



## **WM Funders Annual Report 2023-24**

### **1.0 Reference Information**

**Charity Name** WM Funders Network

**Charity Registration  
Number** 1173579

**Principal Office** Hollingworth House  
109 Court Oak Road  
Harborne  
Birmingham  
B17 9AA

**Trustees** Steven Simpson (Chair) apt. November 2021  
Melinda Connelly apt. June 2022  
Tina Costello apt. December 2023  
Peter Cunnison apt. November 2022  
Peter Hardisty apt. November 2022  
Wesley Lovett apt. January 2023  
Debbie Pippard apt. June 2022  
Pauline Roche apt. June 2022  
Stuart Ashmore apt. April 2021

**Person of Significant  
Control** Dipali Chandra Secretariat

**Bank** Lloyds Bank  
32-24 Alcester Road South  
Kings Heath  
Birmingham  
B14 7PU

**Independent Verifier  
Of These Accounts** Nick Wallace

## **2.0 Introduction**

While for many, the COVID-19 pandemic is now a distant memory, its financial, social, and geopolitical consequences continue to create a challenging environment for the charity and the grant-making sector as a whole.

We are currently navigating a cost-of-living crisis characterised by high inflation and rising energy bills, exacerbated by the Russian invasion of Ukraine and escalating conflict in the Middle East. An unstable government has fostered economic uncertainty, resulting in increased civil unrest and a growing lack of public confidence in leadership. As this has unfolded, the WM Funders Network's three-year strategy was reaching its conclusion, providing an opportunity for our Trustees to reflect on the significant issues facing communities across the West Midlands, assess our outcomes and impact during this period, and consider our strategic priorities for the next three years.

Despite these challenging times, the Network and its members remain committed to their vital role in the region, as evidenced by the work we have undertaken. This would not be possible without the ongoing support of our members, the dedicated voluntary time contributed by our Trustees, and the invaluable assistance of our funders and sponsors, facilitated by the Network's Secretary.

The Trustees consider that the following report and statements for the year ending 31<sup>st</sup> March 2024 meet the statutory reporting requirements as detailed in the Charities Act 2011.

## **3.0 Background and Context**

West Midlands Funders Network (WMFN) was established as a charitable incorporated organisation (CIO) in June 2017 to continue the work of Charitable Trusts West Midlands an organisation that existed for over forty years.

We are a cross-sector network of people and organisations who give funding to charities, voluntary organisations and community projects in the West Midlands. We work with trusts and foundations, local authorities, lottery funders and corporate investors, helping them to use their resources efficiently and effectively to support local communities of place and interest.

## **4.0 Governance**

The Network has up to 12 trustee posts, 9 of which are currently filled. Trustees serve a 3-year term and can be re-nominated as a Trustee for up to three 3- year terms. Trustees meet 4 times a year to consider the strategic, financial and operational performance of the organisation, the management of risk and other matters necessary. The trustees ran two sub-committees during the year: Programme Planning committee that consider, plans and evaluates the programme of activities, and an Income Generation and Marketing Committee

that considers the organisation's approach to securing grants, donations and sponsorship. Both committees during the year reported to the main board of Trustees at each meeting.

The Trustees have commissioned a secretariat service to provide day to day management of the Charity. This includes clerking the Board of Trustees, acting as the first line of contact with organisation's members and, most importantly, the day-to-day delivery of the strategic priorities, programme of work, as prescribed by the sub-committees and Board of Trustees.

#### 4.1 Induction and Training of new Trustees

New Trustees are recruited from within the organisation's membership or the wider funding sector. After an interview with the Chairperson and Secretary, new trustees receive an induction from the Secretary that outlines the work of the organisation as well as sharing an information pack comprising key policies and procedures, constitution, latest annual report and end of year accounts, management accounts and the organisation's strategic plan.

## 5.0 Risk

The organisation has a risk register that is updated at least twice throughout the year but more frequently if circumstances demand it. Risks are assessed on the basis of their likelihood (scored 1 to 3 with 1 less likely and 3 almost certain) and their impact (scored 1 to 3 with 1 being minimal impact and 3 being maximum impact). The likelihood score is then multiplied by the impact score and then the impact score is added to the total to arrive at an overall risk score that balances the probability and effect of any risks.

