This will require a balance between:

- The need for current grant making funds, and
- Maintaining an endowment to meet the funding needs of future generations

Power of Investment

The investment powers of the Board of Sussex Community Foundation (the Foundation) are defined in Article Four of the Memorandum and Articles of Association.

Sussex Community Foundation's investment policy for its Endowment seeks to:

- To maximise performance through a diversified asset portfolio and a medium risk strategy
- To achieve a total investment return of at least 1% per annum after costs above that of the ARC Charities Steady Growth Index over rolling three-year periods.
- To achieve a total investment return that exceeds the customer prices index, over rolling three-year periods.

As at January 2024, our investment portfolios (Sarasin & CCLA) have a target to achieve a combined income and capital return over the long term of 4.5% to 5% above CPI.

The Foundation also holds funds derived from revenue donations for grant making and operational costs. The Foundation will seek to obtain the best return at low risk for these short-term holdings.

RISK MANAGEMENT

The major factors which affect the success and sustainability of the charity are:

1. The degree of success in raising funds - for endowment, grant making and operating costs
2. The investment performance of endowment funds
3. The ability of the charity to provide a high quality service to its donors and to the community
4. The reputation of the charity among potential donors, community groups, charities and intermediaries

The trustees have developed a comprehensive risk management policy and system, which allocates responsibility for managing risk to sub-committees and named individuals and is overseen by the Audit & Risk Committee.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

PLANS FOR FUTURE PERIODS

As we produce this report, we are approaching the middle of the period covered by our current strategy (2022-2027). Our vision, goals and main activities remain as stated in that strategy and summarised in our last annual report.

In short, we continue to strive to provide a sustainable source of funding for local community action to help build a fairer, more equal Sussex. We aim to raise more funds to provide both immediate grant-making and to build our endowment for the long-term benefit of the community. It is also essential that our grant making is accessible and relevant to the vast range of community groups.

Our Funding Priorities are providing a powerful tool for raising awareness of the challenges faced by communities across Sussex, demonstrating the difference that local charities make, and attracting donations from a much wider section of the community than we were able to previously.

As our Chair explained in his introduction to this report, the economic circumstances have changed significantly since our strategy was published. Many charities are finding that costs are increasing but it is much harder to raise funds. This trend is evident from the very high demand for our grants.

We remain passionate about the incredible value that local charities provide for our communities. We also believe that there are many more local philanthropists who would like to make a difference. In the light of the challenges our society is facing, we will strive ever harder to connect those people who have funds to donate with the amazing local charities that are changing peoples' lives every day.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

Structure, governance and management

The Board of Trustees, which meets four times per year, governs the charity. There are currently 15 trustees on the Board.

Sub-committees have been established to address specific areas of governance and meet as required. These committees include a Finance & Resources Committee, Grants Committee, Impact Committee, Fund Development & Marketing Committee, Nominations Committee, and Audit & Risk Committee.

As at June 2024, 14 permanent staff conduct the day-to-day business of the charity, led by the Chief Executive who reports to the Board.

The trustees are extremely grateful for the valuable contribution of volunteers and ambassadors, who play a central role in the success of the charity.

Sussex Community Foundation is a registered charity and a company limited by guarantee. It is governed by its Memorandum and Articles of Association dated 10th January 2006 as amended on 11 May 2010.

Trustees and officers who served during the year or at the time of publication were:

Andrew Baird	
Maggie Burgess	(Resigned 30 November 2023)
Julia Carrette	
Sally Case	(Appointed 11 May 2023)
Guy Davison	
Corinne Day	
Mebrak Ghebreweldi	
Christine Gibbons	(Appointed 11 May 2023)
David Hill	
Keith Hollis	(Resigned 30 November 2023)
Brian Mills	
Martin Roberts	
Mark Spofforth OBE - Chair	
Patrick Stevens - Treasurer	
Pamela Stiles	(Resigned 30 November 2023)
Rachel Misra	(Appointed 11 May 2023 and resigned 10 November 2023)
Nick Munday	(Appointed 30 November 2023)
Deirdre Prower	(Appointed 30 November 2023)
David Sampson	(Appointed 30 November 2023)

Recruitment and appointment of Trustees

Trustees are appointed by the Board of Trustees for a three-year term, which can be renewed up to twice. Recruitment of new trustees is overseen by a Nominations Committee, which makes recommendations to the Board. At least every three years, the trustees carry out a detailed review of the skills of members of the Board in order to identify any gaps. This review was last completed in June 2022.

During 2023, the trustees advertised to seek applications for new trustees. After a very positive response, three new trustees were appointed to the Board to start in May 2023 and a further three were appointed to join the Board in November 2023.

Trustee induction and training

The Foundation has adopted procedures for recruitment, induction and training of trustees, which include induction meetings with the Chair and Chief Executive, a recruitment information pack and appropriate training.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Trustee Remuneration and Register of Interests

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in Note 10 and Note 25 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and to withdraw from decisions where a conflict of interest arises. At the beginning of every trustee meeting, those present are asked to declare any interests in any item in the agenda. Trustees may also declare any additional interest as the meeting unfolds.

RELATED CHARITIES

None of the trustees has any beneficial interest in the Foundation. All of the trustees are members of the company and guarantee to contribute £10 in the event of winding-up.

Sussex Community Foundation is a quality accredited member of UK Community Foundations (which is itself a Registered Charity). Accreditation is subject to independent assessment every three years, which the Foundation has achieved since 2007. The Chief Executive of the Foundation is currently a trustee of UKCF.

Auditor

In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.


.....
Mark Spofforth OBE - Chair
Trustee

Date: 25 July 2024

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

The trustees, who are also the directors of Sussex Community Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

Opinion

We have audited the financial statements of Sussex Community Foundation (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and the Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Trustees' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are employment law and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

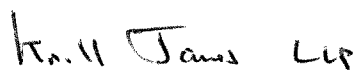
We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

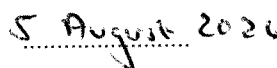
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of report

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



David Martin FCA (Senior Statutory Auditor)
for and on behalf of Knill James LLP



Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year

		Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total 2023 £
	Notes					
Income from:						
Donations and legacies	2	622,615	1,299,297	1,828,484	3,750,396	3,206,976
Other trading activities	3	-	-	2,341	2,341	2,822
Investments	4	59,547	250,686	-	310,233	337,514
Total income and endowments		682,162	1,549,983	1,830,825	4,062,970	3,547,312
Expenditure on:						
Raising funds	5	160,174	-	-	160,174	140,618
Charitable activities	6	681,167	2,886,884	281,712	3,849,763	4,516,728
Total expenditure		841,341	2,886,884	281,712	4,009,937	4,657,346
Net gains/(losses) on investments	12	-	-	2,580,089	2,580,089	(942,547)
Net (outgoing)/incoming resources before transfers		(159,179)	(1,336,901)	4,129,202	2,633,122	(2,052,581)
Gross transfers between funds		-	1,130,228	(1,130,228)	-	-
Net movement in funds		(159,179)	(206,673)	2,998,974	2,633,122	(2,052,581)
Fund balances at 1 April 2023		502,490	1,611,698	24,034,460	26,148,648	28,201,229
Fund balances at 31 March 2024		343,311	1,405,025	27,033,434	28,781,770	26,148,648

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Prior financial year

		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
	Notes				
Income from:					
Donations and legacies	2	693,453	1,949,922	563,601	3,206,976
Other trading activities	3	-	-	2,822	2,822
Investments	4	14,985	322,529	-	337,514
Total income and endowments		708,438	2,272,451	566,423	3,547,312
Expenditure on:					
Raising funds	5	140,618	-	-	140,618
Charitable activities	6	617,731	3,635,019	263,978	4,516,728
Total expenditure		758,349	3,635,019	263,978	4,657,346
Net gains/(losses) on investments	12	-	-	(942,547)	(942,547)
Net (outgoing)/incoming resources before transfers		(49,911)	(1,362,568)	(640,102)	(2,052,581)
Gross transfers between funds		-	1,290,726	(1,290,726)	-
Net movement in funds		(49,911)	(71,842)	(1,930,828)	(2,052,581)
Fund balances at 1 April 2022		552,401	1,683,540	25,965,288	28,201,229
Fund balances at 31 March 2023		502,490	1,611,698	24,034,460	26,148,648

SUSSEX COMMUNITY FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Gross income	2,232,145	2,980,889
Transfer from endowment funds	1,130,228	1,290,726
Total income in the reporting period	3,362,373	4,271,615
Total expenditure from income funds	3,728,225	4,393,368
Net expenditure for the year	(365,852)	(121,753)
Reconciliation to Statement of Financial Activities		
Gross income (above)	2,232,145	2,980,889
Endowment fund income	1,828,484	563,601
Total income and endowments	4,060,629	3,544,490
Total expenditure from income funds (above)	3,728,225	4,393,368
Endowment fund expenditure	281,712	263,978
Total expenditure	4,009,937	4,657,346
Net gains/(losses) on investments	2,580,089	(942,547)
Net movement in funds	2,630,781	(2,055,403)

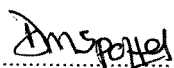
SUSSEX COMMUNITY FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Investments	15	26,889,251		23,781,307	
Current assets					
Debtors	17	191,846		194,629	
Investments	18	291,000		291,000	
Cash at bank and in hand		1,473,179		2,038,168	
		1,956,025		2,523,797	
Creditors: amounts falling due within one year	19	(63,506)		(156,456)	
Net current assets		1,892,519		2,367,341	
Total assets less current liabilities		28,781,770		26,148,648	
Capital funds					
Endowment funds	21	27,033,434		24,034,460	
Income funds					
Restricted funds	22	1,405,025		1,611,698	
Unrestricted funds		343,311		502,490	
		28,781,770		26,148,648	

The financial statements were approved by the Trustees on



Mark Spofforth OBE - Chair
Trustee

Company registration number 5670692

25th July 2024

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	27		(347,366)		(1,479,755)
Investing activities					
Purchase of investments		(1,880,522)		(686,686)	
Proceeds from disposal of investments		1,352,666		1,452,700	
Investment income received		310,233		337,514	
Net cash (used in)/generated from investing activities			(217,623)		1,103,528
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(564,989)		(376,227)
Cash and cash equivalents at beginning of year			2,038,168		2,414,395
Cash and cash equivalents at end of year			1,473,179		2,038,168

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Sussex Community Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Western Road, Lewes, East Sussex, BN7 1RL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used or have been raised by the charity for particular purposes. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Expendable endowment funds represent those assets which, under the Articles of Association, the trustees have power to invest and which have been invested to generate investment income and capital gains which can be distributed as grants for the benefit of the community. Income arising on the expendable endowment funds can be used in accordance with the objects of the charity and is split between restricted and unrestricted funds in accordance with agreements made with individual donors. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

For flow-through funds management fees are taken at the time the donation is received by the Foundation. If the value of the fee exceeds £5,000 this income is spread over the period during which the grant making fund is disbursed. In all cases the management fee is treated as income at the date of receipt of the donation.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out by the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year in which they are awarded.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Capital purchases over £5,000 are recognised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	straight line over four years
--------------------------------	-------------------------------

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.12 Fund accounting

Unrestricted funds are general funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity including core costs and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. All Restricted Funds held are Flow-through Named Funds, intended for awarding grants to local charities and community groups within a short timescale (normally up to one year). These funds are detailed in Note 16 to the financial statements.

Expendable endowment funds represent those assets which, under the Articles of Association, the trustees have power to invest and which have been invested to generate investment income and capital gains which can be distributed as grants for the benefit of the community. Income arising on the expendable endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

2 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
Donations and gifts	622,615	1,299,297	1,828,484	3,750,396	693,453	1,949,922	563,601	3,206,976

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

3 Other trading activities

	Endowment funds 2024 £	Total Endowment funds 2024 £	Endowment funds 2023 £
Letting arrangements	2,341	2,341	2,822

4 Investments

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from unlisted investments	-	250,686	250,686	-	322,529	322,529
Interest receivable	59,547	-	59,547	14,985	-	14,985
	59,547	250,686	310,233	14,985	322,529	337,514

5 Raising funds

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
<u>Fundraising and publicity</u>		
Fundraising events	8,963	1,177
Other fundraising costs	-	347
Staff costs	151,211	139,094
	160,174	140,618

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Expenditure on charitable activities

	2024 £	2023 £
Staff costs	419,424	354,097
Depreciation and impairment	-	542
Management charge	528,870	624,406
Other costs	54,543	60,494
	<u>1,002,837</u>	<u>1,039,539</u>
Grant funding of activities (see note 7)	2,639,725	3,274,590
Share of support and governance costs (see note 8)		
Support	146,757	140,779
Governance	60,444	61,820
	<u>3,849,763</u>	<u>4,516,728</u>
Analysis by fund		
Unrestricted funds	681,167	617,731
Restricted funds	2,886,884	3,635,019
Endowment funds	281,712	263,978
	<u>3,849,763</u>	<u>4,516,728</u>

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Grants payable

	2024 £	2023 £
Grants payable	2,639,725	3,274,590

668 grants (2023 – 726) worth £2,639,725 (2023 - £3,274,590) were awarded to 449* groups (2023 - 504) and 34 individuals (2023 – 29). The average grant awarded was £4,255 (2023 - £4,524). 132 grants were for £1,000 or less (2023 – 84).

*135 (2023 - 146) groups received more than one grant.

Examples of the grants to institutions of more than £10,000 awarded during the year were as follows:

Details	Amount £
Citizens Advice in West Sussex	£60,041
Justlife Foundation	£80,533
Ethnic Minority & Traveller Achievement Service - West Sussex	£29,743
Turning Tides	£49,906
Kent Community Foundation	£24,900
Crawley Community Youth Service	£22,000
Community Base	£20,000

Grants to Kent Community Foundation relate to Little Cheyne Court Wind Farm Fund, which is managed in partnership with the Kent Community Foundation.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

8 Support costs

	Support costs £	Governance costs £	2024 £	Support costs £	Governance costs £	2023 £
Staff costs	21,720	33,749	55,469	28,712	37,301	66,013
Rent	29,446	-	29,446	22,836	-	22,836
Insurance	753	-	753	270	-	270
Property service charge	7,592	-	7,592	5,915	-	5,915
Bank charges	338	-	338	297	-	297
Staff training and recruitment	10,406	-	10,406	41,133	-	41,133
Staff travel and subsistence	5,238	-	5,238	4,822	-	4,822
Computer software, systems and applications	63,183	-	63,183	29,382	-	29,382
Printing, postage and stationery	2,259	-	2,259	2,816	-	2,816
Telephone	4,114	-	4,114	4,124	-	4,124
Repairs and maintenance	1,708	-	1,708	472	-	472
Grant making costs	-	-	-	-	370	370
Audit fees	-	7,920	7,920	-	7,260	7,260
Legal and professional	-	8,634	8,634	-	6,852	6,852
Bookkeeping and accountancy	-	6,167	6,167	-	5,806	5,806
Trustees meetings and expenses	-	1,748	1,748	-	2,058	2,058
Annual report and AGM	-	2,226	2,226	-	2,173	2,173
	<u>146,757</u>	<u>60,444</u>	<u>207,201</u>	<u>140,779</u>	<u>61,820</u>	<u>202,599</u>
Analysed to						
Charitable activities	<u>146,757</u>	<u>60,444</u>	<u>207,201</u>	<u>140,779</u>	<u>61,820</u>	<u>202,599</u>

The charity's auditors Knill James LLP also supplied accountancy services to the charity during the year for a fee of £Nil (2023 - £600).

9 Net movement in funds

2024
£

2023
£

The net movement in funds is stated after charging/(crediting):

Fees payable for the audit of the charity's financial statements	7,920	7,260
Depreciation of owned tangible fixed assets	-	542
	<u></u>	<u></u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Charitable employees	15	14

Employment costs

	2024 £	2023 £
Wages and salaries	548,003	489,397
Social security costs	51,943	46,733
Other pension costs	26,158	23,074
	<u>626,104</u>	<u>559,204</u>

Pension contributions

The charity operates a defined contribution pension scheme. At the year end, there were £3,441 of outstanding pension contributions owing to the scheme (2023 - £2,230).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
In the band £70,001 - £80,000	1	1

Contributions totalling £3,922 (2023 - £3,688) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2024 £	2023 £
Aggregate compensation	91,937	86,841

12 Gains and losses on investments

	Endowment funds 2024 £	Endowment funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	2,580,089	(942,547)

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

14 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2023	13,758
At 31 March 2024	13,758
Depreciation and impairment	
At 1 April 2023	13,758
At 31 March 2024	13,758
Carrying amount	

15 Fixed asset investments

	Securities £
Cost or valuation	
At 1 April 2023	23,781,307
Additions	1,880,522
Valuation changes	2,580,088
Disposals	(1,352,666)
At 31 March 2024	26,889,251
Carrying amount	
At 31 March 2024	26,889,251
At 31 March 2023	23,781,307

16 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	27,180,251	24,072,307

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

17 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	30,731	106,195
Other debtors	135,865	81,252
Prepayments and accrued income	25,250	7,182
	<u>191,846</u>	<u>194,629</u>

18 Current asset investments

	2024	2023
	£	£
Short term investments	<u>291,000</u>	<u>291,000</u>

Current asset investments represent freehold properties held for sale.

19 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	13,710	12,027
Trade creditors	3,470	13,227
Other creditors	3,691	2,208
Accruals and deferred income	42,635	128,994
	<u>63,506</u>	<u>156,456</u>

20 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>26,158</u>	<u>23,074</u>

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

21 Endowment funds

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2024 £
Expendable endowments						
Sarasin Endowment including grassroots	11,696,378	484,574	(172,256)	(686,856)	1,223,484	12,545,324
Community First Trust	7,842,989	-	-	-	770,565	8,613,554
CCLA Other	4,495,093	1,346,251	(109,456)	(443,372)	586,040	5,874,556
	<u>24,034,460</u>	<u>1,830,825</u>	<u>(281,712)</u>	<u>(1,130,228)</u>	<u>2,580,089</u>	<u>27,033,434</u>
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Gains and losses £	At 31 March 2023 £
Expendable endowments						
Sarasin Endowment including grassroots	12,651,271	395,423	(186,523)	(712,213)	(451,580)	11,696,378
Community First Trust	8,346,503	-	-	(86,618)	(416,896)	7,842,989
CCLA Other	4,967,514	171,000	(77,455)	(491,895)	(74,071)	4,495,093
	<u>25,965,288</u>	<u>566,423</u>	<u>(263,978)</u>	<u>(1,290,726)</u>	<u>(942,547)</u>	<u>24,034,460</u>

Transfers of £1,130,228 (2023 - £1,290,726) represent drawdowns from endowment for grant making and operating costs. "Grassroots" and "Community First" relate to two government funded endowment match challenges.

