

Trustees' Report and Financial Statements For Cheshire Community Foundation Limited

(A company limited by guarantee)

For the year ended 31 December 2021



CONTENTS

	Page Number
Legal and Administrative Information	3
Trustees' Report	4
Auditors' Report	15
Statement of Financial Activities	19
Balance Sheet	20
Cash Flow Statement	21
Notes Forming Part of the Financial Statements	23

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

LEGAL AND ADMINISTRATIVE INFORMATION

Registered Charity No: 1143711

Registered Company No: 07731278

Registered Office: Sension House, Denton Drive, Northwich, Cheshire, CW9 7LU

Trustees:	Howard Platt D.L.	Chair
	Andrew Butters	Treasurer
	Diane Brown	Chair of Grants Panel
	Nick Mason	To 13 May 2021
	Sarah Callander Beckett D.L.	
	Jeannie France-Hayhurst	
	Sean Humphreys	
	Terry Inns	

The directors of the charitable company, Cheshire Community Foundation Limited (the Foundation), are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees are delighted that the Lord-Lieutenant of Cheshire, Lady Alexis Redmond, MBE has agreed to become Cheshire Community Foundation's Honorary President.

Executives:	Zoe Sheppard D.L.	Chief Executive
	Margaret Cheshire	Chief Operations Officer
	Angela Richardson	Grants Director

Solicitors: Gorvins Solicitors, Dale House, Tiviot Dale, Stockport SK1 1TA

Bankers: Santander, Bootle, Merseyside L30 4GB

Auditors: Beever and Struthers Chartered Accountants, St George's House
215-219 Chester Road, Manchester M15 4JE

Investment Managers: CCLA, Senator House, 85 Queen Victoria Street, London,
EC4V 4ET

Company Secretary: Charles Agar, FDR Law, 1-5 Palmyra Square South, Warrington, WA1 1BZ

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees of Cheshire Community Foundation, who are also Directors of the Foundation for the purposes of the Companies Act, are pleased to present their Annual Report for the year ended 31 December 2021.

Introduction

CCF's vision is to make a tangible difference to the most disadvantaged in Cheshire and Warrington by providing high quality grants to support the most effective charities and community organisations. In 2021 we continued to respond to local need with the support of our generous donors and strong relationship with funding partners, statutory organisations, and local charities. Our valued partnerships make a significant contribution to the overall results achieved and we are pleased to have awarded 338 grants, to a value of £1,864,070, whilst also raising £1,729,057 in new donations in 2021.

We celebrated our 10th Anniversary in 2021 and are pleased to have developed into a thriving and valued local funder. We are hugely grateful to all those who support CCF, in a variety of ways, and to our hard-working and enthusiastic team led by Zoe Sheppard, our Chief Executive. We are particularly proud that the Foundation, which commenced grant-making in October 2012, has awarded more than **£10 million** in grants within our first ten years. We are looking forward to building on our first decade by developing our future strategy to further place-based approaches that reflect the diversity of the local area and by growing funds, in particular endowment funds, to achieve sustainability as an organisation capable of making longer-term impact.

Overview of 2021

CCF's generous donors recognised the challenge presented by the Covid-19 pandemic in 2021 and this enabled grant making to support local charities, helping address the wide-ranging need identified. The year started with CCF's responsive recovery grants programme that distributed over **£305,000** to address local needs, supporting people whose lives have been impacted by the pandemic. National funding of **£66,800**, available from the Department of Culture, Media and Sport, released as a result of donors' willingness to provide matched funding, was also distributed to local charities for short-term activity in response to the pandemic. CCF were also very pleased to manage, on behalf of Bentley Motors, a grants programme distributing **£188,768** to charities operating in the Crewe area to address specific needs arising from the impact of Covid-19.

CCF were delighted to build their partnership with Assura plc, managing their national community grants programme and local giving. The national community grants programme distributed over **£400,000** to help a wide range of people of all ages who need support for their mental health and wellbeing. Additionally, **£95,577** was awarded to a range of projects supported through the national Rugby League World Cup programme, helping charitable and voluntary sector organisations in the host towns and cities to deliver health and wellbeing activities.

The development of a focussed, place-based approach has contributed to the growth of place-based funds and a grants programme, "Improving Outcomes in Deprived Neighbourhoods", that has targeted local need. This programme, thanks to the donations from individual fund holders and those contributing to group funds, awarded **£222,976** to charities working with those most in need. We recognise the importance of growing place-based funds and our activity in Warrington, which has specific community endowment funds generating an annual income for grant-making, provides a template for future place-based partnerships and highlights the benefit of investing for the longer term.

Our service to donors includes the provision of tailored grant-making advice and we offer donors the opportunity to find out more about the charities they support and feel proud of the difference they make. Our small grants programmes and innovative, personalised grant activity has encouraged greater innovation and enabled a wide range of charities to benefit from the funding available. CCF were also pleased to distribute funding of **£38,447** to support sports clubs and organisations through the Made by Sport programme, via membership of the network of UK Community Foundations, helping young people by develop life skills, creating employment opportunities, reducing crime and anti-social behaviour, and tackling mental health issues.

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

What CCF does

Our expertise enables us to direct money received from donors towards making the biggest difference to people's lives. Our core activity involves connecting the people who want to give with the most effective grass-roots charities and not-for-profit organisations, directly helping those most in need, whilst enabling our donors to feel proud that they have made a real difference.

Our aim is to make giving to charity an enjoyable, uplifting experience, where our donors can see how vulnerable lives are changed as a direct result of the donations they make. Investing wisely in charities is not as easy as it sounds, and we are conscious that our donors do not have the time to manage incoming requests for support, pore over charity accounts and business plans, review budgets and project plans, check governance and make sure that the money awarded is spent as it was intended. We manage all aspects of the process for our donors such as due diligence, payments, and project monitoring, whilst sharing the project impact, successes and stories of the people helped through the donations made.

CCF offers individuals, families, corporates, charitable trusts, and foundations the opportunity to outsource their charitable giving, ensuring that their investment in the local community is well informed, focused and supported by comprehensive reporting, giving donors complete confidence that they really have changed the lives of people who need our help. We can advise donors on where the acute needs are in Cheshire and Warrington so their fund can be used to address priority areas of need in the local community. Alternatively, if donors are clear on the cause(s) they would like to support, we are able to connect them to voluntary organisations that support the people they are passionate about helping.