In 2023-24 the risk scoring greater than 7 were:

- Reduction of core grants (score 12)
- Reduction of sponsorship and support in kind (score 12)
- Reduction of trustees and increased skills gaps and availability (score 12)
- Downturn in the economy (score 12)
- International emergencies leading to disruption of global business (score 9)
- Dependency on key contractors for services (score 8)

All identified risks have mitigation strategies based around first preventing the issue and then mitigating its impact.

## 6.0 Objectives and Activities

The object of the Charity as stated in the Network's constitution as a CIO is to promote the efficiency and effectiveness in the charitable activities of voluntary and not-for-profit organisations and grant making charities working in the West Midlands and its environs (Area of Benefit) and the effective use of charitable resources for the public benefit in particular but

not exclusively by promoting and developing good practice in the making of charitable grants by exchanging information, knowledge, expertise and experience.

During the year, this has been translated into the following overall strategic aims:

- To promote good practice in grant making
- To promote efficiency and effectiveness of voluntary and not-for-profit organisations in the West Midlands

We do this by:

- 1) Increasing knowledge, understanding, skills and expertise among funders and others with an interest in civil society
- 2) Establishing WMFN as the 'go to' organisation for networking and sharing learning and information about issues of relevance to funding civil society
- 3) Convening and co-ordinating opportunities for encouraging joined up approaches that work towards improving the lives of people in the WM

WMFN is a membership organisation. Grant makers, and others that award money to civil society organisations pay a membership subscription in order to attend and participate in events run by the Network. Membership subscriptions are based on the amount of money a member awarded as grant income as reflected in the last set of end of year accounts, with those who awarded more paying a larger subscription fee. Under this model those larger organisations do subsidise the membership of smaller members to some extent.

## **7.0 Achievements and Performance**

In this financial year the organisation has held or co-hosted 10 events with 300 booked to attend and 266 people attending (instances of attendance) with an 89% return on bookings. Membership of the Network has slightly increased to 47 members (an increase of 2 on the previous year).

During the year, four Members Roundtable Exchanges (chaired by a Board member) were held that followed the Board of Trustees meetings. The Exchanges are open to all members to set the agenda by bringing agenda items on strategy and programme updates, insights from funders research, programme evaluations, sharing regional intelligence or good practice or seeking advice from peers on policy and practice. Attendance on average has been 14 members.

Early on in the year, members came together to review progress on Equality, Diversity and Inclusion (EDI) since the 2021 Annual Conference. It was an opportunity to share how funders were embedding an EDI lens in their funding approach and sharing any tools, resources and practice used. Led by member, Carla Belle, Birmingham City Council member, particular areas of progress made were on the make-up of governance and grant decision making panels,

application assessments, improvements in monitoring the distribution of grants in the region and identifying EDI gaps.

In June, a themed members exchange was held on the funders response to increasing applications from social enterprises and CICs. Members took the opportunity to share their experience of applications, policy and practice in responding to applications. Two main concerns emerged from the discussion: the growing number of organisations that have set up as a CIC where the legal structure was inappropriate for their purpose, activities and aspirations, and the lack of appropriate guidance and information that enable groups of people to make an informed choice on the most appropriate legal structure and governance.

The Network held a review on members progress in July on embedding a sustainability and environmental lens to funding approaches, following the 2022 annual conference held on this theme. Though bookings were high, attendance was low. It was evident that the rate and level of progress was varied. This was also an opportunity for funders to hear the outcome of a recent court case (Butler-Sloss and others V Charity Commission and another) on responsible investment. With updated Charity Commission guidance now in place, legal expert Shivaji Shiva, VWV shared what this means for Charities and an existing approach to investment policy. In response to the outcome of the legal case, independent charity investment consultant Max King of Epoch Consulting, shared his thoughts and experience on best practice on either a traditional exclusionary approach, or engagement with their investments or incorporating environmental, social and governance factors to be more impact focused.