22 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
Funds held for grant making	<u>1,611,698</u>	<u>1,549,983</u>	<u>(2,886,884)</u>	<u>1,130,228</u>	<u>1,405,025</u>

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

22 Restricted funds

(Continued)

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Funds held for grant making	1,683,540	2,272,451	(3,635,019)	1,290,726	1,611,698

23 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
General funds	502,490	682,162	(841,341)	343,311
Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	At 31 March 2023 £
General funds	552,401	708,438	(758,349)	502,490

24 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 31 March 2024:				
Investments	-	-	26,889,251	26,889,251
Current assets/(liabilities)	343,311	1,405,025	144,183	1,892,519
	343,311	1,405,025	27,033,434	28,781,770

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

24 Analysis of net assets between funds

(Continued)

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 31 March 2023:				
Investments	-	-	23,781,307	23,781,307
Current assets/(liabilities)	502,490	1,611,698	253,153	2,367,341
	<u>502,490</u>	<u>1,611,698</u>	<u>24,034,460</u>	<u>26,148,648</u>

25 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	32,639	26,333
Between two and five years	14,393	13,480
	<u>47,032</u>	<u>39,813</u>

26 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

- Grants totalling £5,000 were awarded to Diversity Resource International of which M Ghebreweldi is a Director.
- Grants totalling £9,067 were awarded to Lancing and Sompting Churches Foodbank of which N Munday is a Trustee.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

27	Cash generated from operations	2024 £	2023 £
	Surplus/(deficit) for the year	2,633,122	(2,052,581)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(310,233)	(337,514)
	Fair value gains and losses on investments	(2,580,089)	942,547
	Depreciation and impairment of tangible fixed assets	-	542
	Movements in working capital:		
	Decrease/(increase) in debtors	2,784	(138,873)
	(Decrease)/increase in creditors	(92,950)	106,124
	Cash absorbed by operations	(347,366)	(1,479,755)

28 Analysis of changes in net funds

The charity had no material debt during the year.

THE SUSSEX COMMUNITY FOUNDATION

England & Wales - Charity number 1113226

Accounts

Charity registration number 1113226

Company registration number 5670692 (England and Wales)

SUSSEX COMMUNITY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

SUSSEX COMMUNITY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Andrew Baird Maggie Burgess Julia Carrette Sally Case (Appointed 11 May 2023) Guy Davison Corinne Day Mebrak Ghebreweldi Christine Gibbons (Appointed 11 May 2023) David Hill Keith Hollis Brian Mills Martin Roberts Mark Spofforth OBE - Chair Patrick Stevens - Treasurer Pamela Stiles Rachel Misra (Appointed 11 May 2023)
Secretary and Chief Executive	Kevin Richmond
Founder	The 10th Duke of Richmond & Gordon
Joint Presidents	Andrew Blackman Lord Lieutenant of East Sussex Lady Emma Barnard Lord Lieutenant of West Sussex
Patron	The 11th Duke of Richmond & Gordon
Company number	5670692
Registered office	15 Western Road Lewes East Sussex BN7 1RL www.sussexgiving.org.uk info@sussexgiving.org.uk
Auditor	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

SUSSEX COMMUNITY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Handelsbanken
109 Church Road
Hove
East Sussex
BN3 2AF

Solicitors

Adams and Remers LLP
Trinity House
School Hill
Lewes
East Sussex
BN7 2NN

Investment advisors

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

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

SUSSEX COMMUNITY FOUNDATION

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SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Chair's report 2022-23

It is never "business as usual" at the Sussex Community Foundation. The aftermath of the pandemic continues to impact on our own work, and staff, and of course on the activities, staff, and volunteers of charities and community groups throughout the county. On top of this we face what has come to be known as "the cost-of-living crisis", a euphemism for the grave and real hardships that impact on the day to day lives of so many.

We have been only too well aware of the real risk of many vital local charities, deeply affected by the current situation, being lost. The need for us to help them by sustaining and growing our effective grant making is greater than ever.

During the pandemic charitable giving led to a welcome, and much needed, "spike" in our flow through income (i.e., that part of our income that doesn't derive from our endowment investments). This spike was partly due to the fantastic response to our own Sussex Crisis Fund appeal, and that of the National Emergencies Trust in 2020 to 21, and partly due to increased support from East & West Sussex County Councils. Sussex Community Foundation was trusted to make efficient and focussed payments to help charities cope with the pandemic, a task which I am confident we fulfilled. As a consequence, over the last two years our grant making has increased from around £2m pre pandemic to over £4m.

These figures are now changing as we come out of the covid crisis, with the consequent withdrawal of local government funding and significant drop in public giving nationally. Our flow-through income will inevitably decrease substantially, even as the demand for grants continues to increase. We have to work hard to raise funds to make up our grant making capacity to support so many excellent charities.

In anticipation of this situation, we have developed and launched a new strategy, already bearing fruit, which makes a set of public commitments by which our progress can be tested over the next five years. As part of that strategy, we have instituted important changes in our management structure, introducing significantly more delegation across our different teams, without we hope losing the nimbleness which has been a hallmark of our operation since the Foundation's creation. We have also commenced in-depth work on our investment and drawdown policies to ensure continued long-term growth and strong financial sustainability.

The new strategy plans to attract a further £10m in endowment funds over five years and to give out at least £3m each year in grants, less than the covid years' "spike" but significantly more than our pre covid grant giving. That spike reinforces our firm belief that our endowment model is the best, indeed perhaps the only, realistic way of ensuring that our grant programmes are sustainable evenly over the long term, avoiding over-reliance on the pressures and vagaries of flow through income.

During this financial year the total income to endowment was £566,423. While this was lower than budget the trustees are not overly concerned because the pipeline for new endowment funds appears fairly strong. They are aware that endowment donations tend to come in large lumps so the actual performance in any one year is hard to predict. After our annual drawdown and capital gains and losses the total value of the endowment was £24,034,460.

To meet our endowment target we need to tap into the very many potential sources of charitable giving in Sussex that somehow remain unaware not only of the existence of a local Community Foundation and what it can achieve for their charitable giving, but of the fiscal and other advantages of doing so. To implement those plans we have invested a portion of our strong reserves in our philanthropy and marketing teams to help us reach more potential donors and, in short, to raise more money.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Each and every week our grants team is assessing grant applications, and our many grants panels are meeting, to decide who we can best help, bearing in mind the inevitable limitations on our available resources. Decisions can be difficult, even at times painful, but both staff and Trustees approach their task assiduously and with great care. The work is often little known, but it means a great deal to communities throughout the County, East and West, as well as the City of Brighton and Hove.

The trustees of the Foundation have signed up to the Funder's Commitment on Climate Change, which is now administered by the Association of Charitable Foundations. As part of this we are committed to reviewing all our operations, from office administration to grant making and investments, in the light of their impact on climate. Our actions towards raising more funds, and giving more grants, for this area of work is evident from our strategy. We will also carry out an energy audit of our day to day operations to identify how we can minimise our carbon footprint.

After seven years as Chair of the board of Trustees of the Foundation I step down this summer and will leave the board later in the year after nine years as a trustee. The Foundation has changed a great deal in that time. I am sorry to be leaving, although it is quite right that I should do so after such a long term. I am full of admiration, and indeed affection, for each and every one of the staff at the Foundation with whom I have worked over the years. Their dedication to the work they do is unequalled. I am proud to have played some small part.

Keith Hollis 11 June 2023

As the incoming Chair of Sussex Community Foundation, I would like to give sincere thanks to Keith Hollis for doing such an excellent job. Keith has steered the charity with great tact and diplomacy, and with a real passion for the cause. He has always made sure that everyone has the chance to fully participate and taken care to look after the people who work for the charity. This care and support was vital during the very challenging times of the Covid pandemic. He is a hard act to follow, but I promise to do my very best. Thank you Keith.

Mark Spofforth, Chair (from 1st July 2023).

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

The Foundation's Charitable Objects are:

- The promotion of any charitable purposes for the benefit of the community in the Counties of East Sussex, West Sussex and the City of Brighton and Hove and in particular the advancement of education, the protection of good health both mental and physical and the relief of poverty and sickness;
- Other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the Trustees, beneficial to the community including those in the area of benefit.

For ease of reference East Sussex, West Sussex and Brighton and Hove are referred to as "Sussex" in this document.

The Trustees carried out a strategic review during the course of 2021 and 2022. This led to a new strategy which was approved by the Board in July 2022 and launched at our public meeting on 1st December 2022. The following vision statement and objectives were agreed as part of that strategy.

OUR VISION:

To see a fairer and more equal Sussex, where people and communities thrive for today and for the future.

OUR MISSION:

To champion and enable all who want to make a positive contribution to our local area through effective philanthropy and community action.

WE WILL DO THIS BY:

Inspiring local people to give to meet local needs

Investing in local charities and community groups, and helping them to become strong and sustainable organisations

Informing & Influencing philanthropists and the wider community about local needs, now and in the longer term.

ALL OUR WORK IS INFORMED BY OUR VALUES:

We show leadership, acting boldly and positively for the public good.

We champion equity, working in accessible and inclusive ways, supporting greater fairness, and standing against prejudice, discrimination and disadvantage.

Our approach is empowering, helping others to make the difference that they want to make.

We maintain the highest standards of integrity in all that we do.

We believe that people achieve the most when they work together with shared passion and vision.

OUR COMMITMENTS:

Sussex Community Foundation is a broad-based local funder, supporting a wide range of charitable activities and enabling philanthropists to address the causes they care about. In this strategy we are making seven specific commitments. We will measure our progress on each and report each year on what we have achieved and what is left to do.

Our commitments are:

To focus our support clearly and openly on addressing poverty and disadvantage

To help strengthen local communities and the voluntary sector

To increase the amount and the effectiveness of local philanthropy in Sussex

To use data and local knowledge to inform our work

To promote equity, diversity and inclusion

To support local action to address climate change

To be an open and trusting grant maker

Alongside this review the Trustees commissioned Studio Kico to develop a new brand identity to replace the existing branding which had been in place since 2006. The new brand was also launched on 1st December 2022.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

ATTRACTING FUNDS FOR IMMEDIATE GRANT MAKING

Indicator	2022/23	2021/22
Amount Donated to flow-through	£1,949,222	£2,524,758
Number of active Flow-through funds	41	39
Contribution to grant funds from Community First Endowment	£498,860*	£253,223
Contribution to grant funds from other endowment	£967,413	£1,171,908

If funds raised for immediate grant making are greater than the amount distributed in the year then the surplus will be distributed in future periods.

*N.B. The investment income from Community First Funds is inflated by 25% this year due to a change in accounting policy. In previous years we reported investment income on receipt but as from 2022-23 we will accrue for interest earned in each quarter.

GRANT MAKING

One of the most challenging roles for the Trustees is choosing which of many deserving causes should be assisted from limited resources. The Board of Trustees is ultimately responsible for all grants awarded by the Foundation but it delegates detailed decision-making to its Grants Committee. The report, "Sussex Uncovered 3", published by the Foundation in November 2019, details the Indices of Multiple Deprivation in areas across Sussex and is used to inform the grant making strategy. The Foundation solicits applications and assesses those that are eligible for funding. Applications are then matched with the charitable goals of each fund and donor.

Indicator	2022/23	2021/22
Value of grants awarded	£3,274,590	£4,254,328
Number of grants awarded	727	1,106
Average size of grant	£4,524	£4,193
Number of grants £10,000 or over	82	118
Number of groups supported	505 *	639
Number of grants to individuals	29	23
Number of grants under £1,000	84 (12%)	174 (15 %)

*147 groups received more than one grant (average number of grants per group was 1.4).

A number of grants were awarded subject to conditions, which have not yet been fulfilled. The total value of these conditional grants was £56,113.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Number of grants by Local Authority area*

Number of Grants

Local Authority	2022/23	2021/22
East Sussex	214 (29%)	294 (27%)
West Sussex	217 (30%)	353 (36%)
Brighton & Hove	224 (31%)	328 (33%)
Other	71 (9%)	18 (2%)
Total	727	993
*Does not include grants to individuals.		

IMPACT REPORTING

Making decisions about who should benefit is challenging. However, the Foundation's role does not stop there, and the Trustees are mindful of the need to understand the impact that each grant has made, and to follow up contact with beneficiaries.

The Foundation requires all grant recipients to return monitoring forms at the end of their projects. These are used to monitor outcomes and inform assessment of future applications. The Foundation collates quantitative and qualitative data from these monitoring returns and uses this data to produce reports to Trustees, donors and stakeholders on the achievements of the groups that we fund.

The Board of Trustees has maintained oversight of the grants process and is satisfied with this year's outcomes. Healthy discussions at Board meetings ensure that there is no complacency with the Foundation's achievements, and the Trustees continue to learn and strive for greater impact with the resources available.

HELPING COMMUNITIES TO RECOVER FROM DISASTERS

In recent years, community foundations across the UK have played a key role in managing funds donated to help people affected by disasters. Community foundations have a unique knowledge of the needs of local communities and an ability to make grants quickly and effectively.

We used this knowledge and expertise to deliver the Sussex Crisis Fund in response to the Covid Pandemic between 2020 and 2022 and were very grateful to generous support from the National Emergencies Trust, East & West Sussex County Councils and many local people, companies and charities, that have enabled us to get funds to where they were most needed during the pandemic and through the recovery phase.

During the financial year 2022-23 we launched a new appeal to help local people and communities through the Cost-of-Living Crisis. While the public response was nowhere near as generous as it was to the Covid pandemic, we were nonetheless able to raise £150,023 and award 20 grants from our Cost-of-Living Funds.

PUBLIC BENEFIT

The goal of all the Foundation's activities is to provide benefit to the public in Sussex, focusing on addressing disadvantage and deprivation and building strong communities, but supporting all areas of charitable activity. It achieves this by awarding grants to local charities and community groups, which provide demonstrable community benefits. In assessing applications for a grant, the Foundation seeks evidence of genuine public benefit and requires applicants to have an appropriate Equal Opportunities Statement that assures that benefits are available to all within the relevant community. The Trustees have had due regard for the guidance published by the Charity Commission on public benefit.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

GRANTS POLICY

The Foundation has developed a grants policy, which aims to match the charitable goals of its donors with the needs of the community, focusing on addressing disadvantage, promoting thriving communities, improving quality of life, and helping people to fulfil their potential.

FUNDRAISING

The Foundation is registered with the Fundraising Regulator and has signed up to the Fundraising Promise and the Code of Fundraising Practice. It is also Quality Accredited by UK Community Foundations.

The Foundation raises funds by developing long-term relationships with potential supporters. Fundraising activities are undertaken by paid employees and volunteer Trustees and ambassadors, all of whom are accountable to the Chief Executive and the Board of Trustees. The Foundation does not use any paid external fundraising agencies or consultants.

There have been no failures to comply with Fundraising Standards and no complaints regarding the Foundation's fundraising activities in this financial year.

The Foundation takes great care to communicate sensitively with supporters and potential supporters and to avoid any intrusion on an individual's privacy.

ENDOWMENT FUND

In order to achieve long-term benefit for the community, the Foundation is building an Endowment Fund, which will enable the Foundation to provide public benefit to the local community across Sussex for generations to come. The Endowment Fund is invested using professional fund managers.

SERVICE TO DONORS

The Foundation's individual character and, to some extent, competitive advantage over other organisations seeking to improve the lives of those in need in Sussex, arise from the strategy for attracting funds from donors who wish to monitor and advise on the manner in which their donations are applied. As a result, the Foundation's work additionally provides a comprehensive donor service to people and companies who care about their local community; it helps donors to make the maximum positive impact on the community and shows them the benefits achieved with their giving.

"Named Funds" are a core element of this service for donors. A Named Fund offers the donor the opportunity to establish a charitable fund in their own name, which can be used to award grants to match the donor's specific charitable interests.

Named Funds are of two types. A "Flow-through" named fund is distributed within an agreed timescale, normally one year, so as to maximise the immediate impact in the community. An "Endowment" Named Fund is a capital fund invested to generate investment income and capital growth, which can be distributed as grants for the benefit of the community for the long term.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Financial review

The financial year from April 2022 to March 2023 was another successful one for Sussex Community Foundation.

Donations to endowment, at £563,601 (2022 - £925,666) were lower than budgeted (£1,250,000). There was a drop during the Covid pandemic, when donations were focused towards immediate crisis response, but a strong result in 2021-22. However, there were significant pledges in the pipeline at the year-end which give the Trustees reassurance that the support for endowment giving remains strong.

Income for immediate grant making (flow-through funds) was £1,949,922 for the year (£2,524,758 in the previous year), compared with a budget of £2,001,000.

As at 31 March 2023, the Foundation held £1,611,699 in restricted grant making funds, which are for the sole purpose of grant making in future periods and cannot be used for the general purposes of the charity. The high value of funds held is due in part to advance payments for the Rampion Fund which are intended to be spent over a period of ten years. Other funds which carry over a large balance include the Brighton & Hove Homelessness Fund, which is a large grant for a capital project which has been delayed by the pandemic.

The charity's investments showed a capital loss over the year of £942,547 compared with a gain of £1,826,903 in 2021. Both were in line with market performance. The table below compares the investment performance of our two fund managers in the periods up to 31 March 2023.

	Last 12 months	3 years (average)	5 Years (average)
Sarasin	-3.8%	+8.3%	+5.9%
CCLA Charities ethical fund	-2%	+10.63%	+8.7%

In February 2020, the Trustees took the decision to move all our investments held at Sarasin to their "Climate Active Fund" which does not invest in fossil fuels and proactively invests in businesses that are making a positive contribution to addressing climate change. On 1 July 2021 the Trustees decided to transfer all funds held at CCLA to the CCLA Charities Ethical Fund. Both Sarasin and CCLA are seen as leaders in the field of ethical investing and active engagement with companies in which they invest. Details of our investment managers' ethical investment policies are available on request.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

RESERVES POLICY

As with all charities, Sussex Community Foundation must raise the funds required to support the development of the charity itself, in addition to grants to beneficiaries. It is important to ensure that the organisation is sustainable and successful in the long term. In order to ensure that sustainability, the Charity must hold an appropriate level of Reserves.

Our Reserves Policy is that unrestricted funds, which have not been designated for a specific use, should be maintained at a level equivalent to twenty-six weeks (six months) of the subsequent year's budgeted operating expenditure. The Trustees recognise that the charity's income for operating costs is variable and consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while plans are made to address changing circumstances.

As at 31 March 2023, unrestricted reserves stood at £502,490, which represents 28 weeks' operating expenditure budget for 2023-24 compared with £552,401 or 34 weeks in the previous year.

After a run of several years of strong financial performance where the level of reserves were increasing above the Trustees' reserves policy level, the Trustee undertook to invest by growing the staff team during 2022-23 to provide a basis to increase the value of the Foundation's grants output and of the endowment fund so as to maximise the Foundation's positive impact for the local community. These additional staffing resources are intended to meet the ambitious goals set out in the strategy which was launched on 1st December 2022.