Understanding need in Cheshire and Warrington

We continue to work closely with public sector partners, key expert stakeholders and donors to decide on the impact, types of projects and beneficiaries to be supported. Beneficiaries include young people; older people; people with disabilities; people with mental health issues. We advise our donors where the areas of real need are in Cheshire and Warrington, so they can rest assured that they will be supporting vulnerable people who really need their help. Our long-term aims are:

- To improve mental health and wellbeing.
- To tackle poverty and disadvantage.
- To help to develop education, skills, and employment.
- To build stronger communities across Cheshire.

In 2021, CCF continued to recognise the need to support the voluntary sector with emergency relief and longer-term strategic funding to enable charities within the sector to adapt and thrive during the Covid-19 pandemic.

Fundraising

Our aim is to increase donations to existing funds, set up new funds and encourage donations into our Trustee Managed Fund and it is important to us that our donors are engaged in the work CCF does and are proud of the difference their donation makes. There has been an increase in the value of repeat donations from donors, who have provided feedback saying they are delighted with the service we provide.

We have been pleased to build partnerships with charitable trusts, foundations and other funders and provide an effective grant management service to organisations such as Assura to assist in their charitable giving. During the year we have worked collaboratively either to share information about our grant making, to avoid duplication and overlap and/or to support other funders to distribute funds through grants programmes and match funding initiatives.

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Our objective is to provide a valuable service for donors and maintain our strong sustainable financial position by ensuring that we have sufficient unrestricted funds available to meet our operational costs. We aim to have robust grant making processes with appropriate due diligence to make sure every penny is well spent in making a difference. In 2021 we continued to develop our relationship with the three local authorities in Cheshire East, Cheshire West and Chester and Warrington to understand the support available from the local authorities and governmental resources.

We recognise the importance of taking a longer-term approach and in order to support our longer-term strategies, we aim to add to our endowment funds as this will assist sustained grant making.

Giving options

We are always grateful for all donations, of any value.

- Donations to core costs are always welcome as they help to support our dedicated team.
- Regular donations to the Cheshire 100 Club, which contributes towards core costs.
- On-line donations to campaigns such as the Covid-19 Emergency Response or End Food Poverty.
- Donations under £10,000 will support any of our general funds, for example, our Small Grants Programme, and donors receive an annual report to advise how the money in that fund has been spent.
- Donors may set up their own fund from £10,000 upwards, which enables them to decide what they would like to support and over what duration they would like the fund to be spent. Again, we offer 12 monthly reporting and liaise with our donors during our rounds of grant-making (when we decide on which voluntary organisations will be supported), to agree which projects they would like to support.
- Endowment funds can be set up for larger funds or where donors are looking to provide longer-term support for the local community.

Other opportunities for investment

CCF's Grants Programmes: Supporting a wide and diverse range of projects tackling multiple disadvantages across Cheshire.

Trustee Managed Funds: The option of donating into a fund which is managed by our Trustees, who make the decisions about how the money should be used to create the greatest impact.

Geographic Funds: Provide a way for both individuals and companies to pool resources to make a bigger impact in places where they live or work. **The Crewe Fund** was a new geographical fund operational in 2021 for the first time and operates alongside the **Cheshire West Fund** and the **Knutsford Fund** that are already in place.

Donor Directed Funds: In 2021 we were able to continue to help our donors support projects that fall within the remit of the aims and objectives of their funds. We have been delighted to continue to manage a national £3 million fund on behalf of Assura PLC, based in Warrington, through its second year. The Assura Community Fund distributes grants to charitable organisations supporting wellbeing, that are situated within 15 miles of an Assura building.

We are pleased also to continue to assist Bentley Motors to maximise their generous donations by supporting charities within a 20-mile radius of the Bentley Headquarters in Crewe.

Working towards sustainability

During 2021 we continued to move towards completing our sustainability objective with donated services contributing significantly to the running of the Charity. We would like to thank all our generous supporters for all the help they give us. We are extremely grateful.

- Our CEO is working on a pro bono basis.
- Our Trustees have provided pro bono advice and consultancy.
- EMR has donated computers and IT services.
- We have received sponsorship to cover the full cost of all the events that have taken place during the year.

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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- Our Company Secretary has provided pro bono legal advice and consultancy.

This support has ensured that when philanthropists donate to named funds and discretionary funds, a maximum of 12% of their donation goes towards our costs, including the costs of assessing grant applications and undertaking appropriate due diligence on grantees. The result is that a minimum of 88% of the amounts donated to named and discretionary funds directly supports local groups and organisations.

In the long term, we are seeking to grow regular donation levels and endowment funds as we work towards full sustainability. However, in the interim, we are exceedingly grateful to individuals and organisations who have made contributions to our core costs.

GRANT-MAKING

In 2021 we made grant awards of **£1,864,070**, supporting projects covering health, wellbeing and serious illness, including mental health, disability and access issues; development towards stronger diverse communities, including community support, social inclusion and works to reduce poverty and disadvantage; attempts to reduce both social and rural isolation; caring responsibilities as well as supporting family life; counselling, advising, mentoring and volunteering as well as improving access to education, learning, training and employment.

Our grant making continues to be under-pinned by our commitment to connect the people who want to give back with the most effective grass-roots charities and not-for-profit organisations, directly helping those most in need, whilst enabling our donors to feel proud that they have made a real difference. The Foundation works closely with donors to match donors wishes with key areas of need.

We want Cheshire to be a place where, regardless of where they live:

- People can feel fulfilled and reach their full potential.
- People can achieve economic, social, mental, and physical wellbeing.
- Inequalities in life expectancy, health and employment opportunity are reducing.
- People share a strong sense of community.
- Voluntary and community-based activity can thrive and flourish.

To achieve this, we ensure that we strive to:

- Understand the needs and aspirations of people in Cheshire, recognising that 'disadvantage' can take many forms.
- Develop community investment programmes that are responsive and flexible, to take account of changing and emerging needs.
- Be responsive to the wishes of fund holders and donors.
- Ensure that our investment makes a significant difference to people's lives.

Overview of grants distribution

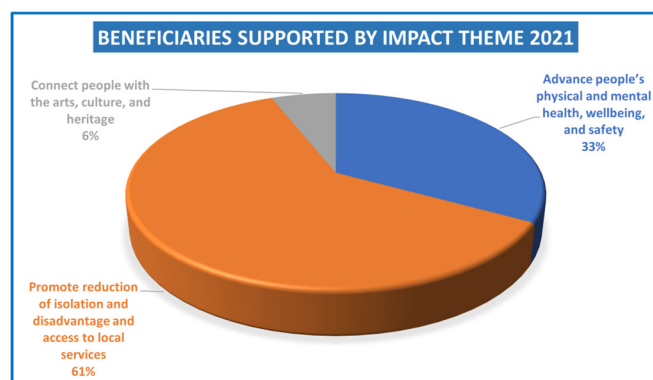
In 2020 we managed the exceptional response required as the Covid-19 pandemic emerged and, although we have continued to respond and support local charities to address needs emerging from this, our activity has reduced slightly. In 2021 we processed **561** (2020: 659) full applications requesting **£3,253,498** (2020: £3,271,581) and awarded **338** (2020: 440) grants totalling **£1,864,070** (2020: total value £2,813,226) supporting a total of **199,709** beneficiaries (2020: 294,692) with **105,487** individuals receiving direct support (2020: 196,272).

