

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	The 10th Duke of Richmond and Gordon	
	Sir Peter Field JP Lord Lieutenant of East Sussex	
Patron	Susan Pyper Lord Lieutenant of West Sussex	
	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."

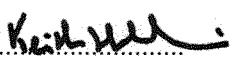
Auditor

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

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total 2020 £
<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

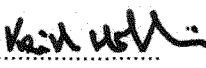
SUSSEX COMMUNITY FOUNDATION

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
	<u>1,398</u>	<u>273,497</u>	<u>-</u>	<u>274,895</u>	<u>272,543</u>
For the year ended 31 March 2020	<u>3,093</u>	<u>269,178</u>	<u>272</u>		<u>272,543</u>

5 Other income

	2021 £	2020 £
Income from sale of leasehold extensions	102,820	-
For the year ended 31 March 2020	<u>102,820</u>	<u>-</u>
Unrestricted funds		<u>-</u>

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
	<u>96,161</u>	<u>91,150</u>
Fundraising and publicity	96,161	91,150
	<u>96,161</u>	<u>91,150</u>
For the year ended 31 March 2020		
Fundraising and publicity		<u>91,150</u>

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)		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		
			£	£		£	£	£		£
Funds held for grant making	1,392,272	2,834,823	(2,715,743)	818,815	2,330,167	4,262,158	(5,003,592)	689,095	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.		