The national and global economic situation changed dramatically in the autumn of 2022. The large increase in inflation and substantial drop in investment values will have a significant impact on the Foundation's financial models. The Trustees carefully reviewed their financial plans in the autumn and winter of 2022-23. They decided to continue to implement the strategy as approved, while keeping a close eye on the Foundation's financial performance and the wider economic situation. If the economic situation does not improve, and the Foundation does not achieve the income expected, plans will be adjusted accordingly. It is likely that the level of reserves will reduce in the next 3-5 year period.

The Trustees are continuing to promote a Friends Scheme to attract unrestricted donations and are planning to attract a wider range of donations at different levels to support our endowment, grant making and core costs.

INVESTMENT POLICY

Central to Sussex Community Foundation's mission is the development of an Endowment Fund in order to provide sustainable funding to promote thriving communities, address disadvantage and improve quality of life across Sussex for generations to come. The Foundation continually works to attract new donations to help grow this fund for the benefit of the community.

Under the Articles of Association, the Trustees have the power to invest funds not immediately required by the Charity and to appoint professional investment managers to manage investments on their behalf. The Trustees have the power to spend capital from the Endowment Fund to promote the charitable purposes of the Foundation.

Sussex Community Foundation's investment policy for its Endowment seeks to:

- maximise performance through a diversified portfolio and a medium risk strategy
- achieve a total investment return after costs of at least 1% per annum above that of the median fund in the ARC Steady Growth Charity Index over rolling three-year periods
- achieve a total investment return which exceeds the Retail Price Index over rolling three-year periods

All Endowment funds are invested using professional fund managers. In instructing these advisors, Sussex Community Foundation aims to achieve a balance between meeting current needs for grant making funds (by generating an annual income) and developing an Endowment to meet the needs of future generations (by maintaining the real value of the capital).

The investment managers acting on behalf of the Foundation have extensive expertise in managing charity investments and have developed standard ethical investment policies, which the Trustees consider to be appropriate for their needs. The Trustees do not at present undertake any social investment or programme related investments.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

At the end of each financial year the Trustees review the capital value of the Endowment Fund and any income received. They then decide the value of grants to be awarded from the Endowment Fund, and any contribution to the costs of running the charity. In making this decision they seek to balance the short and long-term needs of the community.

It is a requirement of Government Match Funding that all Community First donations be held in a central fund managed by a single advisor. This investment advisor is for the time being CCLA. Community First investments are overseen by a National Investment Committee, which is a sub-committee of the Board of UKCF.

RISK MANAGEMENT

The major factors which affect the success and sustainability of the charity are:

1. The degree of success in raising funds - for endowment, grant making and operating costs
2. The investment performance of endowment funds
3. The ability of the charity to provide a high quality service to its donors and to the community
4. The reputation of the charity among potential donors, community groups, charities and intermediaries

The Trustees have developed a comprehensive risk management policy and system, which allocates responsibility for managing risk to sub-committees and named individuals and is overseen by the Audit Committee.

PLANS FOR FUTURE PERIODS

Following a tumultuous recent period of change and against a backdrop of significant social, economic and health challenges, we took the decision to embark on a review of our strategy earlier this year. We felt it was necessary to do so given that our grant making, and our relationships with donors and other supporters, had substantially evolved during this time and based on our conviction that we would need to continue to develop our model considering continuing global uncertainty.

Our new vision, mission and values reflect what we have learned over the past few years and look to the future with clarity and continued hope and determination.

In developing this business plan, we have considered the external landscape, the needs of our donors and other stakeholders and importantly, how best we can support the voluntary sector in responding to the challenges – and opportunities – ahead over the coming years. Issues like climate change and challenges with the cost of living and rising inflation continue to be in the foreground as we plan our future work and priorities.

Our strategy and this plan set out clear commitments for the next few years. This includes delivering clearer and more intentional grant making to address poverty and disadvantage, to strengthen our local communities and the voluntary sector, and to support local action to address issues such as equity, diversity and inclusion and climate change. We are one of the signatories to the IVAR Flexible Funder Commitments and we are committed to improving the experience of all those seeking funding from us.

We will also increase the amount and the effectiveness of local philanthropy in Sussex, offering expert local philanthropy advice that enables maximum impact from charitable giving. We will be informed by data but also by people and will engage in regular community listening activities to inform our approach. We will champion and give voice to local issues, building our leadership role and casting light on where funding and support is needed most.

Over the past three years we have given out more than £11 million to over 1,000 unique charities and voluntary sector organisations. We have built lasting partnerships and now have over 100 active grant-making funds across a wide range of themes right across Sussex. We will continue with what we do today, but with strengthened intention, focus and reach and with a clear set of commitments on which we will report in 2027.

We do all this from a position of strength. We continue to build our endowment to ensure we are here for the long term. We have increased our capacity as a team in our communications and marketing, our philanthropy and in how we manage the day-to-day operations of our organisation. We have a fantastic and committed staff and trustee team with a wealth of local knowledge and a deep passion for what we do. Our people - including our donors and supporters - are truly our greatest asset.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management

Sussex Community Foundation is a registered charity and a company limited by guarantee. It is governed by its Memorandum and Articles of Association dated 10th January 2006 as amended on 11 May 2010.

Trustees and officers who served during the year or at the time of publication were:

Andrew Baird	
Maggie Burgess	
Rodney Buse	(Resigned 24 November 2022)
Julia Carrette	
Sally Case	(Appointed 11 May 2023)
Guy Davison	
Corinne Day	
Jonica Fox	(Resigned 24 November 2022)
Mebrak Ghebreweldi	
Christine Gibbons	(Appointed 11 May 2023)
Nikki Glover	(Resigned 24 November 2022)
David Hill	
Keith Hollis	
Brian Mills	
Martin Roberts	
Mark Spofforth OBE - Chair	
Patrick Stevens - Treasurer	
Pamela Stiles	
Rachel Misra	(Appointed 11 May 2023)

RECRUITMENT AND APPOINTMENT OF TRUSTEES

Trustees are appointed by the Board of Trustees for a three-year term, which can be renewed up to twice. Recruitment of new Trustees is overseen by a Nominations Committee, which makes recommendations to the Board. At least every three years, the Trustees carry out a detailed review of the skills of members of the Board in order to identify any gaps. This review was completed in June 2022.

During 2022, the Trustees advertised to seek applications for new trustees. After a very positive response, three new trustees were appointed to the Board to start in May 2023 and a further three were appointed to join the Board in November 2023.

TRUSTEE INDUCTION AND TRAINING

The Foundation has adopted procedures for recruitment, induction and training of Trustees, which include meetings with the Chair and Chief Executive on appointment, a recruitment information pack and appropriate training for Trustees.

TRUSTEE REMUNERATION AND REGISTER OF INTERESTS

All Trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in Note 9 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and to withdraw from decisions where a conflict of interest arises. At the beginning of every trustee meeting, those present are asked to declare any interests in any item in the agenda. Trustees may also declare any additional interest as the meeting unfolds.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

ORGANISATION

The Board of Trustees, which meets four times per year, governs the charity.

Sub-committees have been established to address specific areas of governance and meet as required. These committees include a Finance, Strategy & HR Committee, Grants Committee, Grants Strategy & Impact Committee, Fund Development Committee, Nominations Committee, Marketing Committee and Audit and Risk Committee.

As at July 2023, 13 permanent and 3 temporary paid staff conduct the day-to-day business of the charity, supported by volunteers and led by the Chief Executive who reports to the Board.

The Trustees are extremely grateful for the valuable contribution of volunteers and ambassadors, who help to attract funds, assess applications and assist in administration. These volunteers have played a central role in the success of the charity and the Trustees are always looking for ways to increase the Foundation's effectiveness by the involvement of volunteers.

PAY POLICY FOR SENIOR STAFF

The pay of all staff is reviewed annually against the Consumer Prices Index, other indicators of the cost of living and other comparable jobs. Job Descriptions are reviewed from time to time as posts become vacant or as roles and the requirements of the organisation develop. All Job Descriptions are reviewed at least every three years. The pay for new or revised Job Descriptions is benchmarked against similar posts in other community foundations and the local voluntary sector.

RELATED CHARITIES

None of the Trustees has any beneficial interest in the Foundation. All of the Trustees are members of the company and guarantee to contribute £10 in the event of winding-up.

Sussex Community Foundation is a quality accredited member of UK Community Foundations (which is itself a Registered Charity). Accreditation is subject to independent assessment every three years. The Foundation achieved accreditation in 2007, 2010, 2013, 2017 and 2021. The Chief Executive of the Foundation is currently a Trustee of UKCF.

The Foundation is also an associate member of the Association of Charitable Foundations

Auditor

In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Keith Hollis
Trustee

27 September 2023

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also the directors of Sussex Community Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

Opinion

We have audited the financial statements of Sussex Community Foundation (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUSSEX COMMUNITY FOUNDATION

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and the Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Trustees' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are employment law and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of report

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

Knill James LLP

Mark Filsell FCA (Senior Statutory Auditor)
for and on behalf of Knill James LLP

Chartered Accountants
Statutory Auditor

27 November 2023

One Bell Lane
Lewes
East Sussex
BN7 1JU

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Total 2022 £
Income from:						
Donations and legacies	2	693,453	1,949,922	563,601	3,206,976	4,102,285
Other trading activities	3	-	-	2,822	2,822	13,875
Investments	4	14,985	322,529	-	337,514	260,459
Total income and endowments		708,438	2,272,451	566,423	3,547,312	4,376,619
Expenditure on:						
Raising funds	5	140,618	-	-	140,618	93,247
Charitable activities	6	617,731	3,635,019	263,978	4,516,728	5,376,182
Total expenditure		758,349	3,635,019	263,978	4,657,346	5,469,429
Net gains/(losses) on investments	11	-	-	(942,547)	(942,547)	1,826,903
Net (outgoing)/incoming resources before transfers		(49,911)	(1,362,568)	(640,102)	(2,052,581)	734,093
Gross transfers between funds		-	1,290,726	(1,290,726)	-	-
Net movement in funds		(49,911)	(71,842)	(1,930,828)	(2,052,581)	734,093
Fund balances at 1 April 2022		552,401	1,683,540	25,965,288	28,201,229	27,467,136
Fund balances at 31 March 2023		502,490	1,611,698	24,034,460	26,148,648	28,201,229

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

All income and expenditure derive from continuing activities.

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

		Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
	Notes				
Income from:					
Donations and legacies	2	651,861	2,524,758	925,666	4,102,285
Other trading activities	3	11,235	2,640	-	13,875
Investments	4	437	260,022	-	260,459
Total income and endowments		663,533	2,787,420	925,666	4,376,619
Expenditure on:					
Raising funds	5	93,247	-	-	93,247
Charitable activities	6	524,757	4,595,272	256,153	5,376,182
Total expenditure		618,004	4,595,272	256,153	5,469,429
Net gains/(losses) on investments	11	-	-	1,826,903	1,826,903
Net (outgoing)/incoming resources before transfers		45,529	(1,807,852)	2,496,416	734,093
Gross transfers between funds		-	1,213,564	(1,213,564)	-
Net movement in funds		45,529	(594,288)	1,282,852	734,093
Fund balances at 1 April 2021		506,872	2,277,828	24,682,436	27,467,136
Fund balances at 31 March 2022		552,401	1,683,540	25,965,288	28,201,229

SUSSEX COMMUNITY FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Gross income	2,980,889	3,450,953
Transfer from endowment funds	1,290,726	1,213,564
Total income in the reporting period	4,271,615	4,664,517
Total expenditure from income funds	4,393,368	5,213,276
Net expenditure for the year	(121,753)	(548,759)
Reconciliation to Statement of Financial Activities		
Gross income (above)	2,980,889	3,450,953
Endowment fund income	563,601	925,666
Total income and endowments	3,544,490	4,376,619
Total expenditure from income funds (above)	4,393,368	5,213,276
Endowment fund expenditure	263,978	256,153
Total expenditure	4,657,346	5,469,429
Net gains/(losses) on investments	(942,547)	1,826,903
Net movement in funds	(2,055,403)	734,093

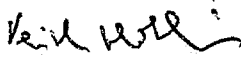
SUSSEX COMMUNITY FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	13		-		542
Investments	14		23,781,307		25,489,868
			<u>23,781,307</u>		<u>25,490,410</u>
Current assets					
Debtors	16	194,629		55,756	
Investments	17	291,000		291,000	
Cash at bank and in hand		2,038,168		2,414,395	
		<u>2,523,797</u>		<u>2,761,151</u>	
Creditors: amounts falling due within one year	18	(156,456)		(50,332)	
Net current assets			<u>2,367,341</u>		<u>2,710,819</u>
Total assets less current liabilities			<u><u>26,148,648</u></u>		<u><u>28,201,229</u></u>
Capital funds					
Endowment funds	20	24,034,460		25,965,288	
Income funds					
Restricted funds	21	1,611,698		1,683,540	
Unrestricted funds		502,490		552,401	
		<u>26,148,648</u>		<u>28,201,229</u>	

The financial statements were approved by the Trustees on 27 September 2023


Keith Hollis
Trustee

Company registration number 5670692

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	25	(1,479,755)		(1,295,453)	
Investing activities					
Purchase of investments		(686,686)		(14,014,563)	
Proceeds from disposal of investments		1,452,700		14,594,410	
Investment income received		337,514		260,459	
Net cash generated from investing activities		1,103,528		840,306	
Net cash used in financing activities		-		-	
Net decrease in cash and cash equivalents		(376,227)		(455,147)	
Cash and cash equivalents at beginning of year		2,414,395		2,869,542	
Cash and cash equivalents at end of year		2,038,168		2,414,395	

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Sussex Community Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Western Road, Lewes, East Sussex, BN7 1RL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used or have been raised by the charity for particular purposes. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Expendable endowment funds represent those assets which, under the Articles of Association, the trustees have power to invest and which have been invested to generate investment income and capital gains which can be distributed as grants for the benefit of the community. Income arising on the expendable endowment funds can be used in accordance with the objects of the charity and is split between restricted and unrestricted funds in accordance with agreements made with individual donors. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

For flow-through funds management fees are taken at the time the donation is received by the Foundation. If the value of the fee exceeds £5,000 this income is spread over the period during which the grant making fund is disbursed. In all cases the management fee is treated as income at the date of receipt of the donation.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out by the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year in which they are awarded.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Capital purchases over £5,000 are recognised at cost.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	straight line over four years
--------------------------------	-------------------------------

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.12 Fund accounting

Unrestricted funds are general funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity including core costs and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. All Restricted Funds held are Flow-through Named Funds, intended for awarding grants to local charities and community groups within a short timescale (normally up to one year). These funds are detailed in Note 16 to the financial statements.

Expendable endowment funds represent those assets which, under the Articles of Association, the trustees have power to invest and which have been invested to generate investment income and capital gains which can be distributed as grants for the benefit of the community. Income arising on the expendable endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £
Donations and gifts	693,453	1,949,922	563,601	3,206,976	651,861	2,524,758	925,666	4,102,285

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Other trading activities

	Endowment funds 2023 £	Total Unrestricted funds 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Management charge income	-	-	11,235	-	11,235
Letting arrangements	2,822	2,822	-	2,640	2,640
Other trading activities	2,822	2,822	11,235	2,640	13,875

4 Investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from unlisted investments	-	322,529	322,529	-	260,022	260,022
Interest receivable	14,985	-	14,985	437	-	437
	14,985	322,529	337,514	437	260,022	260,459

5 Raising funds

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
<u>Fundraising and publicity</u>		
Fundraising events	1,177	1,223
Other fundraising costs	347	382
Staff costs	139,094	91,642
	140,618	93,247

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Charitable activities

	2023 £	2022 £
Staff costs	354,097	313,876
Depreciation and impairment	542	180
Management charge	624,406	597,067
Other costs	60,494	53,313
	<u>1,039,539</u>	<u>964,436</u>
Grant funding of activities (see note 7)	3,274,590	4,254,358
Share of support costs (see note 8)	140,779	104,913
Share of governance costs (see note 8)	61,820	52,475
	<u>4,516,728</u>	<u>5,376,182</u>
Analysis by fund		
Unrestricted funds	617,731	524,757
Restricted funds	3,635,019	4,595,272
Endowment funds	263,978	256,153
	<u>4,516,728</u>	<u>5,376,182</u>

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Grants payable

	2023 £	2022 £
Grants to institutions	3,274,590	4,254,358

727 grants (2022 – 1,106) worth £3,274,590 (2022 - £4,254,328) were awarded to 505 groups (2022 - 639) and 29 individuals (2022 – 23). The average grant awarded was £4,524 (2021 - £4,193). 120 grants were for £1,000 or less (2022 – 174).

*146 groups received more than one grant.

Grants to institutions of more than £10,000 awarded during the year were as follows:

Details	Amount £
Hampshire & Isle of Wight Community Foundation	£70,655
Albourne, Sayers Common	£11,000
Creative Heart Littlehampton	£13,333
Eastbourne Food Bank	£20,000
Kent Community Foundation	£55,400
Surrey Community Foundation	£33,650
Towner Art Gallery	£20,000

Grants to Kent Community Foundation relate to the Little Cheyne Court Wind Farm Fund, Grants to Community Foundation for Surrey and Hampshire & Isle of Wight Foundation relate to the Cubitt & West Estate Agents Emergency Fund which are managed in partnership with the respective foundations.

In addition to the above, grants amounting to £50,113 were awarded subject to conditions which had not been met at the year end.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	28,712	37,301	66,013	18,484	28,807	47,291
Rent	22,836	-	22,836	27,885	-	27,885
Insurance	270	-	270	2,296	-	2,296
Property service charge	5,915	-	5,915	6,639	-	6,639
Bank charges	297	-	297	112	-	112
Staff training and recruitment	41,133	-	41,133	10,446	-	10,446
Staff travel and subsistence	4,822	-	4,822	6,527	-	6,527
Computer software, systems and applications	29,382	-	29,382	23,677	-	23,677
Printing, postage and stationery	2,816	-	2,816	4,924	-	4,924
Telephone	4,124	-	4,124	2,453	-	2,453
Repairs and maintenance	472	-	472	1,470	-	1,470
Grant making costs	-	370	370	-	994	994
Audit fees	-	7,260	7,260	-	6,060	6,060
Legal and professional	-	6,852	6,852	-	10,417	10,417
Bookkeeping and accountancy	-	5,806	5,806	-	4,510	4,510
Trustees meetings and expenses	-	2,058	2,058	-	261	261
Annual report and AGM	-	2,173	2,173	-	1,426	1,426
	<u>140,779</u>	<u>61,820</u>	<u>202,599</u>	<u>104,913</u>	<u>52,475</u>	<u>157,388</u>
Analysed to						
Charitable activities	<u>140,779</u>	<u>61,820</u>	<u>202,599</u>	<u>104,913</u>	<u>52,475</u>	<u>157,388</u>

The charity's auditors Knill James LLP also supplied accountancy services (and bookkeeping services in 2022) to the charity during the year for a fee of £600 (2022 - £2,781).