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Grants Awarded by Key Programmes - Values	Amount Awarded	Percentage of Total
The Assura Community Fund 2021	£401,143	21.52
Pandemic Recovery	£305,746	16.40
Proactive Donor Charity Matching	£287,652	15.43
Improving Outcomes in Deprived Neighbourhoods	£222,976	11.96
Bentley Covid-19 Impact	£188,768	10.12
Assura Community and Rugby World Cup	£148,148	7.95
Warrington Community Main and Small Grants	£91,272	4.89
CCF Grants – Small and Young Minds Matter	£72,872	3.90
DCMS Match Funding – NET and EFP – Covid Short Grants to Small Charities	£66,801	3.58
Knutsford Main and Small Grants	£40,246	2.16
Made by Sport	£38,446	2.09
TOTAL	£1,864,070	100%

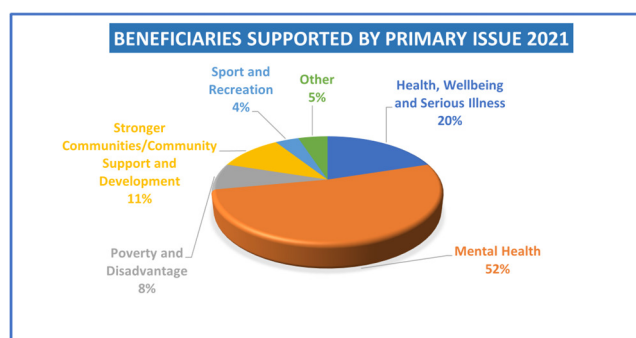
In 2021, our grant making team continued to work across Cheshire and Warrington, making links across sectors and working to bring about change. This has included developing and strengthening relationships with the voluntary and community organisations that we work with and forging links with several strategic partners who can help support our organisation's capacity. Our thanks particularly go to Cheshire Connect, Cheshire West Voluntary Action, Cheshire East CVS, and Warrington Voluntary Action, who have helped raise awareness of our grant making.

To ensure that we continue to fulfil our objectives and maximise public benefit, all applicant groups are required to show that they have charitable objectives (though they need not be registered charities). Each grant application is rigorously assessed against standard criteria including evidence of need, community use and involvement, governance, finances, and organisational ability to manage, together with the ability to achieve powerful and measurable outcomes. Each applicant group provided a detailed application, its constitution, accounts, child protection and vulnerable adults policies as applicable.



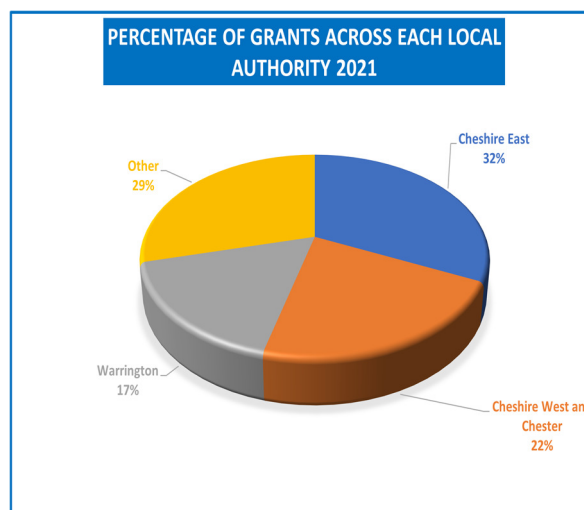
The majority of projects supported during 2021 were focussed on promoting reduction in isolation and disadvantage and access to local services. Many of these projects were in place to address the challenges set by the pandemic and were vital to people after the lockdown period. A significant percentage of projects supported were to advance people's physical and mental health, wellbeing, and safety – again, critical after emerging from lockdown and in managing the pandemic on a daily basis.

The primary issue supported in 2021, with over half of the beneficiaries across all age groups, was grants linked to addressing mental health. This was partly driven by the grants given in response to the pandemic and delivery of the Cheshire Minds Matter grants programme. Health, wellbeing, and serious illness was also a significant issue, closely followed by building stronger communities and community support and development.



CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Cheshire East received the most funding during 2021, consistent with the past 10 years and linked to the higher population in the area. The 'Other', representing grants outside Cheshire & Warrington, is higher than previous years due to the grants awarded on behalf of Assura, i.e. their Community Programme and the Rugby World Cup Programme, which were open to applicants across the UK.



Our partnership with Assura

We have continued to work in partnership with Assura and managed two programmes on their behalf in 2021. The first of these, the Assura Community Grants Programme recognises that people's health is determined by a range of social, economic, and environmental factors and that, alongside the valuable services provided by primary healthcare providers, the voluntary sector plays a vital, complementary role in addressing vulnerable people's needs in a holistic way, supporting individuals to take greater control of their own health and wellbeing. The combination of primary healthcare and non-medical interventions has been shown to have powerful emotional, cognitive, and social benefits as a viable route to reducing social exclusion - both for disadvantaged, isolated and vulnerable people - and for people with mental health problems. It was very important that, after emerging from lockdown, the need for post COVID-19 support, resilience and recovery was recognised, and this was achieved by strengthening the capacity of charitable/voluntary sector organisations to deliver a range of project activities taking place within 15 miles of an Assura healthcare building. **£401,143** was awarded to UK charitable organisations supporting vulnerable people who may have experienced loneliness and isolation, bereavement, trauma or mental health issues arising from the pandemic, to help them to move forward positively with their lives.

Assura was the Rugby League World Cup 2021 (RLWC2021) tournament's Official Community Health Partner and we were delighted to support them as they further underlined their commitment to creating positive social impacts within communities with their RLWC2021 Grants Programme. Together, we awarded **£94,000** in grants to health projects working from or with rugby league community clubs, existing recipients of the RLWC2021 Created By Capital Grants Programme, and within the eighteen RLWC2021 host towns and cities to educate and teach skills to contribute to improved emotional health and wellbeing, gaining support for life challenges and providing increased activities and opportunities to improve self-confidence, self-esteem and belonging. The partnership will align with RLWC2021's Mental Fitness Charter which is educating people to look after their own mental fitness, and of those around them, at a time when mental and physical health is such a priority.