A data Insights seminar was held in November, chaired by Board member, Pauline Roche, and was very well attended. Si Chun Lam, Head of Research, Intelligence and Inclusive Growth, WM Combined Authority provided an overview of the current and developing data research, sharing and insights ecosystem in the WM. Richard Smith, Head of Insights, Policy and Strategy, Birmingham Research Observatory and Joe Merriman, Senior Lead, Community Health, Birmingham City Council shared insights from ONS and service data insights and health inequalities insights respectively. Members feedback was positive with a keen interest for a more 'hands on' workshop to look at different data sets for Birmingham that would help to inform funding priorities. This was followed up with an event in May 2024.

This year's Annual Conference focused on what funders had learnt from the pandemic years. Held at the Midlands Arts Centre in June 2023, the Conference, chaired by Tina Costello, Board member and CE, Heart of England Community Foundation, focused on sharing positive policy and practice changes made by funders and VCSE in response to the social issues and priorities raised during the pandemic years; which positive changes needs to be built upon, and what are shared key priorities for funders and VCSE to work on to embed positive responses to the needs of different communities of interest and place. IVAR's 8 pillars that underpin a 'trusting and open' relationship was the framework used to consider what policy and practice needs to be embedded. Multi-year funding and unrestricted funding to the VCSE was seen as important for planning and remaining flexible and responsive. Proportionate

monitoring and reporting requirements relating to the size of grant and a shared understanding of what partners want to learn from outcomes and impact evidence. Rebalancing of power between funders and the VCSE. Identifying opportunities where joining up or collaborations can make a positive difference to communities of interest and place most in need.

The WM Funders Network continues to expand its connections with national and regional stakeholders and other infrastructure bodies, aligning with its mission to support members in enhancing their grant-making effectiveness.

This year marked the conclusion of the Network's three-year strategy. A strategic review was conducted in the third quarter, and findings were shared at the Board level, culminating in a draft of the next three-year strategic plan presented at the Annual General Meeting in November 2023. The outcome of the strategic review consisted of a trustee skills audit; analysis of members' questionnaire survey including in depth interviews with a selected number of members reflecting the Network's diversity of members; interviews using a topic guide with wider stakeholders that had worked with the Network, and a summary of the socio-economic context during the period that civil society organisations and funders had been operating in. The members survey results showed members continue to value the networking opportunities between members and wider stakeholders, sharing experience, knowledge and information, and peer support and advice.

The process to consider the learning and findings was facilitated by an external consultant in September 2023 by Trustees and Secretary and how it would shape the Network's next 3-year strategy. The key areas considered were:

- Programme of Activities: Streamlining events to focus on larger, multi-purpose gatherings while maintaining a hybrid approach of in-person and online participation.
- Marketing and Communications: Developing a consistent marketing and communications strategy to enhance the Network's profile and engage potential funders and sponsors.
- Financial Model: Advancing a mixed-income model comprising membership subscriptions, sponsorships, and in-kind contributions from members and corporations.
- Governance and Operations: Ensuring the Board of Trustees reflects the diversity of its members and establishing suitable methods to measure outcomes within available resources.

These will be reflected in the next 3-years annual work programme.

## 8.0 Commentary on the Accounts

The organisation has had a successful financial year, performing well against budget expectations. This year's budget forecast a deficit of £2,083, which, through careful cost control, was reduced to an actual deficit of £1,580.

While any deficit can be concerning, it is important to note that this figure reflects the charity's spending of accrued restricted funds on organisational development.

Income increased by £2,273, totalling £22,783 compared to the previous year. This rise was primarily due to a significant boost in membership, despite a decrease in funding received from other trusts and sponsorship. The year's income comprised £9,800 from grants, donations, and sponsorship, £10,528 from membership subscriptions, and £2,455 from event income.

Expenditure for the period rose to £24,363, marking an increase of £6,285 over last year's figure of £18,077. Notably, £2,520, or 40% of this increase, is attributed to higher costs associated with the charity's secretary. It is worth mentioning that secretariat costs overall have increased by only 15%, as fees had remained largely static in preceding years.