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Charitable employees	14	13

Employment costs

	2023 £	2022 £
Wages and salaries	489,397	397,522
Social security costs	46,733	35,186
Other pension costs	23,074	20,101
	559,204	452,809

Pension contributions

The charity operates a defined contribution pension scheme. At the year end, there were £2,230 of outstanding pension contributions owing to the scheme (2022 - £2,393).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
In the band £80,001 - £90,000	1	1

Contributions totalling £3,688 were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

11 Net gains/(losses) on investments

	Endowment funds 2023 £	Endowment funds 2022 £
Revaluation of investments	(942,547)	1,826,903

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2022	13,758
At 31 March 2023	13,758
Depreciation and impairment	
At 1 April 2022	13,216
Depreciation charged in the year	542
At 31 March 2023	13,758
Carrying amount	
At 31 March 2023	-
At 31 March 2022	542

14 Fixed asset investments

	Securities £
Cost or valuation	
At 1 April 2022	25,489,868
Additions	686,686
Valuation changes	(942,547)
Disposals	(1,452,700)
At 31 March 2023	23,781,307
Carrying amount	
At 31 March 2023	23,781,307
At 31 March 2022	25,489,868

15 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	24,072,307	25,780,868

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	106,195	12,357
Other debtors	81,252	43,399
Prepayments and accrued income	7,182	-
	<u>194,629</u>	<u>55,756</u>

17 Current asset investments

	2023	2022
	£	£
Short term investments	<u>291,000</u>	<u>291,000</u>

Current asset investments represent freehold properties held for sale.

18 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	12,027	7,029
Trade creditors	13,227	725
Other creditors	2,208	2,393
Accruals and deferred income	128,994	40,185
	<u>156,456</u>	<u>50,332</u>

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £23,074 (2022 - £20,101).

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20 Endowment funds

	Movement in funds						Movement in funds					
	Balance at 1 April 2021 £	Incoming resources £	Resources expended £	Transfers £	Investments gains/losses £	Balance at 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	Investments gains/losses £	Balance at 31 March 2023 £	
Expendable endowments												
Sarasin												
Endowment												
including												
grassroots	12,118,470	775,666	(194,370)	(637,923)	589,428	12,651,271	395,423	(186,523)	(712,213)	(451,580)	11,696,378	
Community First												
Trust	8,745,169	-	-	(1,108,676)	710,010	8,346,503	-	-	(86,618)	(416,896)	7,842,989	
CCLA Other	3,818,797	150,000	(61,783)	533,035	527,465	4,967,514	171,000	(77,455)	(491,895)	(74,071)	4,495,093	
	24,682,436	925,666	(256,153)	(1,213,564)	1,826,903	25,965,288	566,423	(263,978)	(1,290,726)	(942,547)	24,034,460	

Transfers of £1,290,726 (2022 - £1,213,564) represent drawdowns from endowment for grant making and operating costs. "Grassroots" and "Community First" relate to two government funded endowment match challenges.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers
	£	£	£	£	£	£	£	Balance at 31 March 2023 £
Funds held for grant making	2,277,828	2,787,420	(4,595,272)	1,213,564	1,683,540	2,272,451	(3,635,019)	1,290,726
								1,611,698

22 Analysis of net assets between funds

Fund balances at 31 March 2023 are represented by:

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total
Tangible assets	-	-	-	-	542	-	542
Investments	-	-	23,781,307	23,781,307	-	25,489,868	25,489,868
Current assets/(liabilities)	502,490	1,611,698	253,153	2,367,341	551,859	1,683,540	2,710,819
	502,490	1,611,698	24,034,460	26,148,648	552,401	1,683,540	28,201,229

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	26,333	26,333
Between two and five years	13,480	38,064
	<u>39,813</u>	<u>64,397</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	<u>86,841</u>	<u>81,509</u>

25 Cash generated from operations

	2023 £	2022 £
(Deficit)/surplus for the year	(2,052,581)	734,093
Adjustments for:		
Investment income recognised in statement of financial activities	(337,514)	(260,459)
Fair value gains and losses on investments	942,547	(1,826,903)
Depreciation and impairment of tangible fixed assets	542	180
Movements in working capital:		
(Increase)/decrease in debtors	(138,873)	38,196
Increase in creditors	106,124	19,440
Cash absorbed by operations	<u>(1,479,755)</u>	<u>(1,295,453)</u>

26 Analysis of changes in net funds

The charity had no debt during the year.

THE SUSSEX COMMUNITY FOUNDATION

England & Wales - Charity number 1113226

Accounts

Charity registration number 1113226

Company registration number 5670692 (England and Wales)

SUSSEX COMMUNITY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

SUSSEX COMMUNITY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Andrew Baird
Maggie Burgess
Rodney Buse
Julia Carrette
Guy Davison
Corinne Day
Jonica Fox
Mebrak Ghebreweldi
Nikki Glover
David Hill
Keith Hollis - Chair
Brian Mills
Martin Roberts
Mark Spofforth OBE
Patrick Stevens - Treasurer
Pamela Stiles

Secretary and Chief Executive

Kevin Richmond

Founder

The 10th Duke of Richmond & Gordon

Joint Presidents

Andrew Blackman Lord Lieutenant of East Sussex
Dame Susan Pyper Lord Lieutenant of West Sussex

Patron

The 11th Duke of Richmond & Gordon

Charity number

1113226

Company number

5670692

Registered office

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info@sussexgiving.org.uk

Auditor

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Bankers

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SUSSEX COMMUNITY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

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Trinity House
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BN7 2NN

Investment advisors

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Sarasin & Partners LLP
Juxon House
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London
EC4M 8BU

SUSSEX COMMUNITY FOUNDATION

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SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Chair's Report

It is characteristic of Chair reports that they strike an "upbeat" note, accentuating the positive developments in an organisation. I make no apology for doing so this year - there is so much to be positive about in the Foundation's work - but at the same time I would like to reassure both our generous donors and our deserving beneficiaries that we are not complacent. We are only too well aware of the further work that has to be done to make the necessary impact on the wellbeing of people throughout Sussex. There remains a significant gap in the funds that we have available to distribute in grants and the level of demand for deserving grants. I am sorry to say that I believe that this gap will continue to grow. We seek to do all that we can to narrow that gap and to mitigate the effects.

Having made that point I can tell you that during the reporting year our level of new endowment growth is back to our original pre-pandemic budget, whilst at the same time our flow through figures have remained significantly higher than had been expected or planned for. The work that we have done is reflected in the figures set out in this report, especially from the notably generous support that we received from the County Councils in both East and West Sussex. So I can, with justification, confidently sound the necessary upbeat note.

I reported last year on the need for us to turn our attention back to the Foundation's longer term strategy. We had developed a fresh strategy in 2019, but that was soon taken over by the demands of the pandemic. To a significant extent those demands have continued in the current year. Whilst in no way being diverted from our core functions, each trustee and each member of staff has, in the current year, been contributing to the development of a refreshed long term strategic plan, which we hope will underpin the Foundation's work until 2027 and set out clear targets for that year. We hope that this will be "signed off" by the Board of trustees shortly and then be unveiled in the autumn.

In the meantime we have taken a number of important steps to prepare the way for these new developments, amongst which:

- we have reorganised our management structures and made significant new investment in our "human resources". Not a term I like to use in describing our hardworking and enthusiastic colleagues on the staff. We have recruited and trained a number of new colleagues whose contributions have already started to make a real difference to how we carry out our work, and to the effectiveness of our grant giving. There is a much greater "buzz" as a consequence which I know will be to the continued benefit of our whole operation. This is helped of course by the greater use of the office, although the clear benefits that "working from home" can bring mean that this remains an important part of our modus operandi.
- we have resumed and increased our programme of visits to the projects that we support, ensuring that our staff and our trustees are better informed about the issues that our beneficiaries face from day to day and how the Foundation could be best placed to help them.
- we have brought expert and experienced help from non-trustees onto our various management committees, at the same time reviving and strengthening our grants strategy and impact committee.
- we have updated our system of impact reports for a number of our named funds, an especially welcome development, enabling philanthropists to see at a glance the difference that their support is making.
- we have signed up to the Funders' Commitment on Climate Change, and now view all of our activities through the lens of environmental sustainability.
- we have carefully reviewed the risk factors in each of our areas of operation, and, where necessary, ensured that any significant areas of risk are minimised

We do not "mark time". Each year we learn new and important lessons about how to go about our work. Each year we endeavour to put those lessons into practical effect.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

We will be sorry to be saying goodbye later this year to three trustees, Jonica Fox, Rodney Buse and Nikki Glover, who each have done so very much for the Foundation. The County of Sussex, and of course the City of Brighton and Hove, owes them each a great deal for the time and care which they have taken in their work for the Foundation. We will shortly be embarking on a new round of advertising for trustees. If anyone reading this would like further details of what trusteeship involves, please contact me or Kevin Richmond at the Foundation.

CASE STUDY 1: Chichester Information Shop for Young People



Chichester Information Shop for Young People provide a free counselling service and drop-in advice to 13-25 year olds. The charity received a grant of £9,722 to restructure with new and expanded staff roles, to offer extended service hours.

One young person said: "After my time with The Infoshop, I feel much more prepared to face life's problems and process the impact they make. I feel much more able to face the world and my own feelings in a way I'm not sure I could ever have achieved on my own."

OBJECTIVES AND ACTIVITIES

The Foundation's Charitable Objects are:

- The promotion of any charitable purposes for the benefit of the community in the Counties of East Sussex, West Sussex and the City of Brighton and Hove and in particular the advancement of education, the protection of good health both mental and physical and the relief of poverty and sickness;
- Other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the Trustees, beneficial to the community including those in the area of benefit.

For ease of reference East Sussex, West Sussex and Brighton and Hove are referred to as "Sussex" in this document.

OUR LONG TERM VISION

We want Sussex to be a great place to live for everyone – a place where people and communities thrive and are empowered to fulfil their potential.

We aim to reach that vision by increasing the value and effectiveness of local philanthropy and providing effective grant-making to support local communities across East Sussex, West Sussex and Brighton & Hove.

WHAT WE DO

Sussex Community Foundation raises funds for, and gives grants to, smaller charities and community groups in East Sussex, West Sussex and Brighton & Hove. We make it easy for Sussex people to give money to local causes close to their hearts and ensure that their donations reach the people that need them. Our endowment fund enables our donors to benefit Sussex people for generations to come.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

WHAT DOES SUCCESS LOOK LIKE FOR US?

GROW income and capital to benefit Sussex now and for the future by growing and nurturing a committed community of philanthropists and donors

DELIVER effective grant-making that addresses disadvantage, promotes thriving communities, improves quality of life, and helps people to fulfil their potential

PROVIDE a professional service for people and organisations who wish to give to Sussex

PROMOTE excellence in philanthropy in Sussex by:

- promoting and developing effective local philanthropy
- encouraging best practice and innovation in philanthropy and grant making
- identifying projects and organisations that help address local needs
- raising awareness of those needs and supporting local solutions
- regularly publishing research and reporting on the issues and opportunities that face our communities

MAINTAIN an efficient, well-managed and motivated organisation.

CASE STUDY 2: Springboard

Springboard supports disabled children, young people, and their families by delivering fun, supportive and inclusive short breaks. The charity received a £10,000 grant to run their Worthing group, providing support sessions for disabled children aged six to 12 years.

"My eight year old son has autism. It's wonderful to see him accessing somewhere with peers and having such a great time. During the school holidays he's had the opportunity to go on wonderful trips and it's really helped broaden his horizons and encourage independence."



SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Achievements and performance

ATTRACTING FUNDS FOR IMMEDIATE GRANT MAKING

Indicator	2021/22	2020/21
Amount Donated to flow-through	£2,524,758	£3,883,357
Number of active Flow-through funds	39	31
Contribution to grant funds from Community First Endowment	£253,223	£268,111
Contribution to grant funds from other endowment	£1,171,908	£694,151

If funds raised for immediate grant making are greater than the amount distributed in the year then the surplus will be distributed in future periods.

GRANT MAKING

One of the most challenging roles for the Trustees is choosing which of many deserving causes should be assisted from limited resources. The Board of Trustees is ultimately responsible for all grants awarded by the Foundation but it delegates detailed decision-making to its Grants Committee. The report, "Sussex Uncovered 3", published by the Foundation in November 2019, details the Indices of Multiple Deprivation in areas across Sussex and is used to inform the grant making strategy. The Foundation solicits applications and assesses those that are eligible for funding. Applications are then matched with the charitable goals of each fund and donor.

Indicator	2021/22	2020/21
Value of grants awarded	£4,254,328	£4,639,518
Number of grants awarded	1,106	1,172
Average size of grant	£4,193	£3,928
Number of grants £10,000 or over	118	47
Number of groups supported	639 *	720 *
Number of grants to individuals	23	19
Number of grants under £1,000	174 (15 %)	174 (15 %)

*220 groups received more than one grant (average number of grants per group was 1.59).

A number of grants were awarded subject to conditions, which have not yet been fulfilled. The total value of these conditional grants was £145,085.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

CASE STUDY 3: Moulsecoomb Bangladeshi Women's Group

Moulsecoomb Bangladeshi Women's Group gives women a space to come together and share information about the services available in Brighton. A £4,250 grant enabled the group to pay transport costs for collecting food and attending essential medical appointments during lockdown. They also purchased tablets and provided online art and cookery classes for members.



Number of grants by Local Authority area*

Number of Grants

Local Authority	2021/22	2020/21
East Sussex	294	383
West Sussex	353	405
Brighton & Hove	328	334
Other	18	31
Total	993	1,153
*Does not include grants to individuals.		

CASE STUDY 4: The Bevy



Bevendean Community Pub received a £10,000 grant to convert the community pub into a food delivery service throughout the pandemic. The Bevy Meals on Wheels ensured that shielding people, including those with dementia and mobility issues, received nutritious food and safe social contact.

"Tanya has health issues and can't go out. She is always so grateful when I see her. Lovely lady who says the Bevy Meals on Wheels deliveries are an absolute godsend."

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

IMPACT REPORTING

Making decisions about who should benefit is challenging. However, the Foundation's role does not stop there, and the Trustees are mindful of the need to understand the impact that each grant has made, and to follow up contact with beneficiaries.

The Foundation requires all grant recipients to return monitoring forms at the end of their projects. These are used to monitor outcomes and inform assessment of future applications. The Foundation collates quantitative and qualitative data from these monitoring returns and uses this data to produce reports to trustees, donors and stakeholders on the achievements of the groups that we fund.

The Board of Trustees has maintained oversight of the grants process and is satisfied with this year's outcomes. Healthy discussions at Board meetings ensure that there is no complacency with the Foundation's achievements, and the Trustees continue to learn and strive for greater impact with the resources available.

HELPING COMMUNITIES TO RECOVER FROM DISASTERS

In recent years, community foundations across the UK have played a key role in managing funds donated to help people affected by disasters. Community foundations have a unique knowledge of the needs of local communities and an ability to make grants quickly and effectively.

We used this knowledge and expertise to deliver the Sussex Crisis Fund in response to the Covid Pandemic in 2020, and were very grateful to generous support from the National Emergencies Trust, East & West Sussex County Councils and many local people, companies and charities, that have enabled us to get funds to where they were most needed during the pandemic and through the recovery phase.

The Sussex Crisis Fund is now in abeyance, but we stand ready to help the local community to respond to any future crisis that may arise in our county.

CASE STUDY 5: Rother Responders

Rother Responders are dedicated to preserving the health of people via their team of volunteer Community First Responders, provision of public access defibrillators and public education on first aid in emergency situations. The charity received £4,000 to purchase a new defibrillator and replacement batteries and shock pads for their 20 community sites.



SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

PUBLIC BENEFIT

The goal of all the Foundation's activities is to provide benefit to the public in Sussex, focusing on addressing disadvantage and deprivation and building strong communities, but supporting all areas of charitable activity. It achieves this by awarding grants to local charities and community groups, which provide demonstrable community benefits. In assessing applications for a grant the Foundation seeks evidence of genuine public benefit and requires applicants to have an appropriate Equal Opportunities Statement that assures that benefits are available to all within the relevant community. The Trustees have had due regard for the guidance published by the Charity Commission on public benefit.

GRANTS POLICY

The Foundation has developed a grants policy, which aims to match the charitable goals of its donors with the needs of the community, focusing on addressing disadvantage, promoting thriving communities, improving quality of life, and helping people to fulfil their potential.

FUNDRAISING

The Foundation is registered with the Fundraising Regulator and has signed up to the Fundraising Promise and the Code of Fundraising Practice. It is also Quality Accredited by UK Community Foundations.

The Foundation raises funds by developing long-term relationships with potential supporters. Fundraising activities are undertaken by paid employees and volunteer trustees and ambassadors, all of whom are accountable to the Chief Executive and the Board of Trustees. The Foundation does not use any paid external fundraising agencies or consultants.

There have been no failures to comply with Fundraising Standards and no complaints regarding the Foundation's fundraising activities in this financial year.

The Foundation takes great care to communicate sensitively with supporters and potential supporters and to avoid any intrusion on an individual's privacy.

ENDOWMENT FUND

In order to achieve long-term benefit for the community, the Foundation is building an Endowment Fund, which will enable the Foundation to provide public benefit to the local community across Sussex for generations to come. The Endowment Fund is invested using professional fund managers.

SERVICE TO DONORS

The Foundation's individual character and, to some extent, competitive advantage over other organisations seeking to improve the lives of those in need in Sussex, arises from the strategy for attracting funds from donors who wish to monitor and advise on the manner in which their donations are applied. As a result, the Foundation's work additionally provides a comprehensive donor service to people and companies who care about their local community; it helps donors to make the maximum positive impact on the community and shows them the benefits achieved with their giving.

"Named Funds" are a core element of this service for donors. A Named Fund offers the donor the opportunity to establish a charitable fund in their own name, which can be used to award grants to match the donor's specific charitable interests.

Named Funds are of two types. A "Flow-through" named fund is distributed within an agreed timescale, normally one year, so as to maximise the immediate impact in the community. An "Endowment" Named Fund is a capital fund invested to generate investment income and capital growth, which can be distributed as grants for the benefit of the community for the long term.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Financial review

The financial year from April 2021 to March 2022 was another successful one for Sussex Community Foundation.

Donations to endowment, at £925,666 (2021 - £196,091) were back on budget after a drop during the Covid pandemic, when donations were focused towards immediate crisis response. It is reassuring to see that the support for endowment giving remains strong.

Income for immediate grant making (flow-through funds) was £2,524,758 for the year (£3,883,357 in the previous year), compared with a budget of £1,251,000. The above budget performance was due to continued support to help communities recover from the pandemic, most notably from East & West Sussex County Councils, for which we are very grateful.

As at 31 March 2022, the Foundation held £1,683,540 in restricted grant making funds, which are for the sole purpose of grant making in future periods and cannot be used for the general purposes of the charity. The high value of fund held is due in part to advance payments for the Rampion Fund which are intended to be spent over a period of ten years. Other funds which carry over a large balance include the Brighton & Hove Homelessness Fund, which is a large grant for a capital project which has been delayed by the pandemic.