FINANCIAL REVIEW

We received new donations of **£1,729,057** in the year (2020: **£4,983,456**) of which **£1,513,042** was donated for granting.

We received investment income from endowments of **£190,127** (2020: **£176,509**) and furthermore encashed from endowments, with Donors' agreement for grant making, **£111,043** (2020: **Nil**) of valuation gains above inflation.

During the year we paid, and were in the process of paying, grants totalling **£1,850,948** (2020: **£2,848,684**) which is reported net of a relatively small number and value of grants previously awarded but returned to us as unutilised.

We held endowment funds of **£6.792** million on 31st December 2021.

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

We held restricted funds, i.e. named funds and discretionary funds, of **£2.917** million on 31st December 2021.

The Charity's core fund increased during the year and stands at a sum of **£359,338**, representing 1.2 years of core costs. The Trustees believe this is essential to maintain grant making activity in times of uncertainty.

INVESTMENT POLICY

The Board has a Finance, Risk, Operations and Grants Committee consisting of four Trustees and is attended by the Chief Executive, Chief Operations Officer and relevant external advisers by invitation as appropriate. This committee oversees the management of funds to ensure an appropriate investment policy with regard to risk and the need to balance capital and income return.

Until last year all our endowment monies were invested by CCLA in the COIF Charities Investment Fund. In 2021 we decided that these should be wholly switched to CCLA's Ethical Investment Fund and that was effective as from 1st July. Whereas the respective performances of these two funds had been similar in recent years, the Board concluded that the Ethical Fund's investment policies were better aligned with our and our donors' principles.

We have previously reported that we are required to invest Community First endowment funds, which received government matched funding, with CCLA. We also use this investment manager for other endowment funds based on their good performance and the scale of the non-Community First endowments. This is kept under review by the Finance, Risk, Operations and Grants Committee and is formally reviewed at least every 3 years.

In 2021 the COIF Charities Ethical Investment Fund delivered a total return of **16.76%** (2020 ex the Investment fund: **9.78%**). This closely matched the benchmark comparator (17.06%), in a year of generally strong investment returns. The relative performance against benchmark was supported by both asset allocation and stock selection. This total return comprised an income yield of around 3% with the remainder representing portfolio growth. The first months of 2022 have, however, seen a downturn in valuations owing to the international situation as well as UK specific issues. These investments are held for the long term and whilst the position will be kept under review, we do not currently foresee any policy change in this regard.

The Foundation seeks to support its work with the returns generated from an investment portfolio. The Trustees have passed a total return resolution for permanent endowments which enables some growth above inflation to be taken and used to support grant-making activity in the coming months.

Inevitably the portfolio is exposed to a number of potential risks, these include:

- **Risk of permanent loss:** The portfolio may be invested in assets which fail, leading to a permanent and substantial loss of the sum invested.
- **Market fluctuations:** The value of investments may fall or rise over time. Sales at depressed valuations could result in a loss of capital. Fluctuations can occur in the broad investment market, in sectors or in individual securities.
- **Income risk:** Income from the portfolio might decline. This could be the result of a general or broadly-based decline in income payments or as a result of lower payments from an individual asset or group of assets.
- **Interest rate risk:** Changes in prevailing interest rates or in expectations for future interest rates could affect the value of assets held. Fixed interest investments may be particularly exposed to this risk. If interest rates are expected to rise faster or further than previously, then fixed interest investments may fall in value. Conversely, if interest rates reduce more than expected, fixed interest investments may rise.
- **Currency or foreign exchange risk:** Investment in overseas investment markets may result in exposure to foreign currencies. Changes in exchange rates may have an effect on the value of the assets as reported in sterling.

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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- **Liquidity risk:** The portfolio may invest in assets where liquidity, the ability to buy and sell, deteriorates making it difficult to liquidate the position should that be desired.
 - **Inflation risk:** The real value of the assets will be affected by the rate of inflation.
 - **Costs and charges:** Costs and charges will erode value and excessive costs could have a detrimental impact on values over time.

To mitigate these risks, we follow a prudent investment policy and monitor the progress of investments on a regular basis. The portfolio is actively managed by expert advisers who operate in a clear, agreed risk framework. Holdings are diversified by asset type, geographic location, sector, and individual security. All assets considered for investment are individually assessed and regularly reviewed to ensure that they are and remain of an appropriate high quality. Most importantly, the assets held are believed to be a strong match to the Foundation's investment objectives and notwithstanding the inevitable risk exposures involved with any investment strategy, are considered likely over time to provide investment returns which support the Foundation's work.

As further endowment monies are raised, the Trustees will keep our investment policy under review, possibly adding additional fund managers.

Funds derived from revenue donations for grant-making and core costs are retained in bank accounts, term deposits and the COIF Charities Deposit Fund.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Cheshire Community Foundation Limited is a company limited by guarantee, company number 07731278 and a registered charity, registration number 1143711. The Trustees of the charity and its principal advisers are listed on page 3.

The Foundation is governed by its Memorandum and Articles of Association. The Articles of Association set out the powers of the Board of Trustees; there are currently eight Trustees.

The objects of the Charity, as set out in the Memorandum and Articles of Association, are:

- The promotion of any charitable purposes for benefit of the community in the County of Cheshire.
- Other exclusive charitable purposes in the United Kingdom and elsewhere which are, in the opinion of directors, beneficial to the community with a preference of those in the area of benefit.

We are supported by an excellent Executive Team: Zoe Sheppard is our Chief Executive Officer and is assisted by our Chief Operations Officer, Margaret Cheshire and Grants Director, Angela Richardson. The supporting, mainly part-time, team has developed to reflect the increased activity and includes a Grants Manager, Karen Ziesler, our Business Coordinator, Carole Royle, our Donor and Fund Development Team of Debbie Smith, Susie Roberts and Iona Moxon, and a Finance Officer who works on a consultancy basis. We have continued to invest in the services of a part-time Development Director and Marketing and Communications Officer, who work on a consultancy basis.

The CCF team was supported throughout the year by 30 grant panellists, together with other volunteers who have supported the team on fund development and grant-making.

The Board of Trustees of Cheshire Community Foundation Limited is responsible and accountable for strategic direction and collectively setting and monitoring the Foundation's impact against its vision, mission, and objectives. As guardians of the Foundation, all Trustees are equally responsible in law for the Board's actions and decisions.