The remaining increase in expenditure can be attributed to higher venue costs for the charity's annual conference and an increase in marketing support expenses. The organisation is actively seeking more cost-effective venue options for future years.

During the preparation of this year's Annual Financial Statements and Trustees' Annual Report, the trustees identified an error in the previous year's accounts. Accrual values for the period from 1 April 2022 to 31 March 2023 included £4,800 of grant income that should have been recorded for 2023/24. Conversely, it was also discovered that the 2022/23 accounts did not include £7,000 of grant income paid in March 2022 for activities occurring in 2023.

As a result, the previous year's accounts have been restated in the accompanying statements, increasing the 2022/23 surplus from £232 to £2,432.

All income was generated within the UK, and the organisation did not receive any funds from overseas entities.

At the end of the year, the organisation held £9,418 in cash.

## 9.0 Reserves

The trustees still assert it is prudent to hold 3 months' operating costs in reserve (c.£4,800). The trustees also wish to ensure that the charity always holds one month's secretariat costs in cash at all times (£1,600). As of 30th March 2023, the charity was holding £9,418 in cash.



## **10. Public Benefit**

The Trustees of the charity have given due regard to the Charity Commission's guidance regarding public benefit. No individuals have benefited directly from the organisation's activities however, the public has benefited from the organisation's efforts to improve the quality and effectiveness of grant making in the West Midlands. In 2023-24 this public benefit is derived from the efforts the organisation has made to share best practice regarding the equality, diversity and inclusion in accessing funding opportunities; global climate change and environmental challenge, access and use of data and information to inform where funding is needed the most, and applying good practice in funding learnt from the pandemic years to future priorities, such as impact of the cost of living crisis.

## **11. Related Parties**

No Trustees benefited from their relationship to the CIO and no payments were made to trustees excepting any expense reimbursement once legitimate expenditure has been defrayed and evidenced.

## **12. Future Plans**

The charity now has a comprehensive plan for the next three years. This plan focuses on delivering a smaller number of higher quality events for members while diversifying and increasing the charity's income.

### **2024**

The charity will begin to deliver four high quality events a year from April 2024 that are, in effect, half day conferences. The charity will also develop the traditional format of round table discussions to ensure they are funder led and organised/chaired by a trustee.

The charity plans to investigate ways of opening new and maximising existing income streams by refining its sponsorship offer, implementing a voluntary excess donation scheme and comparatively reviewing its subscription rates.

We will endeavour to secure conference venues that are both more cost effective and more connected to disadvantaged communities across the West Midlands and we intend to invest any new funds raised or released in enhanced marketing and communications that will allow us to grow the charity's profile.





## **2025 and Beyond**

The charity will develop a series of data rich quarterly newsletters and event updates that will follow the four major events from April 2025 onwards that will include enhanced market and communications input and help to establish the charity as the 'go to' organisation for networking and sharing learning and information about issues of relevance to funding civil society.

Signed on behalf of the Board of Trustees by

**Steven Simpson**  
**Chairperson**

**Note 29                      Additional Disclosures**

**The following are significant matters which are not covered in other notes and need to be included to provide a proper understanding of the accounts. If there is insufficient room here, please add a separate sheet.**

During the preparation of this year's Annual Financial Statements and Trustees' Annual Report for the organisation's AGM, the trustees identified an error in the previous year's accounts. Accrual values for the period from 1 April 2022 to 31 March 2023 included £4,800 of grant income that should have been recorded for 2023/24. Conversely, it was also discovered that the 2022/23 accounts did not include £7,000 of grant income paid in March 2022 for activities occurring in 2023.

As a result, the previous year's accounts have been restated in the accompanying statements, increasing the 2022/23 surplus from £232 to £2,432, and the income across the year has been correctly restated.

As a result, the officers of the charity have decided to no longer submit accrual accounts, and will return to receipts and payments accounting (thus utilising the CC16 pack). The charity is not likely to exceed the £250k threshold; if it were the charity will again use accrual accounting.