The charity's investments showed a capital gain over the year of £1,826,903 compared with a gain of £4,690,814 in 2021. Both were in line with market performance. The table below compares the investment performance of our two fund managers in the periods up to 31 March 2022.

	Last 12 months	3 years (average)	5 Years (average)
Sarasin	5.4%	9.1%	7.3%
CCLA Charities Fund	11.62%	11.52%	10.27%
CCLA Charities ethical fund	11.56%	11.46%	7.34%

In February 2020, the trustees took the decision to move all our investments held at Sarasin to their "Climate Active Fund" which does not invest in fossil fuels and proactively invests in businesses that are making a positive contribution to addressing climate change. On 1 July 2021 the trustees decided to transfer all funds held at CCLA to the CCLA Charities Ethical Fund. Both Sarasin and CCLA are seen as leaders in the field of ethical investing and active engagement with companies in which they invest. Details of our investment managers' ethical investment policies are available on request.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

RESERVES POLICY

As with all charities, Sussex Community Foundation must raise the funds required to support the development of the charity itself, in addition to grants to beneficiaries. It is important to ensure that the organisation is sustainable and successful in the long term. In order to ensure that sustainability, the Charity must hold an appropriate level of Reserves.

Our Reserves Policy is that unrestricted funds, which have not been designated for a specific use, should be maintained at a level equivalent to twenty-six weeks (six months) of the subsequent year's budgeted operating expenditure. The Trustees recognise that the charity's income for operating costs is variable and consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while plans are made to address changing circumstances.

The charity's reserves received a substantial boost during 2019-20, due in particular to the receipt of a substantial legacy from Mr Arthur Green. 2020-21 and 2021-22 were unusual years for the Foundation, with a very high level of flow-through donations to the Sussex Crisis Fund. The charity ended the year with a surplus of £45,529, increasing the level of reserves further.

As at 31 March 2022, unrestricted reserves stood at £552,401, which represents 34 weeks' operating expenditure budget for 2022-23 compared with £506,872 or 40 weeks in the previous year.

The Trustees plan to expend these additional reserves to provide a basis for future growth and development of the charity and to increase its positive impact on the community. They have approved a plan to bring the reserves in line with policy over a period of three years.

The Trustees are continuing to promote a Friends Scheme to attract unrestricted donations. Should income from this scheme be greater than that required to cover operating costs then surplus funds may be distributed as grants.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

INVESTMENT POLICY

Central to Sussex Community Foundation's mission is the development of an Endowment Fund in order to provide sustainable funding to promote thriving communities, address disadvantage and improve quality of life across Sussex for generations to come. The Foundation continually works to attract new donations to help grow this fund for the benefit of the community.

Under the Articles of Association the Trustees have the power to invest funds not immediately required by the Charity and to appoint professional investment managers to manage investments on their behalf. The Trustees have the power to spend capital from the Endowment Fund to promote the charitable purposes of the Foundation.

Sussex Community Foundation's investment policy for its Endowment seeks to:

- maximise performance through a diversified portfolio and a medium risk strategy
- achieve a total investment return after costs of at least 1% per annum above that of the median fund in the ARC Steady Growth Charity Index over rolling three-year periods
- achieve a total investment return which exceeds the Retail Price Index over rolling three-year periods

All Endowment funds are invested using professional fund managers. In instructing these advisors, Sussex Community Foundation aims to achieve a balance between meeting current needs for grant making funds (by generating an annual income) and developing an Endowment to meet the needs of future generations (by maintaining the real value of the capital).

The investment managers acting on behalf of the Foundation have extensive expertise in managing charity investments and have developed standard ethical investment policies, which the Trustees consider to be appropriate for their needs. The Trustees do not at present undertake any social investment or programme related investments.

At the end of each financial year the Trustees review the capital value of the Endowment Fund and any income received. They then decide the value of grants to be awarded from the Endowment Fund, and any contribution to the costs of running the charity. In making this decision they seek to balance the short and long-term needs of the community.

It is a requirement of Government Match Funding that all Community First donations be held in a central fund managed by a single advisor. This investment advisor is for the time being CCLA. Community First investments are overseen by a National Investment Committee, which is a sub-committee of the Board of UKCF.

RISK MANAGEMENT

The major factors which affect the success and sustainability of the charity are:

1. The degree of success in raising funds – for endowment, grant making and operating costs
2. The investment performance of endowment funds
3. The ability of the charity to provide a high quality service to its donors and to the community
4. The reputation of the charity among potential donors, community groups, charities and intermediaries

The Trustees have developed a comprehensive risk management policy and system, which allocates responsibility for managing risk to sub-committees and named individuals and is overseen by the Audit Committee.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

PLANS FOR FUTURE PERIODS

Sussex Community Foundation has reviewed its strategy over the last six months in the light of the aftermath of the Covid pandemic.

We are facing the most challenging times for a generation. The Covid 19 pandemic has been followed by a cost of living crisis and global issues like climate change and war are having an immediate impact on people's daily lives in Sussex. Many people worry about how to make ends meet today, and whether the world will be a safe place for their children to live in future.

From the first days of lockdown in March 2020, small local charities organised in a strategic way, changing everything they did, and working together to make sure that local people had the support they needed to survive the pandemic. Through our Sussex Crisis Fund, we were able to provide the money these charities needed to create this immediate response.

We were able to respond so quickly because of our strong relationships with our donors, and because we hold an endowment fund which is there to address both the immediate and long term needs of our community.

Just as local charities provided hope to so many during the pandemic, we believe they also provide hope for the future. There are so many people who want to help their local community, either by giving time or money. By investing in local community action we will support those people who are generating the solutions to the huge challenges our society is facing, and who are helping people to cope with the day to day impact.

Our job is to connect people who care with the causes that matter. We believe that hope for the future lies in our local communities, and that philanthropy plays a crucial role in sustaining thriving communities and people.

Our belief in the power of community to change people's lives has been at the heart of everything we do since the charity was created. It has never been more urgent that we sustain our local communities so we can face the present, and the future, together.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Our vision

We want to see a fairer and more equal Sussex, where people and communities thrive for today and for the future.

Our mission

To champion and enable all who want to make a positive contribution to our local area through effective philanthropy and community action.

We will do this by:

Inspiring local people to give money to meet local needs

Investing in local charities and community groups, and helping them to become strong and sustainable organisations

Informing & Influencing philanthropists and the wider community about local needs, and how to meet the big issues facing people in Sussex, now and in the longer term.

In order to achieve these we will maintain a strong and sustainable organisation, which can respond to the changing needs of our communities and our donors today and for the future.

All of our work is informed by our values:

We show **leadership**, acting boldly and positively for the public good

We use **data and local knowledge** to inform our work; we are always keen to learn more, and we actively share our findings with others

We champion **equity**, working in accessible and inclusive ways, supporting greater fairness, and standing against prejudice, discrimination and disadvantage

Our approach is **empowering**, helping others to make the difference that they want to make

We maintain the highest standards of **integrity** in all that we do.

We believe that people achieve the most when they work together with **shared passion** and vision, while also having fun!

Our commitments:

In our last strategy, approved by the Board in 2019, we committed ourselves to being a broad based local funder, supporting a wide range of charitable activities and enabling philanthropists to address the causes they care about. This remains unchanged, but in addition as part of this strategy we are making five specific commitments. We will measure our progress on each commitment and report back each year on what we have achieved and what is still left to do.

Our commitments are:

To address poverty and disadvantage

To help build a thriving community and voluntary sector across Sussex

To increase the amount and the effectiveness of local philanthropy in Sussex

To use data and knowledge to inform all our work

To promote equity, diversity and inclusion

To review our impact on the environment and to support local action to address climate change

To be an open and trusting grant maker

Structure, governance and management

Sussex Community Foundation is a registered charity and a company limited by guarantee. It is governed by its Memorandum and Articles of Association dated 10th January 2006 as amended on 11 May 2010.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2022**

Trustees and officers who served during the year or at the time of publication were:

Andrew Baird
Maggie Burgess
Rodney Buse
Julia Carrette
Guy Davison
Corinne Day
Jonica Fox
Mebrak Ghebreweldi
Nikki Glover
David Hill
Keith Hollis - Chair
Brian Mills
Martin Roberts
Mark Spofforth OBE
Patrick Stevens - Treasurer
Pamela Stiles

RECRUITMENT AND APPOINTMENT OF TRUSTEES

Trustees are appointed by the Board of Trustees for a three-year term, which can be renewed up to twice. Recruitment of new trustees is overseen by a Nominations Committee, which makes recommendations to the Board. At least every three years, the Trustees carry out a detailed review of the skills of members of the Board in order to identify any gaps. This review was completed in June 2022.

During 2020, the trustees advertised to seek applications for new trustees. After a very positive response, four new trustees were appointed and the Board also decided to appoint a number of independent committee members in order to provide greater opportunities for people to support the charity's work and to increase the diversity of people involved in the organisation. The trustees intend to repeat this process in 2022 in order to fill identified gaps on the Board.

TRUSTEE INDUCTION AND TRAINING

The Foundation has adopted procedures for recruitment, induction and training of Trustees, which include meetings with the Chair and Chief Executive on appointment, a recruitment information pack and appropriate training for Trustees.

TRUSTEE REMUNERATION AND REGISTER OF INTERESTS

All Trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in Note 10 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and to withdraw from decisions where a conflict of interest arises. At the beginning of every trustee meeting, those present are asked to declare any interests in any item in the agenda. Trustees may also declare any additional interest as the meeting unfolds.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

ORGANISATION

The Board of Trustees, which meets four times per year, governs the charity.

Sub-committees have been established to address specific areas of governance and meet as required. These committees include a Finance, Strategy & HR Committee, Grants Committee, Grants Strategy & Impact Committee, Fund Development Committee, Nominations Committee, Marketing Committee and Audit Committee.

As at June 2022, 14 permanent and five temporary paid staff conduct the day-to-day business of the charity, supported by volunteers and led by the Chief Executive who reports to the Board.

The Trustees are extremely grateful for the valuable contribution of volunteers and ambassadors, who help to attract funds, assess applications and assist in administration. These volunteers have played a central role in the success of the charity and the Trustees are always looking for ways to increase the Foundation's effectiveness by the involvement of volunteers.

PAY POLICY FOR SENIOR STAFF

The pay of all staff is reviewed annually against the Consumer Prices Index, other indicators of the cost of living and other comparable jobs. Job Descriptions are reviewed from time to time as posts become vacant or as roles and the requirements of the organisation develop. All Job Descriptions are reviewed at least every three years. The pay for new or revised Job Descriptions is benchmarked against similar posts in other community foundations and the local voluntary sector.

RELATED CHARITIES

None of the Trustees has any beneficial interest in the Foundation. All of the Trustees are members of the company and guarantee to contribute £10 in the event of winding-up.

Sussex Community Foundation is a quality accredited member of UK Community Foundations (which is itself a Registered Charity). Accreditation is subject to independent assessment every three years. The Foundation achieved accreditation in 2007, 2010, 2013 and 2017. UKCF delayed development of the 2020 quality standards due to the work involved in responding to the coronavirus crisis. The Foundation submitted its applications for accreditation in April 2021 and was accredited in September 2021.

The Foundation is also an associate member of the Association of Charitable Foundations.

The Foundation has distributed funds on behalf of the National Emergencies Trust via a partnership agreement with UKCF.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

CASE STUDY 6: SEDS



Sussex Ehlers-Danlos syndromes and hypermobility support group support people with symptomatic hypermobility and Ehlers-Danlos syndromes, their close families and carers. They received £5,000 to support their core costs and purchase equipment to access online therapy.

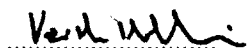
Auditor

In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Keith Hollis - Chair
Trustee

Date: 21.7.22

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also the directors of Sussex Community Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SUSSEX COMMUNITY FOUNDATION

Opinion

We have audited the financial statements of Sussex Community Foundation (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SUSSEX COMMUNITY FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SUSSEX COMMUNITY FOUNDATION

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Trustees' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are employment law and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of report

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

Knill James LLP

Mark Filsell FCA (Senior Statutory Auditor)
for and on behalf of Knill James LLP

25 July 2022

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

Current financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
<u>Income and endowments from:</u>						
Donations and legacies	2	651,861	2,524,758	925,666	4,102,285	4,677,070
Other trading activities	3	11,235	2,640	-	13,875	5,260
Investments	4	437	260,022	-	260,459	274,895
Other income	5	-	-	-	-	102,820
Total income and endowments		663,533	2,787,420	925,666	4,376,619	5,060,045
<u>Expenditure on:</u>						
Raising funds	6	93,247	-	-	93,247	96,161
Charitable activities	7	524,757	4,595,272	256,153	5,376,182	5,648,050
Total expenditure		618,004	4,595,272	256,153	5,469,429	5,744,211
Net gains/(losses) on investments	12	-	-	1,826,903	1,826,903	4,690,814
Net incoming/(outgoing) resources before transfers		45,529	(1,807,852)	2,496,416	734,093	4,006,648
Gross transfers between funds		-	1,213,564	(1,213,564)	-	-
Net movement in funds		45,529	(594,288)	1,282,852	734,093	4,006,648
Fund balances at 1 April 2021		506,872	2,277,828	24,682,436	27,467,136	23,460,488
Fund balances at 31 March 2022		552,401	1,683,540	25,965,288	28,201,229	27,467,136

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

All income and expenditure derive from continuing activities.

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	2	597,622	3,883,357	196,091	4,677,070
Other trading activities	3	2,778	2,482	-	5,260
Investments	4	1,398	273,497	-	274,895
Other income	5	-	102,820	-	102,820
Total income and endowments		601,798	4,262,156	196,091	5,060,045
<u>Expenditure on:</u>					
Raising funds	6	96,161	-	-	96,161
Charitable activities	7	449,042	5,003,590	195,418	5,648,050
Total expenditure		545,203	5,003,590	195,418	5,744,211
Net gains/(losses) on investments	12	-	-	4,690,814	4,690,814
Net incoming/(outgoing) resources before transfers		56,595	(741,434)	4,691,487	4,006,648
Gross transfers between funds		-	689,095	(689,095)	-
Net movement in funds		56,595	(52,339)	4,002,392	4,006,648
Fund balances at 1 April 2020		450,277	2,330,167	20,680,044	23,460,488
Fund balances at 31 March 2021		506,872	2,277,828	24,682,436	27,467,136

SUSSEX COMMUNITY FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	All income funds 2022 £	2021 £
Gross income	3,450,953	4,863,954
Transfer from endowment funds	1,213,564	689,095
Total income in the reporting period	4,664,517	5,553,049
Total expenditure from income funds	5,213,276	5,548,793
Net (expenditure)/income for the year	(548,759)	4,256
Reconciliation to Statement of Financial Activities		
Gross income (above)	3,450,953	4,863,954
Endowment fund income	925,666	196,091
Total income and endowments	4,376,619	5,060,045
Total expenditure from income funds (above)	5,213,276	5,548,793
Endowment fund expenditure	256,153	195,418
Total expenditure	5,469,429	5,744,211
Net gains/(losses) on investments	1,826,903	4,690,814
Net movement in funds	734,093	4,006,648

SUSSEX COMMUNITY FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13		542		722
Investments	14		25,489,868		24,242,812
			<u>25,490,410</u>		<u>24,243,534</u>
Current assets					
Debtors	16	55,756		93,952	
Investments	17	291,000		291,000	
Cash at bank and in hand		2,414,395		2,869,542	
		<u>2,761,151</u>		<u>3,254,494</u>	
Creditors: amounts falling due within one year	18	(50,332)		(30,892)	
Net current assets			<u>2,710,819</u>		<u>3,223,602</u>
Total assets less current liabilities			<u>28,201,229</u>		<u>27,467,136</u>
Capital funds					
Endowment funds	20	25,965,288		24,682,436	
Income funds					
Restricted funds	21	1,683,540		2,277,828	
Unrestricted funds		552,401		506,872	
		<u>28,201,229</u>		<u>27,467,136</u>	

The financial statements were approved by the Trustees on 21.7.22

Keith Hollis

Keith Hollis - Chair
Trustee

Company registration number 5670692

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	25		(1,295,453)		(1,044,051)
Investing activities					
Purchase of investments		(14,014,563)		(269,358)	
Proceeds on disposal of investments		14,594,410		588,524	
Investment income received		260,459		274,895	
Net cash generated from investing activities			840,306		594,061
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(455,147)		(449,990)
Cash and cash equivalents at beginning of year			2,869,542		3,319,532
Cash and cash equivalents at end of year			2,414,395		2,869,542

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Sussex Community Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Western Road, Lewes, East Sussex, BN7 1RL.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used or have been raised by the charity for particular purposes. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Expendable endowment funds represent those assets which, under the Articles of Association, the trustees have power to invest and which have been invested to generate investment income and capital gains which can be distributed as grants for the benefit of the community. Income arising on the expendable endowment funds can be used in accordance with the objects of the charity and is split between restricted and unrestricted funds in accordance with agreements made with individual donors. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

For flow-through funds management fees are taken at the time the donation is received by the Foundation. If the value of the fee exceeds £5,000 this income is spread over the period during which the grant making fund is disbursed. In all cases the management fee is treated as income at the date of receipt of the donation.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out by the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year in which they are awarded.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance
--------------------------------	----------------------

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.12 Fund accounting

Unrestricted funds are general funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity including core costs and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. All Restricted Funds held are Flow-through Named Funds, intended for awarding grants to local charities and community groups within a short timescale (normally up to one year). These funds are detailed in Note 16 to the financial statements.

Expendable endowment funds represent those assets which, under the Articles of Association, the trustees have power to invest and which have been invested to generate investment income and capital gains which can be distributed as grants for the benefit of the community. Income arising on the expendable endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

Investment income and gains are allocated to the appropriate fund.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

2 Donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Donations and gifts	651,861	2,524,758	925,666	4,102,285	597,622	3,883,357	196,091	4,677,070

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Management charge income	11,235	-	11,235	2,778	-	2,778
Letting arrangements	-	2,640	2,640	-	2,482	2,482
Other trading activities	11,235	2,640	13,875	2,778	2,482	5,260

4 Investments

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from unlisted investments	-	260,022	260,022	-	273,497	273,497
Interest receivable	437	-	437	1,398	-	1,398
	437	260,022	260,459	1,398	273,497	274,895

5 Other income

	Total 2022 £	Restricted funds 2021 £
Income from sale of leasehold extensions	-	102,820

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

6 Raising funds

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
<u>Fundraising and publicity</u>		
Fundraising events	1,223	233
Other fundraising costs	382	8,747
Staff costs	91,642	87,181
	<u>93,247</u>	<u>96,161</u>

7 Charitable activities

	2022 £	2021 £
Staff costs	313,876	277,462
Depreciation and impairment	180	240
Management charge	597,067	559,491
Other costs	53,313	28,953
	<u>964,436</u>	<u>866,146</u>
Grant funding of activities (see note 8)	4,254,358	4,639,518
Share of support costs (see note 9)	104,913	93,796
Share of governance costs (see note 9)	52,475	48,590
	<u>5,376,182</u>	<u>5,648,050</u>
Analysis by fund		
Unrestricted funds	524,757	449,042
Restricted funds	4,595,272	5,003,590
Endowment funds	256,153	195,418
	<u>5,376,182</u>	<u>5,648,050</u>

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

	2022 £	2021 £
Grants to institutions	4,254,358	4,639,518

1,106 grants (2021 – 1,172) worth £4,254,328 (2021 - £4,639,518) were awarded to 639 groups (2021 - 720) and 23 individuals (2021 – 19). The average grant awarded was £4,193 (2021 - £3,490). 174 grants were for £1,000 or less (2021 – 174).