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

As Directors of the company, all Trustees take legal and fiscal responsibility for the funds entrusted to them. The Trustees are responsible for ensuring that the Foundation is performing well and is delivering on the charitable objectives for which it was set up, in accordance with its Memorandum and Articles, as well as ensuring that goals outlined in its Business Plans are achieved. The full Board of Trustees meets quarterly. Between Board meetings, business is conducted by sub-committees with delegated responsibility for operational oversight. The two sub-committees during the year ended 31st December 2021 were:

- Finance, Risk, Operations and Grants Committee
- Remuneration Committee

The above committees have a Terms of Reference document which sets out the powers and authority delegated to them. These can be found in both the Trustee and Staff Handbook. In addition to the above committees, there is also a Grants Strategy Review Committee.

The Finance, Risk, Operations and Grants Committee has been delegated responsibility for the Foundation's grant making function and currently consists of the Chief Executive, Zoe Sheppard, the Chief Operating Officer, Margaret Cheshire, our Chair, Howard Platt, Andrew Butters (finance), Diane Brown (grant-making) and Terry Inns. The Finance, Risk, Operations and Grants Committee is jointly chaired by Andrew Butters and Diane Brown. The Committee approves recommendations made to it by the Foundation's Grant Panels and takes responsibility for the appropriate allocation of grant awards from the restricted funds under its management (both discretionary and donor advised). The Committee also has delegated powers to veto decisions made by the Grant Panels but only:

- Where it feels that the Panel's recommendations are in breach of some duty for which they, as Trustees of the Foundation, are responsible; or
- Where the Grants Committee is in possession of significant information relating to the application, to which the Grant Panel was not privy.

All grant applications are assessed at Grant Panel for evidence of need, community benefit and value for money.

The Committee has also been delegated responsibility for overseeing all audit, financial, investment, and risk management aspects of Cheshire Community Foundation Limited.

A Remuneration Committee meets once a year (at year end) to discuss staff remuneration and reward and consists of the full Board of Trustees.

The Board

The Board continues to review its skills, diversity, and expertise on an annual basis to ensure continued good governance and delivery of the Foundation's objectives and business plans. All Trustees also have an individual annual appraisal meeting with the Chair of the Board.

Trustees remain committed to their ongoing training and development. This includes visiting other Community Foundations, liaising with other Community Foundation Trustees, working with UK Community Foundations (UKCF), attending UKCF meetings and events, participating in internal training and development sessions and attending appropriate external training. The Chair of the Foundation, Howard Platt, has attended several meetings of UKCF Chairs.

The Board has not made any new Trustee appointments during 2021. However, Nick Mason resigned from his position of Trustee at the end of his term in May 2021. A full skills audit and diversity overview has been undertaken in readiness for the search and recruitment of new Trustees.

The Trustees confirm that they have again complied with the duty in the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities of Cheshire Community Foundation Limited.

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Cheshire Community Foundation Limited is a Quality Accredited member of UKCF having successfully demonstrated how it met the standard in 2021.

RESERVES POLICY

The Board continues to maintain a level of unrestricted reserves appropriate to its commitments over the coming years. Although the Charity Commission guidance is to ensure a minimum of six months' running costs are held at any time, the Board's objective is to hold one year's running cost in unrestricted reserves. At £359,338, the unrestricted reserves as of 31st December 2021 represented 1.2 year's core costs. The Board consider this is a satisfactory position as funds are required to update CCF's IT and digital systems and to support the strategic plan to grow endowment funds whilst acknowledging the existing economic uncertainty. The reserves policy will be kept under review.

RISK MANAGEMENT

The Board of Trustees recognises that it is responsible for risk management and for maintaining a sound system of internal control that supports the achievement of aims and objectives, whilst safeguarding the funds and assets for which it is responsible. The Board also accepts responsibility for ensuring that risks to which the Foundation is exposed are regularly reviewed and that appropriate steps are taken to mitigate any potential damage. A regular review of all risks takes place at Finance, Risk, Operations and Grants Committee meetings and a review of red-rated risks takes place at quarterly Board Meetings.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires the Trustees, as directors, to prepare financial statements that give a true and fair view of the state of affairs of the Charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make sound 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 which disclose with reasonable accuracy at any time the financial position of the Charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. 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.


Each Trustee who was a Trustee of the charitable company at the date this report was approved, has taken all steps that he/she ought to have taken as a Trustee in order to make themselves aware of any relevant audit information (as defined by the Companies Act 2006) and ensure that the auditors are aware of all relevant information (as defined).

As far as each Trustee is aware, there is no relevant audit information of which the Charity's auditors are unaware. This confirmation is given and should be interpreted in accordance with the provisions of 418 of the Companies Act 2006.

CHESHIRE COMMUNITY FOUNDATION LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

This report has been prepared in accordance with provisions within Part 15 of the Companies Act 2006 as they relate to small companies.

Signed on behalf of the Board of Trustees:



Andrew Butters
(Treasurer)



Howard Platt
(Chair)

Date:

CHESHIRE COMMUNITY FOUNDATION LIMITED
AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Independent Auditor's Report to the members of Cheshire Community Foundation

Opinion

We have audited the financial statements of Cheshire Community Foundation "the charitable company" for the year ended 31 December 2021 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its net income and net movement in funds 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the other information. 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.

CHESHIRE COMMUNITY FOUNDATION LIMITED
AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' 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 charitable company 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 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.

Responsibilities of the Trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 13-14 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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.

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

CHESHIRE COMMUNITY FOUNDATION LIMITED
AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and other management, and from our commercial knowledge and experience of the charity sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities Act 2011, data protection, employment, and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on income and salaries to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

CHESHIRE COMMUNITY FOUNDATION LIMITED
AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Use of our report

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



Mark Bradley BA FCA (Senior Statutory Auditor)
For and on behalf of
BEEVER AND STRUTHERS
Statutory Auditor
The Beehive Lions Drive
Shadsworth Business Park
Blackburn BB1 2QS