*220 groups received more than one grant (average number of grants per group was 1.59).

Grants to institutions of £10,000 or more awarded during the year were as follows:

Details	Amount £
Bognor Rugby Football Club	59,000.00
Saltdean Lido Community Interest Company	50,000.00
Kent Community Foundation	36,350.00
Friends of Twineham	32,930.00
Chris Smith Mem Fund	30,197.78
Eastbourne Citizens Advice Bureau	30,000.00
Turning Tides	24,953.00
Dial-a-Ride Southern Service	24,199.00
Arun & Chichester Citizens Advice Bureau	20,000.00
Carers Support Selsey	20,000.00
East Sussex Recovery Alliance (ESRA) CIC	20,000.00
Free Shop Crawley	20,000.00
Pregnancy Options Centre	20,000.00
Release Counselling and Therapy for Women	20,000.00
Streetlight	20,000.00
UkHarvest	20,000.00

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

(Continued)

Details	Amount £
Yada	20,000.00
Youth Dream	20,000.00
Ouse & Adur Rivers Trust	16,000.00
South Downs National Park Trust	12,500.00
Rockinghorse	10,230.00
Building Heroes Education Foundation	10,090.00
As You Are Centre	10,000.00
Bentswood Community Partnership	10,000.00
Bevendean Community Pub	10,000.00
Bognor Regis Foodbank	10,000.00
Bournethisway LGBT+ Parents Support Group	10,000.00
Breadwinners	10,000.00
Brighton & Hove City Mission	10,000.00
Brighton & Hove LGBT Switchboard	10,000.00
Brighton and Hove Speak Out	10,000.00
Brighton Cauldron	10,000.00
Brighton Food Factory	10,000.00
Brighton Unemployed Centre Families Project	10,000.00
Brighton Women's Centre	10,000.00
Broadwater Support Group CIC	10,000.00
Chichester District Foodbank	10,000.00
Chichester Down Syndrome Support group	10,000.00

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

(Continued)

Details	Amount £
Chichester Forest Schools CIC	10,000.00
Chichester Information Shop for Young People	10,000.00
Citizens Advice 1066	10,000.00
Citizens Advice in West Sussex (North, South, East)	10,000.00
Common Cause Co-operative	10,000.00
Communities First Wessex	10,000.00
Conversation Over Borders	10,000.00
CYCALL	10,000.00
Daisy Chain Project	10,000.00
Defiant Sports	10,000.00
Dementia Support	10,000.00
Diversity Lewes	10,000.00
Diversity Resource International	10,000.00
Down Syndrome Development Trust	10,000.00
East Brighton Food Co-operative	10,000.00
East Sussex Association of Blind and Partially Sighted People (ESAB)	10,000.00
East Sussex Hearing Resource Centre	10,000.00
Education Training Consortium Sussex	10,000.00
Electric Storm Youth Ltd	10,000.00
ENGAge	10,000.00
Esteem	10,000.00
Family Support Work	10,000.00
Fegans	10,000.00
Fellowship of St Nicholas	10,000.00

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

(Continued)

Details	Amount £
Hastings Area Community Trust	10,000.00
Hastings Furniture Service	10,000.00
Holding Space	10,000.00
Home-Start Arun, Worthing & Adur	10,000.00
Home-Start East Sussex	10,000.00
Kangaroos	10,000.00
Les Alden Foundation	10,000.00
Life Centre	10,000.00
MenTalkHealth	10,000.00
Moulsecoomb Primary School	10,000.00
Now! Charity Group Ltd	10,000.00
Off The Fence Trust	10,000.00
Olive Tree Cancer Support Centre	10,000.00
Pelham CIO	10,000.00
Pelican Parcels	10,000.00
Phoenix Therapy Practice	10,000.00
Positive Routes to Wellbeing C.I.C.	10,000.00
Reaching Families	10,000.00
Safety Net	10,000.00
Sara Lee Trust	10,000.00
Selsey Community Forum	10,000.00
Selsey Employment Service	10,000.00
Individual Grants	10,000.00
Springboard Project	10,000.00

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

(Continued)

Details	Amount £
St James' Trust	10,000.00
St Mark's CE Primary	10,000.00
St Nicholas Church	10,000.00
Strongmen	10,000.00
Sussex Association for Spina Bifida & Hydrocephalus	10,000.00
Sussex Beacon	10,000.00
Sussex Interpreting Services	10,000.00
Sussex Prisoners Families	10,000.00
Sussex Syrian Community Group	10,000.00
Sylvia Beaufoy Centre	10,000.00
Tamer Community Project	10,000.00
Think18	10,000.00
Together Co	10,000.00
Tubbs Computer Supplies	10,000.00
U CAN Spray CIO	10,000.00
Unemployed Climbers Group (Brighton and Hove)	10,000.00
Veterans' Growth	10,000.00
Voices in Exile	10,000.00
Volunteers Network CIC	10,000.00
You Raise Me Up (YRMU)	10,000.00
	£1,376,449.78

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Grants payable

(Continued)

Grants to Kent Community Foundation relate to the Little Cheyne Court Wind Farm Fund, which is managed in partnership between the two foundations.

In addition to the above, a number of grants were awarded subject to conditions, which have not yet been fulfilled. The table below shows the value of conditional grants totalled by Fund:

Fund Name	Value of Conditional awards
Argus Appeal Fund	£800
Noel Bennett Fund	£250
East Brighton Trust Fund	£4,650
William Reed Fund	£1,500
CJR Family Fund	£4,000
Ian Askew Charitable Trust Fund	£1,000
Sussex Giving Fund	£3,000
Brighton & Hove Legacy Fund	£200
Westdene Fund	£350
Rooney Foundation Fund	£3,215
Inspire Fund	£6,681
Little Cheyne Court Windfarm Fund	£1,500
Rampion Fund	£184,333
Rye Fund	£1,800
	£213,279

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

9 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Staff costs	18,484	28,807	47,291	15,608	43,947
Rent	27,885	-	27,885	26,104	26,104
Insurance	2,296	-	2,296	2,658	2,658
Property service charge	6,639	-	6,639	12,698	12,698
Bank charges	112	-	112	137	137
Staff training and recruitment	10,446	-	10,446	4,586	4,586
Staff travel and subsistence	6,527	-	6,527	3,842	3,842
Computer software, systems and applications	23,677	-	23,677	19,803	19,803
Printing, postage and stationery	4,924	-	4,924	2,611	2,611
Telephone	2,453	-	2,453	3,299	3,299
Repairs and maintenance	1,470	-	1,470	2,450	2,450
Grant making costs	-	994	994	-	525
Audit fees	-	6,060	6,060	-	6,000
Legal and professional	-	10,417	10,417	-	6,840
Bookkeeping and accountancy	-	4,510	4,510	-	4,849
Trustees meetings and expenses	-	261	261	-	-
Annual report and AGM	-	1,426	1,426	-	2,037
	<u>104,913</u>	<u>52,475</u>	<u>157,388</u>	<u>93,796</u>	<u>142,386</u>
Analysed to					
Charitable activities	<u>104,913</u>	<u>52,475</u>	<u>157,388</u>	<u>93,796</u>	<u>142,386</u>

The charity's auditors Knill James LLP also supplied book-keeping and accountancy services to the charity during the year for a fee of £2,781 (2021 - £4,086).

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Charitable employees	13	12

Employment costs

	2022 £	2021 £
Wages and salaries	397,522	364,299
Social security costs	35,186	31,322
Other pension costs	20,101	12,969
	452,809	408,590

Pension contributions

The charity operates a defined contribution pension scheme. At the year end, there were £2,393 of outstanding pension contributions owing to the scheme (2021 - £1,393).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
In the band £80,001 - £90,000	1	1

Contributions totalling £3,458 were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

12 Net gains/(losses) on investments

	Endowment funds 2022 £	Endowment funds 2021 £
Revaluation of investments	1,826,903	4,690,814

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

13 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2021	13,758
At 31 March 2022	13,758
Depreciation and impairment	
At 1 April 2021	13,036
Depreciation charged in the year	180
At 31 March 2022	13,216
Carrying amount	
At 31 March 2022	542
At 31 March 2021	722

14 Fixed asset investments

	Securities £
Cost or valuation	
At 1 April 2021	24,242,812
Additions	14,014,563
Valuation changes	1,826,903
Disposals	(14,594,410)
At 31 March 2022	25,489,868
Carrying amount	
At 31 March 2022	25,489,868
At 31 March 2021	24,242,812

15 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	25,780,868	24,533,812

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	12,357	18,980
Other debtors	43,399	74,972
	<u>55,756</u>	<u>93,952</u>

The comparative amount for other debtors differs from that shown in the prior year financial statements. An amount of £291,000 has been moved to current asset investments (see note 17) being an asset held for sale.

17 Current asset investments

	2022 £	2021 £
Short term investments	<u>291,000</u>	<u>291,000</u>

Current asset investments represent freehold properties held for sale.

18 Creditors: amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	7,029	9,538
Trade creditors	725	848
Other creditors	2,393	1,879
Accruals and deferred income	40,185	18,627
	<u>50,332</u>	<u>30,892</u>

19 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £20,101 (2021 - £12,969).

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

20 Endowment funds

	Balance at 1 April 2020 £	Incoming resources £	Movement in funds			Balance at 1 April 2021 £	Incoming resources £	Movement in funds			Balance at 31 March 2022 £
			Resources expended £	Transfers £	Investments gains/losses £			Resources expended £	Transfers £	Investments gains/losses £	
Expendable endowments											
Sarasin											
Endowment											
including											
grassroots	10,175,083	196,090	(146,584)	(526,315)	2,420,196	12,118,470	775,666	(194,370)	(637,923)	589,428	12,651,271
Community First											
Trust	7,249,382	-	-	-	1,495,787	8,745,169	-	-	(1,108,676)	710,010	8,346,503
CCLA Other	3,255,579	-	(48,834)	(162,780)	774,831	3,818,797	150,000	(61,783)	533,035	527,465	4,967,514
	<u>20,680,044</u>	<u>196,090</u>	<u>(195,418)</u>	<u>(689,095)</u>	<u>4,690,814</u>	<u>24,682,436</u>	<u>925,666</u>	<u>(256,153)</u>	<u>(1,213,564)</u>	<u>1,826,903</u>	<u>25,965,288</u>

Transfers of £1,171,908 (2021 - £689,095) represent drawdowns from endowment for grant making and operating costs. "Grassroots" and "Community First" relate to two government funded endowment match challenges.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020 £	Movement in funds			Balance at 1 April 2021 £	Movement in funds			Balance at 31 March 2022 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
Funds held for grant making	2,330,167	4,262,158	(5,003,592)	689,095	2,277,828	2,787,420	(4,595,272)	1,213,564	1,683,540

22 Analysis of net assets between funds

Fund balances at 31 March 2022 are represented by:

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £
Tangible assets	542	-	-	542	722	-	-	722
Investments	-	-	25,489,868	25,489,868	-	-	24,242,812	24,242,812
Current assets/(liabilities)	551,859	1,683,540	475,420	2,710,819	506,150	2,277,828	439,624	3,223,602
	552,401	1,683,540	25,965,288	28,201,229	506,872	2,277,828	24,682,436	27,467,136

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

23 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	26,333	26,093
Between two and five years	38,064	63,798
	<u>64,397</u>	<u>89,891</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	<u>81,509</u>	<u>80,135</u>

25 Cash generated from operations

	2022 £	2021 £
Surplus for the year	734,093	4,006,648
Adjustments for:		
Investment income recognised in statement of financial activities	(260,459)	(274,895)
Fair value gains and losses on investments	(1,826,903)	(4,690,814)
Depreciation and impairment of tangible fixed assets	180	240
Movements in working capital:		
Decrease in debtors	38,196	306,238
Increase/(decrease) in creditors	19,440	(391,468)
Cash absorbed by operations	<u>(1,295,453)</u>	<u>(1,044,051)</u>

26 Analysis of changes in net funds

The charity had no debt during the year.

THE SUSSEX COMMUNITY FOUNDATION

England & Wales - Charity number 1113226

Accounts

Charity Registration No. 1113226

Company Registration No. 5670692 (England and Wales)

SUSSEX COMMUNITY FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

SUSSEX COMMUNITY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Andrew Baird	(Appointed 26 November 2020)
	Maggie Burgess	
	Rodney Buse	
	Julia Carrette	
	Guy Davison	(Appointed 26 November 2020)
	Corinne Day	(Appointed 26 November 2020)
	Jonica Fox	
	Mebrak Ghebreweldi	(Appointed 26 November 2020)
	Nikki Glover	
	David Hill	
	Keith Hollis - Chair	
	Brian Mills	
	Martin Roberts	
	Mark Spofforth OBE	
Founder	Patrick Stevens - Treasurer	
	Pamela Stiles	
Joint Presidents	Sir Peter Field JP Lord Lieutenant of East Sussex	
	Susan Pyper Lord Lieutenant of West Sussex	
Patron		
	The 11th Duke of Richmond and Gordon	
Secretary and Chief Executive		
	Kevin Richmond	
Charity number	1113226	
Company number	5670692	
Registered office	15 Western Road	
	Lewes	
	East Sussex	
	BN7 1RL	
Website	www.sussexgiving.org.uk	
Email	info@sussexgiving.org.uk	
Auditors		
	Knill James LLP	
	One Bell Lane	
	Lewes	
	East Sussex	
	BN7 1JU	

SUSSEX COMMUNITY FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

CAF Bank
Kings Hill
West Malling
Kent
ME19 4TA

Handelsbanken
1 Queen Square
Brighton
East Sussex
BN1 3FD

Solicitors

Adams and Remers LLP
Trinity House
School Hill
Lewes
East Sussex
BN7 2NN

Investment advisors

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

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

SUSSEX COMMUNITY FOUNDATION

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SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Chair's Report

The crisis that we have all faced since the beginning of 2020 has continued, although at long last there are now good reasons for feeling more optimistic. However, the situation for the charities and community groups that we support is likely to continue to be a grim one for some time to come. The figures shown in this report demonstrate the vital role that Community Foundations in general, and the Sussex Community Foundation in particular, have to play in ensuring that much needed funds get to the small "front line" groups that really need them and which can put the limited resources available to the best effect.

Week in week out our grants team have been working on our core function of helping groups with applications, assessing those applications, and where grants are awarded, ensuring that they are spent in the most effective way. At the same time, our fund development team has worked tirelessly to ensure that the flow of much needed funds has continued.

Happily both teams are now in a better position to turn their attention back to the longer term strategy of the Foundation: on the one hand exploring every opportunity to open new funds and increase our long term endowment fund; and on the other, ensuring that our grant giving is strategic and effective.

Over the course of the crisis our grants programme has had to be dependent on our raising flow through funds, for immediate use. However, we remain convinced that the endowment model on which Community Foundations are based remains appropriate for us. There are amongst the people of Sussex many with significant resources who wish to make a long term difference and would welcome endowment involvement in their charitable giving. We are there to help them approach their philanthropy professionally and effectively.

This year we have looked closely at many of the ways that we work. For the first time we recruited new trustees through public advertising process - the response could be said to have been almost overwhelming. It certainly made selection difficult, but we are delighted to have welcomed Andrew Baird, Mebrak Ghebreweldi, Guy Davison, and Corinne Day as new trustees. Each of them have already, in very different ways, proved their worth to the Foundation.

We were sorry to have to say farewell to two long serving and much valued trustees, Charles Drayson and Consuelo Brooke.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Partly as a result of this "new blood", we conducted a thorough governance review, looking at the membership, structure and terms of reference of each of the six Board Committees through which the trustees work. We have been particularly pleased to be able to welcome independent, non-trustee, members to each of those committees.

To highlight some of the other matters which we have been working on over the last year

- We have instituted a programme of webinars about the work of Sussex charities, which are run very professionally by our team and are well worth signing up to.
- We have reviewed our overall risk matrix, making a number of important changes, in particular in reviewing our fraud prevention policies.
- In pursuance of the policy adopted by the Board last year we have completed the transfer of our endowment funds to ethical and climate active investment funds
- We have considered and implemented policies relating to equity, diversity, and inclusion both in our grant making and in our own operation.
- We have successfully completed a thorough Quality Assurance programme of our entire operation carried out by the UKCF
- We have started to develop a new programme for closer involvement by both our trustees and our much valued ambassadors with all aspects of the work of the Foundation
- We have reviewed and started to implement new ways of approaching our marketing and communications
- We have reviewed the management of our relationships with our existing donors to see where these could be improved.

The Foundation would be nothing without our generous donors and the inspiring local charities and community groups that are changing people's lives every day. Our reason for being is to link these two groups of special people together for the good of all and our heartfelt thanks go to every one of them.

This is the merest sketch of the huge amount of work that our team, under Kevin Richmond's patient and considerate leadership, has been doing. As I write they are working on plans for returning to a "new normal" way of working, which will give them a much greater degree of flexibility and which I believe will be to the longer term benefit of the Foundation. I know that I am not alone amongst the trustees of being in awe at what they manage to achieve and at how hard each one of them works.

Finally, I must mention the trustees themselves. They are, of course, "volunteers" in the project that is the Sussex Community Foundation. I am especially grateful to our hard working treasurer, Patrick Stevens, not only for his patience and forbearance in explaining the figures to me but also for his general advice and thoughtful support. In different ways, each of our trustees devote much time and energy to the affairs of the Foundation. I am so very grateful to them for this, and for the succinctness with which they manage to express themselves at our many meetings!

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

CASE STUDY 1

The **Brighton Grub Hub** was formed last year in response to the pandemic and grows and distributes fresh vegetables and salad produce for very low-income residents. They are just one of over 500 groups supported through the Sussex Crisis Fund last year.

Pictured here are Brighton Grub Hub volunteers Fergus Kavanagh and Mitchie Alexander.



OBJECTIVES AND ACTIVITIES

The Foundation's Charitable Objects are:

- The promotion of any charitable purposes for the benefit of the community in the Counties of East Sussex, West Sussex and the City of Brighton and Hove and in particular the advancement of education, the protection of good health both mental and physical and the relief of poverty and sickness;
- Other exclusively charitable purposes in the United Kingdom and elsewhere which are, in the opinion of the Trustees, beneficial to the community including those in the area of benefit.