Date: 26 May 2022

CHESHIRE COMMUNITY FOUNDATION LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds	Restricted fund	Endowment fund	2021 Total funds	2020 Total funds
	Notes	£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	67,320	155,944	216,014	439,278	877,520
Charitable activities	5					
Charitable activities		2,741	1,358,548	-	1,361,289	4,112,736
Investment income	4	<u>6,866</u>	<u>174</u>	<u>190,127</u>	<u>197,167</u>	<u>182,436</u>
Total		76,927	1,514,666	406,141	1,997,734	5,172,692
EXPENDITURE ON						
Raising funds	6	110,420	-	-	110,420	99,121
Charitable activities	7					
Charitable activities		171,102	1,850,948	-	2,022,050	3,029,755
Other		<u>2,653</u>	<u>-</u>	<u>-</u>	<u>2,653</u>	<u>2,774</u>
Total		284,175	1,850,948	-	2,135,123	3,131,649
Net gains on investments		<u>-</u>	<u>36,206</u>	<u>812,314</u>	<u>848,520</u>	<u>352,501</u>
NET INCOME/(EXPENDITURE)		(207,248)	(300,076)	1,218,455	711,131	2,393,544
Transfers between funds	17	<u>235,928</u>	<u>65,243</u>	<u>(301,171)</u>	<u>-</u>	<u>-</u>
Net movement in funds		28,680	(234,833)	917,284	711,131	2,393,544
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>330,658</u>	<u>3,152,458</u>	<u>5,875,282</u>	<u>9,358,398</u>	<u>6,964,854</u>
TOTAL FUNDS CARRIED FORWARD		<u>359,338</u>	<u>2,917,625</u>	<u>6,792,566</u>	<u>10,069,529</u>	<u>9,358,398</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.


The notes form part of these financial statements

CHESHIRE COMMUNITY FOUNDATION LIMITED
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted fund £	Endowment fund £	2021 Total funds £	2020 Total funds £
FIXED ASSETS						
Tangible assets	13	-	-	-	-	32
Investments	14	-	<u>1,336,206</u>	<u>6,792,566</u>	<u>8,128,772</u>	<u>5,875,282</u>
		-	1,336,206	6,792,566	8,128,772	5,875,314
CURRENT ASSETS						
Debtors	15	10,424	-	-	10,424	6,273
Cash at bank and in hand		<u>368,364</u>	<u>1,670,607</u>	-	<u>2,038,971</u>	<u>3,699,806</u>
		378,788	1,670,607	-	2,049,395	3,706,079
CREDITORS						
Amounts falling due within one year	16	(19,450)	(89,188)	-	(108,638)	(222,995)
NET CURRENT ASSETS		<u>359,338</u>	<u>1,581,419</u>	-	<u>1,940,757</u>	<u>3,483,084</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>359,338</u>	<u>2,917,625</u>	<u>6,792,566</u>	<u>10,069,529</u>	<u>9,358,398</u>
NET ASSETS		<u>359,338</u>	<u>2,917,625</u>	<u>6,792,566</u>	<u>10,069,529</u>	<u>9,358,398</u>
FUNDS	17					
Unrestricted funds					359,338	330,658
Restricted funds					2,917,625	3,152,458
Endowment funds					<u>6,792,566</u>	<u>5,875,282</u>
TOTAL FUNDS					<u>10,069,529</u>	<u>9,358,398</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 5 May 2022 and were signed on its behalf by:


Andrew Butters
Trustee

The notes form part of these financial statements

CHESHIRE COMMUNITY FOUNDATION LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(453,032)</u>	<u>1,953,823</u>
Net cash (used in)/provided by operating activities		<u>(453,032)</u>	<u>1,953,823</u>
Cash flows from investing activities:			
Purchase of fixed asset investments		(1,516,013)	(12,500)
Sale of fixed asset investments		111,043	-
Interest received		7,040	5,927
Dividends received		<u>190,127</u>	<u>176,509</u>
Net cash (used in)/provided by investing activities		<u>(1,207,803)</u>	<u>169,936</u>
Change in cash and cash equivalents in the reporting period		(1,660,835)	2,123,759
Cash and cash equivalents at the beginning of the reporting period		<u>3,699,806</u>	<u>1,576,047</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,038,971</u></u>	<u><u>3,699,806</u></u>

The notes form part of these financial statements

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the statement of financial activities)	711,131	2,393,544
Adjustments for:		
Depreciation charges	32	139
Interest received	(7,040)	(5,927)
Dividends received	(190,127)	(176,509)
(Gain) on investments	(848,520)	(352,501)
(Increase)/decrease in debtors	(4,151)	1,531
(Decrease)/increase in creditors	<u>(114,357)</u>	<u>93,546</u>
Net cash (used in)/provided by operating activities	<u>(453,032)</u>	<u>1,953,823</u>

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. CHARITY STATUS

The charity is a company limited by guarantee incorporated in England and Wales. The members of the company are the Trustees named on page 3. In the event of the charity being wound up, the liability, in respect of the guarantee is limited to £1 per member of the charity. The charity number is 1143711.

The address of its registered office is:

Sension House
Denton Drive
Northwich
Cheshire
CW9 7LU

2. ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with 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 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Cheshire Community Foundation meets the definition of a public entity under FRS 102.

Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Income

All income is recognised in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Incoming resources are received in cash by way of grants and donations.

Grants receivable are accounted for in the period in which they are awarded and are allocated to the fund to which they relate.

Costs of raising funds includes the costs of brochures, advertising, fundraising and other promotional events designed to increase public awareness of the foundation, together with other costs directly attributable to fundraising activities.

Cash donations in support of the foundation's activities are included in full in the statement of financial activities on a receivable basis.

Investment returns are drawn in accordance with a total return policy and transferred to restricted funds for distribution, with an agreed proportion transferred to cover management and administration costs.

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Expenditure

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Costs of raising funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognized as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Governance costs include those costs incurred in the governance of the Charity's assets and are associated with constitutional and statutory requirements.

Support costs include the central functions and have been allocated to activity cost categories on the basis of a direct charge wherever possible and in other cases, an estimate of time spent by category.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 33% on cost
Fixtures and fittings	- 33% on cost
Computer equipment	- 50% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds is an agreed donation which is taken to the unrestricted funds through a transfer. All costs are charged against unrestricted funds.

The endowment fund is a restricted fund under the terms of the Trust deed and in the case of Community First endowments the funds must be held permanently. There are also expendable endowment funds, created by transfers from the endowment funds from excess gains over RPI. The endowment fund purpose is to ensure a suitable income stream to finance the ongoing activities of the charity. It is represented by a portfolio of investments, which is managed by investment managers who have been given discretionary powers to acquire and dispose of investments within the policy set by the Trustees.

Investment income, gains and losses are allocated to the appropriate fund.

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Investments

All investments are carried at their fair value. Holdings in common investment funds are stated at their mid-market price. The statement of financial activities included the net gains and losses arising on revaluations and disposals throughout the year. Asset sales and purchases are recognised at the date of trade at cost. Investments are managed using the total investment return methodology.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of twelve months or less from the date of acquisition or opening of the deposit or similar account.

Financial instruments

The charity has financial assets of a kind that qualify as basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	<u>439,278</u>	<u>877,520</u>
	<u>439,278</u>	<u>877,520</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Other fixed asset invest - FII	190,127	176,509
Deposit account interest	<u>7,040</u>	<u>5,927</u>
	<u>197,167</u>	<u>182,436</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Charitable activities	<u>1,361,289</u>	<u>4,112,736</u>

6. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Staff costs	61,568	56,347
Postage and stationery	106	66
Consultancy	35,700	33,288
Marketing and publicity	12,414	7,563
Website and database developed IT	<u>632</u>	<u>1,857</u>
	<u>110,420</u>	<u>99,121</u>

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Awards to Charities	Grant funding of activities	Totals
	£	£	(See note 8) £	£
Charitable activities	<u>171,102</u>	<u>750</u>	<u>1,850,198</u>	<u>2,022,050</u>

	Basis of Allocation	2021 £	2020 £
Grants distributed	Direct	1,850,198	2,848,685
Awards to charities	Direct	750	17,550
Staff costs	Staff time	123,555	105,615
Travel and meeting expenses	Staff time	895	1,287
Subscriptions	Direct	3,533	4,619
Consultancy	Direct	16,576	18,961
Insurance	Staff time	1,130	879
Office costs	Direct	950	1,081
Telephones	Staff time	2,163	2,303
IT Maintenance	Staff time	696	394
Website and database	Direct	4,232	12,427
Stationery and postage	Usage	214	134
Research	Direct	5,539	4,896
Sundries	Direct	445	665
Audit and accountancy	Direct	7,402	8,366
Bank charges	Direct	3,740	1,753
Depreciation	Direct	<u>32</u>	<u>140</u>
		<u>2,022,050</u>	<u>3,029,755</u>

8. GRANTS PAYABLE

	2021 £	2020 £
Charitable activities	<u>1,850,198</u>	<u>2,848,685</u>

The total grants paid to institutions during the year was as follows:

	2021 £	2020 £
Grants	<u>1,850,198</u>	<u>2,848,685</u>

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	32	139
Other operating leases	-	-
Auditors' remuneration – audit fee	4,412	4,370
Auditors' remuneration – accounts preparation	<u>1,834</u>	<u>1,750</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	167,334	146,331
Social security costs	9,031	8,240
Pension contributions	<u>8,758</u>	<u>7,390</u>
	<u>185,123</u>	<u>161,961</u>

Wages and salaries include a holiday pay accrual of £nil (2020: £nil).

Key management personnel of the charity are the Chief Executive in post during the year, the total remuneration cost for 2021 amounted to £nil (2020: £nil). Since March 2016 the Chief Executive has worked on a pro bono basis.

The average monthly number of employees during the year was as follows:

	2021	2020
Fundraising and grant giving	3	3
Charitable and grant giving	3	1
Management	<u>1</u>	<u>1</u>
	<u>7</u>	<u>5</u>

No employees received emoluments in excess of £60,000.

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	43,596	821,424	12,500	877,520
Charitable activities				
Charitable activities	6,800	4,105,936	-	4,112,736
Investment income	<u>4,577</u>	<u>1,350</u>	<u>176,509</u>	<u>182,436</u>
Total	54,973	4,928,710	189,009	5,172,692
EXPENDITURE ON				
Raising funds	99,121	-	-	99,121
Charitable activities				
Charitable activities	163,520	2,866,235	-	3,029,755
Other	<u>2,774</u>	<u>-</u>	<u>-</u>	<u>2,774</u>
Total	265,414	2,866,235	-	3,131,649
Net gains/(losses) on investments	<u>-</u>	<u>-</u>	<u>352,501</u>	<u>352,501</u>
NET (EXPENDITURE)/INCOME	(210,441)	2,062,475	541,510	2,393,544
Transfers between funds	<u>288,665</u>	<u>(112,156)</u>	<u>(176,509)</u>	<u>-</u>
Net movement in funds	78,224	1,950,319	365,001	2,393,544
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>252,434</u>	<u>1,202,139</u>	<u>5,510,281</u>	<u>6,964,854</u>
TOTAL FUNDS CARRIED FORWARD	<u>330,658</u>	<u>3,152,458</u>	<u>5,875,282</u>	<u>9,358,398</u>

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

13. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2021	2,116	3,066	3,338	8,520
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	<u>2,116</u>	<u>3,066</u>	<u>3,338</u>	<u>8,520</u>
DEPRECIATION				
At 1 January 2021	2,116	3,034	3,338	8,488
Charge for year	<u>-</u>	<u>32</u>	<u>-</u>	<u>32</u>
At 31 December 2021	<u>2,116</u>	<u>3,066</u>	<u>3,338</u>	<u>8,520</u>
NET BOOK VALUE				
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>32</u>	<u>-</u>	<u>32</u>

14. FIXED ASSET INVESTMENTS

	Total funds £
MARKET VALUE	
At 1 January 2021	5,875,282
Additions	1,516,013
Disposals	(111,043)
Revaluations	<u>848,520</u>
At 31 December 2021	<u>8,128,772</u>
NET BOOK VALUE	
At 31 December 2021	<u>8,128,772</u>
At 31 December 2020	<u>5,875,282</u>

There were no investment assets outside the UK.

The investments are held to provide an investment return to the charity. All investments are held in common investment funds and are valued at the mid-market price.

Total return is applied to all expendable endowment fund investments.

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

14. FIXED ASSET INVESTMENTS continued

	Endowment	Unapplied total return released to income	Total Endowment	Assura CIF	Total funds
At 1 January 2021					
Gift Component of Endowment:	4,194,834	-	4,194,834	-	4,194,834
Unapplied total return	-	1,680,448	1,680,448	-	1,680,448
Total	4,194,834	1,680,448	5,875,282		5,875,282
Movements in the reporting period:					
Funds invested	-	-	-	1,300,000	1,300,000
Gift of expendable endowment	216,014	-	216,014	-	216,014
Dividends and Interest	-	181,075	181,075	-	181,075
Realised and Unrealised Gains	-	812,314	812,314	36,206	848,520
Total	216,014	993,389	1,209,303	1,336,206	2,545,609
Unapplied total return released to income	-	(292,119)	(292,119)	-	(292,119)
Net movements in reporting period	-	(292,119)	(292,119)	-	(292,119)
At 31 December 2021					
Gift Component of Endowment	4,410,848	-	4,410,848	-	4,410,848
Unapplied total return	-	2,381,718	2,381,718	-	2,381,718
Assura CIF	-	-	-	1,336,206	1,336,206
Total	4,410,848	2,381,718	6,792,566	1,336,206	8,128,772