For ease of reference East Sussex, West Sussex and Brighton and Hove are referred to as "Sussex" in this document.

OUR LONG TERM VISION

We want Sussex to be a great place to live for everyone – a place where people and communities thrive and are empowered to fulfil their potential.

We aim to reach that vision by increasing the value and effectiveness of local philanthropy and providing effective grant-making to support local communities across East Sussex, West Sussex and Brighton & Hove.

WHAT WE DO

Sussex Community Foundation raises funds for, and gives grants to, smaller charities and community groups in East Sussex, West Sussex and Brighton & Hove. We make it easy for Sussex people to give money to local causes close to their hearts and ensure that their donations reach the people that need them. Our endowment fund enables our donors to benefit Sussex people for generations to come.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

WHAT DOES SUCCESS LOOK LIKE FOR US?

GROW income and capital to benefit Sussex now and for the future by growing and nurturing a committed community of philanthropists and donors

DELIVER effective grant-making that addresses disadvantage, promotes thriving communities, improves quality of life, and helps people to fulfil their potential

PROVIDE a professional service for people and organisations who wish to give to Sussex

PROMOTE excellence in philanthropy in Sussex by:

- promoting and developing effective local philanthropy
- encouraging best practice and innovation in philanthropy and grant making
- identifying projects and organisations that help address local needs
- raising awareness of those needs and supporting local solutions
- regularly publishing research and reporting on the issues and opportunities that face our communities

MAINTAIN an efficient, well-managed and motivated organisation.

CASE STUDY 2

"I wanted to personally say a humongous thank you to you all! We are so unbelievably grateful and this is going to help us to continue. We thought we were going to have to fold which we won't have to do now." - Gemma Kybert, Oscar's Wish Foundation

Strategic Report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

ACHIEVEMENTS AND PERFORMANCE

We measure some Key Performance Indicators for each area of activity, and the results for this year are:

BUILDING ENDOWMENT

Indicator	2020/21	2019/20
Total amount donated to endowment	£196,091	£565,915
Number of Endowment Funds	75	73

The Trustees are most grateful to those donors who have given to Endowment Funds this year. Income for endowment has been lower than in recent years and this is in part due to the Foundation focusing on raising funds for grant making to address the immediate needs of communities during the pandemic.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

CASE STUDY 3

Time to Talk Befriending's first grant helped them adjust their befriending service to vulnerable older people experiencing chronic loneliness and social isolation to mainly a telephone service. Their second grant supported their Staying Together Recovering Together phase.

"I can't tell you how much you made my morning. You've really cheered me up. You don't realise how much your call means to me. It makes all the difference."



ATTRACTING FUNDS FOR IMMEDIATE GRANT MAKING

Indicator	2020/21	2019/20
Amount Donated to flow-through	£3,883,357	£2,540,798
Number of active Flow-through funds	31	34
Contribution to grant funds from Community First Endowment	£268,111	£386,855
Contribution to grant funds from other endowment	£694,151	£576,786

Funds raised for immediate grant making are greater than the amount distributed in year. The surplus will be distributed in future periods.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

GRANT MAKING

One of the most challenging roles for the Trustees is choosing which of many deserving causes should be assisted from limited resources. The Board of Trustees is ultimately responsible for all grants awarded by the Foundation but it delegates detailed decision-making to its Grants Committee. The report, "Sussex Uncovered 3", published by the Foundation in November 2019, details the Indices of Multiple Deprivation in areas across Sussex and is used to inform the grant making strategy. The Foundation solicits applications and assesses those that are eligible for funding. Applications are then matched with the charitable goals of each fund and donor.

Indicator	2020/21	2019/20
Value of grants awarded	£4,639,518	£2,428,924
Number of grants awarded	1,172	695
Average size of grant	£3,928	£3,484
Number of grants £10,000 or over	47	48
Number of groups supported	720 *	520 *
Number of grants to individuals	19	43
Number of grants under £1,000	174 (15 %)	196 (24%)

*265 groups received more than one grant (maximum 7, average number of grants per group was 1.61).

A number of grants were awarded subject to conditions, which have not yet been fulfilled. The total value of these conditional grants was £220,577.

Number of grants by Local Authority area*

Number of Grants	2020/21	2019/20
Local Authority		
East Sussex	383	199
West Sussex	405	253
Brighton & Hove	334	202
Other	31	7
Total	1,153	661

*Does not include grants to individuals.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

CASE STUDY 4

The Black and Minority Ethnic Community Partnership in Brighton & Hove received a grant of £7,800 to establish a foodbank service, providing emergency food parcels for people in crisis as soon as lockdown arrived.

"The food hub has provided much needed assistance to struggling families and people living on the periphery of the wider community and who have very little support to help them through these difficult times."



IMPACT REPORTING

Making decisions about who should benefit is challenging. However, the Foundation's role does not stop there, and the Trustees are mindful of the need to understand the impact that each grant has made, and to follow up contact with beneficiaries.

The Foundation requires all grant recipients to return monitoring forms at the end of their projects. These are used to monitor outcomes and inform assessment of future applications. The Foundation collates quantitative and qualitative data from these monitoring returns and uses this data to produce reports to trustees, donors and stakeholders on the achievements of the groups that we fund.

The Board of Trustees has maintained oversight of the grants process and is satisfied with this year's outcomes. Healthy discussions at Board meetings ensure that there is no complacency with the Foundation's achievements, and the Trustees continue to learn and strive for greater impact with the resources available.

HELPING COMMUNITIES TO RECOVER FROM DISASTERS

In recent years, community foundations across the UK have played a key role in managing funds donated to help people affected by disasters. Community foundations have a unique knowledge of the needs of local communities and an ability to make grants quickly and effectively.

On 20th March 2020, we launched the Sussex Crisis Fund to raise funds and provide immediate grants to charities helping those people most affected by the coronavirus pandemic and the lockdown.

The National Emergencies Trust (NET) launched its own coronavirus appeal shortly afterwards and decided to distribute the majority of funds through community foundations. The first grant of £50,000 arrived from the National Emergencies Trust on 30th March 2020.

The Foundation continued to raise funds and distribute grants to support communities through the Covid 19 Pandemic throughout the financial year. Between 20th March 2020 and 31st March 2021 period the foundation gave out £3,017,677 in response to the Covid 19 pandemic, as detailed in the table below.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Fund	Amount Awarded
Sussex Crisis Fund	£2,619,858
Covid Winter Support Fund	£247,188
ESCC Crisis Fund Food Security Grants	£117,138
Co-operative Covid 19 Fund	£33,494
Total	£3,017,677

These funds came from the following sources:

Source	Amount donated
National Emergencies Trust	£1,643,343
New donations from Local Authorities	£680,000
New donations from individuals	£445,756
Change of use of previous donations	£387,623
New donations from companies	£207,124
New donations from charitable trusts	£111,200
Total Raised	£3,475,046

At the beginning of 2021, we consulted local charities about the needs of the communities they were serving. We were told that many charities were facing increased demand and that many people were seeking help with financial, emotional or personal problems for the first time in their lives. Charities were very concerned about their ability to respond to the increased need in the context of very insecure funding prospects for 2021-22. As a result, we launched our appeal for the Sussex Crisis Fund for the support and recovery phase in March 2021.

CASE STUDY 5

East Sussex Recovery Alliance supports people in recovery from drugs and alcohol addiction. Part of a £4,394 grant has bought two new laptops, enabling staff to keep in touch with clients vulnerable to relapse.

"You have made lockdown bearable, we would have relapsed without your support."



SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

PUBLIC BENEFIT

The goal of all the Foundation's activities is to provide benefit to the public in Sussex, focusing on addressing disadvantage and deprivation and building strong communities, but supporting all areas of charitable activity. It achieves this by awarding grants to local charities and community groups, which provide demonstrable community benefits. In assessing applications for a grant the Foundation seeks evidence of genuine public benefit and requires applicants to have an appropriate Equal Opportunities Statement that assures it that benefits are available to all within the relevant community. The Trustees have had due regard for the guidance published by the Charity Commission on public benefit.

GRANTS POLICY

The Foundation has developed a grants policy, which aims to match the charitable goals of its donors with the needs of the community, focusing on addressing disadvantage, promoting thriving communities, improving quality of life, and helping people to fulfil their potential.

FUNDRAISING

The Foundation is registered with the Fundraising Regulator and has signed up to the Fundraising Promise and the Code of Fundraising Practice. It is also Quality Accredited by UK Community Foundations.

The Foundation raises funds by developing long-term relationships with potential supporters. Fundraising activities are undertaken by paid employees and volunteer trustees and ambassadors, all of whom are accountable to the Chief Executive and the Board of Trustees. The Foundation does not use any paid external fundraising agencies or consultants.

There have been no failures to comply with Fundraising Standards and no complaints regarding the Foundation's fundraising activities in this financial year.

The Foundation takes great care to communicate sensitively with supporters and potential supporters and to avoid any intrusion on an individual's privacy.

ENDOWMENT FUND

In order to achieve long-term benefit for the community, the Foundation is building an Endowment Fund, which will enable the Foundation to provide public benefit to the local community across Sussex for generations to come. The Endowment Fund is invested using professional fund managers.

SERVICE TO DONORS

The Foundation's individual character and, to some extent, competitive advantage over other organisations seeking to improve the lives of those in need in Sussex, arises from the strategy for attracting funds from donors who wish to monitor and advise on the manner in which their donations are applied. As a result, the Foundation's work additionally provides a comprehensive donor service to people and companies who care about their local community; it helps donors to make the maximum positive impact on the community and shows them the benefits achieved with their giving.

"Named Funds" are a core element of this service for donors. A Named Fund offers the donor the opportunity to establish a charitable fund in their own name, which can be used to award grants to match the donor's specific charitable interests.

Named Funds are of two types. A "Flow-through" named fund is distributed within an agreed timescale, normally one year, so as to maximise the immediate impact in the community. An "Endowment" Named Fund is a capital fund invested to generate investment income and capital growth, which can be distributed as grants for the benefit of the community for the long term.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

FINANCIAL REVIEW

The financial year from April 2020 to March 2021 was another successful one for Sussex Community Foundation.

Donations to endowment, at £196,091 (2020 - £565,915) were lower than recent previous years. This drop in donations can primarily be explained by our focus during 2020 on raising funds for immediate grant making through the Sussex Crisis Fund to assist communities to cope with the coronavirus pandemic.

Income for immediate grant making (flow-through funds) was £3,883,357 for the year, compared with a budget of £2,879,000 (£1,599,000 in the previous year). As at 31st March 2021, the Foundation held £2,277,499 in restricted grant making funds, which are for the sole purpose of grant making in future periods and cannot be used for the general purposes of the charity. The high value of fund held is due in large part to advance payments for the Rampion Fund which are intended to be spent over a period of ten years. Other funds which carry over a large balance include the Brighton & Hove Homelessness Fund, which is a large grant for a capital project which has been delayed by the pandemic.

The charity's investments showed a capital gain over the year of £4,690,814 compared with a loss of £394,424 in 2020. Both were in line with market performance. The table below compares the investment performance of our two fund managers in the periods up to 31 March 2021.

	This quarter	Last 12 months	3 years (average)	5 Years (average)
Sarasin	0.7%	25.2%	9.5%	9.3%
CCLA Charities Fund	0.26%	24.3%	11.5%	11.7%
CCLA Charities ethical fund	0.02%	23.9%	11.6%	8.96%

In February 2020, the trustees took the decision to move all our investments held at Sarasin to their "Climate Active Fund" which does not invest in fossil fuels and proactively invests in businesses that are making a positive contribution to addressing climate change.

At that point, CCLA would have made a significant charge on any transfer to their ethical fund, but suggested that they would offer an opportunity for charities to transfer to their ethical investment fund at a reduced price in the future. CCLA have now made this offer available and the trustees have decided to transfer all funds held at CCLA to the CCLA Charities Ethical Fund from 1st July 2021.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

RESERVES POLICY

As with all charities, Sussex Community Foundation must raise the funds required to support the development of the charity itself, in addition to grants to beneficiaries. It is important to ensure that the organisation is sustainable and successful in the long term. In order to ensure that sustainability, the Charity must hold an appropriate level of Reserves.

Our Reserves Policy is that unrestricted funds, which have not been designated for a specific use, should be maintained at a level equivalent to twenty-six weeks (six months) of the subsequent year's budgeted operating expenditure. The Trustees recognise that the charity's income for operating costs is variable and consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while plans are made to address changing circumstances.

The charity's reserves received a substantial boost during 2019-20, due in particular to the receipt of a substantial legacy from Mr Arthur Green. 2020-21 was an unusual year for the Foundation, with a very high level of flow-through donations to the Sussex Crisis Fund and a low level of endowment donations. The charity ended the year with a surplus of £56,595, increasing the level of reserves further.

As at 31st March 2021, reserves stood at £506,872, which represents 40 weeks operating expenditure budget for 2021-22 compared with £450,277 or 42 weeks in the previous year.

The Trustees plan to expend these additional reserves to provide a basis for future growth and development of the charity and to increase its positive impact on the community. They have approved a plan to bring the reserves in line with policy over a period of three years.

The Trustees are continuing to promote a Friends Scheme to attract unrestricted donations. Should income from this scheme be greater than that required to cover operating costs then surplus funds may be distributed as grants.

INVESTMENT POLICY POWERS OF INVESTMENT

Central to Sussex Community Foundation's mission is the development of an Endowment Fund in order to provide sustainable funding to promote thriving communities, address disadvantage and improve quality of life across Sussex for generations to come. The Foundation continually works to attract new donations to help grow this fund for the benefit of the community.

Under the Articles of Association the Trustees have the power to invest funds not immediately required by the Charity and to appoint professional investment managers to manage investments on their behalf. The Trustees have the power to spend capital from the Endowment Fund to promote the charitable purposes of the Foundation.

Sussex Community Foundation's investment policy for its Endowment seeks to:

- maximise performance through a diversified portfolio and a medium risk strategy
- achieve a total investment return after costs of at least 1% per annum above that of the median fund in the ARC Steady Growth Charity Index over rolling three-year periods
- achieve a total investment return which exceeds the Retail Price Index over rolling three-year periods

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

All Endowment funds are invested using professional fund managers. In instructing these advisors, Sussex Community Foundation aims to achieve a balance between meeting current needs for grant making funds (by generating an annual income) and developing an Endowment to meet the needs of future generations (by maintaining the real value of the capital).

The investment managers acting on behalf of the Foundation have extensive expertise in managing charity investments and have developed standard ethical investment policies, which the Trustees consider to be appropriate for their needs. The Trustees do not at present undertake any social investment or programme related investments.

At the end of each financial year the Trustees review the capital value of the Endowment Fund and any income received. They then decide the value of grants to be awarded from the Endowment Fund, and any contribution to the costs of running the charity. In making this decision they seek to balance the short and long-term needs of the community.

It is a requirement of Government Match Funding that all Community First donations be held in a central fund managed by a single advisor. This investment advisor is for the time being CCLA. Community First investments are overseen by a National Investment Committee, which is a sub-committee of the Board of UKCF.

RISK MANAGEMENT

The major factors which affect the success and sustainability of the charity are:

1. The degree of success in raising funds – for endowment, grant making and operating costs
2. The investment performance of endowment funds
3. The ability of the charity to provide a high quality service to its donors and to the community
4. The reputation of the charity among potential donors, community groups, charities and intermediaries

The Trustees have developed a comprehensive risk management policy and system, which allocates responsibility for managing risk to sub-committees and named individuals and is overseen by the Audit Committee.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

PLANS FOR FUTURE PERIODS

Over the last year the Foundation has, like many organisations, shown an ability to change rapidly in response to the Covid 19 pandemic and dramatic changes in society. Our supporters have been very generous, our staff and trustees have shown incredible flexibility and commitment and the charities we support have been nothing short of inspirational. All those involved in the Foundation have felt honoured to play a part in supporting the amazing community response to the pandemic in Sussex.

The trustees adopted a strategy for the Foundation in 2019 and at the beginning of 2020 much of that strategy had to be put on hold as we turned our focus to addressing the immediate crisis.

As we write this in the spring of 2021, it appears that the situation in the UK is improving, with a high proportion of the population receiving at least one vaccination, rates of infection dropping and social restrictions easing.

While the outlook is more optimistic, it is also clear that the pandemic is not yet over and we will need to live with the virus for some time. We are concerned about the longer-term economic and social impact of the pandemic and especially the risk that disadvantage and inequality may increase substantially. While some sectors of the economy are expected to bounce back, others may take some years to recover and consequently some parts of our community may experience high levels of unemployment and poverty. It is also likely that many people's mental and physical health may suffer after long periods of isolation.

As always, our job at Sussex Community Foundation is to raise funds to help local charities meet the needs of local communities, for today and for the long term.

To address immediate needs we have relaunched our appeal for the Sussex Crisis Fund and will make grants to help charities and communities to recover from the pandemic. At the same time, we are re-focussing our efforts to attract donations for endowment so we can support communities for the long term.

There are great changes ahead for all of us and perhaps the future is more uncertain than ever before. We remain hopeful that, thanks to the generous support of our donors, the hard work of our staff and trustees, and the amazing work done by charities across Sussex, the Foundation will be able to play its part in helping our local community to recover and build strong foundations for a better world in the future.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management

Sussex Community Foundation is a registered charity and a company limited by guarantee. It is governed by its Memorandum and Articles of Association dated 10th January 2006 as amended on 11 May 2010.

Trustees and officers who served during the year or at the time of publication were:

Andrew Baird	(Appointed 26 November 2020)
Consuelo Brooke	(Resigned 26 November 2020)
Maggie Burgess	
Rodney Buse	
Julia Carrette	
Guy Davison	(Appointed 26 November 2020)
Corinne Day	(Appointed 26 November 2020)
Jonica Fox	
Mebrak Ghebreweldi	(Appointed 26 November 2020)
Nikki Glover	
David Hill	
Keith Hollis - Chair	
Brian Mills	
Martin Roberts	
Mark Spofforth OBE	
Patrick Stevens - Treasurer	
Pamela Stiles	

RECRUITMENT AND APPOINTMENT OF TRUSTEES

Trustees are appointed by the Board of Trustees for a three-year term, which can be renewed up to twice. Recruitment of new trustees is overseen by a Nominations Committee, which makes recommendations to the Board. At least every three years, the Trustees carry out a detailed review of the skills of members of the Board in order to identify any gaps. This review was completed in March 2018 and revised in 2020.

During 2020, the trustees advertised to seek applications for new trustees. After a very positive response, four new trustees were appointed and the Board also decided to appoint a number of independent committee members in order to provide greater opportunities for people to support the charity's work and to increase the diversity of people involved in the organisation.

TRUSTEE INDUCTION AND TRAINING

The Foundation has adopted procedures for recruitment, induction and training of Trustees, which include meetings with the Chair and Chief Executive on appointment, a recruitment information pack and appropriate training for Trustees.