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	6,827	-
Prepayments	<u>3,597</u>	<u>6,273</u>
	<u>10,424</u>	<u>6,273</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Social security and other taxes	3,200	6,560
Grants payable	89,188	184,756
Accruals and deferred income	1,000	13,029
Other creditors	<u>15,250</u>	<u>18,650</u>
	<u>108,638</u>	<u>222,995</u>

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

17. MOVEMENT IN FUNDS

	At 01/01/21	Net movement in funds	Transfers between funds	At 31/12/21
	£	£	£	£
Unrestricted funds				
General fund	330,658	(207,248)	235,928	359,338
Restricted funds				
Flow Through Funds	3,152,458	(300,076)	65,243	2,917,625
Endowment funds				
Endowment - Permanent	5,514,335	1,111,585	(676,050)	5,949,870
Endowment - Expendable	360,947	106,870	374,879	842,696
TOTAL FUNDS	<u>9,358,398</u>	<u>711,131</u>	<u>-</u>	<u>10,069,529</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	76,927	(284,175)	-	(207,248)
Restricted funds				
Flow Through Funds	1,514,666	(1,850,948)	36,206	(300,076)
Endowment funds				
Endowment	406,141	-	812,314	1,218,455
TOTAL FUNDS	<u>1,997,734</u>	<u>(2,135,123)</u>	<u>848,520</u>	<u>711,131</u>

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

17. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 01/01/20	Net movement in funds	Transfers between funds	At 31/12/20
	£	£	£	£
Unrestricted Funds				
General fund	252,434	(210,441)	288,665	330,658
Restricted Funds				
Flow Through Funds	1,202,139	2,062,475	(112,156)	3,152,458
Endowment funds				
Endowment - Permanent	5,171,031	509,060	(165,756)	5,514,335
Endowment - Expendable	339,250	32,450	(10,753)	360,947
TOTAL FUNDS	<u>6,964,854</u>	<u>2,393,544</u>	<u>-</u>	<u>9,358,398</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	54,973	(265,414)	-	(210,441)
Restricted funds				
Flow Through Funds	4,928,710	(2,866,235)	-	2,062,475
Endowment funds				
Endowment	189,009	-	352,501	541,510
TOTAL FUNDS	<u>5,172,692</u>	<u>(3,131,649)</u>	<u>352,501</u>	<u>2,393,544</u>

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

17. MOVEMENT IN FUNDS - continued

RESTRICTED FUND MOVEMENT

Movement in Resources

	As at 1 January 2021 £	As restated at 1 January 2021 £	Incoming £	Outgoing £	Gains and Losses and Transfers £	As at 31 December 2021 £
Donor advised funds						
Warrington Community fund	267,295	267,295	-	(91,137)	46,639	222,797
Warrington Young Peoples	-	47,103	-	(5,000)	6,447	48,550
Anonymous funds	84,321	84,321	-	(77,400)	68,092	75,013
Assura	1,892,183	1,892,009	346,834	(607,518)	(33,578)	1,597,747
Cheshire & Warrington Covid	281,354	281,354	14,074	(190,372)	(35,195)	69,861
End Food Poverty	36,184	36,184	48,848	(62,675)	(1,970)	20,387
Other funds	562,794	515,865	1,023,096	(701,704)	46,013	883,270
UKCF Covid	28,327	28,327	81,814	(115,142)	5,001	-
Total Restricted Funds	<u>3,152,458</u>	<u>3,152,458</u>	<u>1,514,666</u>	<u>(1,850,948)</u>	<u>101,449</u>	<u>2,917,625</u>

Fund	Purpose
Warrington Community	Supporting projects which meet the needs of older people in Warrington
Warrington Young Peoples	For under 25 years old young people in Warrington experiencing difficulties
Anonymous fund	Donor directed fund
Assura Fund	Supporting health-improving work by charities and local groups in the communities
End Food Poverty, UKCF Covid & Cheshire & Warrington Covid Funds	Relieving hardship to charities and communities in Cheshire & Warrington arising from the Covid emergency

UNRESTRICTED FUND MOVEMENT

Movement in Resources

	As at 1 January 2021 £	Incoming £	Outgoing £	Transfers £	As at 31 December 2021 £
General funds	330,658	76,927	(284,175)	235,928	359,338
Total Unrestricted Funds	<u>330,658</u>	<u>76,927</u>	<u>(284,175)</u>	<u>235,928</u>	<u>359,338</u>

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

17. MOVEMENT IN FUNDS - continued

ENDOWMENT FUND MOVEMENT

	Movement in Resources				
	As at 1 January 2021	Incoming	Outgoing	Gains and Losses and Transfers	As at 31 December 2021
	£	£	£	£	£
Permanent Endowments					
Community First Funds	5,015,507	157,421	-	(6,804)	5,166,124
Warrington Young Peoples	363,786	11,316		39,751	414,853
Other funds	135,042	220,284	-	13,567	368,893
Expendable Endowments					
Warrington Community	125,400	5,569	-	134,101	265,070
Anonymous fund	235,547	11,551	-	330,528	577,626
Total Endowment Funds	5,875,282	406,141	-	511,143	6,792,566

Fund	Purpose
Community First Funds	Various donor funds under a 50% government match scheme promoted by UK Community Foundations to support charitable and community causes generally in Cheshire & Warrington
Warrington Young Peoples	For under 25 years old young people in Warrington experiencing difficulties
Warrington Community	Supporting projects which meet the needs of older people in Warrington
Anonymous fund	Donor directed fund

Transfers between funds

During the financial year, there were transfers from Endowment funds to Restricted funds of £301,171 net. (2020: £176,509). Of this:

- Investment income of £190,127 was transferred to restricted funds in the same category
- Capital gains on disposal of fixed asset investments of £111,043 was transferred to restricted funds in the same category
- There were no transfers otherwise as the only other movements to endowment funds were their unrealised gains in the year (see note 14)

Transfers from Restricted funds to Unrestricted funds totalling £235,928 (2020: £288,665) were made in respect of management fees agreed with donors.

18. CONTINGENT LIABILITIES

At the 31 December there were grants awarded of £nil (2020: £nil), where the conditions had not yet been met.

CHESHIRE COMMUNITY FOUNDATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2021

19. RELATED PARTY DISCLOSURES

Aggregated trustee donations to the foundation during the year totalled £14,300 (2020: £10,450).

Zoe Sheppard, Chief Executive, sacrificed salary for the financial year (2020: sacrificed salary for the financial year).

No trustee expenses were claimed in the period (2020: £nil).

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