TRUSTEE REMUNERATION AND REGISTER OF INTERESTS

All Trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in Note 10 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and to withdraw from decisions where a conflict of interest arises. At the beginning of every trustee meeting, those present are asked to declare any interests in any item in the agenda. Trustees may also declare any additional interest as the meeting unfolds.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

ORGANISATION

The Board of Trustees, which meets four times per year, governs the charity.

Sub-committees have been established to address specific areas of governance and meet as required. These committees include a Finance, Strategy & HR Committee, Grants Committee, Grants Strategy & Impact Committee, Fund Development Committee, Nominations Committee, Marketing Committee and Audit Committee.

As at June 2021, 11 permanent and three temporary paid staff conduct the day-to-day business of the charity, supported by volunteers and led by the Chief Executive who reports to the Board.

The Trustees are extremely grateful for the valuable contribution of volunteers and ambassadors, who help to attract funds, assess applications and assist in administration. These volunteers have played a central role in the success of the charity and the Trustees are always looking for ways to increase the Foundation's effectiveness by the involvement of volunteers.

PAY POLICY FOR SENIOR STAFF

The pay of all staff is reviewed annually against the Consumer Prices Index, other indicators of the cost of living and other comparable jobs. Job Descriptions are reviewed from time to time as posts become vacant or as roles and the requirements of the organisation develop. All Job Descriptions are reviewed at least every three years. The pay for new or revised Job Descriptions is benchmarked against similar posts in other community foundations and the local voluntary sector.

RELATED CHARITIES

None of the Trustees has any beneficial interest in the Foundation. All of the Trustees are members of the company and guarantee to contribute £10 in the event of winding-up.

Sussex Community Foundation is a quality accredited member of UK Community Foundations (which is itself a Registered Charity). Accreditation is subject to independent assessment every three years. The Foundation achieved accreditation in 2007, 2010, 2013 and 2017. UKCF delayed development of the 2020 quality standards due to the work involved in responding to the coronavirus crisis. The Foundation submitted its applications for accreditation in April 2021 and expects to hear the outcome in September.

The Foundation is also an associate member of the Association of Charitable Foundations and has distributed funds on behalf of the National Emergencies Trust via a partnership agreement with UKCF.

SUSSEX COMMUNITY FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

CASE STUDY 6



UK Harvest distributed tonnes of donated, fresh food to vulnerable, isolated people across West Sussex. Their grant helped them to welcome volunteers into a safe working environment.

"We must quickly work to recruit new volunteers too, as we have lost many of our regular volunteers as they are classed in the 'covid-vulnerable' bracket."

Auditor

In accordance with the company's articles, a resolution proposing that Knill James LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor are aware of such information.

The Trustees' report was approved by the Board of Trustees.


Keith Hollis - Chair
Trustee
Dated: 1.12.2021

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of Sussex Community Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SUSSEX COMMUNITY FOUNDATION

Opinion

We have audited the financial statements of Sussex Community Foundation (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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.

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SUSSEX COMMUNITY FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

SUSSEX COMMUNITY FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SUSSEX COMMUNITY FOUNDATION

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.

- Updating our understanding of the controls and procedures embedded within the organisation
- Communicating directly with those charged with governance to obtain their views on the potential for fraud or irregularity within the charity and how this is managed
- Carrying out substantive testing on income and expenditure, and validating to third party evidence
- Re-performing reconciliations of control accounts, and calculations of items such as depreciation
- Discussing with client the charity's compliance with laws, regulations and any statutory requirements
- Reviewing the charity's business model and forward planning to assess going concern
- Identifying anomalies or unusual transactions and obtaining explanations for them

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of report

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

Knill James LLP

Mark Filsell FCA (Senior Statutory Auditor)
for and on behalf of Knill James LLP

6 September 2021

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
<u>Income and endowments from:</u>						
Donations and legacies	2	597,622	3,883,357	196,091	4,677,070	3,663,405
Other trading activities	3	2,778	2,482	-	5,260	32,174
Investments	4	1,398	273,497	-	274,895	272,543
Other income	5	-	102,820	-	102,820	-
Total income and endowments		601,798	4,262,156	196,091	5,060,045	3,968,122
<u>Expenditure on:</u>						
Raising funds	6	96,161	-	-	96,161	91,150
Charitable activities	7	449,042	5,003,590	195,418	5,648,050	3,368,986
Total resources expended		545,203	5,003,590	195,418	5,744,211	3,460,136
Net gains/(losses) on investments	12	-	-	4,690,814	4,690,814	(394,424)
Net incoming/(outgoing) resources before transfers		56,595	(741,434)	4,691,487	4,006,648	113,562
Gross transfers between funds		-	689,095	(689,095)	-	-
Net movement in funds		56,595	(52,339)	4,002,392	4,006,648	113,562
Fund balances at 1 April 2020		450,277	2,330,167	20,680,044	23,460,488	23,346,926
Fund balances at 31 March 2021		506,872	2,277,828	24,682,436	27,467,136	23,460,488

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

All income and expenditure derive from continuing activities.

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

		Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
	Notes				
<u>Income and endowments from:</u>					
Donations and legacies	2	556,692	2,540,798	565,915	3,663,405
Other trading activities	3	5,502	24,847	1,825	32,174
Investments	4	3,093	269,178	272	272,543
Total income and endowments		565,287	2,834,823	568,012	3,968,122
<u>Expenditure on:</u>					
Raising funds	6	91,150	-	-	91,150
Charitable activities	7	458,782	2,715,743	194,461	3,368,986
Total resources expended		549,932	2,715,743	194,461	3,460,136
Net gains/(losses) on investments	12	-	-	(394,424)	(394,424)
Net incoming/(outgoing) resources before transfers		15,355	119,080	(20,873)	113,562
Gross transfers between funds		-	818,815	(818,815)	-
Net movement in funds		15,355	937,895	(839,688)	113,562
Fund balances at 1 April 2019		434,922	1,392,272	21,519,732	23,346,926
Fund balances at 31 March 2020		450,277	2,330,167	20,680,044	23,460,488

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

All income and expenditure derive from continuing activities.

SUSSEX COMMUNITY FOUNDATION

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	All income funds 2021 £	2020 £
Gross income	4,863,954	3,400,110
Transfer from endowment funds	689,095	818,815
Total income in the reporting period	5,553,049	4,218,925
Total expenditure from income funds	5,548,793	3,265,675
Net income for the year	4,256	953,250

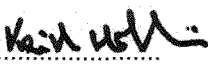
SUSSEX COMMUNITY FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13		722		961
Investments	14		24,242,812		20,162,164
			<u>24,243,534</u>		<u>20,163,125</u>
Current assets					
Debtors	16	384,952		400,190	
Cash at bank and in hand		2,869,542		3,319,532	
		<u>3,254,494</u>		<u>3,719,722</u>	
Creditors: amounts falling due within one year	17	(30,892)		(422,359)	
Net current assets			<u>3,223,602</u>		<u>3,297,363</u>
Total assets less current liabilities			<u>27,467,136</u>		<u>23,460,488</u>
Capital funds					
Endowment funds	19		24,682,436		20,680,044
Income funds					
Restricted funds	20		2,277,828		2,330,167
Unrestricted funds			506,872		450,277
			<u>27,467,136</u>		<u>23,460,488</u>

The financial statements were approved by the board of directors and authorised for issue on 1 September 2021 and are signed on its behalf by:


 Keith Hollis - Chair
 Trustee

Company Registration No. 5670692

SUSSEX COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(1,335,051)		1,112,417
Investing activities					
Purchase of investments		(269,358)		(1,454,139)	
Proceeds on disposal of investments		879,524		1,467,366	
Interest received		274,895		272,543	
Net cash generated from investing activities			885,061		285,770
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(449,990)		1,398,187
Cash and cash equivalents at beginning of year			3,319,532		1,921,345
Cash and cash equivalents at end of year			2,869,542		3,319,532

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Sussex Community Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 15 Western Road, Lewes, East Sussex, BN7 1RL.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared on the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements. The Trustees' assessment has included a review of the significant uncertainties around the short to medium term impact of the spread of the Covid-19 virus.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used or have been raised by the charity for particular purposes. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Expendable endowment funds represent those assets which, under the Articles of Association, the trustees have power to invest and which have been invested to generate investment income and capital gains which can be distributed as grants for the benefit of the community. Income arising on the expendable endowment funds can be used in accordance with the objects of the charity and is split between restricted and unrestricted funds in accordance with agreements made with individual donors. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

For flow-through funds management fees are taken at the time the donation is received by the Foundation. If the value of the fee exceeds £5,000 this income is spread over the period during which the grant making fund is disbursed. In all cases the management fee is treated as income at the date of receipt of the donation.

1.5 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. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out by the charity. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year in which they are awarded.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% reducing balance
Computers	straight line over four years

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

2 Donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
Donations and gifts	597,622	3,883,357	196,091	4,677,070	3,653,405
Legacies receivable	-	-	-	-	10,000
	597,622	3,883,357	196,091	4,677,070	3,663,405
For the year ended 31 March 2020	556,692	2,540,798	565,915		3,663,405

3 Other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
Management charge income	2,778	-	-	2,778	-
Fundraising events	-	-	-	-	8,102
Letting arrangements	-	2,482	-	2,482	24,072
Other trading activities	2,778	2,482	-	5,260	32,174
For the year ended 31 March 2020	5,502	24,847	1,825		32,174

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Investments

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total 2021 £	Total 2020 £
Income from unlisted investments	-	273,497	-	273,497	269,450
Interest receivable	1,398	-	-	1,398	3,093
	1,398	273,497	-	274,895	272,543
For the year ended 31 March 2020	3,093	269,178	272		272,543

5 Other income

	2021 £	2020 £
Income from sale of leasehold extensions	102,820	-
For the year ended 31 March 2020		
Unrestricted funds		-

6 Raising funds

	2021 £	2020 £
<u>Fundraising and publicity</u>		
Fundraising events	233	7,824
Other fundraising costs	8,747	350
Staff costs	87,181	82,976
Fundraising and publicity	96,161	91,150
	96,161	91,150
For the year ended 31 March 2020		
Fundraising and publicity		91,150

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Charitable activities

	2021 £	2020 £
Staff costs	277,462	250,918
Depreciation and impairment	240	321
Management charge	559,491	481,278
Other costs	28,953	43,623
	<u>866,146</u>	<u>776,140</u>
Grant funding of activities (see note 7)	4,639,518	2,428,924
Share of support costs (see note 9)	93,796	115,387
Share of governance costs (see note 9)	48,590	48,535
	<u>5,648,050</u>	<u>3,368,986</u>
Analysis by fund		
Unrestricted funds	449,042	458,782
Restricted funds	5,003,590	2,715,743
Endowment funds	195,418	194,461
	<u>5,648,050</u>	<u>3,368,986</u>

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Grants payable

1,172 grants (2020 - 695) worth £4,639,518 (2020 - £2,428,924) were awarded to 720 groups (2020 - 520) and 19 individuals (2020 - 43). The average grant awarded was £3,490 (2020 - £3,928). 174 grants were for £1,000 or less (2020 - 196). *265 groups received more than one grant (maximum 7, average number of grants per group was 1.61).

Grants to institutions of £10,000 or more awarded during the year were as follows:

Details	Amount £
BT Openreach	£74,245.50
South Downs National Park Trust	£25,000.00
Kent Community Foundation	£24,232.00
Crawley Community Action	£20,000.00
Eastbourne Citizens Advice Bureau	£20,000.00
Stonepillow	£20,000.00
Sussex Community Development Association	£20,000.00
Mid Sussex Voluntary Action	£17,665.00
Kent Community Foundation	£15,426.00
Diversity Resource International	£15,000.00
Adur Voluntary Action	£14,080.00
Bolney Parish Council	£12,390.00
Voluntary Action Arun & Chichester	£11,473.00
Crawley Open House	£10,000.00
City Gate Community Projects (Fareshare Project)	£10,000.00
Family Support Work	£10,000.00
Now! Charity Group Ltd	£10,000.00
St Peter's Church (Safehaven Project)	£10,000.00
The Lodge Hill Trust	£10,000.00
Time to Talk Befriending	£10,000.00
Together Co	£10,000.00
Dementia Support	£10,000.00
Extratime	£10,000.00
Kangaroos	£10,000.00
Mayfield and Five Ashes Community Services (MAYFACS)	£10,000.00
Oscar's Wish Foundation	£10,000.00
People Matter Charitable Trust	£10,000.00
Seaview Project	£10,000.00
UkHarvest	£10,000.00
Rother Voluntary Action- RVA	£10,000.00
Trust for Developing Communities	£10,000.00
St Anne's Trust	£10,000.00
Central and South Sussex Citizens Advice Bureau	£10,000.00
St Mark's CE Primary	£10,000.00
Moulsecoomb Primary School	£10,000.00
Breathing Spaces Community Interest Company	£10,000.00
Friends of Hove Lagoon	£10,000.00
One Church Brighton	£10,000.00
Pedal People	£10,000.00
Smarter Uniforms	£10,000.00

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Grants payable

(Continued)

The Spire Arts	£10,000.00
Community Chef Good Food for All CIC	£10,000.00
Havens Community Hub CIC	£10,000.00
Little Gate Farm	£10,000.00
Roffey Institute	£10,000.00
South Downs National Park Trust	£10,000.00
Twineham & Wineham Cricket Club	£10,000.00

Grants to Kent Community Foundation relate to the Little Cheyne Court Wind Farm Fund, which is managed in partnership between the two foundations.

A number of grants were awarded subject to conditions, which have not yet been fulfilled. The total value of these conditional grants was £220,577.

9 Support costs

	Support costs	Governance costs	2021	2020
	£	£	£	£
Staff costs	15,608	28,339	43,947	42,355
Rent	26,104	-	26,104	25,936
Insurance	2,658	-	2,658	2,311
Property service charge	12,698	-	12,698	9,521
Bank charges	137	-	137	178
Staff training and recruitment	4,586	-	4,586	19,825
Staff travel and subsistence	3,842	-	3,842	11,965
Computer software, systems and applications	19,803	-	19,803	16,117
Printing, postage and stationery	2,611	-	2,611	8,114
Telephone	3,299	-	3,299	1,870
Repairs and maintenance	2,450	-	2,450	3,595
Grant making costs	-	525	525	52
Audit fees	-	6,000	6,000	5,730
Legal and professional	-	6,840	6,840	6,573
Bookkeeping and accountancy	-	4,849	4,849	6,390
Trustees meetings and expenses	-	-	-	162
Annual report and AGM	-	2,037	2,037	3,228
	<u>93,796</u>	<u>48,590</u>	<u>142,386</u>	<u>163,922</u>
Analysed to:				
Charitable activities	<u>93,796</u>	<u>48,590</u>	<u>142,386</u>	<u>163,922</u>

The charity's auditors Knill James LLP also supplied book-keeping and accountancy services to the charity during the year for a fee of £4,086.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable employees	12	12

Employment costs

	2021 £	2020 £
Wages and salaries	364,299	329,672
Social security costs	31,322	29,669
Other pension costs	12,969	16,908
	408,590	376,249

Pension contributions

The charity operates a defined contribution pension scheme. At the year end, there were £1,393 of outstanding pension contributions owing to the scheme (2020 - £3,418).

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-

Contributions totalling £3,424 were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

12 Net gains/(losses) on investments

	Endowment funds 2021 £	Total 2020 £
Revaluation of investments	4,690,814	(394,424)

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2020	13,758
At 31 March 2021	13,758
Depreciation and impairment	
At 1 April 2020	12,796
Depreciation charged in the year	240
At 31 March 2021	13,036
Carrying amount	
At 31 March 2021	722
At 31 March 2020	961

14 Fixed asset investments

	Securities £
Cost or valuation	
At 1 April 2020	20,162,164
Additions	269,358
Valuation changes	4,690,814
Disposals	(879,524)
At 31 March 2021	24,242,812
Carrying amount	
At 31 March 2021	24,242,812
At 31 March 2020	20,162,164

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,254,494	3,719,722
Equity instruments measured at fair value through profit or loss	24,242,812	20,162,164
	<u>27,497,306</u>	<u>23,881,886</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>21,354</u>	<u>412,953</u>
16 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	18,980	33,722
Other debtors	365,972	366,468
	<u>384,952</u>	<u>400,190</u>
17 Creditors: amounts falling due within one year	2021	2020
	£	£
Other taxation and social security	9,538	9,406
Trade creditors	848	-
Other creditors	1,879	3,904
Accruals and deferred income	18,627	409,049
	<u>30,892</u>	<u>422,359</u>
18 Retirement benefit schemes		

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to Statement of Financial Activities in respect of defined contribution schemes was £12,969 (2020 - £19,908).

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

19 Endowment funds

	Balance at 1 April 2019 £	Movement in funds			Balance at 1 April 2020 £	Movement in funds			Balance at 31 March 2021 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
Expendable endowments									
Sarasin Endowment including grassroots	10,336,487	552,590	(142,335)	(403,031)	(168,628)	10,175,083	(146,584)	(526,315)	2,420,196
Community First Trust	7,708,156	15,422	-	(242,029)	(232,167)	7,249,382	-	-	1,495,787
CCLA Other	3,475,089	-	(52,126)	(173,755)	6,371	3,255,579	(48,834)	(162,780)	774,831
	21,519,732	568,012	(194,461)	(818,815)	(394,424)	20,680,044	(195,418)	(689,095)	4,690,814
						196,090	(195,418)	(689,095)	24,682,436

Transfers of £689,095 (2020: £818,815) represent drawdowns from endowment for grant making and operating costs. "Grassroots" and "Community First" relate to two government funded endowment match challenges.

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2019	£	Movement in funds		Balance at 1 April 2020	£	Movement in funds		Balance at 31 March 2021	£
			Incoming resources	Resources expended			Incoming resources	Resources expended		
	1,392,272		2,834,823	(2,715,743)	2,330,167		4,262,158	(5,003,592)	689,095	
Funds held for grant making										2,277,828

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 March 2021 are represented by:				
Tangible assets	722	-	-	722
Investments	-	-	24,242,812	24,242,812
Current assets/(liabilities)	506,150	2,277,828	439,624	3,223,602
	<u>506,872</u>	<u>2,277,828</u>	<u>24,682,436</u>	<u>27,467,136</u>

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	26,093	26,093
Between two and five years	63,798	89,891
In over five years	-	7,546
	<u>89,891</u>	<u>123,530</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>80,135</u>	<u>78,405</u>

SUSSEX COMMUNITY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24	Cash generated from operations	2021 £	2020 £
	Surplus for the year	4,006,648	113,562
	Adjustments for:		
	Investment income recognised in statement of financial activities	(274,895)	(272,543)
	Fair value gains and losses on investments	(4,690,814)	394,424
	Depreciation and impairment of tangible fixed assets	240	321
	Movements in working capital:		
	Decrease in debtors	15,238	544,388
	(Decrease)/increase in creditors	(391,468)	332,265
	Cash (absorbed by)/generated from operations	(1,335,051)	1,112,417
25	Analysis of changes in net funds		
	The charity had no debt during the year.		